

**LIBERTY TOWNSHIP  
UNION COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2022 - 2021**

**Wilson, Phillips & Agin, CPA's, Inc.  
1100 Brandywine Blvd. Building G  
Zanesville, Ohio 43701**



OHIO AUDITOR OF STATE  
KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
IPAReport@ohioauditor.gov  
(800) 282-0370

Board of Trustees  
Liberty Township  
26144 Coder Holloway Rd  
Raymond, OH 43067

We have reviewed the *Independent Auditor's Report* of the Liberty Township, Union County, prepared by Wilson, Phillips & Agin, CPA's, Inc., for the audit period January 1, 2021 through December 31, 2022. 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. The Liberty Township is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

**July 28, 2023**

**This page intentionally left blank.**

**LIBERTY TOWNSHIP  
UNION COUNTY  
TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditors' Report	1
 <b>Government-wide Financial Statements:</b>	
Statement of Net Position Year Ended December 31, 2022	4
Statement of Activities Year Ended December 31, 2022	5
 <b>Fund Financial Statements:</b>	
<b>Governmental Funds</b>	
Statement of Cash Basis Assets and Fund Balances, Year Ended December 31, 2022	6
Statement of Cash Receipts, Disbursements and Changes in Fund Cash Balance Year Ended December 31, 2022	7
Statement of Cash Receipts, Disbursements and Changes in Fund Cash Balances- Budget and Actual (Non-GAAP Budgetary Basis) – General Fund, Year Ended December 31, 2022	8
Statement of Cash Receipts, Disbursements and Changes in Fund Cash Balances- Budget and Actual (Non-GAAP Budgetary Basis) – Gasoline Tax Fund, Year Ended December 31, 2022	9
Statement of Cash Receipts, Disbursements and Changes in Fund Cash Balances- Budget and Actual (Non-GAAP Budgetary Basis) – Special Fire Levy Fund, Year Ended December 31, 2022	10
Statement of Cash Receipts, Disbursements and Changes in Fund Cash Balances- Budget and Actual (Non-GAAP Budgetary Basis) – American Rescue Plan Fund, Year Ended December 31, 2022	11
2022 Notes to Financial Statements	12
 <b>Government-wide Financial Statements:</b>	
Statement of Net Position Year Ended December 31, 2021	28
Statement of Activities Year Ended December 31, 2021	29
 <b>Fund Financial Statements:</b>	
<b>Governmental Funds</b>	
Statement of Cash Basis Assets and Fund Balances, Year Ended December 31, 2021	30
Statement of Cash Receipts, Disbursements and Changes in Fund Cash Balance Year Ended December 31, 2021	31
Statement of Cash Receipts, Disbursements and Changes in Fund Cash Balances- Budget and Actual (Non-GAAP Budgetary Basis) – General Fund, Year Ended December 31, 2021	32
Statement of Cash Receipts, Disbursements and Changes in Fund Cash Balances- Budget and Actual (Non-GAAP Budgetary Basis) – Gasoline Tax Fund, Year Ended December 31, 2021	33
Statement of Cash Receipts, Disbursements and Changes in Fund Cash Balances- Budget and Actual (Non-GAAP Budgetary Basis) – Special Fire Levy Fund, Year Ended December 31, 2021	34
Statement of Cash Receipts, Disbursements and Changes in Fund Cash Balances- Budget and Actual (Non-GAAP Budgetary Basis) – American Rescue Plan Fund, Year Ended December 31, 2021	35
2021 Notes to Financial Statements	36
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required By Government Auditing Standards	51
Schedule of Findings	53
Schedule of Prior of Audit Findings	55

**This page intentionally left blank.**

**WILSON, PHILLIPS & AGIN, CPA'S, INC.  
1100 BRANDYWINE BLVD. BUILDING G  
ZANESVILLE, OHIO 43701**

**INDEPENDENT AUDITORS' REPORT**

Liberty Township  
Union County  
26144 Coder Holloway Road  
Raymond, Ohio 43067

To the Board of Trustees:

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

***Opinions***

We have audited the accompanying cash basis financial statements of the governmental activities, major funds and aggregate remaining fund information of Liberty Township, Union County, Ohio as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statements, which collectively comprised the Township's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund and the aggregate remaining fund information of Liberty Township, Union County, as of December 31, 2022 and 2021, and the respective changes in cash financial positions and the respective budgetary comparisons for the General Fund, Gasoline Tax Fund, American Rescue Plan Fund and Special Fire Levy Fund, thereof for the year then ended in accordance with the accounting basis 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 Financial Statements* section of our report. We are required to be independent of Liberty Township, Union County, 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.

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

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

***Emphasis of Matter***

As discussed in Note 12 to the 2022 and 2021 financial statements, , the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. Our opinions are not modified with respect to this matter.

***Management's Responsibility for the Financial Statements***

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

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 Liberty Township'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 Responsibility 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 the financial audit standards in the Comptroller General of the United States' *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.

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 a report dated June 14, 2023, on our consideration of Liberty Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

***Wilson, Phillips & Agin, CPA's, Inc.***  
Zanesville, Ohio  
June 14, 2023

**LIBERTY TOWNSHIP  
UNION COUNTY**

**STATEMENT OF NET POSITION-CASH BASIS  
December 31, 2022**

	<u>Governmental Activities</u>
<b>ASSETS:</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 2,959,396</u>
<b>Total Assets</b>	<u>\$ 2,959,396</u>
<b>NET POSITION:</b>	
Restricted for:	
Capital Projects	\$ 883
Other Purposes	2,694,243
Unrestricted	<u>264,270</u>
<b>Total Net Position</b>	<u><u>\$ 2,959,396</u></u>

See notes to basic financial statements.

**LIBERTY TOWNSHIP  
UNION COUNTY**

**STATEMENT OF ACTIVITIES-CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Cash</u> <u>Disbursements</u>	<u>Charges for</u> <u>Services</u> <u>and Sales</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Capital Grants</u> <u>and</u> <u>Contributions</u>	<u>Net</u> <u>(Disbursements)</u> <u>Receipts and</u> <u>Changes in</u> <u>Net Assets</u>
<b>Governmental Activities:</b>					
General Government	\$ 133,067	\$ -	\$ -	\$ -	\$ (133,067)
Public Safety	14,361	-	-	-	(14,361)
Public Works	179,516	-	142,055	-	(37,461)
Health	968	10,122	-	-	9,154
Conservation-Recreation	105	-	-	-	(105)
Capital Outlay	-	-	-	-	-
<b>Total Governmental Activities</b>	<u>\$ 328,017</u>	<u>\$ 10,122</u>	<u>\$ 142,055</u>	<u>\$ -</u>	<u>\$ (175,840)</u>

**General Receipts:**

Property Taxes Levied for:	
General Purposes	114,881
Grants and Entitlements not	
Restricted to Specific Programs	197,549
Miscellaneous	31,523
Interest	8,921
<b>Total General Receipts</b>	<u>352,874</u>
Change in Net Position	177,034
<b>Net Position Beginning of Year, restated</b>	<u>2,782,362</u>
<b>Net Position End of Year</b>	<u>\$ 2,959,396</u>

See notes to the basic financial statements.

