

313 Second St.
Marietta, OH 45750
740.373.0056

1907 Grand Central Ave.
Vienna, WV 26105
304.422.2203

104 South Sugar St.
St. Clairsville, OH 43950
740.695.1569

1310 Market Street, Suite 300
Wheeling, WV 26003
304.232.1358



Certified Public Accountants, A.C.

**GREEN TOWNSHIP
HAMILTON COUNTY
Regular Audit
For the Year Ended December 31, 2015**

www.perrycpas.com

...“bringing more to the table”

Tax – Accounting – Audit – Review – Compilation – Agreed Upon Procedure – Consultation – Bookkeeping – Payroll
Litigation Support – Financial Investigations

Members: American Institute of Certified Public Accountants

- Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners •
- Association of Certified Anti - Money Laundering Specialists •



Dave Yost • Auditor of State

Board of Trustees
Green Township
6303 Harrison Avenue
Cincinnati, Ohio 45247

We have reviewed the *Independent Auditor's Report* of Green Township, Hamilton County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2015 through December 31, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

June 12, 2017

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Green Township, Hamilton County, Ohio

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INDEPENDENT AUDITOR'S REPORT

May 15, 2017

Green Township
Hamilton County
6303 Harrison Avenue
Cincinnati, Ohio 45247

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying modified cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **Green Township**, Hamilton County, Ohio (the Township), as of and for the year ended December 31, 2015, 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 modified cash accounting basis Note 2C describes. This responsibility includes determining that the modified 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.

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Auditor's Responsibility (Continued)

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 modified cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Green Township, Hamilton County, Ohio, as of December 31, 2015, and the respective changes in modified cash financial position and the respective budgetary comparison for the General Fund, TIF Fund, Fire Levy Fund, Policy Levy Fund, Safety Services – Police and Fire Fund, Safety Services – Police Fund, Safety Services – Fire Fund, and the Road and Bridge Fund for the year then ended in accordance with the accounting basis described in Note 2C.

Accounting Basis

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

Other Matters

Other Information

We applied no procedures to the Management's Discussion and Analysis as listed in the table of contents. 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 May 15, 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.



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

Green Township
Hamilton County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

This discussion and analysis of the Green Township financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2015, within the limitations of the Township's modified 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 2015 are as follows:

Net position of the governmental activities increased \$1,954,133, or 6%. The Township saw an increase in receipts in 2015 of \$4,688,955 and an increase in disbursements of \$7,044,785.

General receipts accounted for 85% of all receipts. Program specific receipts in the form of charges for services, operating and capital-related grants and contributions accounted for 15% of total receipts of \$47,538,319.

The Township had \$45,584,186 in disbursements, only \$7,365,702 of these disbursements was offset by program specific charges for services and grants.

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 modified 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.

Green Township
Hamilton County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

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 the modified cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's modified cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the modified 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 modified cash basis of accounting.

Reporting the Township as a Whole

The Statement of Net Position and the Statement of Activities reflect how the Township performed financially during 2015, within the limitations of the modified 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 activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital 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 activity 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 modified cash basis of accounting, you can think of these changes as one way to measure the Township's financial condition. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial condition 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 extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property and income taxes.

In the Statement of Net Position and the Statement of Activities, all activity is accounted for as governmental activities:

Governmental Activities. All of the Township's basic services are reported here, including police, fire/EMS, streets and parks. Property Taxes and State and Federal Grants finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Green Township
Hamilton County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

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 or committed as to how it may be used is being spent for the intended purpose. The funds of the Township are all categorized as governmental funds.

Governmental Funds - 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 include the General Fund, Tax Incremental Financing (TIF) Fund, Fire Levy Fund, Police Levy Fund, Road and Bridge Levy Fund, and the Safety Services Levy funds (Police, Fire, and Police and Fire). The programs reported in governmental funds are identical to those reported in the governmental activities section of the entity-wide statements.

General Fund. The General Fund accounts for all financial resources except those required to be accounted for 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 fund laws of Ohio.

Tax Increment Financing (TIF) Fund. This special revenue fund accounts for payments received in lieu of taxes on property located within Green Township designated as a TIF parcel.

Fire Levy Fund. This special revenue fund accounts for tax revenues levied for the operations of the Township Fire Department.

Police Levy Fund. This special revenue fund accounts for tax revenues levied for the operation of the Township Police Department.

Road and Bridge Levy Fund. This special revenue fund accounts for tax revenues levied for operations of the Township Public Works Department.

Safety Services Police and Fire Levy Fund. This special revenue fund accounts for tax revenues levied for the operations of the Township Fire Department and Police Department.

Safety Services Fire Levy Fund. This special revenue fund accounts for tax revenues levied for the operations of the Township Fire Department.

Safety Services Police Levy Fund. This special revenue fund accounts for tax revenues levied for the operation of the Township Police Department.

Green Township
Hamilton County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

The Township as a Whole

Table 1 provides a summary of the Township's net position for 2015 and 2014 on the modified cash basis:

(Table 1)
Net Position
Governmental Activities

	<u>2015</u>	<u>2014</u>	<u>Change</u>
Assets			
Equity in Pooled Cash and Investments	\$ 35,448,101	\$ 33,493,968	\$ 1,954,133
<i>Total Assets</i>	<u>\$ 35,448,101</u>	<u>\$ 33,493,968</u>	<u>\$ 1,954,133</u>
Net Position			
Restricted for:			
Public Safety	\$ 863,724	\$ 1,042,365	\$ (178,641)
Streets	710,974	776,521	(65,547)
Other purposes	38,521	23,353	15,168
Capital projects	19,039,499	17,980,418	1,059,081
Unrestricted	<u>14,795,383</u>	<u>13,671,311</u>	<u>1,124,072</u>
<i>Total Net Position</i>	<u>\$ 35,448,101</u>	<u>\$ 33,493,968</u>	<u>\$ 1,954,133</u>

Net position of the governmental activities increased \$1,954,133, or 6%. The reasons for this increase are discussed in the following section for governmental activities.

