

MIAMI VALLEY FIRE DISTRICT
MONTGOMERY COUNTY, OHIO

Basic Financial Statements
(Audited)

For the Years Ended
December 31, 2019 and 2018

OHIO AUDITOR OF STATE
KEITH FABER



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

Board of Trustees
Miami Valley Fire District
10 North First Street
Miamisburg, OH 45342

We have reviewed the *Independent Auditor's Report* of the Miami Valley Fire District, Montgomery County, prepared by Julian & Grube, Inc., for the audit period January 1, 2018 through December 31, 2019. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Keith Faber
Auditor of State
Columbus, Ohio

September 30, 2020

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**MIAMI VALLEY FIRE DISTRICT
MONTGOMERY COUNTY, OHIO**

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Independent Auditor's Report

Miami Valley Fire District
Montgomery County
2710 Lyons Road
Miamisburg, Ohio 45342

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities and each major fund of the Miami Valley Fire District, Montgomery County, Ohio, as of and for the years ended December 31, 2019 and December 31, 2018, and the related notes to the financial statements, which collectively comprise the Miami Valley Fire District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities and each major fund of the Miami Valley Fire District, Montgomery County, Ohio, as of December 31, 2019 and December 31, 2018, and the respective changes in cash financial position and the respective budgetary comparison for the General and Emergency Medical Services Funds, thereof for the years then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

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

Emphasis of Matter

As discussed in Note 10 to the financial statements for the year ended December 31, 2019, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Miami Valley Fire District.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2020 on our consideration of the Miami Valley Fire District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Miami Valley Fire District's internal control over financial reporting and compliance.

Julian & Grube, Inc.

Julian & Grube, Inc.
June 29, 2020

Miami Valley Fire District
Montgomery County, Ohio
Statement of Net Position - Cash Basis
December 31, 2019

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$753,149</u>
<i>Total Assets</i>	<u><u>\$753,149</u></u>
Net Position	
Restricted for:	
Emergency Medical Services	\$291,763
Unrestricted	<u>461,386</u>
<i>Total Net Position</i>	<u><u>\$753,149</u></u>

See accompanying notes to the basic financial statements

Miami Valley Fire District
Montgomery County, Ohio
Statement of Activities - Cash Basis
For the Year Ended December 31, 2019

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services	Operating Grants & Contributions	Governmental Activities
Governmental Activities				
Public Safety				
Salaries	\$ 5,585,247	\$ 737,210	\$ 4,675,137	\$ (172,900)
Benefits	2,786,227	367,761	2,332,214	(86,252)
Contractual Services	968,656	127,855	810,815	(29,986)
Supplies and Materials	228,802	30,200	191,519	(7,083)
Travel & Transportation	16,242	2,144	13,595	(503)
Miscellaneous	2,338	309	1,957	(72)
Total Public Safety	<u>9,587,512</u>	<u>1,265,479</u>	<u>8,025,237</u>	<u>(296,796)</u>
Capital Outlay	148,169	19,557	124,025	(4,587)
Debt Service	526,495	69,493	440,703	(16,299)
Total	<u>10,262,176</u>	<u>1,354,529</u>	<u>8,589,965</u>	<u>\$ (317,682)</u>
<i>Total Governmental Activities</i>	<u><u>\$ 10,262,176</u></u>	<u><u>\$ 1,354,529</u></u>	<u><u>\$ 8,589,965</u></u>	<u><u>\$ (317,682)</u></u>
General Receipts				
Miscellaneous				<u>370,534</u>
<i>Total General Receipts</i>				370,534
Change in Net Position				52,852
<i>Net Position Beginning of Year</i>				<u>700,297</u>
<i>Net Position End of Year</i>				<u><u>\$ 753,149</u></u>

See accompanying notes to the basic financial statements

Miami Valley Fire District
Montgomery County, Ohio
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2019

	General	EMS	Total Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$461,386	\$291,763	\$753,149
<i>Total Assets</i>	\$461,386	\$291,763	\$753,149
Fund Balances			
Restricted	\$0	\$291,763	\$291,763
Unassigned (Deficit)	461,386	0	461,386
<i>Total Fund Balances</i>	\$461,386	\$291,763	\$753,149

