



Dave Yost • Auditor of State

**UNION TOWNSHIP
CHAMPAIGN COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Union Township
Champaign County
2347 Talbott Road
Mechanicsburg, Ohio 43044

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Union Township, Champaign County, Ohio (the Township), as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Township'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 Township'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 Township's internal control. Accordingly, we express no 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, each major fund, and the aggregate remaining fund information of Union Township, Champaign County, Ohio, as of December 31, 2014 and 2013, and the respective changes in cash financial position and the respective budgetary comparison for the General, Gasoline Tax, Fire District, and Road District 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.

Other Matters

Supplemental and Other Information

We audited to opine on the Township's financial statements that collectively comprise its basic financial statements.

We applied no procedures to the Management's Discussion & Analysis presented on pages 3-8 of the report, and accordingly, we express no opinion or any other assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 17, 2015, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



Dave Yost
Auditor of State
Columbus, Ohio

April 17, 2015

**UNION TOWNSHIP
CHAMPAIGN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
UNAUDITED**

This discussion and analysis of Union Township's financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2014 and 2013, within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2014 are as follows:

- Net position of governmental activities increased \$127,652 from the prior year.
- The Township's general receipts are primarily property taxes. These receipts represent \$389,009 or 76% of the total cash received for governmental activities during the year.

Key highlights for 2013 are as follows:

- Net position of governmental activities decreased \$15,635 from 2012.
- The township expenses were higher due to equipment purchases and more fire contracts with different entities.

Using the Basic Financial Statements

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

Report Components

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

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

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

Basis of Accounting

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

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

**UNION TOWNSHIP
CHAMPAIGN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
UNAUDITED
(Continued)**

Reporting the Township as a Whole

The statement of net position and the statement of activities reflect how the Township did financially during 2013 and 2014, within the limitations of cash basis accounting. The statement of net position presents the cash balances and investments of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

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

In the statement of net position and the statement of activities, the Township reports Governmental Activities:

Governmental activities - Most of the Township's basic services are reported here. State and federal grants and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Township's Most Significant Funds

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Township are split into two categories: governmental and fiduciary.

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

**UNION TOWNSHIP
CHAMPAIGN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
UNAUDITED
(Continued)**

The Township as a Whole

Table 1 provides a summary of the Township's net position for 2014 compared to 2013 and 2012 on a cash basis:

**(Table 1)
Net Position**

	Governmental Activities		
	2014	2013	2012
Assets			
Cash and Cash Equivalents	\$575,703	\$448,051	\$463,686
Total Assets	<u>575,703</u>	<u>448,051</u>	<u>463,686</u>
Net Position			
Restricted	464,360	302,184	277,690
Unrestricted	111,343	145,867	185,996
Total Net Position	<u>\$575,703</u>	<u>\$448,051</u>	<u>\$463,686</u>

As mentioned previously, net position of governmental activities increased \$127,652 during 2014. The primary reasons contributing to the increase in cash balances are as follows:

- The Township continues to repair and pave roads within the Township and due to weather conditions the completion of the road work for 2014 was moved to 2015. There was a carryover of \$41,000 in purchase orders.
- The Township also saw increase in tax money due to Fire Levy being ran as a replacement with an increase in the millage.
- There were no big purchases made in 2014 so there was a reduction of expenses of \$52,670.

The net position of governmental activities decreased \$15,635 during 2013. The primary reasons contributing to the decrease in cash balances are as follows:

- The Township in 2013 had purchased new equipment, did more mileage on road work and built an additional garage for storage. The equipment purchase of \$13,500 was carry-over from 2012.

Table 2 reflects the changes in net position on a cash basis in 2014, 2013 and 2012 for governmental activities.

**(Table 2)
Changes in Net Position**

	Governmental Activities		
	2014	2013	2012
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$34,308	\$38,821	\$32,800
Operating Grants and Contributions	86,714	86,324	85,085
Total Program Receipts	<u>121,022</u>	<u>125,145</u>	<u>117,885</u>

(Continued)

**UNION TOWNSHIP
CHAMPAIGN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
UNAUDITED
(Continued)**

**(Table 2)
Changes in Net Position
(Continued)**

	Governmental Activities		
	2014	2013	2012
General Receipts:			
Property and Other Local Taxes	332,178	205,593	208,950
Grants and Entitlements Not Restricted to Specific Programs	55,911	86,873	98,797
Interest	498	536	788
Miscellaneous	422	1,267	3,104
Total General Receipts	<u>389,009</u>	<u>294,269</u>	<u>311,639</u>
Total Receipts	<u>510,031</u>	<u>419,414</u>	<u>429,524</u>
Disbursements			
General Government	79,184	79,919	82,761
Public Safety	76,913	82,870	73,615
Public Works	170,588	198,427	234,300
Health	24,177	25,705	26,116
Capital Outlay	31,517	48,128	42,952
Total Disbursements	<u>382,379</u>	<u>435,049</u>	<u>459,744</u>
Increase (Decrease) in Net Position	127,652	(15,635)	(30,220)
Net Position, January 1	448,051	463,686	493,906
Net Position, December 31	<u>\$575,703</u>	<u>\$448,051</u>	<u>\$463,686</u>

Program receipts represent only 24% (2014), 30% (2013) and 27% (2012) of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas taxes and cemetery funds.