**LIBERTY TOWNSHIP  
UNION COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES  
GOVERNMENTAL FUNDS  
December 31, 2022**

	<u>General</u>	<u>Gasoline Tax</u>	<u>American Rescue</u>	<u>Special Fire Levy</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS:</b>						
Equity in Pooled Cash and Cash Equivalents	\$ 264,270	\$ 133,536	\$ 234,691	\$ 2,254,768	\$ 72,131	\$ 2,959,396
<b>Total Assets</b>	<u>\$ 264,270</u>	<u>\$ 133,536</u>	<u>\$ 234,691</u>	<u>\$ 2,254,768</u>	<u>\$ 72,131</u>	<u>\$ 2,959,396</u>
<b>Fund Balances:</b>						
Restricted	-	133,536	234,691	2,254,768	72,131	2,695,126
Unassigned	264,270	-	-	-	-	264,270
<b>Total Fund Balances</b>	<u>\$ 264,270</u>	<u>\$ 133,536</u>	<u>\$ 234,691</u>	<u>\$ 2,254,768</u>	<u>\$ 72,131</u>	<u>\$ 2,959,396</u>

See notes to basic financial statements.

**LIBERTY TOWNSHIP  
UNION COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES  
GOVERNMENTAL FUNDS  
December 31, 2022**

	<u>General</u>	<u>Gasoline Tax</u>	<u>American Rescue</u>	<u>Special Fire Levy</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>CASH RECEIPTS</b>						
Property and Other Local Taxes	\$ 103,806	\$ -	\$ -	\$ 9,132	\$ -	\$ 112,938
Licenses, Permits and Fees	16,500	-	-	-	6,022	22,522
Fines and Forfeitures	637	-	-	-	-	637
Intergovernmental	41,064	163,301	117,580	-	4,622	326,567
Special Assessments	-	-	-	-	1,943	1,943
Earnings on Investment	8,921	-	-	-	-	8,921
Miscellaneous	26,923	500	-	-	4,100	31,523
<b>Total Receipts</b>	<u>197,851</u>	<u>163,801</u>	<u>117,580</u>	<u>9,132</u>	<u>16,687</u>	<u>505,051</u>
<b>CASH DISBURSEMENTS:</b>						
Current:						
General Government	133,067	-	-	-	-	133,067
Public Safety	24	-	-	14,337	-	14,361
Public Works	19,123	160,393	-	-	-	179,516
Health	114	-	-	-	854	968
Conservation-Recreation	105	-	-	-	-	105
<b>Total Disbursements</b>	<u>152,433</u>	<u>160,393</u>	<u>-</u>	<u>14,337</u>	<u>854</u>	<u>328,017</u>
<b>Net Change in Fund Cash Balance</b>	45,418	3,408	117,580	(5,205)	15,833	177,034
<b>Cash Fund Balances Beginning of Year, restated</b>	<u>218,852</u>	<u>130,128</u>	<u>117,111</u>	<u>2,259,973</u>	<u>56,298</u>	<u>2,782,362</u>
<b>Cash Fund Balances End of Year</b>	<u>\$ 264,270</u>	<u>\$ 133,536</u>	<u>\$ 234,691</u>	<u>\$ 2,254,768</u>	<u>\$ 72,131</u>	<u>\$ 2,959,396</u>

See notes to basic financial statements.

**LIBERTY TOWNSHIP  
UNION COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES  
BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>CASH RECEIPTS</b>				
Property and Other Local Taxes	\$ 100,000	\$ 100,000	\$ 103,806	\$ 3,806
Licenses, Permits and Fees	11,000	11,000	16,500	5,500
Fines and Forfeitures	4,000	4,000	637	(3,363)
Intergovernmental	34,490	34,490	41,064	6,574
Earnings on Investments	7,000	7,000	8,921	1,921
Miscellaneous	24,100	24,100	26,923	2,823
<b>Total Receipts</b>	<u>180,590</u>	<u>180,590</u>	<u>197,851</u>	<u>17,261</u>
<b>CASH DISBURSEMENTS:</b>				
Current:				
General Government	202,710	199,010	133,415	65,595
Public Safety	2,000	2,000	24	1,976
Public Works	7,500	20,000	19,123	877
Health	122,001	113,201	114	113,087
Conservation-Recreation	18,371	18,371	105	18,266
Capital Outlay	30,000	30,000	-	30,000
<b>Total Disbursements</b>	<u>382,582</u>	<u>382,582</u>	<u>152,781</u>	<u>229,801</u>
<b>Net Change in Fund Cash Balance</b>	(201,992)	(201,992)	45,070	247,062
<b>Unencumbered Cash Fund Balances Beginning of Year, restated</b>	<u>218,852</u>	<u>218,852</u>	<u>218,852</u>	<u>-</u>
<b>Prior Year Encumbrances Appropriated</b>	-	-	-	-
<b>Unencumbered Cash Fund Balances End of Year</b>	<u>\$ 16,860</u>	<u>\$ 16,860</u>	<u>\$ 263,922</u>	<u>\$ 247,062</u>

See notes to basic financial statements.

**LIBERTY TOWNSHIP  
UNION COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES  
BUDGET AND ACTUAL - BUDGET BASIS  
GASOLINE TAX FUND  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>CASH RECEIPTS</b>				
Property and Other Local Taxes	\$ 25,000	\$ 25,000	\$ -	\$ (25,000)
Intergovernmental	150,000	150,000	163,301	13,301
Miscellaneous	2,000	2,000	500	(1,500)
<b>Total Receipts</b>	<u>177,000</u>	<u>177,000</u>	<u>163,801</u>	<u>(13,199)</u>
<b>CASH DISBURSEMENTS:</b>				
Current:				
Public Works	306,221	306,221	161,188	145,033
<b>Total Disbursements</b>	<u>306,221</u>	<u>306,221</u>	<u>161,188</u>	<u>145,033</u>
<b>Net Change in Fund Cash Balance</b>	(129,221)	(129,221)	2,613	131,834
<b>Unencumbered Cash Fund Balances Beginning of Year</b>	<u>130,218</u>	<u>130,128</u>	<u>130,128</u>	<u>-</u>
<b>Prior Year Encumbrances Appropriated</b>	-	-	-	-
<b>Unencumbered Cash Fund Balances End of Year</b>	<u>\$ 997</u>	<u>\$ 907</u>	<u>\$ 132,741</u>	<u>\$ 131,834</u>

See notes to basic financial statements.

