



Dave Yost • Auditor of State

**CENTER TOWNSHIP
COLUMBIANA COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types FYE December 31, 2016.....	3
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - All Fiduciary Fund Types FYE December 31, 2016.....	4
Notes to the Financial Statements FYE December 31, 2016	5
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types FYE December 31, 2015.....	11
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - All Fiduciary Fund Types FYE December 31, 2015.....	12
Notes to the Financial Statements FYE December 31, 2015	13
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	19
Schedule of Prior Audit Findings (Prepared by Management)	21

This page intentionally left blank.



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Center Township
Columbiana County
38241 Industrial Park Road
Lisbon, Ohio 44432

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of Center Township, Columbiana County, (the Township) as of and for the years ended December 31, 2016 and 2015.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements 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.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the Township prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Township does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2016 and 2015, or changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of Center Township, Columbiana County as of December 31, 2016 and 2015, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2017, 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

September 19, 2017

Center Township
Columbiana County

*Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2016*

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
Cash Receipts			
Property and Other Local Taxes	\$33,825	\$402,388	\$436,213
Licenses, Permits and Fees	17,738		17,738
Fines and Forfeitures	682		682
Intergovernmental	53,900	150,770	204,670
Special Assessments		637	637
Earnings on Investments	1,122	291	1,413
Miscellaneous	3,251	3,611	6,862
<i>Total Cash Receipts</i>	<u>110,518</u>	<u>557,697</u>	<u>668,215</u>
Cash Disbursements			
Current:			
General Government	103,306	45,249	148,555
Public Safety	21,911		21,911
Public Works	27,980	344,702	372,682
Capital Outlay	118,716	917,396	1,036,112
Debt Service:			
Principal Retirement		12,823	12,823
Interest and Fiscal Charges		1,218	1,218
<i>Total Cash Disbursements</i>	<u>271,913</u>	<u>1,321,388</u>	<u>1,593,301</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(161,395)</u>	<u>(763,691)</u>	<u>(925,086)</u>
Other Financing Receipts (Disbursements)			
Other Debt Proceeds		128,452	128,452
Advances In	5,000		5,000
Advances Out		(5,000)	(5,000)
Other Financing Sources	169,196	874,352	1,043,548
<i>Total Other Financing Receipts (Disbursements)</i>	<u>174,196</u>	<u>997,804</u>	<u>1,172,000</u>
<i>Net Change in Fund Cash Balances</i>	12,801	234,113	246,914
<i>Fund Cash Balances, January 1</i>	<u>372,486</u>	<u>245,455</u>	<u>617,941</u>
Fund Cash Balances, December 31			
Restricted		479,568	479,568
Assigned	369,212		369,212
Unassigned (Deficit)	16,075		16,075
<i>Fund Cash Balances, December 31</i>	<u>\$385,287</u>	<u>\$479,568</u>	<u>\$864,855</u>

See accompanying notes to the financial statements

Center Township
Columbiana County

*Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Fiduciary Fund Types
For the Year Ended December 31, 2016*

	Fiduciary Fund Type
	Private Purpose Trust
Non-Operating Receipts	
Miscellaneous Receipts	\$1,000
<i>Total Non-Operating Receipts</i>	1,000
<i>Net Change in Fund Cash Balances</i>	1,000
<i>Fund Cash Balances, January 1</i>	14,000
<i>Fund Cash Balances, December 31</i>	\$15,000

See accompanying notes to the financial statements

Center Township
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 1 - Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Center Township, Columbiana County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, police and fire protection. The Township contracts with the Hanover Township Fire Department to provide fire services as needed to residents on our border. The Township Fire Department is a Volunteer Fire Department and the Township signs a joint agreement with the Village of Lisbon and Elkrun Township.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all fiduciary fund types which are organized on a fund type basis.

Fund Accounting

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

General Fund 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.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

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

Road Levy Fund This fund receives tax money for constructing, maintaining and repairing Township roads.

Fire Levy Fund This fund receives tax money for fire protection services.

Gas Tax Fund 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.

Motor Vehicle License Tax Fund The motor vehicle license tax fund accounts for and reports that portion of motor vehicle license registration fees restricted for maintenance and repair of roads within the Township.

Center Township
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Fiduciary Funds Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Township's own programs.