See accompanying notes to the basic financial statements

Miami Valley Fire District
Montgomery County, Ohio

Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2019

	General	EMS	Total Governmental Funds
Receipts			
Charges for Services	\$0	\$1,354,529	\$1,354,529
Intergovernmental	8,589,965	0	8,589,965
Other	370,534	0	370,534
<i>Total Receipts</i>	<u>8,960,499</u>	<u>1,354,529</u>	<u>10,315,028</u>
Disbursements			
Current:			
<i>Public Safety</i>			
Salaries	4,285,247	1,300,000	5,585,247
Benefits	2,786,227	0	2,786,227
Contractual Services	968,656	0	968,656
Supplies and Materials	228,802	0	228,802
Travel & Transportation	16,242	0	16,242
Miscellaneous	2,338	0	2,338
Capital Outlay	148,169	0	148,169
Debt Service	526,495	0	526,495
<i>Total Disbursements</i>	<u>8,962,176</u>	<u>1,300,000</u>	<u>10,262,176</u>
<i>Net Change in Fund Balances</i>	(1,677)	54,529	52,852
<i>Fund Balances Beginning of Year</i>	<u>463,063</u>	<u>237,234</u>	<u>700,297</u>
<i>Fund Balances End of Year</i>	<u>\$461,386</u>	<u>\$291,763</u>	<u>\$753,149</u>

See accompanying notes to the basic financial statements

Miami Valley Fire District, Montgomery County

Statement of Receipts, Disbursements and Changes

In Fund Balance - Budget and Actual - Budget Basis

General Fund

For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Receipts				
Intergovernmental	\$8,473,000	\$8,473,000	\$8,589,965	\$116,965
Other	308,000	308,000	370,534	62,534
<i>Total receipts</i>	<u>8,781,000</u>	<u>8,781,000</u>	<u>8,960,499</u>	<u>179,499</u>
Disbursements				
Current:				
<i>Public Safety</i>				
Salaries	4,183,303	4,285,638	4,285,247	391
Benefits	2,607,997	2,814,362	2,786,227	28,135
Contractual Services	915,352	973,552	968,656	4,896
Supplies and Materials	243,500	229,550	228,802	748
Travel & Transportation	53,300	16,250	16,242	8
Miscellaneous	0	2,457	2,338	119
Capital Outlay	117,000	151,043	148,169	2,874
Debt Service	580,148	527,148	526,495	653
<i>Total Disbursements</i>	<u>8,700,600</u>	<u>9,000,000</u>	<u>8,962,176</u>	<u>37,824</u>
<i>Net Change in Fund Balance</i>	80,400	(219,000)	(1,677)	217,323
<i>Fund Balance Beginning of Year</i>	<u>463,063</u>	<u>463,063</u>	<u>463,063</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$543,463</u></u>	<u><u>\$244,063</u></u>	<u><u>\$461,386</u></u>	<u><u>\$217,323</u></u>

See accompanying notes to the basic financial statements

Miami Valley Fire District, Montgomery County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Emergency Medical Services Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Receipts				
Charges for Services	\$1,200,000	\$1,200,000	\$1,354,529	\$154,529
Intergovernmental	2,500	2,500	0	(2,500)
<i>Total receipts</i>	<u>1,202,500</u>	<u>1,202,500</u>	<u>1,354,529</u>	<u>152,029</u>
Disbursements				
Current:				
<i>Public Safety</i>				
Salaries	1,004,300	1,300,000	1,300,000	0
Other Expenses	238,700	0	0	0
<i>Total Disbursements</i>	<u>1,243,000</u>	<u>1,300,000</u>	<u>1,300,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(40,500)	(97,500)	54,529	152,029
<i>Fund Balance Beginning of Year</i>	<u>237,234</u>	<u>237,234</u>	<u>237,234</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$196,734</u></u>	<u><u>\$139,734</u></u>	<u><u>\$291,763</u></u>	<u><u>\$152,029</u></u>

See accompanying notes to the basic financial statements

Miami Valley Fire District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 1 - REPORTING ENTITY

The constitution and laws of the State of Ohio establish the rights and privileges of the Miami Valley Fire District, Montgomery County, (the District), as a body politic and corporate. An agreement between the City of Miamisburg and Miami Township established the entity over a five-year period beginning May 30, 2012. On April 12, 2017, the City and Township executed a *Successor Comprehensive Agreement for the Provision of Fire Protection and Emergency Medical Services* to make the district permanent as prescribed in the 2012 agreement.