**LIBERTY TOWNSHIP  
UNION COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES  
BUDGET AND ACTUAL - BUDGET BASIS  
SPECIAL FIRE LEVY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>CASH RECEIPTS</b>				
Property and Other Local Taxes	\$ -	\$ 10,000	\$ 9,132	\$ (868)
Charges for Services	2,000	2,000	-	(2,000)
Intergovernmental	20,000	10,000	-	(10,000)
Miscellaneous	-	-	-	-
<b>Total Receipts</b>	<u>22,000</u>	<u>22,000</u>	<u>9,132</u>	<u>(12,868)</u>
<b>CASH DISBURSEMENTS:</b>				
Current:				
General Government	-	-	-	-
Public Safety	1,000	15,000	14,337	663
Capital Outlay	2,271,197	2,257,197	-	2,257,197
<b>Total Disbursements</b>	<u>2,272,197</u>	<u>2,272,197</u>	<u>14,337</u>	<u>2,257,860</u>
<b>Net Change in Cash Fund Balance</b>	(2,250,197)	(2,250,197)	(5,205)	2,244,992
<b>Unencumbered Cash Fund Balances Beginning of Year</b>	<u>2,259,973</u>	<u>2,259,973</u>	<u>2,259,973</u>	<u>-</u>
<b>Prior Year Encumbrances Appropriated</b>	-	-	-	-
<b>Unencumbered Cash Fund Balances End of Year</b>	<u>\$ 9,776</u>	<u>\$ 9,776</u>	<u>\$ 2,254,768</u>	<u>\$ 2,244,992</u>

See notes to basic financial statements.



**LIBERTY TOWNSHIP  
UNION COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES  
BUDGET AND ACTUAL - BUDGET BASIS  
AMERICAN RESCUE PLAN FUND  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>CASH RECEIPTS</b>				
Intergovernmental	\$ 1	\$ 1	\$ 117,580	\$ 117,579
<b>Total Receipts</b>	<u>1</u>	<u>1</u>	<u>117,580</u>	<u>117,579</u>
<b>CASH DISBURSEMENTS:</b>				
Current:				
General Government	-	-	-	-
Public Safety	<u>128,287</u>	<u>128,287</u>	<u>-</u>	<u>128,287</u>
<b>Total Disbursements</b>	<u>128,287</u>	<u>128,287</u>	<u>-</u>	<u>128,287</u>
<b>Net Change in Cash Fund Balance</b>	(128,286)	(128,286)	117,580	245,866
<b>Unencumbered Cash Fund Balances Beginning of Year</b>	<u>117,111</u>	<u>117,111</u>	<u>117,111</u>	<u>-</u>
<b>Prior Year Encumbrances Appropriated</b>	-	-	-	-
<b>Unencumbered Cash Fund Balances End of Year</b>	<u>\$ (11,175)</u>	<u>\$ (11,175)</u>	<u>\$ 234,691</u>	<u>\$ 245,866</u>

See notes to basic financial statements.

**LIBERTY TOWNSHIP**  
**UNION COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2022**

**1. DESCRIPTION OF THE REPORTING ENTITY**

**Reporting Entity**

The Township of Liberty, Union County, is a body politic and corporate established 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 and a publicly elected Fiscal Officer.

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

**Primary Government**

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township road and bridges, cemetery maintenance, and fire services. The Township contracts with the Union County Sheriff's Department for police services.

**Jointly Governed Organizations**

The Township participates a jointly governed organization. See Note 10 to the financial statements.

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

As discussed further in the Basis of Accounting section of this Note, 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 (GAAP). Generally accepted accounting principles 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, except for fiduciary funds. The statements distinguish 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 nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or service. The Township has no business-type activities.

**LIBERTY TOWNSHIP**  
**UNION COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2022**

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

The statement of net position presents the cash and investment balances 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 programs goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that are required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a 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 management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. 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. The funds of the Township are divided into one category: governmental.

**Governmental Funds**

Governmental funds are those through which most governmental functions of the Township are financed. The following are the Township's major governmental funds:

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

**Gasoline Tax Fund** – This fund receives gasoline tax monies restricted for maintenance and repair of roads in the Township.

**Special Fire Levy Fund** – This fund receives fire levy tax money and charges for services for the funding of fire and EMS services provided to the residents of Liberty, Taylor and York Townships.

**American Rescue Plan Fund** – This fund accounts for and reports American Rescue Plan Act monies.

**LIBERTY TOWNSHIP**  
**UNION COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2022**

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

**Basis of Accounting**

The Township's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, 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. Any such modifications made by the Township are described in the appropriate section in this note. There were no modifications having substantial support.

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

**Budgetary Process**

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

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

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

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

**LIBERTY TOWNSHIP**  
**UNION COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2022**

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

**Cash and Investments**

Township records identify the purchase of specific investments by specific funds.

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

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 2022 the Township invested in STAR Ohio.

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.

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 2022 was \$8,921.

**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 imposed by law through constitutional provisions or enabling legislation. Restricted assets represent monies restricted for use in regards to road maintenance, cemetery and capital projects.

**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.

**LIBERTY TOWNSHIP**  
**UNION COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2022**

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

**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 their 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 postretirement health care benefits.

**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 a other financing source nor a capital outlay expenditure is reported at inception. Lease payments are reported when paid.

**Net Position**

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for road maintenance, cemetery and capital projects.

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

**Fund Balance**

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

**Nonspendable** – The 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 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.

**LIBERTY TOWNSHIP**  
**UNION COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2022**

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

**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 removes or change the specified use by taking the same type of action (resolution) it employed to previously commit the amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**Assigned** – Amounts in the assigned fund balance classification are intended to be used by the Township for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than 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 ordinance, or by State Statute.

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

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**Internal Activity**

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general receipts.

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

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

**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 Fund and any major special revenue fund are prepared on the budgetary basis to provide a meaningful comparisons of actual results with the budget. The differences between the budgetary basis and the cash basis are as follows:

**LIBERTY TOWNSHIP  
UNION COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022**

**3. BUDGETARY BASIS OF ACCOUNTING (Continued)**

1. Outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis)

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

	General	Gasoline Tax	American Rescue	Special Fire Levy
Cash Basis	\$ 264,270	\$ 133,536	\$ 234,691	\$ 2,254,768
End of Year: Encumbrances	348	795	-	-
Budget Basis	\$ 263,922	\$ 132,741	\$ 234,691	\$ 2,254,768

**4. DEPOSITS AND INVESTMENTS**

Monies held by the Township are classified by State 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.

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 obligation or security issued by any federal government agency or instrumentality including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuance of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligation described in division (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;



**LIBERTY TOWNSHIP**  
**UNION COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2022**

**4. DEPOSITS AND INVESTMENTS (Continued)**

4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligation of the State of Ohio, and with certain limitations bonds and other obligations of political subdivisions of the State of Ohio;
6. The State Treasurer's investment pool (STAR Ohio).
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirement 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 2 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. Except as noted above, an investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payments for investments may be made only upon delivery of the securities representing the investments to the fiscal officer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The Township did not have any undeposited cash on hand for 2022.

**Deposits:**

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year-end, \$793,091 of the Township's bank balance of \$2,968,500 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to the township and deposited a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured: or participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

**LIBERTY TOWNSHIP  
UNION COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022**

**4. DEPOSITS AND INVESTMENTS (Continued)**

**Investments:**

The fair value of these investments is not materially different than measurement value. As of December 31, 2022, the Township had the investments:

	Measurement Value
STAR Ohio	\$ 449,736
Total Portfolio	\$ 449,736

**Credit Risk:**

Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

**5. PROPERTY TAXES**

Property taxes include amounts levied against all real and public utility property located in the Township. Property tax revenue received during 2022 for real and public utility property taxes represent collections of 2021 taxes.

