

PERRY

& Associates CPAs

PASSION *Beyond the Numbers*

**LIBERTY TOWNSHIP
BUTLER COUNTY**

**REGULAR AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2024**



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Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

Board of Trustees
Liberty Township
5021 Winners Circle Dr
Liberty Township, OH 45011

We have reviewed the *Independent Auditor's Report* of Liberty Township, Butler County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2024 through December 31, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

KEITH FABER
Ohio Auditor of State

A handwritten signature in black ink that reads "Tiffany L Ridenbaugh".

Tiffany L Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

February 09, 2026

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LIBERTY TOWNSHIP
BUTLER COUNTY

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LIBERTY TOWNSHIP
BUTLER COUNTY

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INDEPENDENT AUDITOR'S REPORT

Liberty Township
Butler County
5021 Winners Circle
Liberty Township, Ohio 45011

To the Board of Trustees:

Report on the Audit of the Financial Statements

Opinions

We have audited the modified cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **Liberty Township**, Butler County, Ohio (the Township), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective modified cash-basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Township, as of December 31, 2024, and the respective changes in modified cash-basis financial position and where applicable cash flows thereof and for the year then ended in accordance with the modified cash-basis of accounting described in Note 2.

Basis for Opinions

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

Emphasis of Matter - Accounting Basis

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

Emphasis of Matter

As discussed in Note 13 to the financial statements, during 2024, the Township had three changes within the reporting entity that were based on the qualitative thresholds for major funds. The Capital Project Fund moved from a major fund to a nonmajor fund and the ARPA Fund and Millikin TIF Fund moved from nonmajor funds to major funds. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted to opine on the financial statements as a whole that collectively comprise the Township's basic financial statements. The budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied to the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 8, 2025, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Township's internal control over financial reporting and compliance.



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

August 8, 2025

**Liberty Township
Butler County, Ohio**

Statement of Net Position - Modified Cash Basis
December 31, 2024

	Governmental Activities
Assets:	
Equity in Pooled Cash, Cash Equivalents, and Investments	<u>\$ 83,165,126</u>
Total assets	<u>\$ 83,165,126</u>
 Net Position:	
Restricted for:	
Capital projects	\$ 14,608,270
Debt Service	7,597,023
Public Safety	22,845,995
Public Works	3,395,786
Cemetery	274,155
Recreation Programs	40,853
Self - Insurance	2,780,266
Unrestricted	<u>31,622,778</u>
Total Net Position	<u>\$ 83,165,126</u>

See Accompanying Notes to the Financial Statements

**Liberty Township
Butler County, Ohio**

*Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2024*

	Cash Disbursements	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities		
Governmental activities:							
Current:							
General government	\$ 3,060,251	\$ 719,059	\$ 5,363	\$ -	\$ (2,335,829)		
Public Safety	13,113,250	911,847	1,183,946	-	(11,017,457)		
Public Works	4,023,347	669,966	674,558	8,500,000	5,821,177		
Health	18,763	29,532	-	-	10,769		
Conservation - Recreation	986,681	18,000	-	728,805	(239,876)		
Payment to Schools	6,564,811	-	-	-	(6,564,811)		
Intergovernmental	930,068	-	-	-	(930,068)		
Debt service:					-		
Principal retirement	1,250,000	-	-	-	(1,250,000)		
Interest and fiscal charges	554,919	-	-	-	(554,919)		
Total governmental activities	\$ 30,502,090	\$ 2,348,404	\$ 1,863,867	\$ 9,228,805	(17,061,014)		

General Receipts:

Property and Other Taxes Levied for:

General Purposes	1,032,339
Public Safety	11,983,248
Public Works	1,604,423
Grants and Entitlements not Restricted to	
Specific Purposes	5,983,594
Payments in lieu of taxes	9,319,594
Earnings on Investments	3,398,787
Miscellaneous	16,170

Total General Receipts

33,338,155

Change in Net Position

16,277,141

Net Position Beginning of Year

66,887,985

Net Position End of Year

\$ 83,165,126

See Accompanying Notes to the Financial Statements

**Liberty Township
Butler County, Ohio**

*Statement of Assets and Fund Balances - Modified Cash Basis
Governmental Funds
December 31, 2024*

	General Fund	Fire and EMS Fund	Police Fund	ARPA Fund	Millikin TIF Fund	Other Governmental Funds	Total Governmental Funds
Assets:							
Equity in Pooled Cash, Cash Equivalents, and Investments	\$ 26,434,972	\$ 18,782,732	\$ 3,446,168	\$ 146,801	\$ 8,350,000	\$ 23,224,187	\$ 80,384,860
Fund Balances							
Restricted for:							
Capital Projects	\$ -	\$ -	\$ -	\$ -	\$ 8,350,000	\$ 6,258,270	\$ 14,608,270
Debt Service	-	-	-	-		7,597,023	7,597,023
Public Safety	-	18,782,732	3,446,168	146,801		470,294	22,845,995
Public Works	-	-	-	-		3,395,786	3,395,786
Cemetery	-	-	-	-		274,155	274,155
Recreation Programs	-	-	-	-		40,853	40,853
<i>Total Restricted</i>	<i>-</i>	<i>18,782,732</i>	<i>3,446,168</i>	<i>146,801</i>	<i>8,350,000</i>	<i>18,036,381</i>	<i>48,762,082</i>
Committed to:							
Public Works	-	-	-	-		1,800,612	1,800,612
<i>Total Committed</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>1,800,612</i>	<i>1,800,612</i>
Assigned to:							
Capital Outlay	-	-	-	-	-	3,387,194	3,387,194
Purchase Commitments	261,927	-	-	-	-	-	261,927
Subsequent Year Appropriations	719,000	-	-	-	-	-	719,000
<i>Total Assigned</i>	<i>980,927</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>3,387,194</i>	<i>4,368,121</i>
Unassigned	25,454,045	-	-	-	-	-	25,454,045
Total Fund Balances	\$ 26,434,972	\$ 18,782,732	\$ 3,446,168	\$ 146,801	\$ 8,350,000	\$ 23,224,187	\$ 80,384,860