A five-member Board of Trustees governs the District. The City and the Township each appoint two of the trustees, with the remaining appointment made by the four members appointed by the City and the Township. The District provides fire protection and rescue services within the District and by contract to areas outside the District.

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

Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. The District provides fire and emergency medical services to the residents of Miamisburg and Miami Township.

Component Units

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the District is obligated for the debt of the organization. The District is also financially accountable for any organizations that are fiscally dependent on the District in that the District approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the District, are accessible to the District and are significant in amount to the District. Based on these criteria, the District has no component units.

Jointly Governed Organizations and Public Entity Risk Pool

The District is a jointly governed organization between the City of Miamisburg and Miami Township. By-laws were adopted by the District and allow for a five-member governing Board of Trustees. The City appoints two trustees, the Township appoints two trustees and one trustee is selected by the total membership of the Board of Trustees. Funding for the District is provided by levy funds and general fund monies of the City and Township. It is the intention of the District to ultimately pursue a levy of taxes in an amount to replace the existing Township and City contributions for the operation of the District.

Miami Valley Fire District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 1 - REPORTING ENTITY - (Continued)

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

Public Entity Risk Pool

The District participates in one public entity risk pool, the Public Entities Pool of Ohio (PEP). Note 5 to the financial statements provides additional information for this entity.

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 the cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the District's accounting policies.

Basis of Presentation

The District'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 District as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions. All activities of the District are governmental activities.

The statement of net position presents the cash balances of the governmental activities of the District at year end. The statement of activities compares disbursements with program receipts for each of the District'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 District 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 cash basis or draws from the District's general receipts.

Miami Valley Fire District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Fund Financial Statements During the year, the District segregates transactions related to certain District 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 District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Fund Accounting

The District uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. All of the District's funds are categorized as governmental.

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

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

EMS Fund This fund accounts for charges for services receipts and disbursements related to the District's ambulance operations.

Basis of Accounting The District's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the District'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 District are described in the appropriate section in this note.

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

Budgetary Process

The Ohio Revised Code requires all funds to be budgeted annually.

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level of control and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

Miami Valley Fire District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. Estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the District Fiscal Officer. The amounts reported as original budgeted amounts on the budgetary statements reflect the amounts estimated to be received when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts estimated to be received at the time the final appropriations were passed by the Board.

Encumbrances The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be re-appropriated.

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

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

Deposits and Investments

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

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.

Accumulated Leave

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

Fund Balance

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

Miami Valley Fire District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

- ***Non-spendable*** The non-spendable 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 District Trustees. Those committed amounts cannot be used for any other purpose unless the District Trustees remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
- ***Assigned*** Amounts in the assigned fund balance classification are intended to be used by the District 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 District Trustees or a District official delegated that authority by resolution, or by State Statute.
- ***Unassigned*** Unassigned fund balance is the residual classification for the general fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The District 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.

Restricted Assets

Cash and cash equivalents are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. No restricted assets were reflected as assets in the accompanying financial statements.

Miami Valley Fire District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Inventory and Prepaid Items

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

Inter-fund Receivables/Payables

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

Employer Contributions to Cost-Sharing Pension Plans

The District 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 post-employment healthcare benefits.

Long-Term Obligations

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

Net Position

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The government-wide statement of net position reports restricted net position of \$291,763, none of which is restricted by enabling legislation.

The District'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.

Inter-fund Transactions

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

Miami Valley Fire District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budgetary Basis presented for the General and EMS Funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances which are treated as disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis). The District had no outstanding encumbrances at December 31, 2019.

NOTE 4 - DEPOSITS AND INVESTMENTS

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

Active deposits are public deposits determined to be necessary to meet current demands upon the District treasury. Active monies must be maintained either as cash in the District 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 Board has 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 District 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;

Miami Valley Fire District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the District 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 treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

Effective July 1, 2017, the Ohio Pooled Collateral System (OPCS) was implemented by the Office of the Ohio Treasurer of State. Financial institutions have the option of participating in OPCS or collateralizing utilizing the specific pledge method. The District maintains deposit accounts that are collateralized through the Ohio Pooled Collateral System (OPCS).