Green Township
 Hamilton County, Ohio
 Management's Discussion and Analysis
 For the Year Ended December 31, 2015
 Unaudited

Table 2 demonstrates the changes in net position for fiscal years 2015 and 2014.

(Table 2)
Change in Net Position
Governmental Activities

	<u>2015</u>	<u>2014</u>	<u>Change</u>
Receipts:			
Program Receipts:			
Charges for Services	\$ 2,664,059	\$ 2,721,117	\$ (57,058)
Operating Grants	137,586	132,252	5,334
Capital Grants	4,564,057	2,256,839	2,307,218
<i>Total Program Receipts</i>	<u>7,365,702</u>	<u>5,110,208</u>	<u>2,255,494</u>
General Receipts			
Property and Other Local Taxes	11,006,675	8,330,177	2,676,498
Payments in Lieu of Taxes	22,091,565	21,222,080	869,485
Grants and Entitlements not Restricted	6,220,373	5,680,402	539,971
Interest	291,027	190,289	100,738
Miscellaneous	562,977	2,316,208	(1,753,231)
<i>Total General Receipts</i>	<u>40,172,617</u>	<u>37,739,156</u>	<u>2,433,461</u>
<i>Total Receipts</i>	<u>47,538,319</u>	<u>42,849,364</u>	<u>4,688,955</u>
Disbursements:			
General Government	1,588,651	1,336,939	251,712
Public Safety	12,980,844	11,970,834	1,010,010
Public Works	6,150,506	3,427,040	2,723,466
Public Health	67,128	65,312	1,816
Economic Development	283,387	257,746	25,641
Conservation-Recreation	935,241	866,975	68,266
Payment to Schools	14,881,125	14,435,536	445,589
Capital Outlay	7,634,848	5,117,213	2,517,635
Debt Service:			
Principal Retirement	880,000	860,000	20,000
Interest and Fiscal Charges	182,456	201,806	(19,350)
<i>Total Disbursements</i>	<u>45,584,186</u>	<u>38,539,401</u>	<u>7,044,785</u>
<i>Change in Net Position</i>	1,954,133	4,309,963	(2,355,830)
<i>Net Position, January 1</i>	33,493,968	29,184,005	4,309,963
<i>Net Position, December 31</i>	<u>\$ 35,448,101</u>	<u>\$ 33,493,968</u>	<u>\$ 1,954,133</u>

Green Township
Hamilton County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

Program receipts increased due to more projects completed for reimbursement from the Ohio Public Works Commission. General receipts increased due to passage of a 2.95 mil tax levy for safety services approved by the voters in November 2014 and increases in tax increment financing districts. Miscellaneous receipts decreased due to reimbursements on road projects in 2014, with no such activity in 2015.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for other Township activities. Also included are the costs of the administrator, department heads, elected officials, as well as internal services, such as payroll, accounts payable and receivable, and purchasing.

Public Safety includes the costs of police and fire protection; Public Health is the health services provided by the County; Conservation-Recreation Activities are the costs of maintaining the parks and playing fields, the Senior Center, and the Nathanael Greene Lodge (a meeting facility); Public Works is the cost of maintaining the roads; and Capital Outlay is the cost for purchases of capital assets and capital improvements.

Governmental Activities

If you refer to 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 disbursements for governmental activities are for Public Safety, Public Works, and Payments to Schools at year-end December 31, 2015, which account for 28%, 13%, and 33% of all governmental disbursements, respectively. The next three 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.

The Township's Funds

The Township's governmental funds had total receipts of \$47,538,319 and total disbursements of \$45,584,186. Total governmental funds balance increased by \$1,954,133, with the biggest increases occurring in the General and TIF Funds.

The General Fund's ending fund balance increased by \$1,137,727. With passage of a safety services levy in November 2014, the burden to finance public safety disbursements was significantly reduced in the General Fund.

The TIF Fund experienced a net change in fund balance increase of \$1,046,932, which is a decrease of \$3,885,982 from the prior year net change in fund balance. Factors contributing to the decrease include no reimbursements received on road projects, as occurred in 2014, and initiation of more road projects during the year.

Green Township
Hamilton County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

Decreases in the Fire Levy, Police Levy, Safety Services Fire and Safety Service Police funds were due to absorbing more public safety salary disbursements during the year.

The Road & Bridge Levy Fund decreased by \$13,655 due to an increase in price and use of road salt.

The Safety Services Police & Fire Fund only increased by \$2,481 during the year. Property tax receipts increased during the year due to passage of the safety services levy in November 2014. The additional receipts allowed the Fund to finance public safety disbursements previously being financed by the General Fund in prior years.

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. The most significant budgeted fund is the General Fund.

During 2015, the Township amended its General Fund budget several times to reflect changing circumstances. Final budgeted receipts were above original budgeted receipts due to anticipated increases in joint economic development district receipt collections. The difference between final budgeted receipts and actual receipts was (\$9,425) for 2015.

Final disbursements were budgeted at \$3,630,671, while actual budgetary disbursements were \$3,571,894 for the General Fund in 2015. The Township had \$190,998 in outstanding purchase orders at year end 2015, but were \$58,777 within budgeted amounts. The result is an ending fund balance of \$14,060,296 for 2015.

Capital Assets

The Township does keep track of its capital assets for insurance purposes but not for financial reporting.