2021 real property taxes are levied after October 1, 2022, on assessed value at January 1, 2022, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2022 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. 2022 public utility property taxes which became a lien December 31, 2021, are levied after October 1, 2022, and are collected in 2023 with real property taxes.

The full tax rate for all Township operations for the year ended December 31, 2022, was 3.40 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2021 property tax receipts were based are as follows:

Real Property	\$ 59,204,130
Public Utility Personal Property	3,557,440
Total Assessed Value	<u>\$ 62,761,570</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.

**LIBERTY TOWNSHIP  
UNION COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022**

**6. RISK MANAGEMENT**

The Township is exposed to various risks of loss related to torts; theft of; damage to; and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2022, the Township contracted with a company for various types of insurance coverage as follows:

Type of Coverage	Coverage	Deductible
Gladfelter Public Practice Insurance Co.		
Blanket Property and Contents	\$ 2,791,063	\$ 500
Inland Marine	50,000	250
General Liability	3,000,000	500
Automobile Liability	1,000,000	500
Computer Hardware	100,000	-
Computer Software	500,000	500
Gladfelter Public Practice Insurance Co.		
Umbrella Excess Liability	2,000,000	-

Settled claims have not exceeded coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

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

**7. DEFINED BENEFIT PENSION PLAN**

**Ohio Public Employees Retirement System**

Plan Description - Township employees, other than full-time police and 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 plan 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, OH 43215-4642 or by calling (800) 222-7377.

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

**LIBERTY TOWNSHIP  
UNION COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022**

**7. DEFINED BENEFIT PENSION PLAN (Continued)**

<b>Group A</b> Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	<b>Group B</b> 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	<b>Group C</b> 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 30 years and 1.25% for service years in excess of 30
<b>Public Safety</b>	<b>Public Safety</b>	<b>Public Safety</b>
<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 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
<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>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>
<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 amount of a member's pension benefit vests upon receipt of the initial benefit payment.

**LIBERTY TOWNSHIP  
UNION COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022**

**7. DEFINED BENEFIT PENSION PLAN (Continued)**

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible 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 retiring prior to January 7, 2013, the COLA 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.

Effective January 1, 2022, the combined plan is no longer available for member selection.

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

	and Local		Safety		Enforcement
<b>2022 Statutory Maximum Contribution Rates</b>					
Employer	14.0 %		18.1 %		18.1 %
Employee *	10.0 %		*		**
<b>2022 Actual Contribution Rates</b>					
Employer:					
Pension*****	14.0 %		18.1 %		18.1 %
Post-employment Health Care Benefits *****	0.0		0.0		0.0
<b>Total Employer</b>	<b>14.0 %</b>		<b>18.1 %</b>		<b>18.1 %</b>
Employee	10.0 %		12.0 %		13.0 %
* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.					
** This rate is determined by the OPERS' Board and has no maximum rate established by the ORC.					
*** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.					
**** These pension and employer health care rates is 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					

**LIBERTY TOWNSHIP  
UNION COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022**

**7. DEFINED BENEFIT PENSION PLAN (Continued)**

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Township's contractually required contribution was \$22,424 for year 2022.

**Social Security**

The Township had employees who contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participant.

The employee 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, 2022.

**8. POSTEMPLOYMENT BENEFITS**

***Ohio Public Employees Retirement System***

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 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 select 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 selected by OPERS to assist retirees, spouse 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. This allowance is based on the retiree's years of service and age when they first enrolled on OPERS coverage.

OPERS provides a monthly allowance e for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS. For those retiring on or after January 1, 2015, the allowance has been determined by applying a percentage to the base allowance. The percentage applied is based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between fifty-one percent and ninety percent of the base allowance. Those who retired prior to January 1, 2015, will have an allowance of at least seventy-five percent of the base allowance.

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.

**LIBERTY TOWNSHIP  
UNION COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022**

**8. POSTEMPLOYMENT BENEFITS (Continued)**

Effective January 1, 2022, OPERS discontinued the group plans 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 post-employment 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. Members in Group A are eligible for coverage at any age with thirty or more years of qualifying service. Members in Group B are eligible at any age with thirty-two years of qualifying service, or at age fifty-two with thirty-one years of qualifying service. Members in Group C are eligible for coverage with thirty-two years of qualifying service and a minimum age of fifty-five. Current retirees eligible (or who became 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 change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare 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' CAFR referenced below for additional information.

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement 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.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2022, State and Local employers contributed at a rate of 14.0% of earnable salary and Public Safety and Law Enforcement employers contributed at a rate at 18.1%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board of Trustees determines the portion of the employer contributions rate will be set aside to fund health care plans. For 2022, 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 2022 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 \$6,407 for the year 2022.

**LIBERTY TOWNSHIP**  
**UNION COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2022**

**9. 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 major governmental funds and all other governmental funds as of December 31, 2022 are presented below:

Fund Balance	General	Gasoline Tax	American Rescue	Special Fire Levy
<b>Restricted</b>				
Fire and EMS	\$ -	\$ -	\$ -	\$ 2,254,768
Cemetery	-	-	-	-
Street Lights	-	-	-	-
Public Safety	-	-	234,691	-
Road & Bridge Maint	-	133,536	-	-
<b>Total Restricted</b>	<u>-</u>	<u>133,536</u>	<u>234,691</u>	<u>2,254,768</u>
Unassigned	264,270	-	-	-
<b>Total Fund Balances</b>	<u>\$ 264,270</u>	<u>\$ 133,536</u>	<u>\$ 234,691</u>	<u>\$ 2,254,768</u>

Fund Balance	Other Gov. Funds	Total
<b>Restricted</b>		
Fire and EMS	\$ -	\$ 2,254,768
Cemetery	30,773	30,773
Street Lights	7,166	7,166
Public Safety	-	234,691
Road & Bridge Maint	34,192	167,728
<b>Total Restricted</b>	<u>-</u>	<u>2,695,126</u>
Unassigned	-	264,270
<b>Total Fund Balances</b>	<u>\$ 72,131</u>	<u>\$ 2,959,396</u>

**10. JOINTLY GOVERNED ORGANIZATION**

Liberty Township participates in the LUC Regional Planning Commission which is a statutorily created political subdivision of the State. The Commission is jointly governed among Logan, Union and Champaign Counties, and the cities of Bellefontaine, Marysville, and Urbana with representation from each Township within those counties. Each member's control over the operation of the commission is limited to its representation on the Board. The Commission performs studies, creates maps, plans, and makes recommendations and reports concerning the physical, environmental, social, economic, and governmental characteristics, functions and services of the entities involved. The Township is involved with the LUC at a cost of \$.75 per capita of population which amounted to \$1,734 in 2022. Due to the 2010 census, Union County has become the fiscal agent for the Commission and that did not change in the 2020 census. Additional information may be obtained by writing to the LUC Regional Planning Commission, PO Box 141, East Liberty, Ohio 43319.