Miami Valley Fire District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Custodial Credit Risk

Custodial credit risk is the risk that in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$617,282 of the District's bank balance of \$867,282 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. The District's financial institution was approved for reduced collateral rate of 102 percent through the Ohio Pooled Collateral System.

The District 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 District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

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

Investments

The District holds no investments at December 31, 2019.

NOTE 5 - RISK MANAGEMENT

The District is exposed to various risks of property and casualty losses, and injuries to employees. The District insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

Risk Pool Membership

The District is a member of the Public Entities Pool of Ohio (the "Pool"). The Pool assumes the risk of loss up to the limits of the District's policy. The Pool covers the following risks:

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

Miami Valley Fire District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 5 - RISK MANAGEMENT - (Continued)

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

	<u>2019</u>
Cash and investments	\$ 38,432,610
Actuarial liabilities	\$ 14,705,917

NOTE 6 - DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' 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.

Miami Valley Fire District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 6 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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 and Service Requirements:	Age and Service Requirements:
Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula:	Formula:	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	2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	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 and Service Requirements:	Age and Service Requirements:
Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	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 and Service Requirements:	Age and Service Requirements:
Age 52 with 15 years of service credit	Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	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:	Formula:	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	2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3%.

Miami Valley Fire District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 6 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	State and Local
2019 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee*	10.0 %
 2019 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits**	0.0
 Total Employer	 14.0 %
 Employee	 10.0 %

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

** This employer health care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The District's contractually required contribution was \$3,316 for year 2019.

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

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

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

Miami Valley Fire District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 6 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will receive a COLA equal to a percentage of the member's base pension benefit where the percentage is the lesser of three percent or the percentage increase in the consumer price index, if any, over the 12 month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

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

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

Employer contribution rates are expressed as a percentage of covered payroll. The District's contractually required contribution to OP&F was \$1,319,929 for 2019.

Miami Valley Fire District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 7 - POST-EMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

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

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

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

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

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

Miami Valley Fire District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 7 - POST-EMPLOYMENT BENEFITS - (Continued)

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2019, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2019 was 4.0 percent.

Ohio Police and Fire Pension Fund

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

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

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available on OP&F's website at www.op-f.org.

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% and 24% of covered payroll for police and fire employer units. The Ohio Revised Code states that that employer contribution may not exceed 19.5% of covered payroll for police employer units and 24.0% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administered as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

Miami Valley Fire District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 7 - POST-EMPLOYMENT BENEFITS - (Continued)

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2018, 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 and is limited by the provisions of Sections 115 and 401(h).

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

Beginning January 1, 2019, OP&F changed its retiree health care model and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

Employer contribution rates are expressed as a percentage of covered payroll. The District's contractually required contribution to OP&F was \$28,084 for 2019.

NOTE 8 - LEASES

Prior to the revised comprehensive agreement in 2017, the District had leased its equipment from the City of Miamisburg and Miami Township. According to the prior agreement, the District leases all equipment except for the new firehouse for the flat rate of \$1 per year. For new equipment, the City and the Township entered into equipment leases on behalf of the District with the District paying for the equipment.

During 2016, the District purchased a Rosenbauer Aerial ladder fire truck for \$1,107,622 that replaced a damaged ladder truck. Insurance proceeds of \$677,622 were used in the purchase and the remaining \$430,000 was obtained through an equipment lease agreement with the City of Miamisburg. After the last payment is made in 2020, the title will be transferred to the District.

The comprehensive agreement allows the District to continue leasing its buildings for \$1 except for one fire station whose payment is equal to the debt service paid by the Township and reimbursed by the District. During 2019, the Township refinanced this debt which resulted in a savings of approximately \$650,000 for the District in total debt service payments over the remaining years.

During 2019, the District entered into a lease purchase agreement to purchase an ambulance for \$248,741 at a rate of 2.93%. Annual payments of \$54,205 will begin in 2020.

Miami Valley Fire District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 8 - LEASES- (Continued)

Amortization of the above debt, including interest, is scheduled as follows through 2030:

Year Ending 12/31/:	Fire Station 51 Lease Payment	Ladder Truck Lease	Ambulance Lease
2020	\$ 313,156	\$ 89,130	\$ 54,205
2021	245,549	-	54,205
2022	248,287	-	54,205
2023	252,111	-	54,205
2024	255,074	-	54,206
2025-2029	1,238,011	-	-
2030	185,749	-	-
Total	<u>\$ 2,737,937</u>	<u>\$ 89,130</u>	<u>\$ 271,026</u>

NOTE 9 - CONTINGENT LIABILITIES

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

NOTE 10 - SUBSEQUENT EVENTS

In March 2020, the United States and the State of Ohio declared a state of emergency due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. The impact on the District's future operating costs, revenues and any recovery from emergency funding, either federal or state, cannot be estimated.