General receipts represent 76% (2014), 70% (2013), and 73% (2012) of the Township's total receipts, and of this amount, 85% (2014), 70% (2013) and 67% (2012) are local taxes. State and federal grants and entitlements and interest make up the balance of the Township's general receipts 15% (2014), 30% (2013) and 33% (2012). Other receipts are very insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the costs of the Trustees and Fiscal Officer, as well as building.

Public Safety is services for fire protection. Public Works is mainly the services, supplies and materials needed to maintain Township roads, and Health is mainly the County Health Department and cemetery.

**UNION TOWNSHIP
CHAMPAIGN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
UNAUDITED
(Continued)**

Governmental Activities

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursement for governmental activities is Public Works, which account for \$170,588 (2014) - 45%, \$198,427 (2013) - 46% and \$234,300 (2012) - 51% of all governmental disbursements. General government and Public Safety also represent a significant cost, about 21% and 20% (2014), 18% and 19% (2013) and 18% and 16% (2012) respectively. The next two columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

**(Table 3)
Governmental Activities**

	Total Cost of Services 2014	Net Cost of Services 2014	Total Cost of Services 2013	Net Cost of Services 2013	Total Cost of Services 2012	Net Cost of Services 2012
General Government	\$79,184	(\$77,042)	\$79,919	(\$77,580)	\$82,761	(\$78,253)
Public Safety	76,913	(76,913)	82,870	(82,870)	73,615	(73,615)
Public Works	170,588	(73,073)	198,427	(102,236)	234,300	(138,338)
Health	24,177	(2,812)	25,705	910	26,116	(8,701)
Capital Outlay	31,517	(31,517)	48,128	(48,128)	42,952	(42,952)
Total Expenses	\$382,379	(\$261,357)	\$435,049	(\$309,904)	\$459,744	(\$341,859)

The dependence upon property tax and intergovernmental receipts is apparent as over 68% (2014), 71% (2013) and 74% (2012) of governmental activities are supported through these general receipts.

The Township's Funds

For 2014, total governmental funds had receipts of \$510,031 and disbursements of \$382,379. The greatest change within governmental funds occurred within the Gas Tax Fund and the Fire District Fund. The fund balance of the Gas Tax Fund increased \$45,458 and the Fire District Fund increased \$109,567.

For 2013, total governmental funds had receipts of \$419,414 and disbursements of \$435,049 and for 2012, total governmental funds had receipts of \$429,524 and disbursements of \$459,744. The township revenue and expenses stayed moderate.

General Fund Budgeting Highlights

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

Actual receipts in 2014 were higher than final budgeted receipts. The 2014 final disbursements were budgeted at \$225,010 while actual disbursements were \$132,164.

Final budgeted receipts in 2013 were consistent with original budgeted receipts. Actual receipts were greater due to received Estate Tax money that was not budgeted. The 2013 final disbursements were budgeted at \$271,098 while actual disbursements were \$159,496.

**UNION TOWNSHIP
CHAMPAIGN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
UNAUDITED
(Continued)**

Capital Assets and Debt Administration

Capital Assets

The Township does not currently keep track of its capital assets and infrastructure, other than an annual inventory valuation of assets.

Debt

At the end of December 2014, 2013, and 2012 the Township had no outstanding debt.

Current Issues

The challenge for all Governments including Township's is to provide quality services to the public while staying within the imposed restrictions imposed by limited, and in some cases, shrinking funding. We rely heavily on local taxes and have very little industry to support the tax base. The Township is taking measures to reduce spending.

Contacting the Township's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Vicki House, Fiscal Officer, Union Township, 2347 Talbott Road, Mechanicsburg, Ohio 43044.

**UNION TOWNSHIP
CHAMPAIGN COUNTY**

**STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2014**

	Governmental Activities
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$575,703
Total Assets	575,703
 Net Position:	
Restricted for:	
Permanent Fund Purpose:	
Expendable	196
Non-expendable	500
Other Purposes	463,664
Unrestricted	111,343
Total Net Position	\$575,703

See accompanying notes to the basic financial statements.

