

**MIAMI TOWNSHIP
MONTGOMERY COUNTY, OHIO
FINANCIAL STATEMENTS FOR
THE YEAR ENDED
DECEMBER 31, 2013**

**MIAMI TOWNSHIP
MONTGOMERY COUNTY, OHIO**

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Miami Township
Montgomery County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2013
Unaudited

This discussion and analysis of Miami Township's financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2013, within the limitations of the Township's modified cash basis of accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2013 are as follows:

- Net position of governmental activities decreased by \$3.1 million, primarily as a result of the expenditure of debt proceeds received during 2010 for the continuing construction of a public works facility and a fire station and the loss of a Police levy in 2012.
- The Township's most significant sources of receipts are property and other taxes and intergovernmental revenues, which include local government funds. These receipts represent approximately 79 percent of the total governmental activities receipts, not including other financing sources.
- The General Fund has a net position of \$3.29 million, a decrease of \$119 thousand, because of a transfer to support the loss of revenue to the Garbage Fund.
- The Police Fund experienced a decrease in net position of \$2.47 million because of a decrease in property tax receipts due to the loss of a levy in 2012 and an increase in public safety costs, partially offset by an increase in intergovernmental receipts.
- The Fire/EMS Fund experienced a decrease in net position of \$1.03 million, mainly a result of the construction costs related to a fire station.
- The Road and Bridge Fund experienced a decrease in net position of \$1.15 million, mainly a result of the construction costs related to a public works facility.
- The Township advanced the development of the Austin Road area through the issuance of debt for the acquisition and construction of a recreational trail, park improvements and equipment, and related construction projects related to the Austin Landing Phase II project.

The Township's receipts are primarily property taxes, intergovernmental receipts and payments in lieu of taxes. These receipts represent respectively 56, 23, and 11 percent of the total operating receipts for governmental activities during the year.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Government's modified cash basis of accounting.

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Report Components

The statement of net position and the statement of activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a modified cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's modified cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenditures (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the modified cash basis of accounting.

Reporting the Township as a Whole

The statement of net position and the statement of activities reflect how the Township did financially during 2013, within the limitations of the modified cash basis accounting. The statement of net position presents the pooled cash and investment balances of the governmental activities of the Township at year-end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General cash receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Government's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the modified cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other non-financial factors as well such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

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In the statement of net position and the statement of activities, the Township has only governmental activities. The Township's basic services are reported here, including general government, police, fire/EMS, public works, health, economic development and conservation-recreation. Property taxes and intergovernmental receipts finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Township's Most Significant Funds

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted for a specific use is being spent for the intended purpose.

All of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General, Police, Fire/EMS, Road and Bridge, and Austin Road Funds. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

The Township as a Whole

Table 1 provides a summary of the Township's net position for 2013 compared to 2012 on a modified cash basis:

(Table 1)
Net Position

	Governmental Activities	
	2013	2012
Assets		
Equity in Pooled Cash, Cash Equivalents and Investments	\$ 14,194,798	\$ 17,329,131
Restricted Investments	-	-
Total Assets	<u>\$ 14,194,798</u>	<u>\$ 17,329,131</u>
Net Position		
Restricted for:		
Police	\$ 670,418	\$ 3,144,088
Fire/EMS	4,963,891	5,666,622
Road and Bridge	1,877,849	2,472,437
Other Purposes	3,386,604	2,558,891
Unrestricted	3,296,036	3,065,808
Total Net Position	<u>\$ 14,194,798</u>	<u>\$ 17,329,131</u>

As mentioned previously, net position of governmental activities decreased \$3.1 million in 2013. The decrease in net position was mostly due to capital related expenditures and the loss of a Police levy.

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Table 2 reflects the changes in net position in 2013 compared to 2012 on a modified cash basis.

(Table 2)
Changes in Net Position

	Governmental Activities	
	2013	2012
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$ 297,685	\$ 1,228,191
Operating Grants and Contributions	998,282	45,724
Total Program Receipts	<u>1,295,967</u>	<u>1,273,915</u>
General Receipts:		
Property and Other Local Taxes	9,405,756	10,807,352
Grants and Entitlements not Restricted to Specific Programs	1,288,910	4,330,398
Payments in Lieu of Taxes	2,199,686	2,117,626
Proceeds from Debt	0	18,438,235
Interest	171,497	276,911
Miscellaneous	1,928,889	375,296
Total General Receipts	<u>14,994,738</u>	<u>36,345,818</u>
Total Receipts	<u>16,290,705</u>	<u>37,619,733</u>
Disbursements:		
General Government	1,671,845	1,563,608
Public Safety	10,308,589	10,569,586
Public Works	2,969,975	1,624,762
Health	935,109	1,426,625
Economic Development	325,576	1,423,701
Conservation & Recreation	197,759	107,783
Capital Outlay	2,524,908	25,059,354
Debt Service:		
Principal Retirement	213,553	503,131
Interest and Fiscal Charges	277,722	646,853
Total Disbursements	<u>19,425,036</u>	<u>42,925,403</u>
Change in Net Position	<u>(3,134,331)</u>	<u>(5,305,670)</u>
Net Position, January 1	17,329,131	22,634,801
Net Position, December 31	<u>\$ 14,194,798</u>	<u>\$ 17,329,131</u>

General receipts represent 92 percent of the Township's total receipts, and of this amount, approximately 29 percent are from property taxes. Local government funds, hotel/motel occupancy tax, inheritance tax, franchise fees, miscellaneous receipts and interest income make up the balance of the Township's general receipts.

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Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the costs of the board of trustees, the administrator's office, finance, human resources, and planning and zoning. Since these costs do not represent direct services to residents, we try to limit these costs to 10 percent of General Fund unrestricted receipts.

Public Safety is the cost of police and fire/EMS protection; Public Works is the cost of road maintenance, building maintenance, and vehicle maintenance. Health is the cost of trash services. Economic Development is the cost of promoting industrial and commercial development. Conservation & Recreation activities are the costs of maintaining the parks.