**LIBERTY TOWNSHIP  
UNION COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022**

**11. SUBSEQUENT EVENTS**

Liberty Township along with two neighboring Townships have formed a Fire District to provide fire and emergency medical service protection to the District which encompasses all of Liberty Township. Since the passage of the fire district levy in November of 2021, the collection rate of current Fire and EMS Levies for Liberty Township will be reduced to zero beginning January 1, 2022. These events will affect the revenue and expenses for Liberty Township in the future, in relation to Fire and EMS Services.

**12. COVID-19**

The United States and the State of Ohio declared a state of emergency in March 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 did receive COVID-19 funding. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township. The impact on the Township’s future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

In 2022 the Township received \$117,580 from the American Rescue Plan.

**13. RESTATEMENT OF FUND BALANCE**

Fund balance in the General Fund have been restated for the year beginning January 1, 2022 as voided checks from past years were added back to properly state the fund balance in the financial statements:

	General Fund
Fund Balance at December 31, 2021	\$ 192,244
Adjustments	26,608
Fund Balance at January 1, 2022	\$ 218,852

**LIBERTY TOWNSHIP  
UNION COUNTY**

**STATEMENT OF NET POSITION-CASH BASIS  
December 31, 2021**

	<u>Governmental Activities</u>
<b>ASSETS:</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 2,755,754</u>
<b>Total Assets</b>	<u>\$ 2,755,754</u>
<b>NET POSITION:</b>	
Restricted for:	
Capital Projects	\$ 883
Other Purposes	2,562,627
Unrestricted	<u>192,244</u>
<b>Total Net Position</b>	<u><u>\$ 2,755,754</u></u>

See notes to basic financial statements.

**LIBERTY TOWNSHIP  
UNION COUNTY**

**STATEMENT OF ACTIVITIES-CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Cash</u> <u>Disbursements</u>	<u>Charges for</u> <u>Services</u> <u>and Sales</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Capital Grants</u> <u>and</u> <u>Contributions</u>	<u>Net</u> <u>(Disbursements)</u> <u>Receipts and</u> <u>Changes in</u> <u>Net Assets</u>
<b>Governmental Activities:</b>					
General Government	\$ 188,952	\$ -	\$ -	\$ -	\$ (188,952)
Public Safety	573,107	7,961	-	-	(565,146)
Public Works	214,263	-	156,324	-	(57,939)
Health	5,516	5,540	-	-	24
Conservation-Recreation	4,675	-	-	-	(4,675)
Capital Outlay	37,985	-	-	-	(37,985)
<b>Total Governmental Activities</b>	<u>\$ 1,024,498</u>	<u>\$ 13,501</u>	<u>\$ 156,324</u>	<u>\$ -</u>	<u>\$ (854,673)</u>

**General Receipts:**

Property Taxes Levied for:	
General Purposes	564,493
Grants and Entitlements not	
Restricted to Specific Programs	261,007
Miscellaneous	30,210
Interest	7,199
<b>Total General Receipts</b>	<u>862,909</u>
Change in Net Position	8,236
<b>Net Position Beginning of Year</b>	<u>2,747,518</u>
<b>Net Position End of Year</b>	<u>\$ 2,755,754</u>

See notes to the basic financial statements.

**LIBERTY TOWNSHIP  
UNION COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES  
GOVERNMENTAL FUNDS  
December 31, 2021**

	<u>General</u>	<u>Gasoline Tax</u>	<u>American Rescue</u>	<u>Special Fire Levy</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS:</b>						
Equity in Pooled Cash and Cash Equivalents	\$ 192,244	\$ 130,128	\$ 117,111	\$ 2,259,973	\$ 56,298	\$ 2,755,754
<b>Total Assets</b>	<u>\$ 192,244</u>	<u>\$ 130,128</u>	<u>\$ 117,111</u>	<u>\$ 2,259,973</u>	<u>\$ 56,298</u>	<u>\$ 2,755,754</u>
<b>Fund Balances:</b>						
Restricted	-	130,128	117,111	2,259,973	56,298	2,563,510
Unassigned	192,244	-	-	-	-	192,244
<b>Total Fund Balances</b>	<u>\$ 192,244</u>	<u>\$ 130,128</u>	<u>\$ 117,111</u>	<u>\$ 2,259,973</u>	<u>\$ 56,298</u>	<u>\$ 2,755,754</u>

See notes to basic financial statements.

**LIBERTY TOWNSHIP  
UNION COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES  
GOVERNMENTAL FUNDS  
December 31, 2021**

	<u>General</u>	<u>Gasoline Tax</u>	<u>American Rescue</u>	<u>Special Fire Levy</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>CASH RECEIPTS</b>						
Property and Other Local Taxes	\$ 95,132	\$ -	\$ -	\$ 463,620	\$ -	\$ 558,752
Charges for Services	-	-	-	7,961	-	7,961
Licenses, Permits and Fees	10,466	-	-	-	4,235	14,701
Fines and Forfeitures	3,803	-	-	-	-	3,803
Intergovernmental	49,780	176,464	117,111	55,804	5,208	404,367
Special Assessments	-	-	-	-	5,741	5,741
Earnings on Investment	7,199	-	-	-	-	7,199
Miscellaneous	22,245	-	-	6,660	1,305	30,210
<b>Total Receipts</b>	<u>188,625</u>	<u>176,464</u>	<u>117,111</u>	<u>534,045</u>	<u>16,489</u>	<u>1,032,734</u>
<b>CASH DISBURSEMENTS:</b>						
Current:						
General Government	155,865	-	-	9,187	23,900	188,952
Public Safety	1,045	-	-	546,788	25,274	573,107
Public Works	20,150	187,508	-	-	6,605	214,263
Health	4,333	-	-	-	1,183	5,516
Conservation-Recreation	4,675	-	-	-	-	4,675
Capital Outlay	-	-	-	37,985	-	37,985
<b>Total Disbursements</b>	<u>186,068</u>	<u>187,508</u>	<u>-</u>	<u>593,960</u>	<u>56,962</u>	<u>1,024,498</u>
<b>Net Change in Fund Cash Balance</b>	2,557	(11,044)	117,111	(59,915)	(40,473)	8,236
<b>Cash Fund Balances Beginning of Year</b>	<u>189,687</u>	<u>141,172</u>	<u>-</u>	<u>2,319,888</u>	<u>96,771</u>	<u>2,747,518</u>
<b>Cash Fund Balances End of Year</b>	<u>\$ 192,244</u>	<u>\$ 130,128</u>	<u>\$ 117,111</u>	<u>\$ 2,259,973</u>	<u>\$ 56,298</u>	<u>\$ 2,755,754</u>

See notes to basic financial statements.