**UNION TOWNSHIP
CHAMPAIGN COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions
			Total
Governmental Activities:			
Current:			
General Government	\$79,184	\$2,142	(\$77,042)
Public Safety	76,913		(76,913)
Public Works	170,588	10,801	(73,073)
Health	24,177	21,365	(2,812)
Capital Outlay	31,517		(31,517)
Total Governmental Activities	\$382,379	\$34,308	(261,357)
General Receipts:			
Property Taxes Levied for:			
General Purposes			332,178
Grants and Entitlements not Restricted to Specific Programs			55,911
Earnings on Investments			498
Miscellaneous			422
Total General Receipts			389,009
Change in Net Position			127,652
Net Position Beginning of Year			448,051
Net Position End of Year			\$575,703

See accompanying notes to the basic financial statements.

**UNION TOWNSHIP
CHAMPAIGN COUNTY**

**STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
DECEMBER 31, 2014**

	<u>General</u>	<u>Gasoline Tax</u>	<u>Fire District</u>	<u>Road District</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:						
Equity in Pooled Cash and Cash Equivalents	\$111,343	\$85,349	\$232,353	\$70,831	\$75,827	\$575,703
Total Assets	<u>111,343</u>	<u>85,349</u>	<u>232,353</u>	<u>70,831</u>	<u>75,827</u>	<u>575,703</u>
Fund Balances:						
Non-spendable					500	500
Restricted		85,349	232,353	70,831	54,027	442,560
Committed					21,300	21,300
Assigned	40,937					40,937
Unassigned (Deficit)	70,406					70,406
Total Fund Balances	<u>\$111,343</u>	<u>\$85,349</u>	<u>\$232,353</u>	<u>\$70,831</u>	<u>\$75,827</u>	<u>\$575,703</u>

See accompanying notes to the basic financial statements.

**UNION TOWNSHIP
CHAMPAIGN COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 21, 2014**

	<u>General</u>	<u>Gasoline Tax</u>	<u>Fire District</u>	<u>Road District</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Receipts:						
Property and Other Local Taxes	\$63,857		\$162,917	\$81,594	\$23,809	\$332,177
Licenses, Permits and Fees	2,142				17,100	19,242
Intergovernmental	15,592	\$86,714	24,482	12,215	14,423	153,426
Earnings on Investments	376	97			25	498
Miscellaneous	423				4,265	4,688
Total Receipts	<u>82,390</u>	<u>86,811</u>	<u>187,399</u>	<u>93,809</u>	<u>59,622</u>	<u>510,031</u>
Disbursements:						
Current:						
General Government	79,184					79,184
Public Safety			77,832			77,832
Public Works	2,577	41,353		91,454	34,285	169,669
Health	11,507				12,670	24,177
Capital Outlay	23,646				7,871	31,517
Total Disbursements	<u>116,914</u>	<u>41,353</u>	<u>77,832</u>	<u>91,454</u>	<u>54,826</u>	<u>382,379</u>
Excess of Receipts Over (Under) Disbursements	<u>(34,524)</u>	<u>45,458</u>	<u>109,567</u>	<u>2,355</u>	<u>4,796</u>	<u>127,652</u>
Net Change in Fund Balances	(34,524)	45,458	109,567	2,355	4,796	127,652
Fund Balances Beginning of Year	<u>145,867</u>	<u>39,891</u>	<u>122,786</u>	<u>68,476</u>	<u>71,031</u>	<u>448,051</u>
Fund Balances End of Year	<u>\$111,343</u>	<u>\$85,349</u>	<u>\$232,353</u>	<u>\$70,831</u>	<u>\$75,827</u>	<u>\$575,703</u>

See accompanying notes to the basic financial statements.

**UNION TOWNSHIP
CHAMPAIGN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Receipts:				
Property and Other Local Taxes	\$60,600	\$60,600	\$63,857	\$3,257
Licenses, Permits and Fees	2,600	2,600	2,142	(458)
Intergovernmental	15,500	15,500	15,592	92
Earnings on Investments	343	343	376	33
Miscellaneous	100	100	423	323
Total Receipts	<u>79,143</u>	<u>79,143</u>	<u>82,390</u>	<u>3,247</u>
Disbursements:				
Current:				
General Government	95,500	95,500	79,184	16,316
Public Works	40,000	40,000	17,827	22,173
Health	20,000	20,000	11,507	8,493
Capital Outlay	69,510	69,510	23,646	45,864
Total Disbursements	<u>225,010</u>	<u>225,010</u>	<u>132,164</u>	<u>92,846</u>
Excess of Receipts Over (Under) Disbursements	<u>(145,867)</u>	<u>(145,867)</u>	<u>(49,774)</u>	<u>96,093</u>
Fund Balance Beginning of Year	<u>145,867</u>	<u>145,867</u>	<u>145,867</u>	
Fund Balance End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$96,093</u>	<u>\$96,093</u>

See accompanying notes to the basic financial statements.

