

Weber, Jeffrey P.

From: EMMANotifications@msrb.org
Sent: Thursday, September 29, 2022 9:43 AM
To: Weber, Jeffrey P.
Subject: [EXT] Confirmation: Continuing Disclosure Submission Successfully Published to EMMA

Your continuing disclosure submission has been published and can be viewed on the MSRB's Electronic Municipal Market Access (EMMA®) website at the following link:

<https://emma.msrb.org/ContinuingDisclosureView/ContinuingDisclosureDetails.aspx?submissionId=P11232206>

SubmissionId: P11232206

Disclosure Type: FINANCIAL/OPERATING FILING Annual Financial Information and Operating Data (Rule 15c2-12): Annual Information Filing FY 2021 for the year ended 12/31/2021

Document Name: Financial Operating Filing dated 09/29/2022
AIF - Bainbridge Twp FY 2021.pdf posted 09/29/2022 9:33:33 AM

The following issuers are associated with this continuing disclosure submission:

CUSIP6	State	Issuer Name
057037	OH	BAINBRIDGE TWP OHIO

The following 11 Securities have been published with this continuing disclosure submission:

Security: CUSIP - 057037AW3, Maturity Date - 12/01/2013
Security: CUSIP - 057037AX1, Maturity Date - 12/01/2014
Security: CUSIP - 057037AY9, Maturity Date - 12/01/2015
Security: CUSIP - 057037AZ6, Maturity Date - 12/01/2016
Security: CUSIP - 057037BA0, Maturity Date - 12/01/2017
Security: CUSIP - 057037BB8, Maturity Date - 12/01/2018
Security: CUSIP - 057037BC6, Maturity Date - 12/01/2019
Security: CUSIP - 057037BD4, Maturity Date - 12/01/2020
Security: CUSIP - 057037BE2, Maturity Date - 12/01/2021
Security: CUSIP - 057037BF9, Maturity Date - 12/01/2022
Security: CUSIP - 057037BG7, Maturity Date - 12/01/2023

Please follow the link to make changes to this submission:
<https://dataport.emma.msrb.org/Home?Index>

PLEASE DO NOT REPLY. This is a system-generated e-mail. If you need assistance please contact the MSRB at 202-838-1330 or you may obtain more information at www.msrb.org.

BAINBRIDGE TOWNSHIP, COUNTY OF GEAUGA, OHIO

**ANNUAL INFORMATION FILING FOR
FISCAL YEAR 2021**

The following provides, in accordance with the continuing disclosure agreement (the Continuing Disclosure Agreement) entered into by Bainbridge Township, County of Geauga, Ohio (the Township), annual financial information and operating data for the Township's fiscal year ended December 31, 2021 (Fiscal Year 2021), of the type included in the final official statement for its primary offerings of and issuances:

\$3,165,000 Police Station Construction Refunding Bonds, Series 2012, dated December 27, 2012. Final Maturity December 1, 2023.

The applicable CUSIP number is 057037.

The Annual Information Filing constitutes only the annual financial information and operating data agreed to be provided under the Continuing Disclosure Agreement entered into at the time of the primary offerings referenced above. No representation is made as to the materiality or completeness of that information. Other relevant information for Fiscal Year 2021 may exist, and matters may have occurred or become known during or since that period, which an investor would consider to be important when making an investment decision. Further, no representation is made that the Annual Information Filing is indicative of financial or operating results of the Township since the end of Fiscal Year 2021 or future financial or operating results. Finally, the inclusion of certain information pertaining to post-Fiscal Year 2021 events, if any, is provided solely for convenience, and is not intended to suggest that other such information not so included is any less material or important to an investor.

Dated: September 29, 2022

**BAINBRIDGE TOWNSHIP,
COUNTY OF GEAUGA, OHIO**

Township Contact:

Janice S. Sugarman
Fiscal Officer
Bainbridge Township, Ohio
17826 Chillicothe Road
Chagrin Falls, OH 44023
Telephone: (440) 543-9871
Email: jsugarman@bainbridgetwp.com

TABLE OF CONTENTS

Cover Page	1
Table Of Contents	2
Introductory Statement.....	3
COVID-19 Pandemic.....	4
Ad Valorem Property Taxes	4
Assessed Valuation	4
Tax Rates	5
Collections	8
Delinquencies.....	9
State Local Government Assistance Funds.....	10
Estate Taxes	10
Township Debt And Other Long-Term Obligations.....	10
Security for General Obligation Debt; Bonds and BANs	10
Statutory Direct Debt Limitations.....	11
Indirect Debt and Unvoted Property Tax Limitations	13
Debt Outstanding	14
Bond Retirement Fund.....	14
Long-Term Financial Obligations Other Than Bonds and Notes.....	14
Retirement Expenses.....	15

Debt Tables (as of December 31, 2021)

A: Principal Amounts of Outstanding Debt; Leeway for Additional Debt Within Direct Debt Limitations	DT-1
B: Various Township and Overlapping GO Debt Allocations	DT-2
C: Projected Debt Service Requirements on Township GO Debt.....	DT-3
D: Outstanding GO Bonds	DT-4

Appendix A – Comparative Cash Basis Summary of General Fund Receipts and Expenditures for Fiscal Years 2017 through 2021

Appendix B – All Funds Cash Basis Summary 2021

INTRODUCTORY STATEMENT

The Township entered into the Continuing Disclosure Agreement pursuant to SEC Rule 15c2-12 (the Rule) in connection with the primary offerings and issuances by the Township of the bond issues identified on the cover page (collectively, the Bonds). The Continuing Disclosure Agreement requires the Township to provide annually financial information and operating data for its immediately preceding Fiscal Year of the type included in the final official statement for these offerings (the Official Statement). This Annual Information Filing provides such financial information and operating data for the Township's Fiscal Year ended December 31, 2021.