Governmental Activities

If you look at the Statement of Activities for 2013, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for capital outlay and public safety, which account for 58 and 25 percent of all governmental disbursements, respectively. The two columns of the Statement entitled Program Cash Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The Net (Disbursements) Receipts column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service, which is paid from money provided by local taxpayers. These net costs are paid from the general receipts, which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)
Governmental Activities

	Total Cost of Services 2013	Net Cost of Services 2013	Total Cost of Services 2012	Net Cost of Services 2012
General Government	\$ 1,671,845	\$ (1,496,345)	\$ 1,563,608	\$ (1,128,554)
Public Safety	10,308,589	(10,117,309)	10,569,586	(9,979,940)
Public Works	2,969,975	(2,092,027)	1,624,762	(1,529,287)
Health	935,109	(935,109)	1,426,625	(1,424,472)
Economic Development	325,576	(325,576)	1,423,701	(1,423,701)
Conservation-Recreation	197,759	(197,759)	107,783	(93,682)
Capital Outlay	2,524,908	(2,524,908)	25,059,354	(24,921,868)
Principal Retirement	213,553	(213,553)	503,131	(503,131)
Interest and Fiscal Charges	277,722	(277,722)	646,853	(646,853)
Total Expenses	<u>\$ 19,425,036</u>	<u>\$ (18,129,069)</u>	<u>\$ 42,925,403</u>	<u>\$ (41,651,488)</u>

Excluding in capital related expenditures which are supported by the issuance of debt, the dependence upon property tax receipts is apparent, as over 46 percent of remaining governmental activities are supported by property tax receipts.

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The Township's Funds

Total governmental funds had receipts (excluding other financing sources) of \$14,994,738 and \$18,892,375 for 2013 and 2012 respectively. Disbursements (excluding other financing uses) were \$19,425,036 and \$42,925,403 respectively.

The greatest changes within governmental funds occurred within the Road and Bridge Fund and the Fire/EMS Fund.

The fund balance of the Road & Bridge Fund decreased by \$1.15 million due to large capital outlay costs related to debt issued in 2010.

The fund balance of the Fire/EMS Fund decreased by \$1.03 million due to large capital outlay costs related to debt issued in 2010.

General Fund Budgeting Highlights

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During 2013, the Township amended its General Fund budget to reflect increased costs for general government, and to reflect increased revenue from intergovernmental receipts.

Final disbursements were budgeted at \$2,180,792 while actual disbursements were \$2,123,857. Final budgeted appropriations were increased by \$130,137 from the original budget. Actual spending was \$56,935 less than final appropriations.

Final receipts were budgeted at \$1,863,698 while actual receipts were \$2,354,086. Final budgeted receipts were increased by \$0 from the original budget. Actual receipts were \$490,388 greater than final amount budgeted.

The final result was an increase in the budget fund balance of \$230,229 for 2013.

Capital Assets and Debt Administration

Capital Assets

The Township has chosen not to report capital assets and infrastructure.

Debt

The Township has issued capital leases to provide funding for various capital related items. At December 31, 2013, the Township had \$4,909,235 in capital lease obligations outstanding.

During 2010, the Township issued bonds totaling \$8,550,000 for the construction of a new fire station and a new public works facility. At December 31, 2013, the Township had \$8,005,000 outstanding on these bonds.

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During 2013, the Township issued several notes totaling \$18,230,000 for the construction of a recreational trail, park improvements and equipment, and transportation improvement projects related to Austin Landing Phase II.

Additional information on the Township's debt can be found in Notes 12, 13 and 14 to the financial statements.

Current Issues

The challenge for all governments is to provide quality services to the public while staying within the restrictions imposed by limited funding. We rely heavily on property taxes so it is imperative that we continue to enhance our property tax base while maintaining an attractive mix of residential, retail, commercial, and green space property.

The Township is currently working in partnership with other local governments to enhance the area's tax base. The Austin Interchange Project is a joint project involving two other communities and involves the development of an interchange at Austin Pike and Interstate 75. The economic development possibilities are endless and include office and commercial space, hospitality and convention space, as well as some retail space to serve the needs of workers and travelers.

Contacting the Township's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Ann Culp, Fiscal Officer, Miami Township, 2700 Lyons Road, Miamisburg, Ohio 45342.

Miami Township
Montgomery County, Ohio
Statement of Net Position - Modified Cash Basis
December 31, 2013

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents and Investments	14,194,798
<i>Total Assets</i>	<i>\$14,194,798</i>
 Net Assets	
Restricted for:	
Road & Bridge Projects	1,877,849
Police	670,418
Fire	4,963,891
Other Programs	3,386,604
Recreation	
Unrestricted	3,296,036
<i>Total Net Position</i>	<i>\$14,194,798</i>

See accompanying notes to the basic financial statements

See accompanying notes to the basic financial statements

Miami Township
Montgomery County, Ohio
Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2013

	Cash Disbursements	Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Current:				
General Government	\$ 1,671,845	\$ 150,000	\$ 25,500	\$ (1,496,345)
Public Safety	10,308,589	110,840	80,440	(10,117,309)
Public Works	2,969,975	-	877,948	(2,092,027)
Health	935,109	-	-	(935,109)
Economic Development	325,576	-	-	(325,576)
Conservation-Recreation	197,759	36,845	14,394	(146,520)
Capital Outlay	2,524,908	-	-	(2,524,908)
Debt Service:				
Principal Retirement	213,553	-	-	(213,553)
Interest and Fiscal Charges	277,722	-	-	(277,722)
Total Governmental Activities	\$ 19,425,036	\$ 297,685	\$ 998,282	(18,129,069)
General Receipts				
Property Taxes Levied for:				
				791,408
				1,482,556
				2,561,225
				4,570,567
Grants and Entitlements not Restricted to Specific Programs				
				1,288,910
Payments in Lieu of Taxes				
				2,199,686
				298,962
				171,497
				1,629,927
				14,994,738
				Change in Net Position (3,134,331)
				Net Position Beginning of Year 17,329,129
				Net Position End of Year \$ 14,194,798

See accompanying notes to the basic financial statements

Miami Township
Montgomery County, Ohio
Statement of Modified Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2013

	General	Road & Bridge Fund	Police Fund	Fire Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents and Investments	3,296,036	1,877,849	670,418	4,963,891	3,386,604	14,194,798
<i>Total Assets</i>	<u>\$3,296,036</u>	<u>\$1,877,849</u>	<u>\$670,418</u>	<u>\$4,963,891</u>	<u>\$3,386,604</u>	<u>\$14,194,798</u>
Fund Balances						
Nonspendable	\$0	\$0	\$0	\$0	\$0	\$0
Restricted	0	1,877,849	670,418	4,963,891	3,386,604	10,898,762
Committed	0	0	0	0	0	0
Assigned	61,266	0	0	0	0	61,266
Unassigned (Deficit)	3,234,770	0	0	0	0	3,234,770
<i>Total Fund Balances</i>	<u>\$3,296,036</u>	<u>\$1,877,849</u>	<u>\$670,418</u>	<u>\$4,963,891</u>	<u>\$3,386,604</u>	<u>\$14,194,798</u>