**LIBERTY TOWNSHIP  
UNION COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES  
BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>CASH RECEIPTS</b>				
Property and Other Local Taxes	\$ 99,000	\$ 99,000	\$ 95,132	\$ (3,868)
Licenses, Permits and Fees	7,000	7,000	10,466	3,466
Fines and Forfeitures	4,000	4,000	3,803	(197)
Intergovernmental	30,540	30,540	49,780	19,240
Earnings on Investments	30,000	30,000	7,199	(22,801)
Miscellaneous	17,100	17,100	22,245	5,145
<b>Total Receipts</b>	<u>187,640</u>	<u>187,640</u>	<u>188,625</u>	<u>985</u>
<b>CASH DISBURSEMENTS:</b>				
Current:				
General Government	184,105	184,105	155,865	28,240
Public Safety	2,000	2,000	1,045	955
Public Works	30,500	30,500	20,150	10,350
Health	101,001	101,001	4,333	96,668
Conservation-Recreation	18,371	18,371	4,675	13,696
Capital Outlay	51,098	51,098	-	51,098
<b>Total Disbursements</b>	<u>387,075</u>	<u>387,075</u>	<u>186,068</u>	<u>201,007</u>
<b>Net Change in Fund Cash Balance</b>	(199,435)	(199,435)	2,557	201,992
<b>Unencumbered Cash Fund Balances Beginning of Year</b>	<u>188,982</u>	<u>188,982</u>	<u>188,982</u>	<u>-</u>
<b>Prior Year Encumbrances Appropriated</b>	705	705	705	-
<b>Unencumbered Cash Fund Balances End of Year</b>	<u>\$ (9,748)</u>	<u>\$ (9,748)</u>	<u>\$ 192,244</u>	<u>\$ 201,992</u>

See notes to basic financial statements.

**LIBERTY TOWNSHIP  
UNION COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES  
BUDGET AND ACTUAL - BUDGET BASIS  
GASOLINE TAX FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>CASH RECEIPTS</b>				
Property and Other Local Taxes	\$ 20,000	\$ 20,000	\$ -	\$ (20,000)
Intergovernmental	140,000	140,000	176,464	36,464
Miscellaneous	2,000	2,000	-	(2,000)
<b>Total Receipts</b>	<u>162,000</u>	<u>162,000</u>	<u>176,464</u>	<u>14,464</u>
<b>CASH DISBURSEMENTS:</b>				
Current:				
Public Works	302,164	302,164	187,508	114,656
<b>Total Disbursements</b>	<u>302,164</u>	<u>302,164</u>	<u>187,508</u>	<u>114,656</u>
<b>Net Change in Fund Cash Balance</b>	(140,164)	(140,164)	(11,044)	129,120
<b>Unencumbered Cash Fund Balances Beginning of Year</b>	<u>139,484</u>	<u>139,484</u>	<u>139,484</u>	<u>-</u>
<b>Prior Year Encumbrances Appropriated</b>	1,688	1,688	1,688	-
<b>Unencumbered Cash Fund Balances End of Year</b>	<u>\$ 1,008</u>	<u>\$ 1,008</u>	<u>\$ 130,128</u>	<u>\$ 129,120</u>

See notes to basic financial statements.

**LIBERTY TOWNSHIP  
UNION COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES  
BUDGET AND ACTUAL - BUDGET BASIS  
SPECIAL FIRE LEVY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>CASH RECEIPTS</b>				
Property and Other Local Taxes	\$ 468,000	\$ 468,000	\$ 463,620	\$ (4,380)
Charges for Services	-	-	7,961	7,961
Intergovernmental	20,000	20,000	55,804	35,804
Miscellaneous	-	-	6,660	6,660
<b>Total Receipts</b>	<u>488,000</u>	<u>488,000</u>	<u>534,045</u>	<u>46,045</u>
<b>CASH DISBURSEMENTS:</b>				
Current:				
General Government	10,000	10,000	9,187	813
Public Safety	586,924	586,924	546,788	40,136
Capital Outlay	<u>2,200,000</u>	<u>2,200,000</u>	<u>37,985</u>	<u>2,162,015</u>
<b>Total Disbursements</b>	<u>2,796,924</u>	<u>2,796,924</u>	<u>593,960</u>	<u>2,202,964</u>
<b>Net Change in Cash Fund Balance</b>	(2,308,924)	(2,308,924)	(59,915)	2,249,009
<b>Unencumbered Cash Fund Balances Beginning of Year</b>	<u>2,316,950</u>	<u>2,316,950</u>	<u>2,316,950</u>	<u>-</u>
<b>Prior Year Encumbrances Appropriated</b>	2,938	2,938	2,938	-
<b>Unencumbered Cash Fund Balances End of Year</b>	<u>\$ 10,964</u>	<u>\$ 10,964</u>	<u>\$ 2,259,973</u>	<u>\$ 2,249,009</u>

See notes to basic financial statements.



**LIBERTY TOWNSHIP  
UNION COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES  
BUDGET AND ACTUAL - BUDGET BASIS  
AMERICAN RESCUE PLAN FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>CASH RECEIPTS</b>				
Intergovernmental	\$ -	\$ -	\$ 117,111	\$ 117,111
<b>Total Receipts</b>	<u>-</u>	<u>-</u>	<u>117,111</u>	<u>117,111</u>
<b>CASH DISBURSEMENTS:</b>				
Current:				
General Government	-	-	-	-
Public Safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Disbursements</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Cash Fund Balance</b>	-	-	117,111	117,111
<b>Unencumbered Cash Fund Balances Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Prior Year Encumbrances Appropriated</b>	-	-	-	-
<b>Unencumbered Cash Fund Balances End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 117,111</u>	<u>\$ 117,111</u>

See notes to basic financial statements.

**LIBERTY TOWNSHIP**  
**UNION COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2021**

**1. DESCRIPTION OF THE REPORTING ENTITY**

**Reporting Entity**

The Township of Liberty, Union County, is a body politic and corporate established 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 and a publicly elected Fiscal Officer.

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

**Primary Government**

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township road and bridges, cemetery maintenance, and fire services. The Township contracts with the Union County Sheriff's Department for police services.

**Jointly Governed Organizations**

The Township participates a jointly governed organization. See Note 10 to the financial statements.

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

As discussed further in the Basis of Accounting section of this Note, 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 (GAAP). Generally accepted accounting principles 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, except for fiduciary funds. The statements distinguish 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 nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or service. The Township has no business-type activities.

**LIBERTY TOWNSHIP**  
**UNION COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2021**

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

The statement of net position presents the cash and investment balances 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 programs goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that are required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a 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 management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. 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. The funds of the Township are divided into one category: governmental.

**Governmental Funds**

Governmental funds are those through which most governmental functions of the Township are financed. The following are the Township's major governmental funds:

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

**Gasoline Tax Fund** – This fund receives gasoline tax monies restricted for maintenance and repair of roads in the Township.

**Special Fire Levy Fund** – This fund receives fire levy tax money and charges for services for the funding of fire and EMS services provided to the residents of Liberty, Taylor and York Townships.