All financial and other information in this Annual Information Filing has been provided by the Township from its records, except for information expressly attributed to other sources. More complete information regarding laws, reports and documents referenced in this Annual Information Filing may be obtained by reviewing those laws, reports and documents. Subject to limited exceptions, records of the Township are available for public inspection and copies may be obtained at cost upon request. Questions regarding information contained in this Annual Information Filing and requests for copies of documents should be directed to the Fiscal Officer of the Township at the address shown on the cover. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historical information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the Township. No representation is made that past experience, as is shown by that financial and other information, will necessarily continue or otherwise be predictive of future experience. The information and expressions of opinion herein are subject to change without notice. The delivery of this Annual Information Filing shall not, under any circumstances, give rise to any implication that the affairs of the Township have not changed since the date of this Annual Information Filing.

The Township's audited basic financial statements for Fiscal Year 2020 and 2021 (the Fiscal Year 2020 and 2021 Financial Statements) were filed with the Municipal Securities Rulemaking Board (MSRB) in an electronic format prescribed by the MSRB using the MSRB's Electronic Municipal Market Access (EMMA) platform on June 7, 2022. Those audited financial statements are hereby incorporated by reference and made a part of this Annual Information Filing.

As used in this Annual Information Filing:

- **“Board”** means the Board of Trustees of the Township.
- **“County”** means the County of Geauga, Ohio.
- **“County Auditor”** means the Auditor of the County.
- **“Debt charges”** means the principal (including any mandatory sinking fund deposits and mandatory redemption payments), interest and any redemption premium payable on the obligations referred to as those payments come due and are payable; debt charges may also be referred to as “debt service.”
- **“Fiscal Year”** means the 12-month period ending December 31, and reference to a particular Fiscal Year (such as “Fiscal Year 2021”) means the Fiscal Year ending on December 31 in that year.
- **“Revised Code”** means the Ohio Revised Code.
- **“State”** or **“Ohio”** means the State of Ohio.

COVID-19 PANDEMIC

The spread of the strain of coronavirus commonly known as COVID-19 (COVID-19 or the Pandemic) began altering the behavior of businesses and people early in Fiscal Year 2020 in a manner that had, and to an extent continues to have, negative effects on global, state and local economies and, in turn, on state and local governments and their revenues and expenses.

As the initial effects of the Pandemic became known, the Township actively monitored its revenue collections and implemented certain mitigation and expense reduction measures. As a part of its response to the Pandemic, the federal government has provided assistance under the Coronavirus Aid, Relief, and Economic Security (CARES) Act and other legislation to assist states in addressing the adverse impacts of COVID 19.

The amounts of the reductions (and any offsets) in any local tax sources, additional grant assistance received as well as both Pandemic-related expenses and any operational cost savings experienced by the Township in Fiscal Years 2020 and 2021, are all taken into account in the information provided in this Annual Information Filing. See, e.g., **State Local Government Assistance Funds** and **Appendices A and B**.

The Township received \$599,018.93 from the American Rescue Plan Act in 2021 with an additional \$599,018.93 expected to be received in 2022. Township staff has yet to identify appropriate projects to recommend to the Board for use of those funds.

The Pandemic’s full effect on the Township’s finances and operations, including on the collection of local taxes and on subsequent levels of State and federal assistance, cannot be fully known.

AD VALOREM PROPERTY TAXES

Assessed Valuation

The following table shows the recent assessed valuations of property subject to ad valorem taxes levied by the Township.

Collection Year	Real(a)	Public Utility(b)	Total Assessed Valuation
2018(c)	\$551,386,150	\$10,935,570	\$562,321,720
2019	559,506,980	11,892,410	571,399,390
2020	567,627,200	12,590,880	580,218,080
2021(d)	622,734,670	13,281,690	636,016,360
2022	636,271,140	13,954,600	650,225,740

- (a) Other than real property of railroads. The real property of public utilities, other than railroads, is assessed by the County Auditor. Real property of railroads is assessed, together with tangible personal property of all public utilities, by the State Tax Commissioner.
- (b) Tangible personal property of all public utilities and real property of railroads; see footnotes (a).
- (c) Reflects sexennial reappraisal.
- (d) Reflects triennial readjustment.

Source: County Auditor.

Taxes collected on “Real” in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year. “Public Utility” (real and tangible

personal) taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year.

Pursuant to statutory requirements for sexennial reappraisals, in 2017 the County Auditor adjusted the true value of taxable real property to reflect current fair market values. These adjustments were first reflected in the 2017 duplicate (collection year 2018) and in the ad valorem taxes distributed to the Township in 2018 and thereafter. The County Auditor is required to adjust (but without individual appraisal of properties except in the sexennial reappraisal), and has adjusted, taxable real property value triennially to reflect true values. The County Auditor completed such a triennial adjustment in 2020.

The “assessed valuation” of real property is fixed at 35% of true value and is determined pursuant to rules of the State Tax Commissioner. An exception is that real property devoted exclusively to agricultural use is to be assessed at not more than 35% of its current agricultural use value. Real property devoted exclusively to forestry or timber growing is taxed at 50% of the local tax rate upon its assessed value.

As a result of the phase-out of taxation of tangible personal property used in general business (excluding certain public utility property) and tangible personal property used by telephone, telegraph or interexchange telecommunications companies, as described above, and a 2002 reduction of the percentages of true value of electric utility production equipment and natural gas utility property assessed for taxation, eligible local governments have received reimbursement payments from the State to account for the loss of property tax revenue. The Township has not received a reimbursement from the State relating to lost property revenue from operating levies since 2013.