See Accompanying Notes to the Financial Statements

**Liberty Township
Butler County, Ohio**

*Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities - Modified Cash Basis
December 31, 2024*

Total Governmental Fund Balances	\$	80,384,860
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*Amounts reported for governmental activities in the statement of
net position are different because:*

The internal service fund is used by management to charge insurance
costs to individual funds. The assets of the internal service fund are
included in governmental activities in the statement of net position

2,780,266

<i>Net Position of Governmental Activities</i>	\$	<u>83,165,126</u>
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See Accompanying Notes to the Financial Statements

**Liberty Township
Butler County, Ohio**

*Statement of Receipts, Disbursements, and
Changes in Fund Balances - Modified Cash Basis
Governmental Funds
For the Year Ended December 31, 2024*

	General Fund	Fire and EMS Fund	Police Fund	ARPA Fund	Millikin TIF Fund	Formerly Major Fund	Other Governmental Funds	Total Governmental Funds
						Capital Projects Fund		
Receipts								
Property and other taxes	\$ 1,032,339	\$ 9,283,816	\$ 2,699,432	\$ -	\$ -		\$ 1,222,421	\$ 14,238,008
Charges for services	-	740,415	-	-	-		13,003	753,418
Licenses, permits and fees	672,076	57,449	6,049	-	-		22,034	757,608
Fines and forfeitures	1,165	-	-	-	-		-	1,165
Intergovernmental	4,793,706	884,611	418,176	-	8,500,000		2,941,540	17,538,033
Payment in Lieu of Taxes	-	-	-	-	-		9,319,594	9,319,594
Special assessments	5,363	-	-	-	-		608,747	614,110
Earnings on Investments	3,219,555	-	-	-	-		179,232	3,398,787
Miscellaneous	79,988	22,806	-	-	-		55,714	158,508
<i>Total Receipts</i>	<i>9,804,192</i>	<i>10,989,097</i>	<i>3,123,657</i>	<i>-</i>	<i>8,500,000</i>		<i>14,362,285</i>	<i>46,779,231</i>
Disbursements								
Current:								
General government	2,909,618	-	-	517,500	-		78,421	3,505,539
Public Safety	-	7,932,730	2,559,812	35,000	-		802,058	11,329,600
Public Works	-	-	-	709,119	150,000		1,403,734	2,262,853
Health	-	-	-	-	-		18,763	18,763
Conservation-Recreation	423,956	-	-	-	-		-	423,956
Payment to Schools	-	-	-	-	-		6,564,811	6,564,811
Intergovernmental	-	-	-	-	-		930,068	930,068
Capital outlay	236,339	1,074,531	-	2,070,670	-		772,943	4,154,483
Debt service:								-
Principal Retirement	-	-	-	-	-		1,250,000	1,250,000
Interest and Fiscal Charges	-	-	-	-	-		554,919	554,919
<i>Total Disbursements</i>	<i>3,569,913</i>	<i>9,007,261</i>	<i>2,559,812</i>	<i>3,332,289</i>	<i>150,000</i>		<i>12,375,717</i>	<i>30,994,992</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>6,234,279</i>	<i>1,981,836</i>	<i>563,845</i>	<i>(3,332,289)</i>	<i>8,350,000</i>		<i>1,986,568</i>	<i>15,784,239</i>
Other Financing Sources (Uses)								
Transfers In	-	-	-	-	-		2,326,000	2,326,000
Transfers Out	(1,671,000)	(175,000)	(100,000)	-	-		(380,000)	(2,326,000)
<i>Total Other Financing Sources (Uses)</i>	<i>(1,671,000)</i>	<i>(175,000)</i>	<i>(100,000)</i>	<i>-</i>	<i>-</i>		<i>1,946,000</i>	<i>-</i>
<i>Net Change in Fund Balances</i>	<i>4,563,279</i>	<i>1,806,836</i>	<i>463,845</i>	<i>(3,332,289)</i>	<i>8,350,000</i>		<i>3,932,568</i>	<i>15,784,239</i>
<i>Fund Balances Beginning of Year, as Previously Presented</i>	<i>21,871,693</i>	<i>16,975,896</i>	<i>2,982,323</i>	<i>-</i>	<i>-</i>		<i>3,387,194</i>	<i>19,383,515</i>
Changes Within Financial Reporting Entity:								
Major to Nonmajor Fund - See note 13	-	-	-	-	-		(3,387,194)	3,387,194
Nonmajor to Major Fund - See note 13	-	-	-	3,479,090	-		(3,479,090)	-
<i>Fund Balances Beginning of Year, as Adjusted</i>	<i>21,871,693</i>	<i>16,975,896</i>	<i>2,982,323</i>	<i>3,479,090</i>	<i>-</i>		<i>19,291,619</i>	<i>64,600,621</i>
<i>Fund Balances End of Year</i>	<i>\$ 26,434,972</i>	<i>\$ 18,782,732</i>	<i>\$ 3,446,168</i>	<i>\$ 146,801</i>	<i>\$ 8,350,000</i>		<i>\$ 23,224,187</i>	<i>\$ 80,384,860</i>

See Accompanying Notes to the Financial Statements

**Liberty Township
Butler County, Ohio**

*Reconciliation of the Statement of Receipts, Disbursements and Changes in Fund Balances
Governmental Funds to the Statement of Activities - Modified Cash Basis
December 31, 2024*

Net Change in Fund Balances - Total Governmental Funds \$ 15,784,239

*Amounts reported for governmental activities in the
statement of activities are different because:*