Debt Administration

As of December 31, 2015, the Township's outstanding debt included \$4,815,000 in general obligation bonds issued for various purposes. For further information regarding the Township's debt, refer to Note 9 to the basic financial statements.

Green Township
Hamilton County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
Unaudited

Current Issues

The challenge for all townships is to provide quality services to the public while staying within the 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. With the State's phase-out of the inheritance tax, the Township experienced a decrease of \$2.7 million during 2014. The Township put on the ballot a 2.95 mill property tax levy for safety services that was approved by the voters in November 2014 and generated approximately \$2.9 million. The Township elected officials and administrative team will continue to seek additional revenue sources as well as reducing expenditures without reducing services to the citizens. There has been an ongoing effort by all Township staff for several years to keep costs at a minimum.

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 Tom Straus, Fiscal Officer, Green Township, 6303 Harrison Avenue, Cincinnati, Ohio 45247.

Green Township
Hamilton County, Ohio
Statement of Net Position - Modified Cash Basis
December 31, 2015

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Investments	\$ 35,448,101
<i>Total Assets</i>	<u>35,448,101</u>
 Net Position	
Restricted for:	
Public safety	863,724
Streets	710,974
Other purposes	38,521
Capital projects	19,039,499
Unrestricted	<u>14,795,383</u>
 <i>Total Net Position</i>	 <u>\$ 35,448,101</u>

See accompanying notes to the basic financial statements.

Green Township
Hamilton County, Ohio
Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2015

	Program Cash Receipts				Net Disbursements (Receipts) and Changes in Net Position
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
General Government	\$ 1,588,651	\$ 891,820	\$ 30,352	\$ -	\$ 666,479
Public Safety	12,980,844	1,462,462	9,949	-	11,508,433
Public Works	6,150,506	-	97,285	4,564,057	1,489,164
Public Health	67,128	-	-	-	67,128
Economic Development	283,387	6,676	-	-	276,711
Payment to Schools	14,881,125	-	-	-	14,881,125
Conservation-Recreation	935,241	303,101	-	-	632,140
Capital Outlay	7,634,848	-	-	-	7,634,848
Interest and Fiscal Charges	182,456	-	-	-	182,456
Principal Retirement	880,000	-	-	-	880,000
<i>Total Governmental Activities</i>	<u>\$ 45,584,186</u>	<u>\$ 2,664,059</u>	<u>\$ 137,586</u>	<u>\$ 4,564,057</u>	<u>38,218,484</u>
General Receipts					
Property Taxes Levied for:					
					300,449
					9,587,642
					1,118,584
					22,091,565
					6,220,373
					291,027
					562,977
					<u>40,172,617</u>
					1,954,133
					<u>33,493,968</u>
					<u>\$ 35,448,101</u>

See accompanying notes to the basic financial statements.

Green Township
 Hamilton County, Ohio
 Statement of Assets and Fund Balances - Modified Cash Basis
 Governmental Funds
 December 31, 2015

	General	Tax Increment Financing	Fire Levy	Police Levy	Road and Bridge	Safety Services Police & Fire	Safety Services Fire	Safety Services Police	Other Governmental Funds	Total Governmental Funds
Assets										
Equity in Pooled Cash and Investments	\$ 14,288,395	\$ 18,884,794	\$ 341,834	\$ 20,528	\$ 506,988	\$ 193,763	\$ 18,743	\$ 19,983	\$ 1,173,073	\$ 35,448,101
<i>Total Assets</i>	<u>14,288,395</u>	<u>18,884,794</u>	<u>341,834</u>	<u>20,528</u>	<u>506,988</u>	<u>193,763</u>	<u>18,743</u>	<u>19,983</u>	<u>1,173,073</u>	<u>35,448,101</u>
Fund Balances										
Restricted for:										
Public safety	-	-	341,834	20,528	-	193,763	18,743	19,983	268,873	863,724
Streets	-	-	-	-	-	-	-	-	710,974	710,974
Capital projects	-	18,884,794	-	-	-	-	-	-	154,705	19,039,499
Other purposes	-	-	-	-	-	-	-	-	38,521	38,521
Committed to:										
Roads and bridges	-	-	-	-	506,988	-	-	-	-	506,988
Assigned to:										
Budget resources	908,465	-	-	-	-	-	-	-	-	908,465
Encumbered obligations	190,998	-	-	-	-	-	-	-	-	190,998
Public safety	13,267	-	-	-	-	-	-	-	-	13,267
Unassigned	13,175,665	-	-	-	-	-	-	-	-	13,175,665
<i>Total Fund Balances</i>	<u>\$ 14,288,395</u>	<u>\$ 18,884,794</u>	<u>\$ 341,834</u>	<u>\$ 20,528</u>	<u>\$ 506,988</u>	<u>\$ 193,763</u>	<u>\$ 18,743</u>	<u>\$ 19,983</u>	<u>\$ 1,173,073</u>	<u>\$ 35,448,101</u>

See accompanying notes to the basic financial statements.