As indicated herein, the General Assembly has from time to time exercised its power to revise the laws applicable to the determination of assessed valuation of taxable property and the amount of receipts to be produced by ad valorem taxes levied on that property and may continue to make similar revisions.

Ohio law grants tax credits to offset increases in taxes resulting from increases in the true value of real property. Legislation classifies real property as between residential and agricultural property and all other real property, and provides for tax reduction factors to be separately computed for and applied to each class. These tax credits apply only to certain voted levies on real property, and they do not apply to unvoted levies or to voted levies to provide a specified dollar amount or to pay debt charges on general obligation debt. These credits are discussed further following **Tax Table A**.

Tax Rates

All references to tax rates under this caption are in terms of stated rates in mills per \$1.00 of assessed valuation.

The following are the rates at which the Township and overlapping taxing subdivisions have in recent years levied ad valorem property taxes.

**TAX TABLE A
Overlapping Tax Rates**

Collection Year	Township	County	Kenston Local School District	Career Center	Library	Total
2018	27.60	15.60	90.33	1.50	2.50	137.53
2019	27.60	15.60	90.33	1.50	2.50	137.53
2020	27.60	15.60	90.78	1.50	2.50	137.98
2021	27.60	15.50	90.22	1.50	2.44	137.26
2022	27.60	14.65	89.46	1.50	2.13	135.34

Collection Year	Township	County	Chagrin Falls Exempted Village School District	Library	Total
2018	27.60	15.60	124.10	2.50	169.80
2019	27.60	15.60	124.10	2.50	169.80
2020	27.60	15.60	124.10	2.50	169.80
2021	27.60	15.50	124.10	2.44	169.64
2022	27.60	14.65	124.00	2.13	168.38

Source: County Auditor.

Statutory procedures limit, by the application of tax credits, the amount realized by each taxing subdivision from real property taxation to the amount realized from those taxes in the preceding year plus both:

- the proceeds of any new taxes (other than renewals) approved by the electors, calculated to produce an amount equal to the amount that would have been realized if those taxes had been levied in the preceding year; and
- amounts realized from new and existing taxes on the assessed valuation of real property added to the tax duplicate since the preceding year.

The tax credit provisions do not apply to amounts realized from taxes levied at whatever rate is required to produce a specified amount or an amount to pay debt charges on voted general obligations, or from taxes levied inside the ten-mill limitation or any applicable charter tax rate limitation. To calculate the limited amount to be realized, a reduction factor is applied to the stated rates of the levies subject to these tax credits. A resulting “effective tax rate” reflects the aggregate of those reductions, and is the rate based on which real property taxes are in fact collected. As an example, the total overlapping tax rate for the 2022 tax collection year of 168.38 mills within the Township (in the portion overlapping Chagrin Falls Exempted Village School District) is reduced by reduction factors of 0.500259 for residential/agricultural property and 0.399329 for all other real property, which results in “effective tax rates” of 84.146510 mills for residential and agricultural property and 101.141011 mills for all other real property. See **Tax Table A**.

Residential and agricultural real property tax amounts paid by taxpayers generally have been further reduced by an additional 10% (12.5% in the case of owner-occupied

residential property); however, legislation passed by the State’s General Assembly in 2013 eliminated such reductions for additional and replacement levies approved at elections after September 29, 2013, and for other taxes (or increases in taxes) not levied for tax year 2013. See **Collections** for a discussion of reimbursements by the State to taxing subdivisions for these reductions and related changes made by that State legislation.

The following are the rates at which the Township levied property taxes for the general categories of purposes for the years shown, both inside and outside the ten-mill limitation.

**TAX TABLE B
Township Tax Rates**

Inside the Limitation

Collection Year	Total, all Operating
2018	3.00
2019	3.00
2020	3.00
2021	3.00
2022	3.00

Voted

Collection Year	Total, all Operating
2018	24.60
2019	24.60
2020	24.60
2021	24.60
2022	24.60

See the discussion of the ten-mill limitation, and the priority of claim on that millage for debt charges on unvoted general obligation debt, under **Indirect Debt and Unvoted Property Tax Limitations**.

The following table presents certain information concerning the Township’s voted property tax levies each of which, except as otherwise noted, are levied for a continuing period of time:

[Balance of Page Intentionally Left Blank]

Voter Authorized	Millage Rate Levied for Collection Year 2022		Last Collection Year
	Res./Agr.	All Other	
1.50	0.292914	0.493557	Continuing
2.00	0.390552	0.658076	Continuing
0.50	0.097638	0.164519	Continuing
1.50	0.514566	0.685597	Continuing
2.00	0.687456	0.914130	Continuing
2.00	0.795302	1.056044	Continuing
2.50	0.999072	1.328252	Continuing
1.50	0.892306	1.089766	Continuing
2.00	1.203196	1.453022	2026
1.00	0.637064	0.742739	Continuing
1.00	0.799572	0.898699	2024
2.00	1.603628	1.797398	2025
1.25	1.084738	1.123373	Continuing
1.85	1.605413	1.662593	Continuing
2.00	1.744908	1.797398	Continuing

Collections

The following are the amounts billed and collected for Township ad valorem property taxes on real and public utility property for the tax collection years shown.

Collection Year	Current Billed	Current Collected	Current % Collected	Delinquent	
				Current	Accumulated
2017	\$10,164,148	\$10,008,209	98.47%	\$155,939	\$160,706
2018	10,324,186	10,182,108	98.62	165,715	116,534
2019	10,543,155	10,383,976	98.49	186,393	174,636
2020	10,715,391	10,561,957	98.57	219,099	205,280
2021	10,821,696	10,551,246	97.50	242,776	394,946

Source: County Auditor.