**UNION TOWNSHIP
CHAMPAIGN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GASOLINE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Intergovernmental	\$86,715	\$86,715	\$86,714	(\$1)
Earnings on Investments	150	150	97	(53)
Total Receipts	<u>86,865</u>	<u>86,865</u>	<u>86,811</u>	<u>(54)</u>
Disbursements:				
Current:				
Public Works	<u>126,756</u>	<u>126,756</u>	67,269	<u>59,487</u>
Total Disbursements	<u>126,756</u>	<u>126,756</u>	<u>67,269</u>	<u>59,487</u>
Excess of Receipts Over (Under) Disbursements	<u>(39,891)</u>	<u>(39,891)</u>	19,542	<u>59,433</u>
Fund Balance Beginning of Year	<u>39,891</u>	<u>39,891</u>	<u>39,891</u>	
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$59,433</u></u>	<u><u>\$59,433</u></u>

See accompanying notes to the basic financial statements.

**UNION TOWNSHIP
CHAMPAIGN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FIRE DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Receipts:				
Property and Other Local Taxes	\$55,045	\$55,045	\$162,917	\$107,872
Intergovernmental	8,686	8,686	24,482	15,796
Total Receipts	<u>63,731</u>	<u>63,731</u>	<u>187,399</u>	<u>123,668</u>
Disbursements:				
Current:				
Public Safety	<u>186,517</u>	<u>186,517</u>	<u>77,832</u>	<u>108,685</u>
Total Disbursements	<u>186,517</u>	<u>186,517</u>	<u>77,832</u>	<u>108,685</u>
Excess of Receipts Over (Under) Disbursements	<u>(122,786)</u>	<u>(122,786)</u>	<u>109,567</u>	<u>232,353</u>
Fund Balance Beginning of Year	<u>122,786</u>	<u>122,786</u>	<u>122,786</u>	
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$232,353</u></u>	<u><u>\$232,353</u></u>

See accompanying notes to the basic financial statements.

**UNION TOWNSHIP
CHAMPAIGN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
ROAD DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Property and Other Local Taxes	\$75,750	\$75,750	\$81,594	\$5,844
Intergovernmental	7,979	7,979	12,215	4,236
Total Receipts	<u>83,729</u>	<u>83,729</u>	<u>93,809</u>	<u>10,080</u>
Disbursements:				
Current:				
Public Works	75,000	95,000	91,454	3,546
Capital Outlay	<u>77,205</u>	<u>57,205</u>		<u>57,205</u>
Total Disbursements	<u>152,205</u>	<u>152,205</u>	<u>91,454</u>	<u>60,751</u>
Excess of Receipts Over (Under) Disbursements	<u>(68,476)</u>	<u>(68,476)</u>	<u>2,355</u>	<u>70,831</u>
Fund Balance Beginning of Year	<u>68,476</u>	<u>68,476</u>	<u>68,476</u>	
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$70,831</u></u>	<u><u>\$70,831</u></u>

See accompanying notes to the basic financial statements.

**UNION TOWNSHIP
CHAMPAIGN COUNTY**

**STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2013**

	<u>Governmental Activities</u>
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$448,051
Total Assets	<u>448,051</u>
Net Position:	
Restricted for:	
Permanent Fund Purpose:	
Expendable	196
Non-expendable	500
Other Purposes	301,488
Unrestricted	145,867
Total Net Position	<u>\$448,051</u>

See accompanying notes to the basic financial statements.

**UNION TOWNSHIP
CHAMPAIGN COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Program Cash Receipts</u>			<u>Net (Disbursements) Receipts and Changes in Net Position</u>
	<u>Cash Disbursements</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Total</u>
Governmental Activities:				
Current:				
General Government	\$79,919	\$2,339		(\$77,580)
Public Safety	82,870			(82,870)
Public Works	198,427	9,867	\$86,324	(102,236)
Health	25,705	26,615		910
Capital Outlay	48,128			(48,128)
Total Governmental Activities	<u>\$435,049</u>	<u>\$38,821</u>	<u>\$86,324</u>	<u>(309,904)</u>
General Receipts:				
Property Taxes Levied for:				
General Purposes				205,593
Grants and Entitlements not Restricted to Specific Programs				86,873
Earnings on Investments				536
Miscellaneous				1,267
Total General Receipts				<u>294,269</u>
Change in Net Position				(15,635)
Net Position Beginning of Year				<u>463,686</u>
Net Position End of Year				<u><u>\$448,051</u></u>

See accompanying notes to the basic financial statements.