See accompanying notes to the basic financial statements

Montgomery County, Ohio
Statement of Cash Receipts, Disbursements and Changes in Modified-Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2013

	General	Road & Bridge Fund	Police Fund	Fire Fund	Other Governmental Funds	Total Governmental Funds
Receipts						
Property and Other Local Taxes	\$791,408	\$1,482,556	\$2,561,225	\$4,570,567	\$1,288,910	\$10,694,666
Charges for Services	0	0	0	0	11,035	11,035
Licenses, Permits and Fees	397,157	0	0	0	80,867	478,024
Fines and Forfeitures	0	0	27,143	0	35,217	62,360
Intergovernmental	210,477	111,084	0	0	1,096,532	1,418,093
Special Assessments	18,491	0	0	0	187,632	206,123
Payments in Lieu of Taxes	0	0	0	0	2,199,686	2,199,686
Interest	170,722	0	0	0	775	171,497
Other	590,831	147,105	131,487	4,798	175,000	1,049,221
Total Receipts	2,179,086	1,740,745	2,719,855	4,575,365	5,075,654	16,290,705
Disbursements						
Current:						
General Government	1,671,845	0	0	0	0	1,671,845
Public Safety	0	0	5,168,858	4,730,949	408,782	10,308,589
Public Works	25,146	1,412,831	0	0	1,531,998	2,969,975
Health	0	0	0	0	935,109	935,109
Economic Development	277,363	0	0	0	48,213	325,576
Human Services	0	0	0	0	0	0
Conservation-Recreation	149,503	0	0	0	48,256	197,759
Other	0	0	0	0	0	0
Capital Outlay	0	100,109	24,668	0	2,400,131	2,524,908
Debt Service:						
Principal Retirement	0	213,553	0	0	0	213,553
Interest and Fiscal Charges	0	277,722	0	0	0	277,722
Issuance Costs	0	0	0	0	0	0
Total Disbursements	2,123,857	2,004,215	5,193,526	4,730,949	5,372,489	19,425,036
Excess of Receipts Over (Under) Disbursements	55,229	(263,470)	(2,473,671)	(155,584)	(296,835)	(3,134,331)
Other Financing Sources (Uses)						
Sale of Capital Assets	0	0	0	0	0	0
Bonds Issued	0	0	0	0	0	0
Notes Issued	0	0	0	0	0	0
Premium on Debt Issue	0	0	0	0	0	0
Discount on Debt Issue	0	0	0	0	0	0
Transfers In	0	0	1,000,000	400,000	4,320,000	5,720,000
Transfers Out	(175,000)	0	0	0	(5,545,000)	(5,720,000)
Advances In	0	0	0	0	0	0
Advances Out	0	0	0	0	0	0
Other Financing Sources	0	0	0	0	0	0
Other Financing Uses	0	0	0	0	0	0
Total Other Financing Sources (Uses)	(175,000)	0	1,000,000	400,000	(1,225,000)	0
Special Item						
Proceeds from Sale of Land	0	0	0	0	0	0
Net Change in Fund Balances	(119,771)	(263,470)	(1,473,671)	244,416	(1,521,835)	(3,134,331)
Fund Balances Beginning of Year	1,265,153	1,379,181	1,832,887	165,722	12,686,186	17,329,129
Fund Balances End of Year	\$1,145,382	\$1,115,711	\$359,216	\$410,138	\$11,164,351	\$14,194,798

See accompanying notes to the basic financial statements

Miami Township, Montgomery County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
General Fund
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Receipts				
Property and Other Local Taxes	\$364,727	\$364,727	\$791,408	\$426,681
Charges for Services				0
Licenses, Permits and Fees	307,500	307,500	397,157	89,657
Fines and Forfeitures				0
Intergovernmental	186,171	186,171	210,477	24,306
Special Assessments	41,000	41,000	18,491	(22,509)
Interest	268,000	\$268,000	170,722	(97,278)
Other	696,300	696,300	765,831	69,531
<i>Total receipts</i>	<u>1,863,698</u>	<u>1,863,698</u>	<u>2,354,086</u>	<u>490,388</u>
Disbursements				
Current:				
General Government	1,556,981	1,526,667	1,671,845	(145,178)
Police				0
Fire				0
Public Works	35,836	31,186	25,146	6,040
Health				0
Economic Development	355,821	359,846	277,363	82,483
Human Services				0
Conservation-Recreation	102,017	101,093	149,503	(48,410)
Capital Outlay				0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
Issuance Costs	0	0	0	0
<i>Total Disbursements</i>	<u>2,050,655</u>	<u>2,018,792</u>	<u>2,123,857</u>	<u>(105,065)</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(186,957)</u>	<u>(155,094)</u>	<u>230,229</u>	<u>385,323</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	0	0
Notes Issued	0	0	0	0
Premium on Note Issue	0	0	0	0
Discount on Note Issue	0	0	0	0
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
Advances In	0	0	0	0
Advances Out	0	0	0	0
Other Financing Sources	0	0	0	0
Other Financing Uses	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(186,957)</u>	<u>(155,094)</u>	<u>230,229</u>	<u>385,323</u>
<i>Fund Balance Beginning of Year</i>	1,265,153	1,265,153	1,265,153	
Prior Year Encumbrances Appropriated	61,266	61,266	0	
<i>Fund Balance End of Year</i>	<u>\$1,139,462</u>	<u>\$1,171,325</u>	<u>\$1,495,382</u>	<u>\$385,323</u>