**American Rescue Plan Fund** – This fund accounts for and reports American Rescue Plan Act monies.

**LIBERTY TOWNSHIP**  
**UNION COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2021**

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

**Basis of Accounting**

The Township's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, 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. Any such modifications made by the Township are described in the appropriate section in this note. There were no modifications having substantial support.

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

**Budgetary Process**

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

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

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

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

**LIBERTY TOWNSHIP**  
**UNION COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2021**

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

**Cash and Investments**

Township records identify the purchase of specific investments by specific funds.

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

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.

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.

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 was \$7,199.

**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 imposed by law through constitutional provisions or enabling legislation. Restricted assets represent monies restricted for use in regards to road maintenance, cemetery and capital projects.

**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.

**LIBERTY TOWNSHIP**  
**UNION COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2021**

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

**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 their 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 postretirement health care benefits.

**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 a other financing source nor a capital outlay expenditure is reported at inception. Lease payments are reported when paid.

**Net Position**

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for road maintenance, cemetery and capital projects.

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

**Fund Balance**

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

**Nonspendable** – The 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 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.

**LIBERTY TOWNSHIP**  
**UNION COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2021**

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

**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 removes or change the specified use by taking the same type of action (resolution) it employed to previously commit the amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**Assigned** – Amounts in the assigned fund balance classification are intended to be used by the Township for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than 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 ordinance, or by State Statute.

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

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**Internal Activity**

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general receipts.

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

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

**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 Fund and any major special revenue fund are prepared on the budgetary basis to provide a meaningful comparisons of actual results with the budget. The differences between the budgetary basis and the cash basis are as follows:

**LIBERTY TOWNSHIP**  
**UNION COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2021**

**3. BUDGETARY BASIS OF ACCOUNTING (Continued)**

1. Outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis)

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

	General	Gasoline Tax	American Rescue	Special Fire Levy
Cash Basis	\$ 192,244	\$ 130,128	\$ 117,111	\$ 2,259,973
End of Year: Encumbrances	-	-	-	-
Budget Basis	\$ 192,244	\$ 130,128	\$ 117,111	\$ 2,259,973

**4. DEPOSITS AND INVESTMENTS**

Monies held by the Township are classified by State 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.

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 obligation or security issued by any federal government agency or instrumentality including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuance of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligation described in division (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;



**LIBERTY TOWNSHIP**  
**UNION COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2021**

**4. DEPOSITS AND INVESTMENTS (Continued)**

4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligation of the State of Ohio, and with certain limitations bonds and other obligations of political subdivisions of the State of Ohio;
6. The State Treasurer's investment pool (STAR Ohio).
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirement 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 2 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. Except as noted above, an investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payments for investments may be made only upon delivery of the securities representing the investments to the fiscal officer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The Township did not have any undeposited cash on hand for 2021.

**Deposits:**

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year-end, \$589,004 of the Township's bank balance of \$2,831,175 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to the township and deposited a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured: or participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

**LIBERTY TOWNSHIP  
UNION COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021**

**4. DEPOSITS AND INVESTMENTS (Continued)**

**Investments:**

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

	Measurement Value
STAR Ohio	\$ 442,171
Total Portfolio	\$ 442,171

**Credit Risk:**

Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

**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 represent collections of 2020 taxes.

2020 real property taxes are levied after October 1, 2021, on assessed value at 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 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. 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 3.40 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2021 property tax receipts were based are as follows:

Real Property	\$ 58,798,930
Public Utility Personal Property	3,441,450
Total Assessed Value	<u>\$ 62,240,380</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.

**LIBERTY TOWNSHIP  
UNION COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021**

**6. RISK MANAGEMENT**

The Township is exposed to various risks of loss related to torts; theft of; damage to; and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2021, the Township contracted with a company for various types of insurance coverage as follows:

Type of Coverage	Coverage	Deductible
Gladfelter Public Practice Insurance Co.		
Blanket Property and Contents	\$ 2,791,063	\$ 500
Inland Marine	50,000	250
General Liability	3,000,000	500
Automobile Liability	1,000,000	500
Computer Hardware	100,000	-
Computer Software	500,000	500
Gladfelter Public Practice Insurance Co.		
Umbrella Excess Liability	2,000,000	-

Settled claims have not exceeded coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

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

**7. DEFINED BENEFIT PENSION PLAN**

**Ohio Public Employees Retirement System**

Plan Description - Township employees, other than full-time police and 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 plan 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, OH 43215-4642 or by calling (800) 222-7377.

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

**LIBERTY TOWNSHIP  
UNION COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021**

**7. DEFINED BENEFIT PENSION PLAN (Continued)**

<b>Group A</b> Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	<b>Group B</b> 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	<b>Group C</b> 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 30 years and 1.25% for service years in excess of 30
<b>Public Safety</b>	<b>Public Safety</b>	<b>Public Safety</b>
<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 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
<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>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>
<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 amount of a member's pension benefit vests upon receipt of the initial benefit payment.

**LIBERTY TOWNSHIP  
UNION COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021**

**7. DEFINED BENEFIT PENSION PLAN (Continued)**

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible 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 retiring prior to January 7, 2013, the COLA 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.

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

	and Local		Safety		Enforcement	
<b>2021 Statutory Maximum Contribution Rates</b>						
Employer	14.0	%	18.1	%	18.1	%
Employee *	10.0	%	*		**	
<b>2021 Actual Contribution Rates</b>						
Employer:						
Pension*****	14.0	%	18.1	%	18.1	%
Post-employment Health Care Benefits *****	0.0		0.0		0.0	
<b>Total Employer</b>	<b>14.0</b>	<b>%</b>	<b>18.1</b>	<b>%</b>	<b>18.1</b>	<b>%</b>
<b>Employee</b>	<b>10.0</b>	<b>%</b>	<b>12.0</b>	<b>%</b>	<b>13.0</b>	<b>%</b>
* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.						
** This rate is determined by the OPERS' Board and has no maximum rate established by the ORC.						
*** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.						
**** These pension and employer health care rates is 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						

**LIBERTY TOWNSHIP**  
**UNION COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2021**

**7. DEFINED BENEFIT PENSION PLAN (Continued)**

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Township's contractually required contribution was \$18,443 for year 2021.

**Social Security**

The Township had employees who contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participant.

The employee 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.

**8. POSTEMPLOYMENT BENEFITS**

***Ohio Public Employees Retirement System***

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 to qualifying benefit recipients of both the traditional pension and the Combined Plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for post-employment 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 Postemployment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

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

Disclosures for the health care plan are presented separately on 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.

**LIBERTY TOWNSHIP  
UNION COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021**

**8. POSTEMPLOYMENT BENEFITS (Continued)**

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement 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.

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% of earnable salary and Public Safety and Law Enforcement employers contributed at a rate of 18.1%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board of Trustees determines the portion of the employer contributions rate 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 contribution was \$5,354 for the year 2021.