**UNION TOWNSHIP
CHAMPAIGN COUNTY**

**STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
DECEMBER 31, 2013**

	<u>General</u>	<u>Gasoline Tax</u>	<u>Fire District</u>	<u>Road District</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:						
Equity in Pooled Cash and Cash Equivalents	\$145,867	\$39,891	\$122,786	\$68,476	\$71,031	\$448,051
Total Assets	<u>145,867</u>	<u>39,891</u>	<u>122,786</u>	<u>68,476</u>	<u>71,031</u>	<u>448,051</u>
Fund Balances:						
Non-spendable					500	500
Restricted		39,891	122,786	68,476	55,820	286,973
Committed					14,711	14,711
Assigned	145,867					145,867
Total Fund Balances	<u>\$145,867</u>	<u>\$39,891</u>	<u>\$122,786</u>	<u>\$68,476</u>	<u>\$71,031</u>	<u>\$448,051</u>

See accompanying notes to the basic financial statements.

**UNION TOWNSHIP
CHAMPAIGN COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 21, 2013**

	<u>General</u>	<u>Gasoline Tax</u>	<u>Fire District</u>	<u>Road District</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Receipts:						
Property and Other Local Taxes	\$53,801		\$52,316	\$79,541	\$19,936	\$205,594
Licenses, Permits and Fees	2,339				17,365	19,704
Intergovernmental	62,301	\$86,324	8,465	12,840	13,135	183,065
Earnings on Investments	411	100			25	536
Miscellaneous	515	750			9,250	10,515
Total Receipts	<u>119,367</u>	<u>87,174</u>	<u>60,781</u>	<u>92,381</u>	<u>59,711</u>	<u>419,414</u>
Disbursements:						
Current:						
General Government	79,919					79,919
Public Safety			82,870			82,870
Public Works	35,427	97,095		41,827	24,078	198,427
Health	11,141				14,564	25,705
Capital Outlay	33,009			11,917	3,202	48,128
Total Disbursements	<u>159,496</u>	<u>97,095</u>	<u>82,870</u>	<u>53,744</u>	<u>41,844</u>	<u>435,049</u>
Excess of Receipts Over (Under) Disbursements	<u>(40,129)</u>	<u>(9,921)</u>	<u>(22,089)</u>	<u>38,637</u>	<u>17,867</u>	<u>(15,635)</u>
Net Change in Fund Balances	(40,129)	(9,921)	(22,089)	38,637	17,867	(15,635)
Fund Balances Beginning of Year	<u>185,996</u>	<u>49,812</u>	<u>144,875</u>	<u>29,839</u>	<u>53,164</u>	<u>463,686</u>
Fund Balances End of Year	<u>\$145,867</u>	<u>\$39,891</u>	<u>\$122,786</u>	<u>\$68,476</u>	<u>\$71,031</u>	<u>\$448,051</u>

See accompanying notes to the basic financial statements.

**UNION TOWNSHIP
CHAMPAIGN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Receipts:				
Property and Other Local Taxes	\$62,000	\$62,000	\$53,801	(\$8,199)
Licenses, Permits and Fees	3,800	3,800	2,339	(1,461)
Intergovernmental	18,700	18,700	62,301	43,601
Earnings on Investments	527	527	411	(116)
Miscellaneous	140	140	515	375
Total Receipts	<u>85,167</u>	<u>85,167</u>	<u>119,367</u>	<u>34,200</u>
Disbursements:				
Current:				
General Government	100,050	100,050	79,919	20,131
Public Works	39,000	39,000	35,427	3,573
Health	20,000	20,000	11,141	8,859
Capital Outlay	112,048	112,048	33,009	79,039
Total Disbursements	<u>271,098</u>	<u>271,098</u>	<u>159,496</u>	<u>111,602</u>
Excess of Receipts Over (Under) Disbursements	<u>(185,931)</u>	<u>(185,931)</u>	<u>(40,129)</u>	<u>145,802</u>
Unencumbered Fund Balance Beginning of Year	152,922	152,922	152,922	
Prior Year Encumbrances Appropriated	<u>33,074</u>	<u>33,074</u>	<u>33,074</u>	
Unencumbered Fund Balance End of Year	<u>\$65</u>	<u>\$65</u>	<u>\$145,867</u>	<u>\$145,802</u>

See accompanying notes to the basic financial statements.

**UNION TOWNSHIP
CHAMPAIGN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GASOLINE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts:				
Intergovernmental	\$85,850	\$85,850	\$86,324	\$474
Earnings on Investments	202	202	100	(102)
Miscellaneous			750	750
Total Receipts	<u>86,052</u>	<u>86,052</u>	<u>87,174</u>	<u>1,122</u>
Disbursements:				
Current:				
Public Works	<u>135,864</u>	<u>135,864</u>	<u>97,095</u>	<u>38,769</u>
Total Disbursements	<u>135,864</u>	<u>135,864</u>	<u>97,095</u>	<u>38,769</u>
Excess of Receipts Over (Under) Disbursements	<u>(49,812)</u>	<u>(49,812)</u>	<u>(9,921)</u>	<u>39,891</u>
Fund Balance Beginning of Year	<u>49,812</u>	<u>49,812</u>	<u>49,812</u>	
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$39,891</u></u>	<u><u>\$39,891</u></u>

See accompanying notes to the basic financial statements.