Green Township
 Hamilton County, Ohio
 Statement of Receipts, Disbursements and Changes in Fund Balances - Modified Cash Basis
 Governmental Funds
 For the Year Ended December 31, 2015

	General	Tax Increment Financing	Fire Levy	Police Levy	Road and Bridge	Safety Services Police & Fire	Safety Services Fire	Safety Services Police	Other Governmental Funds	Total Governmental Funds
Receipts										
Property and Other Local Taxes	\$ 300,449	\$ -	\$ 1,924,571	\$ 498,877	\$ 769,485	\$ 5,942,303	\$ 696,722	\$ 525,169	\$ 349,099	\$ 11,006,675
Charges for Services	460,909	-	1,269,350	-	-	-	-	-	-	1,730,259
Licenses, Permits and Fees	828,223	-	16,109	-	-	-	-	-	-	844,332
Fines and Forfeitures	29,636	-	-	-	-	-	-	-	59,832	89,468
Intergovernmental	2,366,439	2,453,592	305,673	79,813	130,665	627,674	113,762	85,750	4,623,392	10,786,760
Special Assessments	-	-	-	-	-	-	-	-	97,285	97,285
Interest	289,214	-	-	-	-	-	-	-	1,813	291,027
Other	257,831	209,180	46,357	-	31,913	11,019	-	-	44,648	600,948
Payment in Lieu of Taxes	-	22,091,565	-	-	-	-	-	-	-	22,091,565
Total Receipts	4,532,701	24,754,337	3,562,060	578,690	932,063	6,580,996	810,484	610,919	5,176,069	47,538,319
Disbursements										
Current:										
General Government	1,312,724	275,927	-	-	-	-	-	-	-	1,588,651
Public Safety	594,252	-	3,710,804	596,391	-	6,578,515	869,279	628,351	3,252	12,980,844
Public Works	277,039	-	-	-	944,455	-	-	-	4,929,012	6,150,506
Public Health	67,128	-	-	-	-	-	-	-	-	67,128
Economic Development	198,251	-	-	-	-	-	-	-	85,136	283,387
Payment to Schools	-	14,881,125	-	-	-	-	-	-	-	14,881,125
Conservation-Recreation	935,241	-	-	-	-	-	-	-	-	935,241
Capital Outlay	10,339	7,487,897	-	-	1,263	-	-	-	135,349	7,634,848
Debt Service										
Principal Retirement	-	880,000	-	-	-	-	-	-	-	880,000
Interest and Fiscal Charges	-	182,456	-	-	-	-	-	-	-	182,456
Total Disbursements	3,394,974	23,707,405	3,710,804	596,391	945,718	6,578,515	869,279	628,351	5,152,749	45,584,186
Net Change in Fund Balances	1,137,727	1,046,932	(148,744)	(17,701)	(13,655)	2,481	(58,795)	(17,432)	23,320	1,954,133
Fund Balances Beginning of Year	13,150,668	17,837,862	490,578	38,229	520,643	191,282	77,538	37,415	1,149,753	33,493,968
Fund Balances End of Year	\$ 14,288,395	\$ 18,884,794	\$ 341,834	\$ 20,528	\$ 506,988	\$ 193,763	\$ 18,743	\$ 19,983	\$ 1,173,073	\$ 35,448,101

See accompanying notes to the basic financial statements.

Green Township
Hamilton County, Ohio
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$ 320,000	\$ 300,449	\$ 300,449	\$ -
Charges for Services	471,000	467,467	460,909	(6,558)
Licenses, Permits and Fees	800,000	821,547	821,547	-
Fines and Forfeitures	27,000	29,640	29,636	(4)
Intergovernmental	1,806,000	2,367,834	2,366,439	(1,395)
Interest	150,000	289,214	289,214	-
Other	176,000	257,939	256,471	(1,468)
<i>Total Receipts</i>	<u>3,750,000</u>	<u>4,534,090</u>	<u>4,524,665</u>	<u>(9,425)</u>
Disbursements				
Current:				
General Government	1,457,210	1,399,306	1,380,530	18,776
Public Safety	841,029	658,292	649,542	8,750
Public Works	349,101	301,258	299,008	2,250
Public Health	67,130	67,130	67,128	2
Economic Development	214,450	205,012	202,022	2,990
Conservation-Recreation	1,155,538	988,673	963,325	25,348
Capital Outlay	11,000	11,000	10,339	661
<i>Total Disbursements</i>	<u>4,095,458</u>	<u>3,630,671</u>	<u>3,571,894</u>	<u>58,777</u>
<i>Net Change in Fund Balance</i>	(345,458)	903,419	952,771	49,352
<i>Fund Balance Beginning of Year</i>	12,811,448	12,811,448	12,811,448	-
<i>Prior Year Encumbrances Appropriated</i>	296,077	296,077	296,077	-
<i>Fund Balance End of Year</i>	<u>\$ 12,762,067</u>	<u>\$ 14,010,944</u>	<u>\$ 14,060,296</u>	<u>\$ 49,352</u>

See accompanying notes to the basic financial statements.

Green Township
Hamilton County, Ohio
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis
TIF Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$ 2,310,000	\$ 2,453,592	\$ 2,453,592	\$ -
Payment in Lieu of Taxes	18,200,000	22,091,565	22,091,565	-
Other	156,667	210,666	209,180	(1,486)
<i>Total Receipts</i>	<u>20,666,667</u>	<u>24,755,823</u>	<u>24,754,337</u>	<u>(1,486)</u>
Disbursements				
Current:				
General Government	275,927	275,927	275,927	-
Payment to Schools	15,039,073	14,881,125	14,881,125	-
Capital Outlay	10,731,878	9,646,599	9,591,693	54,906
Debt Service:				
Principal and interest	1,060,000	1,062,456	1,062,456	-
<i>Total Disbursements</i>	<u>27,106,878</u>	<u>25,866,107</u>	<u>25,811,201</u>	<u>54,906</u>
<i>Net Change in Fund Balance</i>	(6,440,211)	(1,110,284)	(1,056,864)	53,420
<i>Fund Balance Beginning of Year</i>	14,442,434	14,442,434	14,442,434	-
<i>Prior Year Encumbrances Appropriated</i>	3,395,428	3,395,428	3,395,428	-
<i>Fund Balance End of Year</i>	<u>\$ 11,397,651</u>	<u>\$ 16,727,578</u>	<u>\$ 16,780,998</u>	<u>\$ 53,420</u>

See accompanying notes to the basic financial statements.