See accompanying notes to the basic financial statements

Miami Township, Montgomery County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Road & Bridge Fund
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$1,500,000	\$1,500,000	\$1,482,556	(\$17,444)
Charges for Services	0	0	0	0
Licenses, Permits and Fees	0	0	0	0
Fines and Forfeitures	0	0	0	0
Intergovernmental	0	0	111,084	111,084
Special Assessments	0	0	0	0
Interest	0	0	0	0
Other	131,000	131,000	147,105	16,105
<i>Total receipts</i>	<u>1,631,000</u>	<u>1,631,000</u>	<u>1,740,745</u>	<u>109,745</u>
Disbursements				
Current:				
General Government	0	0	0	0
Police	0	0	0	0
Fire	0	0	0	0
Public Works	1,457,155	1,457,155	1,412,831	44,324
Health	0	0	0	0
Economic Development	0	0	0	0
Human Services	0	0	0	0
Conservation-Recreation	0	0	0	0
Capital Outlay	776,963	776,863	100,109	676,754
Debt Service:		0		
Principal Retirement	0	213,553	213,553	0
Interest and Fiscal Charges	0	277,722	277,722	0
Issuance Costs	0	0	0	0
<i>Total Disbursements</i>	<u>2,234,118</u>	<u>2,725,293</u>	<u>2,004,215</u>	<u>721,078</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(603,118)</u>	<u>(1,094,293)</u>	<u>(263,470)</u>	<u>830,823</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	0	0
Bonds Issued	0	0	0	0
Premium on Note Issue	0	0	0	0
Discount on Note Issue	0	0	0	0
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
Advances In	0	0	0	0
Advances Out	0	0	0	0
Other Financing Sources	0	0	0	0
Other Financing Uses	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(603,118)	(1,094,293)	(263,470)	830,823
<i>Fund Balance Beginning of Year</i>	1,379,181	1,379,181	1,379,181	
Prior Year Encumbrances Appropriated	10,810	10,810	0	
<i>Fund Balance End of Year</i>	<u>\$786,873</u>	<u>\$295,698</u>	<u>\$1,115,711</u>	<u>\$830,823</u>

See accompanying notes to the basic financial statements

Miami Township, Montgomery County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Police Fund
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Receipts				
Property and Other Local Taxes	\$2,475,973	\$2,475,973	\$2,561,225	\$85,252
Charges for Services	0	0	0	0
Licenses, Permits and Fees	0	0	0	0
Fines and Forfeitures	30,000	30,000	27,143	(2,857)
Intergovernmental	0	0	0	0
Special Assessments	0	0	0	0
Interest	0	0	0	0
Other	101,836	101,836	131,487	29,651
<i>Total receipts</i>	<u>2,607,809</u>	<u>2,607,809</u>	<u>2,719,855</u>	<u>112,046</u>
Disbursements				
Current:				
General Government	0	0	0	0
Police	5,213,609	5,213,609	5,168,858	44,751
Fire	0	0	0	0
Public Works	0	0	0	0
Health	0	0	0	0
Economic Development	0	0	0	0
Human Services	0	0	0	0
Conservation-Recreation	0	0	0	0
Capital Outlay	36,698	36,698	24,668	12,030
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
Issuance Costs	0	0	0	0
<i>Total Disbursements</i>	<u>5,250,307</u>	<u>5,250,307</u>	<u>5,193,526</u>	<u>56,781</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(2,642,498)</u>	<u>(2,642,498)</u>	<u>(2,473,671)</u>	<u>168,827</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	0	0
Notes Issued	0	0	0	0
Premium on Note Issue	0	0	0	0
Discount on Note Issue	0	0	0	0
Transfers In	0	0	1,000,000	1,000,000
Transfers Out	0	0	0	0
Advances In	0	0	0	0
Advances Out	0	0	0	0
Other Financing Sources	0	0	0	0
Other Financing Uses	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>1,000,000</u>	<u>1,000,000</u>
<i>Net Change in Fund Balance</i>	<u>(2,642,498)</u>	<u>(2,642,498)</u>	<u>(1,473,671)</u>	<u>1,168,827</u>
<i>Fund Balance Beginning of Year</i>	1,832,887	1,832,887	1,832,887	
Prior Year Encumbrances Appropriated	42,821	42,821	0	
<i>Fund Balance End of Year</i>	<u>(\$766,790)</u>	<u>(\$766,790)</u>	<u>\$359,216</u>	<u>\$1,168,827</u>

See accompanying notes to the basic financial statements

Miami Township
Montgomery County, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Road and Bridge Fund
For the Year Ended December 31, 2012

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$ 1,363,666	\$ 1,363,666	\$ 1,267,651	\$ (96,015)
Charges for Services	525,090	131,606	95,475	(36,131)
Intergovernmental	1,658,200	415,602	301,504	(114,098)
Other	36,073	9,041	6,559	(2,482)
<i>Total receipts</i>	<u>3,583,029</u>	<u>1,919,915</u>	<u>1,671,189</u>	<u>(248,726)</u>
Disbursements				
Current:				
Public Works	3,685,602	2,423,357	2,386,926	36,431
Capital Outlay	2,131,812	3,633,673	3,454,194	179,479
Debt Service:				
Principal	153,597	159,500	159,500	-
Interest and Fiscal Charges	298,159	262,640	262,640	-
<i>Total Disbursements</i>	<u>6,269,170</u>	<u>6,479,170</u>	<u>6,263,260</u>	<u>215,910</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(2,686,141)</u>	<u>(4,559,255)</u>	<u>(4,592,071)</u>	<u>(32,816)</u>
Other Financing Sources (Uses)				
Proceeds from Capital Lease	-	-	208,235	208,235
Federal Interest Subsidy	-	-	120,677	120,677
Sale of Capital Assets	-	-	8,149	8,149
<i>Total Other Financing Sources</i>	<u>-</u>	<u>-</u>	<u>337,061</u>	<u>337,061</u>
<i>Net Change in Fund Balance</i>	<u>(2,686,141)</u>	<u>(4,559,255)</u>	<u>(4,255,010)</u>	<u>304,245</u>
<i>Fund Balance Beginning of Year</i>	2,486,113	2,486,113	2,486,113	-
Prior Year Encumbrances Appropriated	<u>3,479,170</u>	<u>3,479,170</u>	<u>3,479,170</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 3,279,142</u>	<u>\$ 1,406,028</u>	<u>\$ 1,710,273</u>	<u>\$ 304,245</u>

See accompanying notes to the basic financial statements

**MIAMI TOWNSHIP
MONTGOMERY COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013**

1. REPORTING ENTITY

Miami Township, Montgomery County, (the Township), 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. The Township also has an 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, road and bridge maintenance, police protection, fire protection and emergency medical services, and waste collection.

Component Units

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Township is obligated for the debt of the organization. The Township is also financially accountable for any organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Township, are accessible to the Township and are significant in amount to the Township.

Based on these criteria, the Township has no component units.

Jointly Governed Organizations and Public Entity Risk Pools

The Township participates in four jointly governed organizations and one public entity risk pools. These organizations are:

Jointly Governed Organizations:

The Miami Township – City of Dayton Joint Economic Development District – This organization is the result of an agreement between the Township and the City of Dayton to promote economic development activities in a geographic area located in Miami Township and includes the Dayton - Wright Brothers Airport, which is owned by the City of Dayton.