Included in the “Current Billed” and “Current Collected” figures above are payments made from State revenue sources under two Statewide real property tax relief programs – the Homestead Exemption and the Property Tax Rollback Exemption. Homestead Exemptions have been available for (i) persons 65 years of age or older, (ii) persons who are totally or permanently disabled and (iii) surviving spouses of persons who were totally or permanently disabled or 65 years of age or older, and had applied and qualified for a reduction of property taxes in the year of death, so long as the surviving spouses were not younger than 59 or older than 65 years of age on the date of their deceased spouses’ deaths. The Homestead Exemption exempts \$25,000 of the homestead’s market value from taxation, thereby reducing the property owner’s ad valorem property tax liability. The Property Tax Rollback Exemption applies to all non-business properties, and reduces each property owner’s ad valorem property tax liability by either 12.5% (for owner-occupied non-business properties) or 10% (for non-owner non-business occupied properties). Payments to taxing subdivisions have been made in amounts approximately equal to the Homestead and Property Tax Rollback Exemptions granted. This State assistance reflected in the Township’s tax collections for 2021 was \$109,855 for the elderly/disabled homestead payment and \$944,853 for the rollback payment.

The Homestead Exemption became subject to means testing beginning in 2014, and the Property Tax Rollback Exemption and related reimbursements have been eliminated with respect to new or replacement tax levies approved at elections after September 29, 2013, and for other taxes (or increases in taxes) not levied for tax year 2013. See **Tax Rates**.

Real property taxes are payable in two installments, the first usually by February and the second in July.

Delinquencies

The following is a general description of delinquency procedures under Ohio law, the implementation of which may vary in practice among the counties. Under the Revised Code, taxes become a lien of the State on the first day of January, annually, and continue until the taxes, including any penalties, interest or other charges, are paid. Real estate taxes and special assessments that are not paid in the year they are due are to be certified by the county auditor's office as delinquent. Any amount of a previous tax bill not paid before new tax bills are mailed for the next half of the year is considered delinquent and becomes subject to a 10% penalty. A list of delinquent properties is compiled by the county auditor (the "delinquent land duplicate"). If delinquent taxes (and special assessments) are not paid within 60 days after a copy of the county auditor's delinquent land duplicate is delivered to the county treasurer, then the county treasurer is to enforce the lien of the State that attached on January 1 of the year the taxes first became payable. Under State law (Section 323.25 of the Revised Code), the county treasurer is to enforce the lien "in the same way mortgage liens are enforced," that is, by an action in the court of common pleas for foreclosure and sale of the property in satisfaction of the delinquency. If the county treasurer fails to bring an action to enforce the lien, then the State Tax Commissioner is to do so. In addition, one year after certification of a delinquent land list, the county prosecuting attorney is authorized to institute foreclosure proceedings in the name of the county treasurer to foreclose the lien.

The property owner may arrange a payment plan with the county treasurer providing for payments over a period not to exceed five years. If payments are made when due under the plan, no further interest will be assessed against delinquent balances covered by the plan; a default in any payment under the plan or in the payment of current taxes will invalidate the taxpayer's participation in the plan. If a payment plan is not adhered to or if none is arranged, foreclosure proceedings may be initiated by the county. Mass foreclosure proceedings and sales are permitted after three years' delinquency. Proceeds from delinquent property foreclosure sales become part of and are distributed as current collections to the taxing subdivisions.

In recent years, the State legislature has enacted several programs with respect to forestalling the foreclosure process or the forfeiture of property due to tax delinquency that may have the effect of delaying or eliminating the collection of certain property taxes. Notwithstanding the delay or loss of the tax revenues from those properties, an issuer of general obligation notes or bonds, such as the Township, remains obligated to pay the debt charges on those notes or bonds from the available revenues.

Of the 6,825 nonexempt parcels in the Township for collection year 2021, the number of delinquent parcels was 567, against three of which foreclosure proceedings were commenced.

There were no taxpayers that accounted for more than 5% of any of the delinquencies of ad valorem real property taxes or special assessments identified above for tax collection year 2021.

STATE LOCAL GOVERNMENT ASSISTANCE FUNDS

Statutory state-level local government assistance funds, comprised of designated State revenues, are another source of revenue to the General Fund. Most are distributed to each county and then allocated on a formula basis, or in some cases on an agreement basis, among the county and cities, villages and townships, and in some cases park districts, in the county. Township receipts from those funds are set forth in the following table:

Year	Receipts
2017	\$ 95,309
2018	99,212
2019	103,539
2020	104,877
2021	110,902

The amounts of and formula for distribution of these funds have been and may be revised from time to time.

ESTATE TAXES

The State had previously distributed significant portions of the State estate tax to decedents' communities of residence. Due to the nature of this tax, the annual amounts received have varied significantly. The Township received \$0 from this source in 2020 and 2021. The Township formerly credited these distributions to its General Fund. The State estate tax has been eliminated for decedents dying on or after January 1, 2013; however, distributions related to the estates of decedents dying before that date will continue until those estates are settled.

TOWNSHIP DEBT AND OTHER LONG-TERM OBLIGATIONS

The following describes the security for general obligation debt, and applicable debt and ad valorem property tax limitations, and outstanding and projected bond and note indebtedness and certain other long-term financial obligations of the Township.

As used in the discussions that follow, the term "BANs" refers to notes issued in anticipation of the issuance of general obligation bonds.

Certain overlapping subdivisions also may issue voted and unvoted general obligation debt.

The Township is not, and to the knowledge of current Township officials has not in at least the last 25 years been, in default in the payment of debt charges on any of the bonds or notes on which the Township is obligor or in a condition of default under any financing documents relating to any issue of revenue bonds.