Internal service funds charge insurance costs to other funds. The entity-wide statements eliminate governmental fund expenditures and related internal service fund charges. Governmental activities report allocated net internal service fund receipts (disbursements) 492,902

Change in Net Position of Governmental Activities \$ 16,277,141

See Accompanying Notes to the Financial Statements

**Liberty Township
Butler County, Ohio**

Statement of Fund Net Position - Modified Cash Basis

Proprietary Fund

For the Year Ended December 31, 2024

	Governmental Activity	
		Internal Service
Assets:		
Equity in Pooled Cash, Cash Equivalents, and Investments	\$ 2,780,266	
<i>Total Assets</i>	<u>2,780,266</u>	
 Net Position		
Restricted for:		
Self Insurance	2,780,266	
<i>Total Net Position</i>	<u>\$ 2,780,266</u>	

See Accompanying Notes to the Financial Statements

**Liberty Township
Butler County, Ohio**

*Statement of Receipts, Disbursements, and Changes in Fund Net Position - Modified
Cash Basis - Proprietary Fund
For the Year Ended December 31, 2024*

	Governmental Activity
	Internal Service
Operating Receipts	
Charges for services	<u>\$ 2,647,926</u>
<i>Total Operating Receipts</i>	<u>2,647,926</u>
Operating Disbursements	
Purchased Services	1,077,344
Claims	<u>1,142,671</u>
<i>Total Operating Disbursements</i>	<u>2,220,015</u>
<i>Operating Income</i>	<u>427,911</u>
Non-Operating Receipts:	
Earnings on Investment	<u>64,991</u>
<i>Total Non-Operating Receipts</i>	<u>64,991</u>
<i>Change in Net Position</i>	492,902
<i>Net Position Beginning of Year</i>	<u>2,287,364</u>
<i>Net Position End of Year</i>	<u>\$ 2,780,266</u>

See Accompanying Notes to the Financial Statements

**Liberty Township
Butler County, Ohio**

*Statement of Cash Flows - Modified Cash Basis
Proprietary Fund
For the Year Ended December 31, 2024*

	Governmental Activity
	Internal Service
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities	
Cash Received from Transactions with Other Funds	\$ 2,647,926
Cash Payments to Suppliers for Goods and Services	<u>(2,220,015)</u>
<i>Net Cash Provided by Operating Activities</i>	<u>427,911</u>
Cash Flows from Investing Activities	
Interest on Investments	64,991
<i>Net Cash Provided by Investing Activities</i>	<u>64,991</u>
<i>Net Increase in Cash and Cash Equivalents</i>	492,902
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>2,287,364</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$ 2,780,266</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	\$ 427,911
<i>Net Cash Provided by Operating Activities</i>	<u>\$ 427,911</u>

See Accompanying Notes to the Financial Statements

Liberty Township
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 1 – Reporting Entity

Liberty Township, Butler County, Ohio (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 Township Fiscal Officer.

The reporting entity is composed of the primary government, component units and other organizations that were included to ensure that the financial statements are not misleading. The Township has no component units.

Primary Government

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

Public Entity Risk Pool

The Township participates in a public entity risk pool. Note 5 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.

Note 2 – Summary of Significant Accounting Policies

As discussed further in the Basis of Accounting section of this Note, these financial statements are presented on a 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 the 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 nonexchange transactions.

Liberty Township
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 2 – Summary of Significant Accounting Policies (Continued)

Government-Wide Financial Statements (Continued)

The statement of net position presents the cash and investment balances of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that 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. The internal service fund is presented in a single column on the face of the proprietary fund statements.

Proprietary fund statements distinguish operating transactions from nonoperating transactions. Operating receipts generally result from exchange transactions such as charges for services directly relating to the funds' principal services. Operating disbursements include costs of sales and services and administrative costs. The proprietary fund statements report all other receipts and disbursements as nonoperating.

Fund Accounting

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

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

General - 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.

Fire & EMS Fund - This fund accounts for proceeds from property taxes and other cash receipts restricted for fire department operations and emergency services.

Police Fund - This fund accounts for proceeds from property taxes and other cash receipts restricted for police department operations and protection services.

ARPA Fund - This fund accounts for resources received from Federal Government under the American Rescue Plan Act.

Liberty Township
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 2 – Summary of Significant Accounting Policies (Continued)

Governmental Funds (Continued)

Millikin TIF Fund - This capital project fund accounts for tax increment financing activities and related capital improvements in the vicinity of Millikin Road.

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.

Proprietary Funds

The Township classifies funds financed primarily from user charges for goods or services as proprietary. Proprietary funds focus on the determination of operating income, changes in net position, financial position, and cash flows. The Township's proprietary fund is an internal service fund. Internal service funds account for the financing of services provided by one department to another department of the Township on a cost-reimbursement basis. The Township's internal service fund accounts for a self-insurance program for employee medical and prescription drug benefits.

Basis of Accounting

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

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, Cash Equivalents and Investments."

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2024, the Township invested in U.S. Government Agency Notes and a money market mutual fund. The U.S. Government Agency Notes are reported at cost. The Township's money market mutual fund investment is recorded at the amounts reported by U.S. Bank on December 31, 2024.

Liberty Township
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 2 – Summary of Significant Accounting Policies (Continued)

Cash and Investments (Continued)

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

STAR Ohio reserves the right to limit participant transactions to \$250 million per day. Transactions in all of a participant's accounts will be combined for this purpose. Twenty-four hours advance notice to STAR Ohio is appreciated for purchases or redemptions of \$100 million or more. For fiscal year 2024, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

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 2024 were \$3,219,555.