**9. 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 major governmental funds and all other governmental funds as of December 31, 2021 are presented below:

Fund Balance	General	Gasoline Tax	American Rescue	Special Fire Levy
<b>Restricted</b>				
Fire and EMS	\$ -	\$ -	\$ -	\$ 2,259,973
Cemetery	-	-	-	-
Street Lights	-	-	-	-
Public Safety	-	-	117,111	-
Road & Bridge Maint	-	130,128	-	-
<b>Total Restricted</b>	<u>-</u>	<u>130,128</u>	<u>117,111</u>	<u>2,259,973</u>
Unassigned	192,244	-	-	-
<b>Total Fund Balances</b>	<u>\$ 192,244</u>	<u>\$ 130,128</u>	<u>\$ 117,111</u>	<u>\$ 2,259,973</u>

**LIBERTY TOWNSHIP  
UNION COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021**

**9. FUND BALANCES (Continued)**

Fund Balance	Other Gov. Funds	Total
<b>Restricted</b>		
Fire and EMS	\$ -	\$ 2,259,973
Cemetery	21,505	21,505
Street Lights	4,340	4,340
Public Safety	-	117,111
Road & Bridge Maint	30,453	160,581
<b>Total Restricted</b>	<b>-</b>	<b>2,563,510</b>
Unassigned	-	192,244
<b>Total Fund Balances</b>	<b>\$ 56,298</b>	<b>\$ 2,755,754</b>

**10. JOINTLY GOVERNED ORGANIZATION**

Liberty Township participates in the LUC Regional Planning Commission which is a statutorily created political subdivision of the State. The Commission is jointly governed among Logan, Union and Champaign Counties, and the cities of Bellefontaine, Marysville, and Urbana with representation from each Township within those counties. Each member's control over the operation of the commission is limited to its representation on the Board. The Commission performs studies, creates maps, plans, and makes recommendations and reports concerning the physical, environmental, social, economic, and governmental characteristics, functions and services of the entities involved. The Township is involved with the LUC at a cost of \$.75 per capita of population which amounted to \$1,677 in 2021. Due to the 2010 census, Union County has become the fiscal agent for the Commission and that did not change in the 2020 census. Additional information may be obtained by writing to the LUC Regional Planning Commission, PO Box 141, East Liberty, Ohio 43319.

**11. SUBSEQUENT EVENTS**

Liberty Township along with two neighboring Townships have formed a Fire District to provide fire and emergency medical service protection to the District which encompasses all of Liberty Township. Since the passage of the fire district levy in November of 2021, the collection rate of current Fire and EMS Levies for Liberty Township will be reduced to zero beginning January 1, 2022. These events will affect the revenue and expenses for Liberty Township in the future, in relation to Fire and EMS Services.

**12. COVID-19**

The United States and the State of Ohio declared a state of emergency in March 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 did receive COVID-19 funding. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township. The impact on the Township's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

In 2021 the Township received \$117,111 from the American Rescue Plan.



**WILSON, PHILLIPS & AGIN, CPA'S, INC.  
1100 BRANDYWINE BLVD. BUILDING G  
ZANESVILLE, OHIO 43701**

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

Liberty Township  
Union County  
26144 Coder Holloway Road  
Raymond, Ohio 43067

To the Township Trustees:

We have audited, in accordance with auditing standards general accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Liberty Township, Union County as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements and have issued our report thereon dated June 14, 2023, wherein we noted the Township uses a special purpose framework other than generally accepted accounting principles. We also noted the financial impact of COVID-19 and the ensuing emergency measures may impact subsequent periods of the Township.

***Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider to be a material weakness. We consider finding 2022-001 to be a material weakness.

***Compliance and Other Matters***

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

***Entity's Response to Finding***

The Township's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Township's response and, accordingly, we express no opinion on it.

***Purpose of this Report***

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

***Wilson, Phillips & Agin, CPA's, Inc.***  
Zanesville, Ohio  
June 14, 2023

**LIBERTY TOWNSHIP  
UNION COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2022 AND 2021**

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

**FINDING NUMBER 2022-001**

**Material Weakness – Reclassifications**

All local offices should maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

The Ohio Township Handbook provides suggested account classifications. These accounts classify receipts by fund and source (taxes or charges for services, for example) and classify disbursements by fund, program (general government, for example) or object (personal services, for example). Using these classifications will provide the Township with information required to monitor compliance with the budget, and prepare annual reports in the format required by the Auditor of State.

As a result of audit procedures, errors were noted that required reclassification and adjustment to the financial statements as follows which have been made to the financial statements and accounting records:

The following is related to 2022:

- A reclassification was made to increase Intergovernmental Revenue and decrease Property and Other Local taxes in the amount of \$10,708 in the General Fund for rollbacks.
- A reclassification was made to increase Intergovernmental Revenue and decrease Property and Other Local Taxes in the amount of \$5,058 in the General Fund for non-tax monies.
- A reclassification was made to increase Property and Other Local Taxes and decrease Intergovernmental Revenue in the amount of \$9,132 in the General Fund for tax monies.
- A reclassification was made to increase Intergovernmental Revenue and decrease Property and Other Local Taxes in the amount of \$25,868 in the Gasoline Tax Fund.
- A reclassification was made to increase Public Works and decrease General Government in the amount of \$8,821 for public works performed in the General Fund.
- A reclassification to Increase Public Safety and decrease Capital Outlay in the amount of \$14,337 in the Special Levy Fire Fund.
- The footnotes filed in the Hinkle system were adjusted to agree with OCBOA notes.

**LIBERTY TOWNSHIP  
UNION COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2022 AND 2021**

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

**FINDING NUMBER 2022-001 (CONTINUED)**

The following is related to 2021:

- A reclassification was made to increase Intergovernmental Revenue and decrease Property and Other Local taxes in the amount of \$10,524 in the General Fund for rollbacks.
- A reclassification was made to Increase Intergovernmental Revenue and decrease Property and Other Local Taxes in the amount of \$25,348 in the Gasoline Tax Fund.
- A reclassification was made to increase Intergovernmental Revenue and decrease Property and Other Local taxes in the amount of \$33,731 in the Special Fire Levy Fund for rollbacks.
- A reclassification was made to increase Public Works and decrease General Government in the amount of \$5,250 in the General Fund for public works.
- A reclassification was made to increase Public Safety Revenue and decrease Capital Outlay in the amount of \$288,782 in the Special Levy Fire Fund.
- The footnotes filed in the Hinkle system were adjusted to agree with OCBOA notes.

**Client Response:** We will try and properly post all revenue in the future.

**LIBERTY TOWNSHIP  
UNION COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2022**

Finding Number	Finding Summary	Fully Corrected	Not Corrected, Partially Corrected Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b>Explain:</b>
2020-001	Material Weakness Financial Reporting	No	Not Corrected- Refer to Finding 2022-001
2020-002	Material Weakness Noncompliance ORC 507.09 payroll	Yes	Finding No Longer Valid
2020-003	Noncompliance ORC 5705.39	Yes	Finding No Longer Valid
2020-003	Noncompliance ORC 5705.41(B)	Yes	Finding No Longer Valid

**This page intentionally left blank.**

# OHIO AUDITOR OF STATE KEITH FABER



**LIBERTY TOWNSHIP**

**UNION 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 8/10/2023**

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)