Miami Valley Fire District
Montgomery County, Ohio
Statement of Net Position - Cash Basis
December 31, 2018

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$700,297</u>
<i>Total Assets</i>	<u><u>\$700,297</u></u>
Net Position	
Restricted for:	
Emergency Medical Services	237,234
Unrestricted	<u>463,063</u>
<i>Total Net Position</i>	<u><u>\$700,297</u></u>

See accompanying notes to the basic financial statements

Miami Valley Fire District
Montgomery County, Ohio
Statement of Activities - Cash Basis
For the Year Ended December 31, 2018

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
Cash Disbursements	Charges for Services	Operating Grants & Contributions	Governmental Activities	
Governmental Activities				
<i>Public Safety</i>				
Salaries	\$ 5,508,271	\$ 642,776	\$ 4,734,444	\$ (131,051)
Benefits	2,430,010	283,565	2,088,631	(57,814)
Contractual Services	876,730	102,308	753,563	(20,859)
Supplies and Materials	274,157	31,992	235,642	(6,523)
Travel & Transportation	40,313	4,704	34,650	(959)
Miscellaneous	8,855	1,033	7,611	(211)
Total Public Safety	9,138,336	1,066,378	7,854,542	(217,416)
Capital Outlay	340,423	39,725	292,599	(8,099)
Debt Service	494,492	57,704	425,024	(11,764)
Total	9,973,251	1,163,807	8,572,164	\$ (237,280)
<i>Total Governmental Activities</i>	<u><u>\$ 9,973,251</u></u>	<u><u>\$ 1,163,807</u></u>	<u><u>\$ 8,572,164</u></u>	<u><u>\$ (237,280)</u></u>
General Receipts				
Miscellaneous				253,124
<i>Total General Receipts</i>				253,124
Change in Net Position				15,844
<i>Net Position Beginning of Year</i>				684,453
<i>Net Position End of Year</i>				<u><u>\$ 700,297</u></u>

See accompanying notes to the basic financial statements

Miami Valley Fire District
Montgomery County, Ohio
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2018

	General	EMS	Total Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$463,063	\$237,234	\$700,297
<i>Total Assets</i>	<i>\$463,063</i>	<i>\$237,234</i>	<i>\$700,297</i>
Fund Balances			
Restricted	\$0	\$237,234	\$237,234
Unassigned (Deficit)	463,063	0	463,063
<i>Total Fund Balances</i>	<i>\$463,063</i>	<i>\$237,234</i>	<i>\$700,297</i>

See accompanying notes to the basic financial statements

Miami Valley Fire District
Montgomery County, Ohio

Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2018

	General	EMS	Total Governmental Funds
Receipts			
Charges for Services	\$0	\$1,163,807	\$1,163,807
Intergovernmental	8,572,164	0	8,572,164
Other	253,124	0	253,124
<i>Total Receipts</i>	<u>8,825,288</u>	<u>1,163,807</u>	<u>9,989,095</u>
Disbursements			
Current:			
<i>Public Safety</i>			
Salaries	4,768,253	740,018	5,508,271
Benefits	2,092,048	337,962	2,430,010
Contractual Services	777,589	99,141	876,730
Supplies and Materials	241,741	32,416	274,157
Travel & Transportation	35,391	4,922	40,313
Miscellaneous	7,359	1,496	8,855
Capital Outlay	312,353	28,070	340,423
Debt Service	416,537	77,955	494,492
<i>Total Disbursements</i>	<u>8,651,271</u>	<u>1,321,980</u>	<u>9,973,251</u>
<i>Net Change in Fund Balances</i>	174,017	(158,173)	15,844
<i>Fund Balances Beginning of Year</i>	<u>289,046</u>	<u>395,407</u>	<u>684,453</u>
<i>Fund Balances End of Year</i>	<u>\$463,063</u>	<u>\$237,234</u>	<u>\$700,297</u>