Inventory and Prepaid Items

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

Capital Assets

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

Interfund Receivables/Payables

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

Accumulated Leave

For 2024, GASB Statement No. 101, *Compensated Absences*, was effective. GASB 101 defines a compensated absence as leave for which employees may receive cash payments when the leave is used for time off or receive cash payments for unused leave upon termination of employment. These payments could occur during employment or upon termination of employment. Compensated absences generally do not have a set payment schedule. The Township does not offer noncash settlements.

Township employees earn sick and vacation time that can be used for time off. In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave.

This GASB pronouncement had no effect on beginning net position/fund balance as unpaid leave is not reflected as a liability under the Township's modified cash basis of accounting.

Liberty Township
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 2 – Summary of Significant Accounting Policies (Continued)

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 6 and 7, the employer contributions include portions for pension benefits and for other postemployment benefits (OPEB).

Long-Term Obligations

The Township's modified cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid.

Leases and Subscription-Based Information Technology Arrangements (SBITA's)

The Township is the lessor/lessee (as defined by GASB 87) in various leases related to buildings, vehicles, and other equipment under noncancelable leases. Lease receivables/deferred inflow of resources and intangible right to use asset/lease payable are not reflected under the Township's modified cash basis of accounting. Lease revenue/disbursements are recognized when they are received/paid.

The Township has entered into noncancelable Subscription-Based Information Technology Arrangements (SBITA) contracts (as defined by GASB 96) for several types of software including contracts related to financial systems, scheduling, and various other software. Subscription assets/liabilities are not reflected under the Township's modified cash basis of accounting. Subscription disbursements are recognized when they are paid.

Settlement Monies

Ohio has reached settlement agreements with various distributors of opioids which are subject to the OneOhio memorandum of understanding. The original settlement was reached in 2021 with annual payments anticipated through 2038. Subsequently, settlements have been reached with other distributors. For 2024, receipts of \$88,413 are reflected as intergovernmental receipts in the OneOhio Special Revenue Fund in the accompanying financial statements.

Net Position

Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Restricted net position includes resources restricted for maintaining roads and bridges, fire and emergency medical services, police services, debt service, recreation programs, cemetery maintenance, and self-insurance.

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.

Liberty Township
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance

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

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

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

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of Township Trustees. Those committed amounts cannot be used for any other purpose unless the Township Trustees remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Township Trustees, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the Township for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute. State Statute authorizes the Township Fiscal Officer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

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.

Liberty Township
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 2 – Summary of Significant Accounting Policies (Continued)

Internal Activity

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

Note 3 – Deposits and Investments

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

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

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

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

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

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

Liberty Township
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 3 – Deposits and Investments (Continued)

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

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. 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, the carrying value of cash was \$3,616,378 and \$3,506,585 of the Township's bank balance of \$3,769,892 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized.

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by:

Eligible securities pledged to the Township and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least one hundred five percent of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Liberty Township
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 3 – Deposits and Investments (Continued)

Investments

The fair value of the Township's investments is not materially different than measurement value. As of December 31, 2024, the Township had the following investments:

Investment Type	Measurement Value	Weighted Maturity (In Years)	Percentage of Investments
U.S. Government Agency Notes	\$ 46,639,737	3.93	58.63%
Star Ohio	30,823,373	0.00	38.75%
Money Market Mutual Fund	2,085,638	0.00	2.62%
Total Investments	<u>\$ 79,548,748</u>		

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 addresses interest rate risk by requiring that the Township's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short term investments.

Credit Risk – The U.S. Government Agency Notes carry ratings of Aaa by Moody's and AA+ by S&P. The Township has no investment policy dealing with investment credit risk beyond the requirements in state statutes.

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 Township's investments 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. At December 31, 2024, the U.S. Government Agency Notes, Star Ohio and money market mutual fund comprised 58%, 39%, and 3% of the Township's total investments, respectively.

Note 4 – Property Taxes

Property taxes include amounts levied against all real and public utility property located in the Township. Property tax revenue received during 2024 for real and public utility property taxes represents collections of 2023 taxes.

Liberty Township
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 4 – Property Taxes (Continued)

2024 real property taxes are levied after October 1, 2024, on the assessed value as of January 1, 2024, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2024 real property taxes are collected in and intended to finance 2025.

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

Public utility personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2024 public utility property taxes which became a lien December 31, 2023, are levied after October 1, 2024, and are collected in 2025 with real property taxes.

The full tax rate for all Township operations for the year ended December 31, 2024, was \$15.09 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2024 property tax receipts were based are as follows:

Real Property Tax Assessed Valuation	\$ 1,840,138,390
Public Utility Personal Property Assessed Valuation	<u>39,284,950</u>
 Total	 <u>\$ 1,879,423,340</u>

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

Note 5 – 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.

Risk Pool Membership

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

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

Liberty Township
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 5 – Risk Management (Continued)

Risk Pool Membership (Continued)

The Pool reported the following summary of assets and actuarially measured liabilities available to pay those liabilities as of December 31, 2023 (the most recent date available).

Total assets \$33,494,457

Total liabilities \$10,885,549

Self-Insurance

The Township manages employee health benefits on a self-insured basis. The employee health benefit plan provides basic medical and prescription drug benefits through Custom Design Benefits, the third-party administrator (TPA) of the program, which reviews and pays the claims. A specific excess loss coverage (stop-loss) insurance policy covers claims in excess of \$35,000 per employee per year. The Self- Insurance internal service fund pays covered claims to service providers and recovers these costs from charges to other funds based on historical cost information and adjusted over a reasonable period of time, so the internal service fund receipts and disbursements are approximately equal.

Note 6 – Defined Benefit Pension Plan

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – Township employees, other than full-time firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

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

Liberty Township
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 6 – Defined Benefit Pension Plan (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS) (Continued)

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

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

Traditional plan state and local members who retire before meeting the age-and-years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests at retirement.

Law enforcement and public safety members who retire before meeting the age-and-years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

Combined plan members retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit.