Security for General Obligation Debt; Bonds and BANs

The following describes the security for Township general obligation debt: bonds and bond anticipation notes (BANs).

Voted Bonds. The basic security for voted Township general obligation bonds is the authorization by the electors for the Township to levy, and its levy pursuant to constitutional and

statutory requirements of, ad valorem taxes, without limitation as to rate or amount, on all real and tangible personal property subject to ad valorem taxation by the Township. These taxes are outside of the ten-mill limitation and are to be sufficient in amount to pay (to the extent not paid from other sources) as they come due the debt charges on the voted bonds (subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer, and other laws relating to or affecting the rights and remedies of creditors generally; to the application of equitable principles, whether considered in a proceeding at law or in equity; to the exercise of judicial discretion; and to limitations on legal remedies against public entities).

As of December 31, 2021, the Township had no voted general obligation bonds outstanding.

Unvoted Bonds. The basic security for unvoted Township general obligation bonds is the Township's ability to levy, and its levy pursuant to constitutional and statutory requirements of, ad valorem taxes on all real and tangible personal property subject to ad valorem taxation by the Township, within the ten-mill limitation described below. These taxes are to be sufficient in amount to pay (to the extent not paid from other sources) as they come due the debt charges on unvoted general obligation bonds. The law provides that the levy necessary for debt charges has priority over any levy for other purposes within that tax limitation; that priority may be subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer, and other laws relating to or affecting the rights and remedies of creditors generally; to the application of equitable principles, whether considered in a proceeding at law or in equity; to the exercise of judicial discretion; and to limitations on legal remedies against public entities. See the discussion under **Indirect Debt and Unvoted Property Tax Limitations** of the ten-mill limitation, and the priority of claim on it for debt charges on unvoted general obligation debt of the Township and all overlapping taxing subdivisions.

As of December 31, 2021, the Township had \$2,300,000 of unvoted general obligation bonds outstanding.

BANs. BANs may be retired at maturity from the proceeds of the sale of renewal notes or of the bonds anticipated by the BANs, or available funds of the Township, or a combination of these sources. While BANs are outstanding, Ohio law requires the levy of ad valorem property taxes in an amount not less than what would have been levied if bonds had been issued without the prior issuance of the BANs. That levy need not actually be collected if payment in fact is to be provided from other sources, such as the proceeds of the bonds anticipated or of renewal BANs. BANs, including renewal BANs, may be issued and outstanding from time to time up to a maximum period of 240 months from the date of issuance of the original notes. Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated. Portions of the principal amount of BANs outstanding for more than five years must be retired in amounts at least equal to, and payable not later than, those principal maturities that would have been required if the bonds had been issued at the expiration of the initial five-year period.

As of December 31, 2021, the Township had no outstanding BANs.

Statutory Direct Debt Limitations

The Revised Code provides that the net principal amount of debt of a township, excluding "exempt debt" (discussed below), may not exceed 5% of the total tax valuation of all property in the township as listed and assessed for taxation. This limitation, which is referred to as the "direct debt limitation," may be amended from time to time by the General Assembly.

The Township’s ability to incur unvoted debt (whether or not exempt from the direct debt limitation) also is restricted by the indirect debt limitation discussed below under **Indirect Debt and Unvoted Property Tax Limitations**.

Certain debt that the Township may issue is exempt from the direct debt limitations (exempt debt). Exempt debt includes, among others, the following categories.

- General obligation debt:
 - In anticipation of the levy or collection of special assessments.
 - To pay final judgments or court-approved settlements.
- Notes anticipating the collection of current revenues.
- Notes issued for certain energy conservation improvements.
- Securities issued for certain park lands and materials.
- Securities issued for certain construction of buildings or for certain acquisition of equipment, buildings or sites.
- Securities issued for certain firefighting equipment, buildings and sites.
- Securities issued for certain road machinery and equipment.
- Notes issued in anticipation of certain voted tax levy proceeds.

BANs issued in anticipation of exempt bonds also are exempt debt.

The Township may incur debt for operating purposes, such as current tax revenue anticipation notes or tax anticipation notes, only under certain limited statutory authority.

In the calculation of debt subject to the direct debt limitations, the amount in a township’s bond retirement fund allocable to the principal amount of nonexempt debt is deducted from gross nonexempt debt. Without consideration of amounts in the Township’s Bond Retirement Fund, and based on outstanding debt and current tax (assessed) valuation, the Township’s voted and unvoted nonexempt debt capacities as of December 31, 2021 were:

Limitation	Nonexempt Debt Outstanding	Additional Debt Capacity Within Limitation
5% = \$32,511,287	\$0	\$32,511,287

This is further detailed in **Debt Table A**

Indirect Debt and Unvoted Property Tax Limitations

Voted general obligation debt may be issued by the Township if authorized by vote of the electors. Ad valorem taxes, without limitation as to amount or rate, to pay debt charges on voted bonds are authorized by the electors at the same time they authorize the issuance of the bonds.

General obligation debt also may be issued by the Township without a vote of the electors. This unvoted debt may not be issued unless the ad valorem property tax for the payment of debt charges on those bonds (or the bonds in anticipation of which BANs are issued) and all outstanding unvoted general obligation bonds (including bonds in anticipation of which BANs are issued) of the combination of overlapping taxing subdivisions including the Township resulting in the highest tax required for such debt charges in any year is 10 mills or less per \$1.00 of assessed valuation. This indirect debt limitation, the product of what is commonly referred to as the “ten-mill limitation,” is imposed by a combination of provisions of the Ohio Constitution and the Revised Code.