See accompanying notes to the basic financial statements

Miami Valley Fire District
Montgomery County, Ohio

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
General Fund*

For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Receipts				
Intergovernmental	\$8,551,000	\$8,551,000	\$8,572,164	\$21,164
Other	210,000	210,000	253,124	43,124
<i>Total receipts</i>	<u>8,761,000</u>	<u>8,761,000</u>	<u>8,825,288</u>	<u>64,288</u>
Disbursements				
Current:				
<i>Public Safety</i>				
Salaries	4,696,951	4,774,000	4,768,253	5,747
Benefits	1,951,774	2,128,550	2,092,048	36,502
Contractual Services	787,648	836,970	777,589	59,381
Supplies and Materials	205,222	268,759	241,741	27,018
Travel & Transportation	50,334	47,340	35,391	11,949
Miscellaneous	4,376	11,500	7,359	4,141
Capital Outlay	330,000	330,000	312,353	17,647
Debt Service	427,500	427,500	416,537	10,963
<i>Total Disbursements</i>	<u>8,453,805</u>	<u>8,824,619</u>	<u>8,651,271</u>	<u>173,348</u>
<i>Net Change in Fund Balance</i>	307,195	(63,619)	174,017	237,636
<i>Unencumbered Fund Balance Beginning of Year</i>	<u>264,427</u>	<u>264,427</u>	<u>264,427</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>24,619</u>	<u>24,619</u>	<u>24,619</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$596,241</u>	<u>\$225,427</u>	<u>\$463,063</u>	<u>\$237,636</u>

See accompanying notes to the basic financial statements

**Miami Valley Fire District
Montgomery County, Ohio**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Emergency Medical Services Fund
For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Receipts				
Charges for Services	\$1,200,000	\$1,200,000	\$1,163,807	(\$36,193)
Intergovernmental	2,500	2,500	0	(2,500)
Other	500	500	0	(500)
<i>Total receipts</i>	<u>1,203,000</u>	<u>1,203,000</u>	<u>1,163,807</u>	<u>(39,193)</u>
Disbursements				
Current:				
<i>Public Safety</i>				
Salaries	700,000	806,000	740,018	65,982
Benefits	256,000	350,000	337,962	12,038
Contractual Services	99,141	99,141	99,141	0
Supplies and Materials	32,416	32,416	32,416	0
Travel & Transportation	4,922	4,922	4,922	0
Miscellaneous	1,496	1,496	1,496	0
Capital Outlay	28,070	28,070	28,070	0
Debt Service	77,955	77,955	77,955	0
<i>Total Disbursements</i>	<u>1,200,000</u>	<u>1,400,000</u>	<u>1,321,980</u>	<u>78,020</u>
<i>Net Change in Fund Balance</i>	3,000	(197,000)	(158,173)	38,827
<i>Fund Balance Beginning of Year</i>	<u>395,407</u>	<u>395,407</u>	<u>395,407</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$398,407</u></u>	<u><u>\$198,407</u></u>	<u><u>\$237,234</u></u>	<u><u>\$38,827</u></u>

See accompanying notes to the basic financial statements

Miami Valley Fire District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 1 - REPORTING ENTITY

The constitution and laws of the State of Ohio establish the rights and privileges of the Miami Valley Fire District, Montgomery County, (the District), as a body politic and corporate. An agreement between the City of Miamisburg and Miami Township established the entity over a five-year period beginning May 30, 2012. On April 12, 2017, the City and Township executed a *Successor Comprehensive Agreement for the Provision of Fire Protection and Emergency Medical Services* to make the district permanent as prescribed in the 2012 agreement.

A five-member Board of Trustees governs the District. The City and the Township each appoint two of the trustees, with the remaining appointment made by the four members appointed by the City and the Township. The District provides fire protection and rescue services within the District and by contract to areas outside the District.

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

Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. The District provides fire and emergency medical services to the residents of Miamisburg and Miami Township.

Component Units

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

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

Miami Valley Fire District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 1 - REPORTING ENTITY - (Continued)

Jointly Governed Organizations and Public Entity Risk Pool

The District is a jointly governed organization between the City of Miamisburg and Miami Township. By-laws were adopted by the District and allow for a five-member governing Board of Trustees. The City appoints two trustees, the Township appoints two trustees and one trustee is selected by the total membership of the Board of Trustees. Funding for the District is provided by levy funds and general fund monies of the City and Township. It is the intention of the District to ultimately pursue a levy of taxes in an amount to replace the existing Township and City contributions for the operation of the District.