The Township's private purpose trust fund is required under an EPA landfill mandate.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

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

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

Encumbrances The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year-end are carried over, and need not be reappropriated. The Township did not encumber all commitments required by Ohio law. Management has included audit adjustments in the accompanying budgetary presentations for material items that should have been encumbered.

A summary of 2016 budgetary activity appears in Note 3.

Deposits and Investments

The Township did not maintain any investment accounts during the period.

Capital Assets

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Center Township
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

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

Nonspendable The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

Restricted Fund balance is *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 Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included 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.

Center Township
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2016 follows:

2016 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$628,157	\$272,045	\$356,112
Special Revenue	1,599,168	1,402,002	197,166
Trust	15,000	0	15,000
Total	\$2,242,325	\$1,674,047	\$568,278

2016 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$272,825	\$279,714	\$6,889
Special Revenue	1,386,173	1,560,501	174,328
Trust	1,000	1,000	0
Total	\$1,659,998	\$1,841,215	\$181,217

Note 4 – Deposits and Investments

The Township maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

Demand deposits	2016 \$864,855
Other time deposits (savings and NOW accounts)	15,000
Total deposits	\$879,855

Deposits

Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

Center Township
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 5 – Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

Note 6 - Risk Management

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Township contributed an amount equaling 14%, of participants' gross salaries. The Township has paid all contributions required through December 31, 2016.

Social Security

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

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2016.

Center Township
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 8 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. OPERS contributes 2 percent of the employer contribution to fund these benefits.

Note 9 – Debt

Debt outstanding at December 31, 2016 was as follows:

	Principal	Interest Rate
Vehicle Acquisition Note	\$115,629	2.85%
Total	\$115,629	

The Township issued a Vehicle Acquisition Note to finance the purchase of a new Freightliner truck and ice control package for Township Road Maintenance. The Township’s taxing authority collateralized the note.

Amortization

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

	Vehicle Acquisition Notes
Year ending December 31:	
2017	\$28,081
2018	28,081
2019	28,081
2020	28,081
2021	14,041
Total	\$126,364

Center Township
Columbiana County

*Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2015*

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
Cash Receipts			
Property and Other Local Taxes	\$32,017	\$365,250	\$397,267
Licenses, Permits and Fees	18,117		18,117
Fines and Forfeitures	1,003		1,003
Intergovernmental	59,184	149,613	208,797
Special Assessments		630	630
Earnings on Investments	645	196	841
Miscellaneous	36,098	300	36,398
<i>Total Cash Receipts</i>	<u>147,064</u>	<u>515,989</u>	<u>663,053</u>
Cash Disbursements			
Current:			
General Government	110,664	26,737	137,401
Public Safety	21,457	2,600	24,057
Public Works	69,377	478,484	547,861
Debt Service:			
Principal Retirement		28,006	28,006
<i>Total Cash Disbursements</i>	<u>201,498</u>	<u>535,827</u>	<u>737,325</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(54,434)</u>	<u>(19,838)</u>	<u>(74,272)</u>
Other Financing Receipts (Disbursements)			
Advances In	100,000	5,000	105,000
Advances Out	(5,000)	(100,000)	(105,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>95,000</u>	<u>(95,000)</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	40,566	(114,838)	(74,272)
<i>Fund Cash Balances, January 1</i>	<u>331,920</u>	<u>360,293</u>	<u>692,213</u>
Fund Cash Balances, December 31			
Restricted		245,455	245,455
Assigned	182,447		182,447
Unassigned (Deficit)	190,039		190,039
<i>Fund Cash Balances, December 31</i>	<u>\$372,486</u>	<u>\$245,455</u>	<u>\$617,941</u>

See accompanying notes to the financial statements

Center Township
Columbiana County

*Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Fiduciary Fund Types
For the Year Ended December 31, 2015*

	Fiduciary Fund Type
	Private Purpose Trust
Non-Operating Receipts	
Miscellaneous Receipts	\$1,000
<i>Total Non-Operating Receipts</i>	1,000
<i>Net Change in Fund Cash Balances</i>	1,000
<i>Fund Cash Balances, January 1</i>	13,000
<i>Fund Cash Balances, December 31</i>	\$14,000

See accompanying notes to the financial statements

Center Township
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2015

Note 1 - Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Center Township, Columbiana County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, police and fire protection. The Township contracts with the Hanover Township Fire Department to provide fire services as needed to residents on our border. The Township Fire Department is a Volunteer Fire Department and the Township signs a joint agreement with the Village of Lisbon and Elkrun Township.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all fiduciary fund types which are organized on a fund type basis.