Green Township
Hamilton County, Ohio
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis
Fire Levy Fund
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$ 1,901,325	\$ 1,924,571	\$ 1,924,571	\$ -
Charges for Services	1,150,000	1,220,000	1,269,350	49,350
Licenses, Permits and Fees	5,000	17,000	16,109	(891)
Intergovernmental	351,675	305,673	305,673	-
Other	12,000	46,859	46,357	(502)
<i>Total Receipts</i>	<u>3,420,000</u>	<u>3,514,103</u>	<u>3,562,060</u>	<u>47,957</u>
Disbursements				
Current:				
Public Safety	<u>3,848,624</u>	<u>3,750,249</u>	<u>3,730,732</u>	<u>19,517</u>
<i>Total Disbursements</i>	<u>3,848,624</u>	<u>3,750,249</u>	<u>3,730,732</u>	<u>19,517</u>
<i>Net Change in Fund Balance</i>	(428,624)	(236,146)	(168,672)	67,474
<i>Fund Balance Beginning of Year</i>	455,114	455,114	455,114	-
<i>Prior Year Encumbrances Appropriated</i>	<u>35,464</u>	<u>35,464</u>	<u>35,464</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 61,954</u>	<u>\$ 254,432</u>	<u>\$ 321,906</u>	<u>\$ 67,474</u>

See accompanying notes to the basic financial statements.

Green Township
Hamilton County, Ohio
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis
Police Levy Fund
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$ 492,489	\$ 498,877	\$ 498,877	\$ -
Intergovernmental	77,511	79,813	79,813	-
Other	2,000	-	-	-
<i>Total Receipts</i>	<u>570,000</u>	<u>578,690</u>	<u>578,690</u>	<u>-</u>
Disbursements				
Current:				
Public Safety	<u>606,457</u>	<u>601,936</u>	<u>596,391</u>	<u>5,545</u>
<i>Total Disbursements</i>	<u>606,457</u>	<u>601,936</u>	<u>596,391</u>	<u>5,545</u>
<i>Net Change in Fund Balance</i>	(36,457)	(23,246)	(17,701)	5,545
<i>Fund Balance Beginning of Year</i>	<u>38,229</u>	<u>38,229</u>	<u>38,229</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 1,772</u>	<u>\$ 14,983</u>	<u>\$ 20,528</u>	<u>\$ 5,545</u>

See accompanying notes to the basic financial statements.

Green Township
Hamilton County, Ohio
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis
Safety Services - Police and Fire Fund
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$ 5,995,218	\$ 5,942,303	\$ 5,942,303	\$ -
Intergovernmental	654,782	627,674	627,674	-
Other	-	11,019	11,019	-
<i>Total Receipts</i>	<u>6,650,000</u>	<u>6,580,996</u>	<u>6,580,996</u>	<u>-</u>
Disbursements				
Current:				
Public Safety	<u>6,768,427</u>	<u>6,612,679</u>	<u>6,589,448</u>	<u>23,231</u>
<i>Total Disbursements</i>	<u>6,768,427</u>	<u>6,612,679</u>	<u>6,589,448</u>	<u>23,231</u>
<i>Net Change in Fund Balance</i>	(118,427)	(31,683)	(8,452)	23,231
<i>Fund Balance Beginning of Year</i>	<u>191,282</u>	<u>191,282</u>	<u>191,282</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 72,855</u>	<u>\$ 159,599</u>	<u>\$ 182,830</u>	<u>\$ 23,231</u>

See accompanying notes to the basic financial statements.

Green Township
Hamilton County, Ohio
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis
Safety Services - Police Fund
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$ 519,830	\$ 525,169	\$ 525,169	\$ -
Intergovernmental	81,170	85,750	85,750	-
<i>Total Receipts</i>	<u>601,000</u>	<u>610,919</u>	<u>610,919</u>	<u>-</u>
Disbursements				
Current:				
Public Safety	636,899	634,286	628,351	5,935
<i>Total Disbursements</i>	<u>636,899</u>	<u>634,286</u>	<u>628,351</u>	<u>5,935</u>
<i>Net Change in Fund Balance</i>	(35,899)	(23,367)	(17,432)	5,935
<i>Fund Balance Beginning of Year</i>	37,415	37,415	37,415	-
<i>Fund Balance End of Year</i>	<u>\$ 1,516</u>	<u>\$ 14,048</u>	<u>\$ 19,983</u>	<u>\$ 5,935</u>

See accompanying notes to the basic financial statements.

Green Township
Hamilton County, Ohio
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis
Safety Services - Fire Fund
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$ 689,638	\$ 696,722	\$ 696,722	\$ -
Intergovernmental	<u>117,362</u>	<u>113,762</u>	<u>113,762</u>	<u>-</u>
<i>Total Receipts</i>	<u>807,000</u>	<u>810,484</u>	<u>810,484</u>	<u>-</u>
Disbursements				
Current:				
Public Safety	<u>881,300</u>	<u>869,686</u>	<u>869,279</u>	<u>407</u>
<i>Total Disbursements</i>	<u>881,300</u>	<u>869,686</u>	<u>869,279</u>	<u>407</u>
<i>Net Change in Fund Balance</i>	(74,300)	(59,202)	(58,795)	407
<i>Fund Balance Beginning of Year</i>	<u>77,538</u>	<u>77,538</u>	<u>77,538</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 3,238</u>	<u>\$ 18,336</u>	<u>\$ 18,743</u>	<u>\$ 407</u>

See accompanying notes to the basic financial statements.