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

Public Entity Risk Pool

The District participates in one public entity risk pool, the Public Entities Pool of Ohio (PEP). Note 5 to the financial statements provides additional information for this entity.

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 the cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the District's accounting policies.

Basis of Presentation

The District'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.

Miami Valley Fire District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The statement of net position presents the cash balances of the governmental activities of the District at year end. The statement of activities compares disbursements with program receipts for each of the District'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 District 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 cash basis or draws from the District's general receipts.

Fund Financial Statements During the year, the District segregates transactions related to certain District 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 District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Fund Accounting

The District uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. All of the District's funds are categorized as governmental.

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

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

Miami Valley Fire District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

EMS Fund This fund accounts for charges for services receipts and disbursements related to the District's ambulance operations.

Basis of Accounting

The District's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the District'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 District are described in the appropriate section in this note.

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

Budgetary Process

The Ohio Revised Code requires all funds to be budgeted annually.

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level of control and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. Estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the District Fiscal Officer. The amounts reported as original budgeted amounts on the budgetary statements reflect the amounts estimated to be received when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts estimated to be received at the time the final appropriations were passed by the Board.

Encumbrances The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be re-appropriated.

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

Miami Valley Fire District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Deposits and Investments

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

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.

Accumulated Leave

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

Fund Balance

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

- ***Non-spendable*** The non-spendable 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.

Miami Valley Fire District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

- **Committed** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of District Trustees. Those committed amounts cannot be used for any other purpose unless the District Trustees remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
- **Assigned** Amounts in the assigned fund balance classification are intended to be used by the District 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 District Trustees or a District official delegated that authority by resolution, or by State Statute.
- **Unassigned** Unassigned fund balance is the residual classification for the general fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The District 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.

Restricted Assets

Cash and cash equivalents are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. No restricted assets were reflected as assets in the accompanying financial statements.

Inventory and Prepaid Items

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

Miami Valley Fire District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Inter-fund Receivables/Payables

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

Employer Contributions to Cost-Sharing Pension Plans

The District 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 post-employment healthcare benefits.

Long-Term Obligations

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

Net position

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The government-wide statement of net position reports restricted net position of \$237,234, none of which is restricted by enabling legislation.

The District'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.

Inter-fund Transactions

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

Miami Valley Fire District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budgetary Basis presented for the General and EMS Funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances which are treated as disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis). The District had no outstanding encumbrances at December 31, 2018.

NOTE 4 - DEPOSITS AND INVESTMENTS

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

Active deposits are public deposits determined to be necessary to meet current demands upon the District treasury. Active monies must be maintained either as cash in the District 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 Board has 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 District 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;

Miami Valley Fire District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

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

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the District 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 treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

Effective July 1, 2017, the Ohio Pooled Collateral System (OPCS) was implemented by the Office of the Ohio Treasurer of State. Financial institutions have the option of participating in OPCS or collateralizing utilizing the specific pledge method. The District maintains deposit accounts that are collateralized through the Ohio Pooled Collateral System (OPCS).

Miami Valley Fire District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

Custodial Credit Risk

Custodial credit risk is the risk that in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$617,282 of the District's bank balance of \$867,282 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. The District's financial institution was approved for reduced collateral rate of 102 percent through the Ohio Pooled Collateral System.

The District 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 District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

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

Investments

The District holds no investments at December 31, 2018.

NOTE 5 - RISK MANAGEMENT

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

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

Miami Valley Fire District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 5 - RISK MANAGEMENT - (Continued)

Risk Pool Membership

The District is a member of the Public Entities Pool of Ohio (the “Pool”). The Pool assumes the risk of loss up to the limits of the District’s policy. The Pool covers the following risks:

- General liability and casualty
- Public officials’ liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

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

<u>2019</u>	<u>2018</u>
\$ 38,432,610	\$ 35,381,789
\$ 14,705,917	\$ 12,965,015

NOTE 6 - DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - District employees, other than full-time firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. District employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

Miami Valley Fire District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 6 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

Miami Valley Fire District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 6 - DEFINED BENEFIT PENSION PLANS - (Continued)

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3%.