The Miami Township – Dayton Mall Joint Economic Development District – This organization is the result of an agreement between the Township and the City of Dayton to promote economic development activities in a geographic area located in Miami Township.

**MIAMI TOWNSHIP
MONTGOMERY COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013
(continued)**

The Austin Center – Joint Economic Development District – This organization is the result of an agreement between the Township, the City of Miamisburg, the City of Springboro and Montgomery County to promote economic development activities in a geographic area located in Miami Township.

Miami Valley Joint Fire District – This organization is the result of an agreement between the Township and the City of Miamisburg to provide fire and emergency medical services to the citizens of Miamisburg and Miami Township. The District is a jointly governed organization between the City and the Township.

Note 18 to the financial statements provide additional information for these entities.

Public Entity Risk Pool:

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

Notes 9 and 17 to the financial statements provide additional information for this entity.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in the Basis of Accounting Section of this note, these financial statements are presented on the modified cash basis of accounting. This modified 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 extent they are applicable to the modified cash basis of accounting. Following are the more significant of the Township's accounting policies.

Basis of Presentation

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

Government-Wide Financial Statements The statement of net position and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions. All activities of the Township are governmental activities.

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 program's goods or services, grants and contributions restricted to meeting the

**MIAMI TOWNSHIP
MONTGOMERY COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013
(continued)**

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 modified cash basis or draws from the Township's general receipts.

Fund Financial Statements During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental fund financial statements is on major funds. 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. Funds are used to segregate resources that are restricted as to use. All of the Township's funds are categorized as governmental.

Governmental Funds The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The following are the Township's major governmental funds:

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

Police The Police Fund receives property tax money for operating and maintaining the police department and the purchase of equipment.

Fire/EMS The Fire/EMS Fund receives property tax money for operating and maintaining the fire department and the purchase of equipment. EMS and MVA charges for services are also recorded within the Fire/EMS Fund.

Road and Bridge The Road and Bridge Fund receives property tax money for constructing, maintaining and repairing Township roads and bridges.

Austin Road The Austin Road Fund receives payments in lieu of taxes for properties under tax increment financing agreements on properties located at the Austin Road Interchange project.

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

Basis of Accounting

The Township's financial statements are prepared using the modified 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

**MIAMI TOWNSHIP
MONTGOMERY COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013
(continued)**

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.

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

Budgetary Process

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

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the 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 ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, 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.

Cash and Investments

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

During 2013, the Township invested in negotiable certificates of deposit, Federal National Mortgage Association bonds, Federal Home Loan Bank bonds, Federal Farm Credit Bank bonds, money market mutual funds, and STAR Ohio. The negotiable certificates of deposit, the Federal National Mortgage Association bonds, the Federal Home Loan Bank bonds, and the Federal Farm Credit Bank bonds are

**MIAMI TOWNSHIP
MONTGOMERY COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013
(continued)**

reported at cost. The Township's money market mutual fund investment is recorded at the amount reported by Morgan Stanley Smith Barney on December 31, 2013.

STAR 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 does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2013.

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 2013 was \$170,722.

Restricted Assets

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Restricted assets represent cash from debt issues restricted for project construction costs.

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.

Inter-fund Receivables/Payables

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

Accumulated Leave

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

Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 10 and 11, the employer contributions include portions for pension benefits and for postretirement healthcare benefits.

**MIAMI TOWNSHIP
MONTGOMERY COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013
(continued)**

Long-Term Obligations

The Township's modified cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt and capital leases are reported when cash is received or the capital lease is initiated and principal and interest 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. The government-wide statement of net position reports restricted net position of \$14,194,798, none of which are restricted by enabling legislation.

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

Fund Balance

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

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

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of Township Trustees. Those committed amounts cannot be used for any other purpose unless the Township Trustees remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the Township for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

**MIAMI TOWNSHIP
MONTGOMERY COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013
(continued)**

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.

Inter-fund Transactions

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

3. CHANGE IN ACCOUNTING PRINCIPLE

For 2012, the Township implemented Governmental Accounting Standard Board (GASB) Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position." GASB Statement No. 63 identifies net position, rather than net assets, as the residual of all other elements presented in a statement of financial position. This change was incorporated in the Township's 2012 financial statements; however, there was no effect on beginning net position/fund balance.

4. COMPLIANCE

The Township adopted a policy to "pick-up" the required employee/elected officials contributions to the Ohio Public Employees Retirement System (OPERS). Such policy was applied during 2009 through early 2012. Although employees are eligible to participate in the plan, the Ohio Attorney General has provided an opinion that such officers (i.e. Township Trustees and the Fiscal Officer) are not entitled to participate in a pick-up plan (OAG 84-036 at 21) as the Township Trustee and Fiscal Officer salaries are set in Ohio Revised Code section 505.24 and 507.09, respectively.

5. BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budgetary Basis presented for the General, Police, Fire/EMS, Road and Bridge and Austin Road Funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the modified cash basis is outstanding year end encumbrances which are treated as disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (*modified* cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$61,266 for the General Fund, \$42,821 for the Police Fund, \$0 for the Fire/EMS Fund, \$10,810 for the Road and Bridge Fund.

**MIAMI TOWNSHIP
MONTGOMERY COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013
(continued)**

6. DEPOSITS AND INVESTMENTS

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

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or can be withdrawn 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 issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in 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;
7. The State Treasurer's investment pool (STAR Ohio).

**MIAMI TOWNSHIP
MONTGOMERY COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013
(continued)**

8. Commercial paper and bankers acceptances, with appropriate limitations based on completion of ORC training requirements.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity.

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

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, A portion of the Township's bank balance of \$1,436,200 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 and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

As of December 31, 2013, the Township had the following investments:

<u>Investment Type</u>	<u>Carrying Value</u>	<u>Investment Maturities (in years)</u>		
		<u>Less than 1</u>	<u>1-2</u>	<u>3 - 5</u>
FHLB	\$ 749,925	\$ -	\$ -	\$ 749,925
FNMA	1,328,000	-	-	1,328,000
FFCB	1,000,000	-	-	1,000,000
Money Market Fund	207,992	207,992	-	-
Bank Certificates of Deposit	9,067,000	1,726,000	1,885,000	6,206,000
STAR Ohio	173	173	-	-
Total investments	\$12,353,090	\$1,934,165	\$1,885,000	\$8,533,925

Interest Rate Risk – Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Township's investment policy addresses interest rate risk by requiring that the Township's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

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Credit Risk – The Federal National Mortgage Association Bonds, Federal Home Loan Bank Bonds, and Federal Farm Credit Bank Bonds carry a rating of AAA by Moody’s. STAR Ohio carries a rating of AAAm by Standard and Poor’s. The money market funds carry a rating of AAA by Moody’s. The Township has no investment policy dealing with investment credit risk beyond the requirements in state statutes. Ohio law requires that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service. The negotiable certificates of deposit are in denominations of under \$250,000 each, in separate banks, and are insured by the Federal Deposit Insurance Corporation (FDIC). The negotiable certificates of deposit are, therefore, not subject to credit risk.