Green Township
Hamilton County, Ohio
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis
Road and Bridge Fund
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$ 778,756	\$ 769,485	\$ 769,485	\$ -
Intergovernmental	145,244	130,665	130,665	-
Other	4,000	31,750	31,913	163
<i>Total Receipts</i>	<u>928,000</u>	<u>931,900</u>	<u>932,063</u>	<u>163</u>
Disbursements				
Current:				
Public Works	1,093,944	1,012,877	973,041	39,836
Capital Outlay	1,600	1,600	1,600	-
<i>Total Disbursements</i>	<u>1,095,544</u>	<u>1,014,477</u>	<u>974,641</u>	<u>39,836</u>
<i>Net Change in Fund Balance</i>	(167,544)	(82,577)	(42,578)	39,999
<i>Fund Balance Beginning of Year</i>	303,679	303,679	303,679	-
<i>Prior Year Encumbrances Appropriated</i>	216,964	216,964	216,964	-
<i>Fund Balance End of Year</i>	<u>\$ 353,099</u>	<u>\$ 438,066</u>	<u>\$ 478,065</u>	<u>\$ 39,999</u>

See accompanying notes to the basic financial statements.

Green Township
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Note 1 – Reporting Entity

Green Township, Hamilton County, Ohio (the Township), is a body politic and corporate established in 1809 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 three-member Board of Trustees, each of whom is elected for overlapping terms of four years. The Township has an elected Township Fiscal Officer and a Township Administrator who is appointed by the Board of Trustees. All Department Heads report to the Township Administrator.

The reporting entity is comprised solely of the primary government.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. For the Township this includes providing police protection, fire and emergency medical services, road maintenance and repairs, parks and recreation, planning, zoning, and economic development. The Board of Trustees and Township Administrator have direct responsibility for these activities.

B. Component Units

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

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

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2.C, these financial statements are presented on a modified cash basis of accounting. The modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally Accepted Accounting Principles, (GAAP), include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the modified cash basis of accounting.

Green Township
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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.

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Green Township has no business type activities.

The statement of net position presents the cash balance of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Township's general receipts.

Fund Financial Statements

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

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 all considered governmental.

Green Township
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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 funds are the General Fund, Tax Increment Financing (TIF) Fund, Fire Levy Fund, Police Levy Fund, Road and Bridge Levy Fund, Safety Services Police and Fire Fund, Safety Services Fire Fund and Safety Services Police Fund. The General Fund is used to account for all financial resources, except those required to be accounted for 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.

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

The Township has no proprietary or agency types of funds.

C. Basis of Accounting

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

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

D. Budgetary Process

All funds, except agency 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, certified by the County Auditor, 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 when applicable, object level.

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

Green Township
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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

E. Cash and Investments

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

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

During 2015, the Township invested in nonnegotiable certificates of deposit, U.S. Treasury and Agency Securities, a money market fund, STAR Ohio, and STAR Plus. The nonnegotiable certificates of deposit and the U.S. Treasury and Agency Securities are reported at cost. The Township's money market fund investment is recorded at the amount reported by Fifth Third Bank and U.S. Bank on December 31, 2015.

STAR Ohio is an investment pool, managed by the Ohio 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, 2015.

STAR Plus is a cash management program, managed by the Ohio State Treasurer's Office, which allows governments within the State to pool their funds and access hundreds of FDIC-insured banks via one account, with full FDIC insurance coverage of up to \$15 million per account.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2015 were \$289,214 and \$1,813 assigned to 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 and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

Green Township
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

H. Inter-fund Receivables/Payables

The Township reports advances-in and advances-out for inter-fund loans. The Township had no inter-fund loans in 2015. These items are not reflected as assets and liabilities in the accompanying financial statements.

I. Accumulated Leave

Upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's modified cash basis of accounting.

J. Pensions

For purposes of measuring the net pension liability, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

K. Long-Term Obligations

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

L. Net Position

Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

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.

M. Fund Balance

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

Nonspendable: The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or 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.

Green Township
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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

Committed: The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Board of Trustees. Those committed amounts cannot be used for any other purpose unless the Board of Trustees removes or changes 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 Board of Trustees.

Unassigned: Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The Township applies restricted resources first when disbursements 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 disbursements are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

N. Inter-fund Transactions

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

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Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund and major special revenue funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the modified cash basis are outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a portion of fund balance (modified cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$190,998 for the General Fund, \$2,103,796 for the TIF fund, \$19,928 for the Fire Levy Fund, and \$28,923 for the Road and Bridge Fund in 2015. In addition, the General Fund includes certain funds in the fund financial statements that are budgeted separately.

Note 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 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;

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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;
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 investments (1) or (2) and repurchase agreements secured by such obligations, provided that investment in securities described in this division are made only through eligible institutions.
7. The State Treasurer's investment pool and cash management program (STAR Ohio and STAR Plus).
8. Commercial paper and bankers acceptances, with appropriate limitations based upon completion of ORC training requirements.

Protection of the Township's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by collateral pledged to the Township by the financial institution, or by a collateral pool, established by the financial institution to secure the repayment of all public monies deposited with the institution.

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

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Township or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Investments

As of December 31, 2015, the Township had the following investments:

Investment Type	Carrying Value	Maturity (in Years)		
		Less than 1	1-2	3-5
US Agency Securities	\$ 14,628,067	1,183,372	4,478,255	8,966,440
US Treasury Notes	552,648	402,543	150,105	-
Non-negotiable Certificates of Deposit	14,934,815	1,250,878	8,217,070	5,466,867
Money Market	167,502	167,502	-	-
STAR Ohio	21,247	21,247	-	-
	<u>\$ 30,304,279</u>	<u>3,025,542</u>	<u>12,845,430</u>	<u>14,433,307</u>

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At December 31, 2015, 48% of the Township's investments are in government sponsored enterprise notes (i.e., federal agencies) that are subject to concentration of credit risk. These include Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, and Federal Home Loan Mortgage Corporation securities, which have all been rated Aaa by Moody's and AA+ by Standards and Poor's.