The ten mill limitation is the maximum aggregate millage for all purposes that may be levied on any single piece of property by all overlapping taxing subdivisions without a vote of the electors. This 10 mills is allocated pursuant to a statutory formula among certain overlapping taxing subdivisions in the County, including the Township. The entire 10 mills is currently being levied by the combination of the Township and the taxing subdivisions overlapping the Township. For collection year 2022, the allocation of the 10 mills (sometimes referred to as the “inside millage”) is as follows: 2.50 mills for the County, 4.50 mills for Kenston Local School District (4.50 mills for Chagrin Falls Exempted Village School District) and 3.00 mills for the Township.

Present Ohio law requires the inside millage allocated to a taxing subdivision to be used first for the payment of debt charges on its unvoted general obligation debt, unless provision has been made for that payment from other sources, with the balance usable for other purposes. To the extent this inside millage is required for debt charges of a taxing subdivision (which may exceed the formula allocation to that subdivision), the amount that would otherwise be available to that subdivision for general fund purposes is reduced. Because the inside millage that may actually be required to pay debt charges on a subdivision’s unvoted general obligation debt may exceed the formula allocation of that millage to the subdivision, the excess reduces the amount of inside millage available to overlapping subdivisions. In the case of the Township, however, a law applicable to all Ohio cities and villages requires that any lawfully available receipts from a municipal income tax or from voted property tax levies be allocated to pay debt charges on Township unvoted debt before the formula allocations of the inside millage to overlapping subdivisions can be invaded for that purpose.

In the case of BANs issued in anticipation of unvoted general obligation bonds, the highest estimate of annual debt charges for the anticipated bonds is used to calculate the millage required.

Revenue bonds and notes and mortgage revenue bonds are not included in debt subject to the indirect limitation since they are not general obligations of the Township, and the full faith and credit and property taxing power of the Township is not pledged for their payment.

The indirect limitation applies to all outstanding unvoted general obligation debt even if debt charges on some of it is expected to be paid in fact from municipal income taxes, special assessments, utility revenues or other sources.

As of December 31, 2021, the highest requirement for debt charges in any year for all Township debt subject to the ten-mill limitation was estimated to be \$501,644. That debt includes the Bonds and unvoted general obligation bonds outstanding. The payment of those annual debt charges would require a levy of an estimated 0.7715 mills based on current assessed valuation.

As of December 31, 2021, the total millage theoretically required by the Township, the County and Chagrin Falls Exempted Village School District (the overlapping taxing subdivisions that have issued unvoted debt) for debt charges on their outstanding unvoted general obligation debt was estimated to be 1.3289 mills for the year of the highest potential debt charges. There thus remain 8.6711 mills within the ten-mill limitation that have yet to be allocated to debt charges and that are available to the Township and overlapping subdivisions in connection with the issuance of additional unvoted general obligation debt.

Debt Outstanding

The Debt Tables attached provide information concerning the Township's outstanding debt represented by bonds and notes, with respect to Township and overlapping subdivision general obligation debt allocations, and debt charges. See **Debt Tables**.

The following table shows the principal amount of Township general obligation debt outstanding as of December 31 in the years shown.

Year	Total
2017	\$3,890,000
2018	3,560,000
2019	3,130,000
2020	2,751,000
2021	2,300,000

Bond Retirement Fund

The Bond Retirement Fund is the fund from which the Township pays debt service, and into which moneys required to be applied to those payments are deposited.

Long-Term Financial Obligations Other Than Bonds and Notes

The Township has leases for copiers for the Police, Fire, Zoning and Road Departments. The Fire Department lease, dated August 9, 2021, is for a total of \$9,128.00 as of December 31, 2021, and is payable over 60 months at \$163.00 per month. The Police Department lease, dated November 15, 2018, is for a total of \$4,980.00 as of December 31, 2021, and is payable over 63 months at \$249 per month. The Zoning Department lease, dated October 7, 2019, is for a total of \$4,529.00 as of December 31, 2021, and is payable over 60 months at \$168 per month. The Road Department lease, dated September 15, 2020, is for a total of \$6,900.00 as of December 31, 2021, and is payable over 63 months at \$168 per month.

As of December 31, 2021, the Township had no other long-term financial obligations, other than the bonds and notes described above, the retirement obligations and liability described under **Retirement Expenses** and the compensated absences described in the Notes to the Fiscal Year 2021 Financial Statements.

Retirement Expenses

Present and retired employees of the Township are covered under two statewide public employee retirement (including disability retirement) systems. The Ohio Police and Fire Pension Fund (OP&F) covers uniformed members of the fire department. All other eligible Township employees, including police, are covered by the Ohio Public Employees Retirement System (OPERS).

OPERS and OP&F are two of five statewide public employee retirement systems created by and operating pursuant to Ohio law, all of which currently have unfunded actuarial accrued liabilities. The General Assembly has the power to amend the format of those systems and to revise rates and methods of contributions to be made by public employers and their employees and eligibility criteria, benefits or benefit levels for employee members. In 2012, the General Assembly passed five separate pension reform measures intended to assist each of the five retirement systems in addressing its unfunded actuarial accrued liabilities. The reform legislation passed with respect to OPERS and OP&F provided for (i) no change in the Township contribution rates with respect to its employees' earnable salaries, (ii) no change in OPERS employee contribution rate, and (iii) an increase in the OP&F employee contribution rate from 10% to 12.25% in annual increments of 0.75% that began on July 2, 2013. With certain transition provisions applicable to certain current employees, the reform legislation has, among other changes, increased minimum age and service requirements for retirement and disability benefits, revised the calculation of an employee's final average salary on which pension benefits are based to include the five highest years (rather than the three highest years), provided for OPERS pension benefits to be calculated on a lower, fixed formula, changed provisions with respect to future cost-of-living adjustments to limit those adjustments to the lesser of any increase in the Consumer Price Index or three percent. The OP&F reform legislation also authorizes the OP&F board to further adjust member contribution rates or further adjust age and service requirements after November 1, 2017, if, after an actuarial investigation, the board determines that an adjustment is appropriate.