**UNION TOWNSHIP
CHAMPAIGN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FIRE DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Property and Other Local Taxes	\$54,500	\$54,500	\$52,316	(\$2,184)
Intergovernmental	9,165	9,165	8,465	(700)
Total Receipts	<u>63,665</u>	<u>63,665</u>	<u>60,781</u>	<u>(2,884)</u>
Disbursements^{4/20/2015}				
Current:				
Public Safety	208,540	208,540	82,870	125,670
Total Disbursements	<u>208,540</u>	<u>208,540</u>	<u>82,870</u>	<u>125,670</u>
Excess of Receipts Over (Under) Disbursements	<u>(144,875)</u>	<u>(144,875)</u>	<u>(22,089)</u>	<u>122,786</u>
Fund Balance Beginning of Year	<u>144,875</u>	<u>144,875</u>	<u>144,875</u>	
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$122,786</u></u>	<u><u>\$122,786</u></u>

See accompanying notes to the basic financial statements.

**UNION TOWNSHIP
CHAMPAIGN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
ROAD DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Property and Other Local Taxes	\$65,500	\$65,500	\$79,541	\$14,041
Intergovernmental	9,240	9,240	12,840	3,600
Total Receipts	<u>74,740</u>	<u>74,740</u>	<u>92,381</u>	<u>17,641</u>
Disbursements:				
Current:				
Public Works	65,000	65,000	41,827	23,173
Capital Outlay	39,579	39,579	11,917	27,662
Total Disbursements	<u>104,579</u>	<u>104,579</u>	<u>53,744</u>	<u>50,835</u>
Excess of Receipts Over (Under) Disbursements	<u>(29,839)</u>	<u>(29,839)</u>	<u>38,637</u>	<u>68,476</u>
Unencumbered Fund Balance Beginning of Year	27,169	27,169	27,169	
Prior Year Encumbrances Appropriated	<u>2,670</u>	<u>2,670</u>	<u>2,670</u>	
Unencumbered Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$68,476</u></u>	<u><u>\$68,476</u></u>

See accompanying notes to the basic financial statements.

**UNION TOWNSHIP
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

1. REPORTING ENTITY

The Union Township, Champaign County, Ohio is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Township Fiscal Officer.

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

Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads, and cemetery maintenance. The Township contracts with the following for fire protection: Pleasant Township and Village of Mechanicsburg. Law enforcement protection is provided by the Champaign County Sheriff's Department.

The Township participates in Ohio Township Association Risk Management Authority, a public entity risk pool. Note 6 to the financial statements provides additional information for this entity.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in the Basis of Accounting section of this Note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Township's accounting policies.

A. Basis of Presentation

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

1. Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the Township that are governmental and those that are considered business-type. The Township has no business type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions.

**UNION TOWNSHIP
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The statement of net position presents the cash and investment balances of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. Function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support 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 or business-type activity is self-financing on a cash basis or draws from the Township's general receipts.

2. Fund Financial Statements

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

B. Fund Accounting

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

1. Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other non-exchange transactions as governmental funds. The Township's major governmental funds are the General, Gasoline, Fire District, and Road District Funds.

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

Gasoline Tax – The gas tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

Fire District – The fire district fund accounts for and reports that portion of property tax revenue restricted for fire protection contracted services for the Township.

Road District – The road district fund accounts for and reports that portion of property tax revenue restricted for the maintenance and repair of roads within the Township

**UNION TOWNSHIP
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

C. Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Township are described in the appropriate section in this note.

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.

D. Budgetary Process

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

The appropriations ordinance is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, department, and object level for all funds. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure.

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

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

E. Cash and Investments

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

**UNION TOWNSHIP
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are presented on the financial statements as cash equivalents. Investments are reported as assets. Accordingly, purchases of investments are not reported as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts, respectively.

During 2014 and 2013, the Township invested in STAR Ohio.

STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2014.

Interest earnings are allocated to Township funds according to State statutes or grant requirements or debt related restrictions. Interest receipts credited to the General Fund during 2014 was \$376 which includes \$121 assigned from other Township funds. Interest receipts credited to the General Fund during 2013 was \$411 which includes \$189 from other Township funds.

F. Inventory and Prepaid Items

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

G. 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.

H. Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

I. Net Position

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for roads, fire services, and cemeteries. The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net position is available.

**UNION TOWNSHIP
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net position restricted balance at the end of 2014 was \$464,360. The restricted balance at the end of 2013 was \$302,184.