Liberty Township
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 6 – Defined Benefit Pension Plan (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS)

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

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

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

Liberty Township
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 6 – Defined Benefit Pension Plan (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

	State and Local		Public Safety	Law Enforcement
	Traditional	Combined		
2024 Statutory Maximum Contribution Rates				
Employer	14.0%	14.0%	18.1%	18.1%
Employee (3)	10.0%	10.0%	(1)	(2)
2024 Actual Contribution Rates				
Employer:				
Pension (4)	14.0%	12.0%	18.1%	18.1%
Post-employment Health Care Benefits (4)	0.0%	2.0%	0.0%	0.0%
Total Employer	<u>14.0%</u>	<u>14.0%</u>	<u>18.1%</u>	<u>18.1%</u>
Employee	<u>10.0%</u>	<u>10.0%</u>	<u>12.0%</u>	<u>13.0%</u>

(1) This rate is determined by OPERS' Board and has no maximum rate established by ORC.

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

(3) Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

(4) These pension and employer health care rates are for the traditional and combined plans.

The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension; however, effective July 1, 2022, a portion of the health care rate is funded with reserves.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Township's contractually required contribution was \$277,056 for 2024.

Plan Description – Ohio Police & Fire Pension Fund (OPF)

Plan Description – Township full-time firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report that may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Liberty Township
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 6 – Defined Benefit Pension Plan (Continued)

Plan Description – Ohio Police & Fire Pension Fund (OPF)

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

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

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

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit, surviving beneficiaries under optional plans, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

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

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

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

Liberty Township
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 6 – Defined Benefit Pension Plan (Continued)

Plan Description – Ohio Police & Fire Pension Fund (OPF)

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

	<u>Police</u>	<u>Firefighters</u>
2024 Statutory Maximum Contribution Rates		
Employer	19.50%	24.00%
Employee	12.25%	12.25%
2024 Actual Contribution Rates		
Employer:		
Pension	19.00%	23.50%
Post-employment Health Care Benefits	0.50%	0.50%
	<hr/>	<hr/>
Total Employer	<u>19.50%</u>	<u>24.00%</u>
	<hr/>	<hr/>
Employee	<u>12.25%</u>	<u>12.25%</u>
	<hr/>	<hr/>

Employer contribution rates are expressed as a percentage of covered payroll. The Township's contractually required contribution to OP&F was \$1,012,869 for 2024.

Social Security

Several Township's employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participant.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2024.

Note 7 - Postemployment Benefits

Ohio Public Employees Retirement System

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

Liberty Township
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 7 - Postemployment Benefits (Continued)

Ohio Public Employees Retirement System (Continued)

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code. Retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice and other eligible expenses. An OPERS vendor is available to assist with the selection of a health care program.

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

Age 65 or older Retirees Minimum of 20 years of qualifying service credit

Age 60 to 64 Retirees Based on the following age-and-service criteria:

Group A 30 years of total service with at least 20 years of qualified health care service credit;

Group B 31 years of total service credit with at least 20 years of qualified health care service credit;

Group C 32 years of total service cred with at least 20 years of qualified health care service credit.

Age 59 or younger Based on the following age-and-service criteria:

Group A 30 years of qualified health care service credit;

Group B 32 years of qualified health care service credit at any age or 31 years of qualified health care service credit and at least age 52;

Group C 32 years of qualified health care service credit and at least age 55.

Liberty Township
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 7 - Postemployment Benefits (Continued)

Ohio Public Employees Retirement System (Continued)

Retirees who do not meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

Members with a retirement date prior to January 1, 2022, who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022, as summarized in the following table:

Group A	Group B	Group C
Age and Service Requirements <i>December 1, 2014 or Prior</i>	Age and Service Requirements <i>December 1, 2014 or Prior</i>	Age and Service Requirements <i>December 1, 2014 or Prior</i>
Any Age with 10 years of service credit	Any Age with 10 years of service credit	Any Age with 10 years of service credit
<i>January 1, 2015 through</i> <i>December 31, 2021</i>	<i>January 1, 2015 through</i> <i>December 31, 2021</i>	<i>January 1, 2015 through</i> <i>December 31, 2021</i>
Age 60 with 20 years of service credit or Any Age with 30 years of service credit	Age 52 with 31 years of service credit or Age 60 with 20 years of service credit or Any Age with 32 years of service credit	Age 55 with 32 years of service credit or Age 60 with 20 years of service credit

See the Age and Service Retirement section of the OPERS ACFR for a description of Groups A, B and C.

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

The base allowance is determined by OPERS and is currently \$1,200 per month for non-Medicare retirees and \$350 per month for Medicare retirees. The retiree receives a percentage of the base allowance, calculated based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance for both non-Medicare and Medicare retirees.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

Liberty Township
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 7 - Postemployment Benefits (Continued)

Ohio Public Employees Retirement System (Continued)

Participants in the Member-Directed Plan have access to the Connector and have a separate health care funding mechanism. A portion of employer contributions for these participants is allocated to a retiree medical account (RMA). Members who elect the Member-Directed Plan after July 1, 2015, will vest in the RMA over 15 years at a rate of 10 percent each year starting with the sixth year of participation. Members who elected the Member-Directed Plan prior to July 1, 2015, vest in the RMA over a five-year period at a rate of 20 percent per year. Upon separation or retirement, participants may use vested RMA funds for reimbursement of qualified medical expenses.

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

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. For fiscal year 2024, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2024, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan. Beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan which has continued through 2024. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2024 was 4.0 percent. Effective July 1, 2022, a portion of the health care rate was funded with reserves which has continued through 2024.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Township's contractually required contribution was \$0 for the year 2024.