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, 2015, \$1,954,727 of the Township's bank balance of \$5,463,819 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.

Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Township's investment policy addresses interest rate risk by requiring that the Township's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

Note 5 – Property Taxes

Property taxes include amounts levied against all real property and public utility property located within the Township. Property taxes receipts received during 2015 for real and public utility property taxes represent collections of 2014 taxes.

2014 real property taxes are levied after October 1, 2014 on the assessed value as of January 1, 2014, the lien date. Assessed values are established by State law at 35 percent of the appraised market value. 2014 real property taxes are collected in and intended to finance 2015.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2014 public utility property taxes became a lien December 31, 2013, are levied after October 1, 2014, and are collected in 2015 with real property taxes.

The full tax rate for all Township operations for the year ended December 31, 2015 was \$14.66 per \$1,000 of assessed value. The assessed values of real property and public utility property upon which 2015 property tax receipts were based are as follows:

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Real Property - Residential, Agricultural, Commercial, Industrial, and Other	\$	1,010,850,740
Public Utility Property		<u>42,285,610</u>
Total Valuation	\$	<u><u>1,053,136,350</u></u>

The County Auditor completed a triennial reappraisal in 2011 that reduced the Township’s assessed valuation by 7 percent. Real property taxes are payable annually or semi-annually. If paid annually, the payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

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

Note 6 – Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters.

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

During 2015 the Township contracted with Selective Insurance Company for property and casualty, liability, and law enforcement coverage.

General Liability	\$ 1,000,000	Per Occurrence*
Legal Liability	1,000,000	Per Occurrence**
Automobile Liability	1,000,000	Per Occurrence**
Law Enforcement Operations	1,000,000	Per Occurrence***
Wrongful Acts	50,000	Per Occurrence
Property	17,969,000	Total Coverage

* \$2,000,000 aggregate

** umbrella \$5,000,000 per occurrence and \$5,000,000 aggregate

*** combined single limit \$1,000,000

There were no significant reductions in coverage from prior years and claims have not exceeded insurance coverage in any of the past three years. The Township pays the State Workers’ Compensation System a premium based on a rate per \$100 of salaries. This rate is based on accident history and administrative costs.

The Township has elected to provide employee medical/surgical benefits through Jefferson Health Plan. Employees contribute 15% of the monthly premium cost with the Township the remainder. The premiums vary with the employee depending on type of coverage selected (single, family). The Township provides dental insurance to all employees as a function of this health care plan, through Dental Care Plus. Again employees share 15% of the cost of the monthly premium with the Township paying the remainder. The Township provides life insurance at no cost to the employee and provides a benefit of \$20,000 for each employee.

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Note 7 –Pension Plans

Net Pension Liability

For 2015, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, were effective. These GASB pronouncements had no effect on beginning net position as reported December 31, 2014, as the net pension liability is not reported in the accompanying financial statements. The net pension liability has been disclosed below.

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the Township’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the Township’s obligation for this liability to annual required payments. The Township cannot control benefit terms or the manner in which pensions are financed; however, the Township does receive the benefit of employees’ services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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Ohio Public Employees Retirement System (OPERS)

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

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

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

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

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

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

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

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

	State and Local	Public Safety	Law Enforcement
2015 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	*	**
2015 Actual Contribution Rates			
Employer:			
Pension	12.0 %	16.1 %	16.1 %
Post-employment Health Care Benefits	2.0	2.0	2.0
Total Employer	<u>14.0 %</u>	<u>18.1 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>12.0 %</u>	<u>13.0 %</u>

* This rate is determined by OPERS' Board and has no maximum rate established by ORC.

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

The Township's contractually required contributions to OPERS for December 31, 2015, 2014, and 2013 were \$852,948, \$797,593, and \$807,589, respectively.

Ohio Police and Fire Pension Fund (OP&F)

Plan Description—Township full-time firefighters participate in the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered OP&F. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustment, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial statements, required supplementary information and detailed information about OP&F's fiduciary net position. That report may be obtained by visiting <https://www.op-f.org/Information/Reports.aspx> or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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

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

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The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5% for each of the first 20 years of service credit, 2.0% for each of the next five years of service credit, and 1.5% for each year of service credit in excess of 25 years. The maximum pension of 72% of the allowable average annual salary is paid after 33 years of service credit.

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

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either 3% or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30th of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to 3% of their base pension or disability benefit.

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

	Firefighters
2015 Statutory Maximum Contribution Rates	
Employer	24.00 %
Employee:	
January 1, 2015 through July 1, 2015	11.50 %
July 2, 2015 through December 31, 2015	12.25 %
2015 Actual Contribution Rates	
Employer:	
Pension	23.50 %
Post-employment Health Care Benefits	0.50
Total Employer	24.00 %
Employee:	
January 1, 2015 through July 1, 2015	11.50 %
July 2, 2015 through December 31, 2015	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The Township's contractually required contributions to OP&F for December 31, 2015, 2014, and 2013 were \$867,355, \$838,066, and \$788,308, respectively.