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

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

Concentration of Credit Risk – The Township places no limit on the amount it may invest in any one issuer. The following investments represent five percent or more of total investments as of December 31, 2013:

Investment Issuer	Percentage of Investments
Bank Certificates of Deposit	73.4%
FHLB	20.6%
FFCB	6.0%

7. PROPERTY TAX

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Property tax receipts received in 2013 for real and public utility taxes represent the collection of 2012 taxes.

2013 real property taxes are levied after October 1, 2013 on the assessed values as of January 1, 2013, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. 2013 real property taxes are collected in and intended to finance 2013.

Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder

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payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility tangible personal is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2013 public utility property taxes which became a lien on December 31, 2012, are levied after October 1, 2013, and are collected in 2014 with real property taxes.

The full tax rate for all Township operations for the year ended December 31, 2013, was \$14.85 per \$1,000 of assessed value.

The assessed values of real property and public utility property, upon which 2013 property tax receipts were based are as follows:

	<u>Assessed Value</u>
Real Property	\$594,433,800
Public Utility Property	15,510,360
Total Assessed Value	<u>\$609,944,160</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.

8. INTERFUND RECEIVABLE/PAYABLES

Inter-fund balances at December 31, 2013, consisted of \$175,000 owed by the Waste Collection Fund to the General Fund. The balance due to the General Fund represents loans made to provide working capital. This amount is expected to be repaid over several years. The outstanding balance of \$275,000 from the prior year, due from the Waste Collection Fund to the General Fund, was repaid in 2012.

9. RISK MANAGEMENT

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

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of OTARMA and provides underwriting, claims, loss control, risk management, and reinsurance services for OTARMA. OTARMA is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

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Casualty and Property Coverage

APEEP provides OTARMA with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2012, OTARMA retained \$350,000 for casualty claims and \$250,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Assets	\$34,771,270	\$35,086,165
Liabilities	<u>(9,355,082)</u>	<u>(9,718,792)</u>
Net position	<u>\$25,416,188</u>	<u>\$25,367,373</u>

At December 31, 2012 and 2011, respectively, the liabilities above include approximately \$8.7 and \$9.1 million of estimated incurred claims payable. The assets above also include approximately \$7.96 and \$8.6 million of unpaid claims to be billed to approximately 946 member governments in the future, as of December 31, 2012 and 2011, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2012, the Township's share of these unpaid claims collectible in future years is approximately \$83,000.

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

Contributions to OTARMA

<u>2012</u>	<u>2011</u>
\$140,936	\$153,613

After one year of membership, a member may withdraw on the anniversary of the date of joining OTARMA, if the member notifies OTARMA in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

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10. DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System

Plan Description – The Township participates 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 in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the combined plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the traditional pension plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the member-directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the traditional pension and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy 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 statutory authority for employee and employer contributions. For the year ended December 31, 2012, members in state and local classifications contributed 10.0 percent of covered payroll and law enforcement contributed 12.1 percent.

The Township's contribution rate for 2012 was 14.0 percent, except for those plan members in law enforcement, for whom the Township's contribution was 18.1 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the traditional and combined plans for the year ended December 31, 2013, 2012, and 2011 were \$665,821, \$710,742, and \$693,432, respectively, which were equal to the required contributions for each year.

Ohio Police and Fire Pension Fund

Plan Description – The Township contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – Plan members are required to contribute 10.0 percent of their annual covered salary to fund pension obligations. The Township's contribution was 24.0 percent for firefighters. Contribution rates are established by State statute. For 2012, a portion of the Township's

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contributions equal to 6.75 percent of covered payroll was allocated to fund the post-employment health care plan. The Township's contributions to OP&F for firefighters were \$290,874, \$484,025, and \$482,482, for the years ended December 31, 2012, 2011, and 2010. All of the required contributions were paid within the respective years. As of the end of 2012 the Township no longer makes contributions to OP&F.

11. POST-EMPLOYMENT BENEFITS

OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the traditional and combined pension plans. Members of the member-directed plan do not qualify for ancillary benefits, including post-employment health care. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement. To qualify for post-employment health care coverage, age-and-service retirees under the traditional and combined plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not require, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. Disclosures for the health care plan are presented separately in OPERS financial report which may be obtained 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 post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). State Statute requires that public employers fund post-employment health care through their contributions to OPERS. A portion of each employer's contribution to the traditional and combined plans is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2012, state and local employers contributed at a rate of 14.0 percent of covered payroll (18.1 percent for law enforcement). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. For 2012, the amount of the employer contributions which was allocated to fund post-employment health care was 4.0 percent of covered payroll.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Township's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2012, 2011, and 2010 were \$232,406, \$235,274, and \$233,168, respectively. All of the required contributions were paid within the respective years.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

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(continued)**

Ohio Police and Fire Pension Fund

The Township contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost-sharing multiple-employer defined post-employment health care plan administered by OP&F. OP&F provides health care benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium reimbursement and long-term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person.

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – OP&F's post-employment health care plan was established and is administered as an Internal Revenue Code 410(h) account within the defined benefit plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees. The Ohio Revised Code sets the contribution rates for participating employers and for plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 24 percent of covered payroll for police and fire employers.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made to the pension plan to the 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2011, the employer contribution allocated to the health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Section 401(h).

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

The Township's contributions to OP&F which were allocated to fund post-employment health care benefits for firefighters were \$81,735, \$136,011, and \$135,577 for the year ended December 31, 2012, 2011, and 2010 respectively. All of the required contributions were paid within the respective year.

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(continued)**

12. NOTES PAYABLE

A summary of the note transactions for the year ended December 31, 2013, follows:

Governmental Activities	Balance December 31, 2012	Issued	Reductions	Balance December 31, 2013
Recreational Trail Acquisition and Improvement Notes	\$1,260,000	\$ 3,300,000	\$1,260,000	\$ 3,300,000
Park Acquisition and Improvement Notes	5,705,000	5,785,000	5,705,000	5,785,000
Transportation Improvement Notes	11,265,000	11,445,000	11,265,000	11,445,000
Total	\$18,230,000	\$20,530,000	\$18,230,000	\$20,530,000

In March 2013, the Township issued Recreational Trail Acquisition and Improvement Notes, Series 2013, in the anticipation of the issuance of bonds to pay the costs of acquiring and constructing a recreational trail. The notes carry an interest rate of 1.375% and mature on February 12, 2014.