Liberty Township
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 7 - Postemployment Benefits (Continued)

Ohio Police and Fire Pension Fund

Plan Description – The Township contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined postemployment healthcare plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

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

Regardless of a benefit recipient's participation in the health care program, OP&F is required by law to pay eligible recipients of a service pension, disability benefit and spousal survivor benefit for their Medicare Part B insurance premium, up to the statutory maximum provided the benefit recipient is not eligible to receive reimbursement from any other source. Once OP&F receives the necessary documentation, a monthly reimbursement is included as part of the recipient's next benefit payment. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

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

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

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

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

Liberty Township
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 7 - Postemployment Benefits (Continued)

Ohio Police and Fire Pension Fund (Continued)

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2024, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

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

The Township's contractually required contribution to OPF was \$21,726 for 2024.

Note 8 – Debt

A summary of the Township's long-term debt activity for the year ended December 31, 2024, is as follows:

	<u>Maturity Date</u>	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities:						
General Obligation Bonds:						
Services Storage Facility and 2017 Refunding Bonds - 2.27%	2031	\$ 4,810,000	\$ -	\$ (730,000)	\$ 4,080,000	\$ 745,000
Admin Building and Fire 112 Bonds - 2.27%	2044	<u>9,370,000</u>	<u>-</u>	<u>(305,000)</u>	<u>9,065,000</u>	<u>315,000</u>
Total General Obligation Bonds		<u>\$14,180,000</u>	<u>\$ -</u>	<u>\$ (1,035,000)</u>	<u>\$ 13,145,000</u>	<u>\$ 1,060,000</u>
Revenue Bonds:						
Liberty Center Project Series 2022 Refunding - 4.50% to 5.00%	2041	<u>5,010,000</u>	<u>-</u>	<u>(215,000)</u>	<u>4,795,000</u>	<u>225,000</u>
Total Governmental Activities		<u>\$19,190,000</u>	<u>\$ -</u>	<u>\$ (1,250,000)</u>	<u>\$ 17,940,000</u>	<u>\$ 1,285,000</u>

Liberty Township
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 8 – Debt (Continued)

The general obligation bonds are supported by the full faith and credit of the Township and are payable from unvoted property tax receipts to the extent that other resources are not available to meet annual principal and interest payments. The revenue bonds are supported by certain Township-pledged TIF revenues.

During 2022, the Township entered into a Refunding Bond Agreement to refinance the 2014 bonds originally issued by the Butler County Port Authority. The Township refunded the new bonds in the amount of \$5,380,000 for the purpose of continuing public infrastructure construction related to the Liberty Center Project. The bonds were issued at an additional discount and the interest rate stayed the same, ranging from 4% to 5%, and fully mature of December 1, 2041.

In July 2017, the township issued \$8,975,000 in unvoted various purpose general obligation bonds for the purpose of making building improvements, including construction of a new service garage, renovations to the existing service garage, and land acquisition to provide drainage for the new service garage, along with refunding a portion of the 2008 bonds. The bonds were issued at an interest rate of 2.27% with a maturity date of December 1, 2031.

In March 2020, the township issued \$10,400,000 in unvoted various purpose general obligation bonds for the purpose of the Administration Center and Fire Station 112. The bonds were issued at an interest rate of 2.5% with a maturity date of December 1, 2044.

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

	General Obligation Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest
2025	\$ 1,060,000	\$ 384,860	\$ 225,000	\$ 135,019
2026	1,060,000	355,348	230,000	128,606
2027	1,130,000	326,096	235,000	121,980
2028	1,155,000	294,477	240,000	115,283
2029	925,000	262,117	250,000	108,371
2030-2034	2,520,000	978,887	1,365,000	429,424
2035-2039	2,455,000	586,619	1,560,000	223,013
2040-2044	2,840,000	215,550	690,000	24,724
Total	<u>\$ 13,145,000</u>	<u>\$ 3,403,954</u>	<u>\$ 4,795,000</u>	<u>\$ 1,286,420</u>

Debt Margin

The Ohio Revised Code provides that net general obligation debt of the Township, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the Township. The Revised Code further provides that total voted and unvoted net debt of the Township less the same exempt debt shall never exceed amount equal to 10.5 percent of its tax valuation. The effects of the debt limitations at December 31, 2024, were an overall debt margin of approximately \$197,000,000 and an unvoted debt margin of approximately \$103,000,000.

Liberty Township
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 9 – Intergovernmental Agreements

The Township and the Butler County Transportation Improvement District (TID) entered into an intergovernmental agreement, that has subsequently been amended, pursuant to which the Township agreed to pay a portion of the cost of the Liberty Interchange Project and to secure, with certain revenue streams set forth in the agreement, a portion of the Series 2007 Bonds as issued by the TID. The Township has pledged specific net residential income tax district (RID) revenues and Joint Economic Development District (“JEDD”) revenues, subject to annual appropriations by the Board, equal to ninety-five percent of the prior year JEDD revenues received, to the TID as security for the bonds. According to the agreement, the obligation of the Township is limited to the pledged receipts and the bonds are not general obligations of any political subdivision.

During 2024, the gross amount pledged to the TID in conjunction with this intergovernmental agreement was \$3,535,950, and the net amount paid to the TID was \$930,068, which is reported as intergovernmental disbursements in the accompanying financial statements.

Note 10 – Interfund Activity

During 2024, the following transfers were made:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
General Fund	\$ -	\$ 1,671,000
Fire and EMS Fund	-	175,000
Police Fund	-	100,000
Other Governmental Funds:		
Road and Bridge Fund	1,150,000	-
Fire Station 111 Building Debt Service Fund	180,000	-
Road Salt Barn Building Debt Service Fund	16,000	-
Kyles Station Road Debt Service Fund	200,000	-
Services Storage Facility Fund	200,000	-
Debt Service - Admin	230,000	-
Debt Service - Fire 112	350,000	-
Aspen Trails RID Fund	-	126,667
Creekside Meadows RID Fund	-	126,666
Falling Water RID Fund	-	126,667
Total Other Governmental Funds	<u>2,326,000</u>	<u>380,000</u>
Total All Funds	<u>\$ 2,326,000</u>	<u>\$ 2,326,000</u>

Transfers were used to move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; and to use unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Liberty Township
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 11 – Contingent Liabilities

The Township is defendant in several lawsuits. Although management cannot presently determine the outcome of these suits, they believe the resolution of these matters will not materially adversely affect the Township's financial condition.