For further information on these pension plans and for Fiscal Year 2021 reporting with respect to employer pensions, see the Notes to the Fiscal Year 2020 and 2021 Financial Statements. Financial and other information for OPERS and OP&F can also be found on the respective website for each retirement system including its Comprehensive Annual Financial Report.

As of December 31, 2021, the Township had the net pension liability reported and explained in the Notes to the Fiscal Year 2020 and 2021 Financial Statements.

In Fiscal Year 2021, Township employees covered by OPERS contributed at a statutory rate of 10.0% of earnable salary (13% for police personnel). The Township's statutory contribution rate for those employees was 14.0% (18.1% for police personnel) of the same base. In Fiscal Year 2021, Township employees covered by OP&F contributed at a statutory rate of 12.25% of earnable salary. As the employer, the Township's statutory contribution rates, applied to the same base, are 24.0% for fire personnel. These employee and employer contribution rates have been and are now the maximums permitted under current State law.

The Township's current employer contributions to OPERS and OP&F, and the payments toward the accrued OP&F liability, have been treated as current expenses and included in the Township's operating expenditures, except to the extent paid from the proceeds of the "Police and Fire Pension" levy referred to under **Tax Rates**.

Federal law requires Township employees hired after March 31, 1986 to participate in the federal Medicare program, which requires matching employer and employee contributions, each

being 1.45% of the wage base. Otherwise, Township employees who are covered by a State retirement system are not currently covered under the federal Social Security Act. OPERS and OP&F are not subject to the funding and vesting requirements of the federal Employee Retirement Income Security Act of 1974.

DEBT TABLE A

**Principal Amounts of Outstanding General Obligation (GO) Debt;
Leeway for Additional Debt within Direct Debt Limitations
(as of December 31, 2021)**

A.	Total debt:		\$ 2,300,000
B.	Exempt debt:		
	Category	Outstanding Principal Amount	
	Exempt per R.C. 505.262 and 505.37 (includes the Bonds)	\$ 2,300,000	
	Total exempt debt:		\$ 2,300,000
C.	Total nonexempt debt [A minus B]:		\$ 0
D.	5% of tax (assessed) valuation (unvoted nonexempt debt limitation):		\$ 32,511,287
E.	Total nonexempt limited tax bonds and notes outstanding:		
	Bonds	\$ 0	
	Notes	0	\$ 0
F.	Debt leeway within 5% unvoted debt limitation [D minus E]:		\$ 32,511,287 ^(a)

(a) Debt leeway in this table determined without considering money in the Bond Retirement Fund.

DEBT TABLE B

**Various Township and Overlapping
GO Debt Allocations (Principal Amounts)
(as of December 31, 2021)**

	Amount	Per Capita(a)	% of Township's Current Assessed Valuation(b)
Total Township GO Debt (exempt and nonexempt)	\$ 2,300,000	\$ 201.12	0.35%
Highest Total Overlapping GO Debt(c)	23,931,034	2,092.61	3.68

(a) Based on 2020 (estimated for Township) population of 11,436.

(b) The Township's assessed valuation as of December 31, 2021, was \$650,225,740.

(c) Includes, in addition to "Total Township GO Debt," allocations of total GO debt of overlapping debt issuing subdivisions (as of December 31, 2021) resulting in the calculation of highest total overlapping debt based on percent of tax (assessed) valuation of territory of the subdivisions located within the Township (% figures are resulting percent of total debt of subdivisions allocated to the Township in this manner), as follows:

- \$ 2,424,445 County (18.06%);
- \$18,798,111 Kenston Local School District (67.18%); and
- \$ 408,478 Auburn Career Center (12.03%).

Allocation of GO debt of the remaining overlapping debt issuing subdivisions is as follows:

- \$1,231,200 of Chagrin Falls Exempted Village School District (3.80%).

Source of tax (assessed) valuation and confirmation of GO debt figures for overlapping subdivisions: OMAC.

DEBT TABLE C
Projected Debt Charges Requirements on Township GO Debt
(as of December 31, 2021)

Year	Debt Charges(a)
2022	\$500,503.50
2023	501,643.80
2024	171,594.60
2025	173,963.30
2026	170,242.50
2027	171,539.60
2028	167,765.10
2029	169,008.50
2030	169,180.30
2031	169,298.40
2032	134,362.80

(a) All to be paid from Limited Ad Valorem Taxes.

DEBT TABLE D

**Outstanding GO Bonds
(as of December 31, 2021)**

The following debt is reflected in **Debt Tables A, B and C.**

Bonds				
Issue	Date of Issuance	Final Maturity	Original Principal Amount	Outstanding Principal Amount
Police Station Construction Refunding Bonds, Series 2012	12/27/2012	2023	\$3,165,000	\$ 635,000
Fire Station Improvement Refunding Bonds, Series 2020	11/05/2020	2032	1,806,000	1,665,000

APPENDIX A
Comparative Cash-Basis Summary of General Fund Receipts
and Expenditures for Fiscal Years 2017 through 2021(a)