J. Fund Balance

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

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

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

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

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

**UNION TOWNSHIP
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Continued)**

3. BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis presented for the General Fund, Gasoline Tax, Fire District, and Road District Funds 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 are outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than restricted, committed, or assigned fund balance (cash basis). The encumbrances outstanding for year-end 2014 (budgetary basis) amounted to \$15,250 for the general fund, and \$25,916 for the gas tax fund. There were no encumbrance balances for the 2013 year-end.

4. DEPOSITS AND INVESTMENTS

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;

**UNION TOWNSHIP
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Continued)**

4. DEPOSITS AND INVESTMENTS (Continued)

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

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

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

At year end for 2014 and 2013, the Township had no un-deposited cash on hand.

A. Deposits

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2014, \$235,213 of the Township's bank balance of \$485,213 and at December 31, 2013, \$112,341 of the Township's bank balance of \$362,341 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

B. Investments

As of December 31, 2014, the Township had only STAR Ohio investments. The investment has a balance of \$97,868. As of December 31, 2013 the investment balance with STAR Ohio was \$97,836.

The Township has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14 (M)(2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer governing board, or qualified trustee." However, it addresses interest rate risk by investing only in STAR Ohio, which is structured so the Township can meet its cash requirements for ongoing operations.

**UNION TOWNSHIP
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Continued)**

4. DEPOSITS AND INVESTMENTS (Continued)

STAR Ohio carries a rating of AAAM by Standard and Poor's. The Township has no investment policy dealing with investment credit risk beyond the requirements in state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

5. PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the Township. Property tax revenue received during 2014 for real and public utility property taxes represent collections of 2013 taxes.

2013 real property taxes are levied after October 1, 2013, on the assessed values as of January 1, 2013, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. 2013 real property taxes are collected in and intended to finance 2014.

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

The full tax rate for all Township operations for the year ended December 31, 2013, was \$7.8 per \$1,000 of assessed value. The assessed values of real property and public utility property tangible personal property upon which 2014 property tax receipts were based are as follows:

Real Property:	
Residential	\$31,211,660
Agriculture	20,268,090
Commercial/Industrial/Mineral	1,600,390
Public Utility Property:	
Real Property	
Personal	1,622,120
Total Assessed Value	<u>\$54,702,260</u>

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

6. RISK MANAGEMENT

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

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

**UNION TOWNSHIP
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Continued)**

6. RISK MANAGEMENT (Continued)

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The System administers and pays all claims.

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. York Risk Pooling Services, Inc. (formally known as American Risk Pooling Consultants, Inc.) (York or Management), functions as the administrator of the Pool and provides underwriting claims, loss control, risk management, and reinsurance services of the Pool. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the member's deductibles.

A. Casualty and Property Coverage

The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2013 (latest information available), OTARMA retained \$350,000 for casualty claims and \$250,000 for property claims.

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

B. Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2013 and 2012 (the latest information available):

	2013	2012
Assets	\$34,954,286	\$34,771,270
Liabilities	8,486,363	9,355,082
Net Position	\$26,467,923	\$25,416,188

At December 31, 2013 and 2012, respectively, liabilities above include approximately \$7.9 and \$8.7 million of estimated incurred claims payable. The assets also include approximately \$7.4 and \$7.8 million of unpaid claims to be billed to approximately 948 member governments in the future, as of December 31, 2013 and 2012, respectively. These amounts will be included in future contributions from members when the related claims are due for payment.

As of December 31, 2013 and 2014 the Township's share of these unpaid claims collectible in future years is approximately \$4,000.

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

**UNION TOWNSHIP
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Continued)**

6. RISK MANAGEMENT (Continued)

Township Contributions to OTARMA

2012	\$7,486
2013	\$7,518
2014	\$7,572

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

7. DEFINED BENEFIT PENSION PLAN

Ohio Public Employees Retirement System

Plan Description - The Township participates in the Ohio Public Employees Retirement System (OPERS). OPER administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provide retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll for members in the State and local divisions. For the years ended December 31, 2014 and 2013, members in the state and local divisions contributed 10 percent of covered payroll. Members in the state and local divisions may participate in all three plans. For 2014 and 2013, member and employer contribution rates were consistent across all three plans.

The Townships 2014 and 2013 contributions rate was 14.0 percent. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0 percent during calendar year 2014 and 1.0 percent during calendar year 2013.

**UNION TOWNSHIP
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Continued)**

7. DEFINED BENEFIT PENSION PLAN (Continued)

The Township's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2014, 2013 and 2012 were \$10,645, \$10,214, and \$10,196 respectively; 100 percent has been contributed for both years.

8. POST-EMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

Plan Description – 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-Direct 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 plan for qualifying members of both the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. The plan includes a medical plan, prescription drug program and Medicare Part B premium reimbursement.