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

Note 12 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During 2024, the Township received COVID-19 funding. The Township will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

Note 13 – Change in Accounting Principle

For 2024, GASB Statement No. 100, *Accounting Changes and Error Corrections*, and GASB Statement No. 101, *Compensated Absences*, were effective.

GASB 100 effected beginning fund balances on the *Statement of Receipts, Disbursements, and Changes in Fund Balances – Modified Cash Basis for Governmental Funds* as the Township had three changes within the reporting entity that were based on the quantitative thresholds for major funds and were each displayed separately in the *Statement of Receipts, Disbursements, and Changes in Fund Balances – Modified Cash Basis for Governmental Funds*:

1. The Capital Project Fund moved from a major fund to a nonmajor fund
2. The ARPA Fund moved from a nonmajor fund to a major fund
3. The Millikin TIF Fund moved from a nonmajor fund to a major fund

GASB 101 had no effect on beginning net position/fund balance as unpaid leave is not reflected as a liability under the Township's modified cash basis of accounting.

Supplementary Information

**Liberty Township
Butler County, Ohio**

*Statement of Receipts, Disbursements, and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2024*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)	
	Original	Final	Actual		
Receipts					
Property and Other Local	\$ 894,750	\$ 919,750	\$ 1,032,339	\$ 112,589	
Charges for Services	5,000	5,000	-	(5,000)	
Licenses, Permits and Fees	689,375	689,375	672,076	(17,299)	
Fines and Forfeitures	8,205	8,205	1,165	(7,040)	
Intergovernmental	4,047,120	4,574,620	4,793,706	219,086	
Special Assessments	1,500	1,500	5,363	3,863	
Earnings on Investments	1,500,000	3,000,000	3,219,555	219,555	
Miscellaneous	222,500	101,550	79,988	(21,562)	
<i>Total Receipts</i>	<i>7,368,450</i>	<i>9,300,000</i>	<i>9,804,192</i>	<i>504,192</i>	
Disbursements					
Current:					
General Government					
Personal Services	1,675,945	1,679,523	1,622,700	56,823	
Other	1,334,759	1,503,363	1,493,338	10,025	
Health					
Other	22,000	22,000	-	22,000	
Conservation-Recreation					
Personal Services	397,493	397,630	390,358	7,272	
Other	86,992	88,355	74,440	13,915	
Capital Outlay	1,527,391	1,508,709	251,004	1,257,705	
<i>Total Disbursements</i>	<i>5,044,580</i>	<i>5,199,580</i>	<i>3,831,840</i>	<i>1,367,740</i>	
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>2,323,870</i>	<i>4,100,420</i>	<i>5,972,352</i>	<i>1,871,932</i>	
Other Financing Sources (Uses)					
Transfers Out	(1,786,000)	(1,706,000)	(1,671,000)	35,000	
<i>Total Other Financing Sources (Uses)</i>	<i>(1,786,000)</i>	<i>(1,706,000)</i>	<i>(1,671,000)</i>	<i>35,000</i>	
<i>Net Change in Fund Balance</i>	<i>537,870</i>	<i>2,394,420</i>	<i>4,301,352</i>	<i>1,906,932</i>	
<i>Unencumbered Fund Balance Beginning of Year</i>	<i>21,136,113</i>	<i>21,136,113</i>	<i>21,136,113</i>	<i>-</i>	
Prior Year Encumbrances Appropriated	735,580	735,580	735,580	-	
<i>Unencumbered Fund Balance End of Year</i>	<i>\$ 22,409,563</i>	<i>\$ 24,266,113</i>	<i>\$ 26,173,045</i>	<i>\$ 1,906,932</i>	

**Liberty Township
Butler County, Ohio**

*Statement of Receipts, Disbursements, and Changes
In Fund Balance - Budget and Actual - Budget Basis
Fire and EMS Fund
For the Year Ended December 31, 2024*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)	
	Original	Final	Actual		
Receipts					
Property and Other Local	\$ 8,980,000	\$ 9,283,000	\$ 9,283,816	\$ 816	
Charges for Services	550,000	657,000	740,415	83,415	
Licenses, Permits and Fees	32,000	32,000	57,449	25,449	
Intergovernmental	860,000	885,000	884,611	(389)	
Miscellaneous	110,000	110,000	22,806	(87,194)	
<i>Total Receipts</i>	<i>10,532,000</i>	<i>10,967,000</i>	<i>10,989,097</i>	<i>22,097</i>	
Disbursements					
Current:					
Public Safety					
Fire and EMS					
Personal Services	7,201,192	7,201,192	6,913,931	287,261	
Other	1,482,667	1,486,667	1,293,763	192,904	
Capital Outlay	3,518,859	3,514,859	2,767,192	747,667	
<i>Total Disbursements</i>	<i>12,202,718</i>	<i>12,202,718</i>	<i>10,974,886</i>	<i>1,227,832</i>	
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>(1,670,718)</i>	<i>(1,235,718)</i>	<i>14,211</i>	<i>1,249,929</i>	
Other Financing Sources (Uses)					
Transfers Out	(175,000)	(175,000)	(175,000)	-	
<i>Total Other Financing Sources (Uses)</i>	<i>(175,000)</i>	<i>(175,000)</i>	<i>(175,000)</i>	<i>-</i>	
<i>Net Change in Fund Balance</i>	<i>(1,845,718)</i>	<i>(1,410,718)</i>	<i>(160,789)</i>	<i>1,249,929</i>	
<i>Unencumbered Fund Balance Beginning of Year</i>	<i>15,548,178</i>	<i>15,548,178</i>	<i>15,548,178</i>	<i>-</i>	
Prior Year Encumbrances Appropriated	1,427,718	1,427,718	1,427,718	-	
<i>Unencumbered Fund Balance End of Year</i>	<i>\$ 15,130,178</i>	<i>\$ 15,565,178</i>	<i>\$ 16,815,107</i>	<i>\$ 1,249,929</i>	