	2017	2018	2019	2020(b)	2021(b)
Fund Balance 1/1	\$1,455,978	\$1,416,578	\$1,418,753	\$2,010,599	\$2,360,472
Fund Balance Adjustments	10,401	(85,892)	164,043	200	600
Revenues					
Real Estate Tax	\$ 633,603	\$ 655,757	\$ 668,668	\$ 788,453	\$ 849,022
Personal Property Tax	0	0	0	0	0
Charges for Services	17,378	17,850	10,131	7,414	8,826
Licenses, Permits and Fees	65,813	61,874	56,677	54,331	99,554
Fines and Forfeitures	9,342	10,213	11,666	10,470	10,749
Local Government Distribution	95,309	99,212	103,539	104,877	110,902
Estate Tax	0	0	0	0	0
Property Tax Allocation	80,430	83,254	83,947	97,434	106,970
Other	128,288	101,568	171,264	383,118	298,954
Earnings on Investments	108,238	207,151	452,624	283,338	150,189
Miscellaneous	131,639	182,429	161,746	89,980	58,352
Total Revenue	\$1,270,039	\$1,419,308	\$1,720,262	\$1,819,416	\$1,693,518
Expenditures					
Administrative - Salaries	\$108,044	\$117,304	\$109,297	\$115,818	\$108,745
Administrative - Other	337,084	370,174	368,504	412,064	571,991
Townhalls, Mem. Bldgs & Grounds - Salaries	62,000	56,142	59,644	56,395	45,041
Townhalls, Mem. Bldgs & Grounds - Other	109,443	87,325	120,036	85,787	89,597
Zoning - Salaries	109,517	115,690	132,823	136,548	185,708
Zoning - Other	32,369	6,931	10,293	16,609	17,874
Police Protection - Other	0	0	0	0	0
Lighting- Other	44,893	42,898	39,780	39,123	40,692
Highways - Other	0	0	0	0	0
Cemeteries - Other	7,168	9,219	11,370	1,267	0
Parks and Recreation - Salaries	131,679	115,308	131,315	127,810	139,219
Parks and Recreation - Other	291,608	372,655	215,125	264,723	321,883
Capital Outlay - Other	50,276	4,949	50,383	71,336	283,339
Total Expenditures	\$1,284,081	\$1,298,595	\$1,248,570	\$1,327,480	\$1,804,091
Other Financing Sources & Uses					
Sale of Fixed Assets	\$ 0	\$ 0	\$ 0	0	0
Other - Other Financing Sources	0	0	0	0	0
Transfers - Out	(35,759)	(32,645)	(43,889)	(142,263)	(51,096)
Total Other Financing Sources & Uses	(35,759)	(32,645)	(43,889)	(142,263)	(51,096)
Fund Balance 12/31	\$1,416,578	\$1,418,753	\$2,010,599	\$2,360,472	\$2,199,402
Less: Encumbrances 12/31	73,749	86,918	34,354	190,711	85,150
Less: Reserve Balance 12/31	0	0	0	0	0
Unencumbered Undesignated 12/31	\$1,342,829	\$1,331,835	\$1,976,244	\$2,169,761	\$2,114,252

- (a) Each Fund Balance 1/1 reflects the prior year's Fund Balance 12/31, not its Unencumbered Undesignated 12/31. Encumbrances 12/31 and Reserve Balance 12/31 should become expenditures in subsequent years.
- (b) See **COVID-19 Pandemic**.

APPENDIX B

**All-Funds Summary 2021
(Cash Basis)(a)(b)(c)**

DESCRIPTION	BEGINNING BALANCE	RECEIPTS	EXPENDITURES	ENDING BALANCE
General Fund	\$2,360,472	\$1,694,118	\$1,855,188	\$2,199,402
Special Revenue:				
Motor Vehicle License Tax	106,290	35,850	53,395	88,744
Gasoline Tax	303,979	256,494	197,890	362,583
Road and Bridge	2,783,919	3,459,843	3,798,139	2,445,623
Cemetery	145,388	49,725	98,150	96,963
Police District	4,440,533	4,112,632	3,939,932	4,613,233
Fire	4,238,334	2,605,071	4,773,287	2,070,117
Permissive Motor Vehicle License Tax	59,284	45,470	35,169	69,584
Law Enforcement Trust	616	0	0	616
Local Fiscal Recovery (ARP)	0	599,019	0	599,019
Ambulance & Emergency	1,072,066	380,074	113,470	1,338,670
Lighting Assessment	1,258	9,080	8,378	1,961
DARE Program	25,640	0	2,906	22,733
HHS COVID	0	0	0	0
Cares Act	0	0	0	0
EPA 319 Grant	0	3,783	3,783	0
Total Special Revenue	\$13,177,307	\$11,557,041	\$13,024,500	\$11,709,847
Debt Service Fund:				
Public Works Commission Project	0	0	0	0
Police Debt Service	1,424,543	0	328,900	1,095,643
Fire Debt Service	2,097,550	0	175,662	1,921,888
Total Debt Service	\$3,522,093	0	\$504,562	\$3,017,531
Capital Improvements:				
Police Station Construction	183,496	0	0	\$183,496
Fire Station Expansion	89,305	0	0	\$89,305
Total Capital Improvements	\$272,801	0	0	\$272,800
Nonexpendable Trusts:				
Cemetery Bequest	623	0.24	0	623
Cemetery Bequest	1,166	0.72	0	1167
Cemetery Bequest	153	0.00	0	153
Cemetery Bequest	326	0.12	0	327
Total Nonexpendable Trusts	\$2,268	1	0	\$2,270
Expendable Trust	\$0	0	0	0
TOTAL	\$19,334,939	\$13,251,160	\$15,384,250	\$17,201,850

- (a) Figures may not foot due to rounding.
- (b) See **COVID-19 Pandemic**.
- (c) Includes a fund balance adjustment of \$600 in the General Fund, a fund balance adjustment of \$91.35 in the Road & Bridge Fund and a fund balance adjustment of \$50 in the Ambulance and Emergency (EMS) Fund. The receipts also include a transfer from the General Fund into the Road and Bridge Fund in the amount of \$51,096. The expenditures include the same transfer from the General Fund to Road and Bridge in the amount of \$51,096.