In order to qualify for post-employment health care coverage, age and service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosure for the health care plan are presented separately in the OPERS financial reports which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The post-employment health care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2014 and 2013, state and local employers contributed at a rate of 14.0 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units.

Each year, the OPERS Retirement Board determines the portion of the employer contributions rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan was 2.0 percent for 2014 and 1.0 percent for 2013.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment health care plan.

**UNION TOWNSHIP
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Continued)**

8. POST-EMPLOYMENT BENEFITS (Continued)

The Township's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2014, 2013 and 2012 were \$1,520 (2%), \$729 (1%) and \$2,911 (4%) respectively; 100 percent has been contributed for 2014, 2013 and 2012.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the passage of pension legislation under the SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4.0 percent of the employer contributions toward the health care fund after the end of the transition period.

9. FUND BALANCES

Fund balances are classified as non-spendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Township is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

2014

Fund Balances	General	Gasoline Tax Fund	Fire District Fund	Road District Fund	Other Governmental Funds	Total
Non-spendable:						
Non-expendable Bequest					\$500	\$500
Total Non-spendable					500	500
Restricted for:						
Road Maintenance		\$85,349		\$70,831	17,562	173,742
Fire Operations			\$232,353			232,353
Cemetery					36,465	36,465
Total Restricted		85,349	232,353	70,831	54,027	442,560
Committed to:						
Road & Bridge Maintenance					21,300	21,300
Total Committed					21,300	21,300
Assigned to:						
Future Purchases	\$15,250					15,250
Subs. Year Appropriations	25,687					25,687
Total Assigned	40,937					40,937
Unassigned (Deficit)	70,406					70,406
Total Fund Balances	<u>\$111,343</u>	<u>\$85,349</u>	<u>\$232,353</u>	<u>\$70,831</u>	<u>\$75,827</u>	<u>\$575,703</u>

**UNION TOWNSHIP
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Continued)**

9. FUND BALANCES (Continued)

2013						
Fund Balances	General	Gasoline Tax Fund	Fire District Fund	Road District Fund	Other Governmental Funds	Total
Non-spendable:						
Non-expendable Bequest					\$500	\$500
Total Non-spendable					500	500
Restricted for:						
Road Maintenance		\$39,891		\$68,476	20,179	128,546
Fire Operations			\$122,786			122,786
Cemetery					35,641	35,641
Total Restricted		39,891	122,786	68,476	55,820	286,973
Committed to:						
Road & Bridge Maintenance					14,711	14,711
Total Committed					14,711	14,711
Assigned to:						
Subs. Year Appropriations	\$145,867					145,867
Total Assigned	145,867					145,867
Total Fund Balances	<u>\$145,867</u>	<u>\$39,891</u>	<u>\$122,786</u>	<u>\$68,476</u>	<u>\$71,031</u>	<u>\$448,051</u>

10. ACCOUNTABILITY & COMPLIANCE

Ohio Rev. Code §5705.10(C) states that all revenue derived from a special levy shall be credited to a special fund for the purpose for which the levy was made. The Township incorrectly posted property tax receipts in the amount of \$33,601 to the Road District fund that should have been posted to the Fire District fund. The Township's fiscal officer made the adjustment to the Township's accounting records and the adjustment is reflected in the accompanying financial statements.

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Dave Yost • Auditor of State

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

Union Township
Champaign County
2347 Talbott Road
Mechanicsburg, Ohio 43044

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 financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Union Township, Champaign County, (the Township) as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements and have issued our report thereon dated April 17, 2015, wherein we noted the Township uses a special purpose framework other than generally accepted accounting principles.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Township'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 Township's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Township's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2014-001 described in the accompanying schedule of findings to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the 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 an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2014-001.

Purpose of this Report

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

April 17, 2015

**UNION TOWNSHIP
CHAMPAIGN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2014 AND 2013**

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

FINDING NUMBER 2014-001

Noncompliance and Material Weakness

Ohio Rev. Code §5705.10(C) states that all revenue derived from a special levy shall be credited to a special fund for the purpose for which the levy was made.

The Township incorrectly posted net property tax receipts in the amount of \$33,601 to the Road District fund that should have been posted to the Fire District fund. The Township's fiscal officer made the adjustment to the Township's accounting records and the adjustment is reflected in the accompanying financial statements.

Failure to post receipts to the correct funds based on millage allocations provided by the County Auditor's Office results in inaccurate fund balances being reported in the Township's accounting records and could result in the monies being used for purposes other than what the levy allows.

The Fiscal Officer should be diligent in assuring that funds are properly posted to the correct funds in accordance with the County tax settlement information and the Ohio Revised Code.

Officials' Response:

We did not receive a response from officials.

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Dave Yost • Auditor of State

UNION TOWNSHIP

CHAMPAIGN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MAY 19, 2015**