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

	<u>State and Local</u>
2018 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee*	10.0 %
 2018 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits**	0.0
Total Employer	14.0 %
Employee	10.0 %

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

** This employer health care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The District's contractually required contribution was \$3,316 for year 2018.

Miami Valley Fire District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 6 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

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

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

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will receive a COLA equal to a percentage of the member's base pension benefit where the percentage is the lesser of three percent or the percentage increase in the consumer price index, if any, over the 12 month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

Miami Valley Fire District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 6 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	Firefighters
2018 Statutory Maximum Contribution Rates	
Employer	24.00 %
Employee	12.25 %
 2018 Actual Contribution Rates	
Employer:	
Pension	23.50 %
Post-employment Health Care Benefits	0.50
 Total Employer	 24.00 %
 Employee	 12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The District's contractually required contribution to OP&F was \$1,355,202 for 2018.

NOTE 7 - POST-EMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

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

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

Miami Valley Fire District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 7 - POST-EMPLOYMENT BENEFITS - (Continued)

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

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, state and local employers contributed at a rate of 14.0% of earnable salary and public safety and law enforcement employers contributed at 18.1%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2018, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2018 was 4.0 percent.

Employer contribution rates are expressed as a percentage of covered payroll. The District's contractually required contribution to OP&F was \$28,834 for 2018.

Miami Valley Fire District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 7 - POST-EMPLOYMENT BENEFITS - (Continued)

Ohio Police and Fire Pension Fund

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

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

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available on OP&F's website at www.op-f.org.

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% and 24% of covered payroll for police and fire employer units. The Ohio Revised Code states that that employer contribution may not exceed 19.5% of covered payroll for police employer units and 24.0% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administered as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

Miami Valley Fire District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 7 - POST-EMPLOYMENT BENEFITS - (Continued)

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2018, 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 and is limited by the provisions of Sections 115 and 401(h).

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

Beginning January 1, 2019, OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

The District's contractually required contribution to OP&F was \$28,233 for 2018.

NOTE 8 - LEASES

The District leases its equipment from the City of Miamisburg and Miami Township. According to the terms of the master agreement that established the District, the District leases all equipment except for the new firehouse for the flat rate of \$1 per year. Although the District is not the legal obligor on leases, it pays a fire engine lease on behalf of Miami Township and a pumper truck lease and ladder truck lease on behalf of the City of Miamisburg.

During 2016, the District purchased a Rosenbauer Aerial ladder fire truck for \$1,107,622 that replaced a damaged ladder truck. Insurance proceeds of \$677,622 were used in the purchase and the remaining \$430,000 was obtained through an equipment lease agreement with the City of Miamisburg.

Miami Valley Fire District
Montgomery County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 8 – LEASES – (Continued)

Amortization of the above debt, including interest, is scheduled as follows through 2030:

Year Ending 12/31/:	Fire Station 51 Lease Payment	Pumper Truck Lease	Ladder Truck Lease
2019	\$ 316,636	\$ 87,382	\$ 89,130
2020	314,581	-	89,130
2021	315,984	-	-
2022	313,923	-	-
2023	315,545	-	-
2024 - 2028	1,579,700	-	-
2029 - 2030	631,115	-	-
	<u>\$ 3,787,484</u>	<u>\$ 87,382</u>	<u>\$ 178,260</u>

NOTE 9 - CONTINGENT LIABILITIES

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

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Required by *Government Auditing Standards***

Miami Valley Fire District
Montgomery County
2710 Lyons Road
Miamisburg, Ohio 45342

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the cash-basis financial statements of the governmental activities and each major fund of the Miami Valley Fire District, Montgomery County, Ohio, as of and for the years ended December 31, 2019 and December 31, 2018, and the related notes to the financial statements, which collectively comprise the Miami Valley Fire District's basic financial statements and have issued our report thereon dated June 29, 2020, wherein we noted the Miami Valley Fire District uses a special purpose framework other than generally accepted accounting principles. Furthermore, as discussed in Note 10 to the financial statements for the year ended December 31, 2019, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Julian & Grube, Inc.
June 29, 2020

OHIO AUDITOR OF STATE KEITH FABER



MIAMI VALLEY FIRE DISTRICT

MONTGOMERY 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 10/13/2020

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

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