In March 2013, the Township issued Park Acquisition and Improvement Notes, Series 2013, in the anticipation of the issuance of bonds to pay the costs of park improvements and equipment. The notes carry an interest rate of 1.375% and mature on February 12, 2013.

In March 2013, the Township issued Transportation Improvement Notes, Series 2013, in the anticipation of the issuance of bonds to pay the costs, in cooperation with the Montgomery County Transportation Improvement District, of transportation improvement construction projects related to the Austin Landing Phase II project. The notes carry an interest rate of 1.375% and mature on February 12, 2013.

13. DEBT

The Township's long-term debt activity for the year ended December 31, 2013, was as follows:

Governmental Activities	Balance December 31, 2012	Additions	Reductions	Balance December 31, 2013	Due Within One Year
<i>Bonds:</i>					
General Obligation Bonds	\$ 8,005,000	\$ -	\$ 280,000	\$ 7,725,000	\$ 290,000
<i>Capital Leases:</i>					
Certificates of Participation,	2,025,000	-	100,000	1,925,000	1,925,000
2005 Administration Building	2,676,000	-	69,000	2,676,000	72,000
2012 Street Sweeper	208,235	-	49,817	158,418	49,817
Total	\$12,914,235	\$ -	\$ 498,817	\$12,415,418	\$2,336,817

In April 2010 the Township issued Various Purpose Limited Tax General Obligation Bonds, Taxable Series 2010B, in the amount of \$8,550,000 for the purpose of constructing a public works facility and a fire station.

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Amortization of the remaining balance, including interest, is scheduled as follows:

<u>Year Ended December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 280,000	\$ 470,653	\$ 750,653
2014	290,000	461,552	751,552
2015	300,000	450,823	750,823
2016	320,000	438,222	758,222
2017	325,000	423,182	748,182
2018 – 2022	1,925,000	1,834,770	3,759,770
2023 – 2027	2,580,000	1,180,487	3,760,487
2028 – 2030	1,985,000	269,659	2,254,659
	<u>\$ 8,005,000</u>	<u>\$ 5,529,348</u>	<u>\$ 13,534,348</u>

14. CAPITAL LEASES

During July 2010, the Township issued Certificates of Participation, Series 2010A (a renewable lease purchase agreement) in the amount of \$2,225,000. Net proceeds were used to retire the principal and interest due on Certificates of Participation, Series 2009 and pay the cost of issuance. The Certificates of Participation Series 2010A are due in varying amounts through December 2013 with an interest rate of 2.25 percent.

Amortization of the remaining lease, including interest, is scheduled as follows:

<u>Year Ended December 31</u>	<u>Amount</u>
2013	<u>\$2,070,563</u>
Total minimum lease payments	2,070,563
Less: amount representing interest	<u>(45,563)</u>
Present value of future minimum lease payments	<u>\$2,025,000</u>

During 2005, the Township entered into a capital lease for the construction of an administration building in the amount of \$3,118,000.

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Amortization of the remaining lease, including interest, is scheduled as follows:

<u>Year Ended December 31</u>	<u>Amount</u>
2013	\$189,287
2014	188,766
2015	188,991
2016	189,104
2017	188,904
2018 - 2022	946,648
2023 - 2027	944,899
2028 - 2032	944,880
2033 - 2035	<u>567,955</u>
Total minimum lease payments	4,349,434
Less: amount representing interest	<u>(1,673,434)</u>
Present value of future minimum lease payments	<u>\$2,676,000</u>

During 2012, the Township entered into a capital lease for a street sweeper in the amount of \$208,235, which includes the cost of issuance.

Amortization of the remaining lease, including interest, is scheduled as follows:

<u>Year Ended December 31</u>	<u>Amount</u>
2013	\$ 55,897
2014	55,897
2015	55,897
2016	<u>55,896</u>
Total minimum lease payments	223,587
Less: amount representing interest	<u>(15,352)</u>
Present value of future minimum lease payments	<u>\$ 208,235</u>

15. TIF DISTRICT REVENUE PLEDGE

In September 2008, the Township and the Montgomery County Transportation Improvement District entered into an intergovernmental agreement related to the financing of a tax increment financing district (TIF District) established for the re-alignment and improvement to Lyons Ridge and Kingsridge Drives in the vicinity of the Dayton Mall. The agreement requires the Montgomery County Transportation Improvement District to make various improvements to the TIF District located within the Township. Funding for the project was obtained by the Montgomery County Transportation Improvement District through the issuance of \$4,885,000 of special obligation bonds.

In March 2010, the Township and the Montgomery County Transportation Improvement District entered into an intergovernmental agreement related to the financing of a tax increment financing district (TIF District) established for the Austin Landing Project. The agreement requires the Montgomery County Transportation Improvement District to make various improvements to the TIF District located within the Township. Funding for the project was obtained by the Montgomery County Transportation Improvement District through the issuance of \$9,200,000 of special obligation bonds.

**MIAMI TOWNSHIP
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In July 2010, the Township and the Montgomery County Transportation Improvement District along with two other local jurisdictions entered into an intergovernmental agreement related to the tax increment financing district (TIF District) established for the construction of the Austin Road Interchange and Related Projects. The Montgomery County Transportation Improvement District made various improvements to the TIF District. Funding for the project was obtained by the Montgomery County Transportation Improvement District through the issuance of \$20,335,000 of special obligation bonds.