Fund Accounting

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

General Fund 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.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

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

Road Levy Fund This fund receives tax money for constructing, maintaining and repairing Township roads.

Fire Levy Fund This fund receives tax money for fire protection services.

Gas Tax Fund 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.

Motor Vehicle License Tax Fund The motor vehicle license tax fund accounts for and reports that portion of motor vehicle license registration fees restricted for maintenance and repair of roads within the Township.

Center Township
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2015

Fiduciary Funds Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Township's own programs.

The Township's private purpose trust fund is required under an EPA landfill mandate.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

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

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

Encumbrances The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year-end are carried over, and need not be reappropriated. The Township did not encumber all commitments required by Ohio law. Management has included audit adjustments in the accompanying budgetary presentations for material items that should have been encumbered.

A summary of 2015 budgetary activity appears in Note 3.

Deposits and Investments

The Township did not maintain any investment accounts during the period.

Capital Assets

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Center Township
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2015

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

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

Nonspendable The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

Restricted Fund balance is *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 Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included 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.

Center Township
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2015

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2015 follows:

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$111,271	\$147,064	\$35,793
Special Revenue	442,595	515,989	73,394
Trust	1,000	1,000	0
Total	\$554,866	\$664,053	\$109,187

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$456,959	\$201,572	(\$255,387)
Special Revenue	674,283	554,688	(119,595)
Trust	14,000	0	(14,000)
Total	\$1,145,242	\$756,260	(\$388,982)

Note 4 – Deposits and Investments

The Township maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

Demand deposits	2015 \$617,941
Other time deposits (savings and NOW accounts)	14,000
Total deposits	\$631,941

Deposits

Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

Center Township
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2015

Note 5 – Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

Note 6 - Risk Management

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Township contributed an amount equaling 14%, of participants' gross salaries. The Township has paid all contributions required through December 31, 2015.

Social Security

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

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2015.

Center Township
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2015

Note 8 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. OPERS contributes 2 percent of the employer contribution to fund these benefits.

Note 9 – Debt

Debt outstanding at December 31, 2015 was as follows:

	Principal	Interest Rate
Freightliner Lease Agreement	\$102,406	3.69%
Total	\$102,406	

The Township entered a lease agreement to purchase a new Freightliner truck for Township Road Maintenance.

Amortization

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

	Freightliner Lease Agreement
Year ending December 31:	
2017	\$102,406
Total	\$102,406

Note 10 – Subsequent Events

On February 13, 2016, the Township experienced a fire which destroyed the Township Garage and Administrative building. The only equipment that was not destroyed was a back hoe and police cruiser. During 2016, the Township Garage and Administrative Building were rebuilt through an insurance claim, which also paid off the debt outstanding for a truck that was destroyed in the fire.

On April 5, 2016 the Township issued a Vehicle Acquisition Notes for \$130,000, to finance the purchase of a new Freightliner truck and ice control package for Township Road Maintenance. The Township’s taxing authority collateralized the note.



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*

Center Township
Columbiana County
38241 Industrial Park Road
Lisbon, Ohio 44432

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 cash balances, receipts, and disbursements by fund type of Center Township, Columbiana County, (the Township) as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, and have issued our report thereon dated September 19, 2017, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

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.

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 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.

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

Compliance and Other Matters

As part of reasonably assuring whether the 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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the 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 initial "D".

Dave Yost
Auditor of State
Columbus, Ohio

September 19, 2017

**CENTER TOWNSHIP
COLUMBIANA COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2016 AND 2015**

Finding Number	Finding Summary	Status	Additional Information
2014-001	Expenditures exceeded Appropriations	Corrective Action Taken and Finding is Fully Corrected	
2014-002	Salary Allocation	Corrective Action Taken and Finding is Fully Corrected	
2014-003	Fiscal Officer and Trustee Salary Overpaid	Corrective Action Taken and Finding is Fully Corrected	

This page intentionally left blank.



Dave Yost • Auditor of State

CENTER TOWNSHIP

COLUMBIANA 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
OCTOBER 19, 2017**