**Liberty Township
Butler County, Ohio**

*Statement of Receipts, Disbursements, and Changes
In Fund Balance - Budget and Actual - Budget Basis
Police Fund
For the Year Ended December 31, 2024*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)	
	Original	Final	Actual		
Receipts					
Property and Other Local	\$ 2,600,000	\$ 2,600,000	\$ 2,699,432	\$ 99,432	
Licenses, Permits and Fees	4,500	4,500	6,049	1,549	
Intergovernmental	410,000	410,000	418,176	8,176	
Miscellaneous	500	500	-	(500)	
<i>Total Receipts</i>	<i>3,015,000</i>	<i>3,015,000</i>	<i>3,123,657</i>	<i>108,657</i>	
Disbursements					
Current:					
Public Safety					
Police					
Other	3,273,817	3,273,817	2,565,522	708,295	
<i>Total Disbursements</i>	<i>3,273,817</i>	<i>3,273,817</i>	<i>2,565,522</i>	<i>708,295</i>	
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>(258,817)</i>	<i>(258,817)</i>	<i>558,135</i>	<i>816,952</i>	
Other Financing Sources (Uses)					
Transfers Out	(100,000)	(100,000)	(100,000)	-	
<i>Total Other Financing Sources (Uses)</i>	<i>(100,000)</i>	<i>(100,000)</i>	<i>(100,000)</i>	<i>-</i>	
<i>Net Change in Fund Balance</i>	<i>(358,817)</i>	<i>(358,817)</i>	<i>458,135</i>	<i>816,952</i>	
<i>Unencumbered Fund Balance Beginning of Year</i>	<i>2,958,506</i>	<i>2,958,506</i>	<i>2,958,506</i>	<i>-</i>	
Prior Year Encumbrances Appropriated	23,817	23,817	23,817	-	
<i>Unencumbered Fund Balance End of Year</i>	<u><u>\$ 2,623,506</u></u>	<u><u>\$ 2,623,506</u></u>	<u><u>\$ 3,440,458</u></u>	<u><u>\$ 816,952</u></u>	

**Liberty Township
Butler County, Ohio**

*Statement of Receipts, Disbursements, and Changes
In Fund Balance - Budget and Actual - Budget Basis
ARPA Fund
For the Year Ended December 31, 2024*

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Intergovernmental	\$ 453,915	\$ 453,915	\$ -	\$ (453,915)
<i>Total Receipts</i>	<i>453,915</i>	<i>453,915</i>	<i>-</i>	<i>(453,915)</i>
Disbursements				
Current:				
General Government				
Other	4,500	517,500	517,500	-
Public Safety				
Fire and EMS				
Personal Services	-	35,000	35,000	-
Public Works				
Personal Services	-	709,119	709,119	-
Capital Outlay	3,611,828	2,671,386	2,217,471	453,915
<i>Total Disbursements</i>	<i>3,616,328</i>	<i>3,933,005</i>	<i>3,479,090</i>	<i>453,915</i>
<i>Net Change in Fund Balance</i>	<i>(3,162,413)</i>	<i>(3,479,090)</i>	<i>(3,479,090)</i>	<i>-</i>
<i>Unencumbered Fund Balance Beginning of Year</i>	<i>3,015,386</i>	<i>3,015,386</i>	<i>3,015,386</i>	<i>-</i>
Prior Year Encumbrances Appropriated	463,704	463,704	463,704	-
<i>Unencumbered Fund Balance End of Year</i>	<i>\$ 316,677</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>

Liberty Township
Butler County, Ohio
Notes to Supplementary Information
December 31, 2024

Note 1 – Budgetary Process

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

The appropriations resolution is the Township's authorization to spend resources and 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, function, 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 Trustees.

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 Trustees during the year.

Note 2 – 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 Schedule of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis presented for the General, Fire and EMS, Police, and ARPA Funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the modified cash basis are outstanding year-end encumbrances, which are treated as disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (modified cash basis). The following table summarizes the adjustments necessary to reconcile the modified cash basis statements to the budgetary basis schedules.

	General	Fire & EMS	Police	ARPA
Changes in Fund Balance - Modified Cash Basis	\$ 4,563,279	\$ 1,806,836	\$ 463,845	\$ (3,332,289)
Encumbrances	<u>(261,927)</u>	<u>(1,967,625)</u>	<u>(5,710)</u>	<u>(146,801)</u>
Change in Fund Balance - Budgetary Basis	<u>\$ 4,301,352</u>	<u>\$ (160,789)</u>	<u>\$ 458,135</u>	<u>\$ (3,479,090)</u>

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

Liberty Township
Butler County
5021 Winners Circle
Liberty Township, Ohio 45011

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the modified cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Liberty Township, Butler County, (the Township) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements and have issued our report thereon dated August 8, 2025, wherein we noted the Township uses a special purpose framework other than generally accepted accounting principles. We also noted the Township had three changes within the reporting entity that were based on the qualitative thresholds for major funds.

Report on Internal Control Over Financial Reporting

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

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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



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

August 8, 2025

OHIO AUDITOR OF STATE KEITH FABER



LIBERTY TOWNSHIP

BUTLER COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 2/19/2026

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

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