As a result of the above agreements, the Township has pledged to the Montgomery County Transportation Improvement District, the future payments in lieu of taxes (PILOTS) made by the property owners residing within the boundaries of the above mentioned areas in amounts equal to meet the debt service requirements of the bonds issued by and to be paid by the Montgomery County Transportation Improvement District, as follows:

<u>Year ending December 31,</u>	<u>Lyons Ridge/ Kingsridge Drive Project</u>	<u>Austin Landings Project</u>	<u>Austin Road Interchange Project</u>	<u>Total</u>
2013	\$ 405,800	\$ 844,734	\$ 794,375	\$ 2,044,909
2014	398,300	844,234	796,000	2,038,534
2015	410,300	841,632	793,750	2,045,682
2016	406,500	842,574	795,750	2,044,824
2017	402,500	841,019	796,750	2,040,269
2018 - 2022	2,025,825	4,212,788	3,976,850	10,215,463
2023 - 2027	2,032,625	4,210,831	3,984,225	10,227,681
2028 - 2032	409,500	1,683,696	3,986,750	6,079,946
2033	-	-	794,200	794,200
Total pledged TIF District Revenues	<u>\$6,491,350</u>	<u>\$14,321,508</u>	<u>\$16,718,650</u>	<u>\$37,531,508</u>

16. 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 government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

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Fund Balances	General	Police	Fire/EMS	Road and Bridge	Other Governmental Funds	Total
Restricted for						
Capital Projects	\$ -	\$ -	\$ -	\$ -	\$ 4,085,379	\$ 4,085,379
Fire Operations and Emergency Services	-	-	5,437,200	-	-	5,437,200
Police Operations	-	670,417	-	-	189,716	860,133
Waste Collection	-	-	-	-	42,288	42,288
Lighting	-	-	-	-	146,652	146,652
Recreation and Conservation	-	-	-	-	209,183	209,183
Road and Bridge Maintenance/	-	-	-	1,596,881	321,702	1,918,583
<i>Total Restricted</i>	<u>-</u>	<u>670,417</u>	<u>5,437,200</u>	<u>1,596,881</u>	<u>4,994,920</u>	<u>12,699,418</u>
Assigned to						
Encumbrances	61,266	-	-	-	-	61,266
Unassigned (Deficit)	<u>1,434,114</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,434,114</u>
<i>Total Fund Balances</i>	<u>\$ 1,495,380</u>	<u>\$ 670,417</u>	<u>\$ 5,437,200</u>	<u>\$ 1,596,881</u>	<u>\$ 4,994,920</u>	<u>\$ 14,194,798</u>

17. PUBLIC ENTITY RISK POOL

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

18. JOINTLY GOVERNED ORGANIZATIONS

The Miami Township – City of Dayton Joint Economic Development District is a political body incorporated and established by the Township Board of Trustees and the City Commission under the provisions of Sections 715.72 to 715.83 of the Ohio Revised Code, on January 1, 2007. The District operates under the direction of a five member Board of Directors. By law the Board is comprised of one member representing the City, appointed by the City Commission; one member representing the Township, appointed by the Township Trustees; one member representing the owners of the businesses located in the District, appointed by the City Commission with the concurrence of the Township Trustees; one member representing the persons employed in the District, appointed by the Township Trustees with the concurrence of the City Commission; and one member selected by the other Board members. The District's purpose is to promote economic development activities in the geographic area comprising the District. Such area is located in Miami Township and includes the Dayton - Wright Brothers Airport, which is owned by the City of Dayton.

The Miami Township – Dayton Mall Joint Economic Development District is a political body incorporated and established by the Township Board of Trustees and the City Council under the provisions of Sections 715.72 to 715.83 of the Ohio Revised Code, on June 11, 2009. The District operates under the direction of a five member Board of Directors. By law the Board is comprised of

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one member representing the City, appointed by the City Council; one member representing the Township, appointed by the Township Trustees; one member representing the owners of the businesses located in the District, appointed by the City Council with the concurrence of the Township Trustees; one member representing the persons employed in the District, appointed by the Township Trustees with the concurrence of the City Council; and one member selected by the other Board members. The District's purpose is to promote economic development activities in the geographic area comprising the District. Such area is located in Miami Township.

The Austin Center – Joint Economic Development District is a political body incorporated and established by the Miami Township, the City of Miamisburg, the City of Springboro and Montgomery County under the provisions of Sections 715.72 to 715.83 of the Ohio Revised Code, effective September 1, 2009. The District operates under the direction of a five member Board of Directors. By law the Board is comprised of one member from appointed by each of the respective entities and one member representing the owners of the businesses located in the District, appointed by a majority of the 4 appointed board members. The District's purpose is to promote economic development activities in the geographic area comprising the District. Such area is located in Miami Township.

Miami Valley Joint Fire District – is a political body incorporated and established by the Miami Township and the City of Miamisburg in accordance with Ohio Revised Code § 505.371. The District was formed on August 31, 2011, and operations began June 11, 2012. The District provides fire and emergency medical services to the citizens of Miamisburg and Miami Township. The District is a jointly governed organization between the City and the Township. By-laws were adopted by the District and allow for a five member governing Board of Trustees. The City appoints two trustees, the Township appoints two trustees and one trustee is selected by the total membership of the Board of Trustees. Funding for the District is provided by levy funds and general fund monies of the City and Township. It is the intention of the District to ultimately pursue a levy of taxes in an amount to replace the existing Township and City levies for the operation of the District.

The By-laws provide for an Operational Oversight Committee which is occupied by the City Manager and Township Administrator. This committee will review and comment on all budget proposals, personnel policy and operational and procedural matters, with the final budget approved by City Council and Township Trustees. The City does not have any equity interest in the Miami Valley Joint Fire District.

19. SUBSEQUENT EVENTS

On February 12, 2014, the Township issued a Transportation Improvement Note, Series 2014 in the amount of \$11,435,000 that matures on February 11, 2015 with an interest rate of 1.25 percent. Proceeds were used to retire the Transportation Improvement Note, Series 2013, in the amount of \$11,445,000 plus interest and cost of issuance.

On February 12, 2014, the Township issued Park Acquisition and Improvement Notes, Series 2014 in the amount of \$3,050,000, and Recreational Trail Acquisition and Improvement Notes, Series 2014 in the amount of \$1,450,000. Both notes mature on February 13, 2014, with an interest rate of 1.25 percent. Proceeds were used to retire the Park Acquisition and Improvement Notes, Series 2013 in the amount of \$5,785,000 and Recreational Trail Acquisition and Improvement Notes, Series 2013 in the amount of \$1,275,000 plus interest and cost of issuance.

**MIAMI TOWNSHIP
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(continued)**

On February 12, 2014, the Township issued Certificates of Participation, Series 2014, in the amount of \$2,025,000 that mature on February 11, 2015 with an interest rate of 1.25 percent. Proceeds were used to retire the balance due on the Certificates of Participation, Series 2010A.

20. CONTINGENT LIABILITIES

The Township is party to various legal proceedings seeking damages. Township management is of the opinion that the ultimate disposition of the various claims and legal proceedings will not have a material effect, if any, on the financial statements of the Township. The Township also participates in various grant programs. These programs may be subject to financial and compliance audits by the grantor or their representative.