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Net Pension Liability

The net pension liability for OPERS was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2014, and was determined by rolling forward the total pension liability as of January 1, 2014, to December 31, 2014. The Township's proportion of the net pension liability was based on the Township's share of contributions to the pension plan relative to the projected contributions of all participating entities. Following is information related to the proportionate share:

	OPERS	OP&F	Total
Proportionate Share of the Net Pension Liability	\$ 5,448,127	\$ 10,136,978	\$ 15,585,105
Proportion of the Net Pension Liability	0.045171%	0.1956788%	

Actuarial Assumptions – OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage inflation	3.75%
Future salary increases, including inflation	4.25% - 10.05% including wage inflation
COLA or Ad Hoc COLA	3.00%, simple
Investment rate of return	8.00%
Actuarial cost method	Individual entry age

Mortality rates are the RP-2000 mortality table projected 20 years using Projected Scale AA. For males, 105% of the combined health male mortality rates were used. For females, 100% of the combined health female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males, 120% of the disable female mortality rates were used, set forward two years. For females, 100% of the disabled female mortality rates were used.

The most recent experience study was completed for the five-year period ended December 31, 2010.

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The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, and annuitized accounts of the Member-Directed Plan and VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investment expenses, for the Defined Benefit portfolio is 6.95% for 2014.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The following table displays the Board-approved asset allocation policy for 2014 and the long term expected arithmetic real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return</u>
Fixed Income	23.00%	2.31%
Domestic Equities	19.90%	5.84%
Real Estate	10.00%	4.25%
Private Equity	10.00%	9.25%
International Equities	19.10%	7.40%
Other Investments	<u>18.00%</u>	<u>4.59%</u>
Total	<u>100.00%</u>	<u>5.28%</u>

Discount Rate: The discount rate used to measure the total pension liability was 8.0% for the Traditional Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following chart represents the Township's proportionate share in thousands of the net pension liability at the 8% discount rate as well as the sensitivity to a 1% increase and 1% decrease in the current discount rate:

	1% Decrease (7.00%)	Current Discount Rate of 8%	1% Increase (9.00%)
Township's proportionate share of the net pension liability	\$ 10,025,252	\$ 5,448,127	\$ 1,562,013

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2014 is based on the results of an actuarial valuation date of January 1, 2014, and rolled forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2014, are presented below:

Actuarial cost method	Entry age
Investment rate of return	8.25%
Projected salary	4.25% - 11.00%
Payroll increases	3.75%
Inflation assumptions	3.25%
Cost-of-living	2.60% and 3.00%

Rates of death are based on the RP 2000 Combined Table, age-adjusted as follows: for active members, set back six years; for disability retirements, set forward five years for police and three years for firefighters; for beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed January 1, 2012.

long-term expected rate of return on pension plan investment was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in the OP&F's target asset allocation as of December 31, 2014 are as follows:

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Asset Class	Target Allocation	Long Term Expected Rate of Return
Cash and Cash Equivalent	0.0%	<0.25>%
Domestic Equity	16.0%	4.47%
Non-U.S. Equity	16.0%	4.47%
Core Fixed Income*	20.0%	1.62%
Global Inflation Protected Securities*	20.0%	1.33%
High Yield	15.0%	3.39%
Real Estate	12.0%	3.93%
Private Markets	8.0%	6.98%
Timber	5.0%	4.92%
Master Limited Partnerships	8.0%	7.03%
	<u>120.0%</u>	

Note: Assumptions are geometric. * Levered 2x.

OP&F's Board of Trustees has incorporated the "risk parity" concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

Discount Rate: The total pension liability was calculated using the discount rate of 8.25%. The projection of cash flows used to determine the discount rate assumes member and employer contributions will continue to follow the current statutory contribution rates described above. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact, the following table presents the net pension liability calculated using a discount rate of 8.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25%), or one percentage point higher (9.25%) than the current rate:

	1% Decrease (7.25%)	Current Discount Rate of 8.25%	1% Increase (9.25%)
Township's proportionate share of the net pension liability	\$ 14,020,974	\$ 10,136,978	\$ 6,848,414

Green Township
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Note 8 – Postemployment Benefits

A. Ohio Public Employees Retirement System

OPERS maintains a cost-sharing multiple employer defined benefit postemployment health care plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including postemployment health care coverage.

In order to qualify for postemployment 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 health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. OPERS' eligibility requirements for post-employment health care coverage changed for those retiring on and after January 1, 2015.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2015, state and local employers contributed at the rate of 14.0 percent of earnable salary and law enforcement employers contributed at the rate of 18.10 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administered in accordance with Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution 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 and Combined Plan was 2.0 percent during calendar year 2015. The OPERS Board of Trustees is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The Township's contributions for 2015, 2014, and 2013 which were used to fund postemployment benefits were \$121,801, \$113,896, and \$57,622, respectively.

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 recent passage of pension legislation under SB 343 and approved health care changes, OPERS expects to be able to consistently allocate 4.0 percent of employer contributions toward the health care fund after the end of the transition period.

Green Township
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

B. Ohio Police and Fire Pension Fund

The Township contributes to the OP&F sponsored health care program, a cost-sharing multiple-employer defined postemployment health care plan administered by OP&F. OP&F provides health care benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

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

The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 24.0 percent of covered payroll for fire employers. The Ohio Revised Code states that the employer contribution may not exceed 24.0 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to health care was 0.5 percent of covered payroll during 2015. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h). The Township's actual contributions for 2015, 2014, and 2013 that were used to fund postemployment benefits were \$18,214, \$17,599, and \$118,772.

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

Green Township
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Note 9 – Long-Term Obligations

The changes in the Township's long-term obligations during 2015 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General Obligation Bonds:					
Series 2010 Various Purpose Bonds	\$ 5,695,000	\$ -	\$ 880,000	\$ 4,815,000	\$ 900,000

On February 16, 2010, the Township issued unvoted Various Purpose General Obligation Bonds in the amount of \$9,895,000 for the purpose of retiring outstanding notes and for the various improvements within the Township including road and park improvements. These bonds were issued for a ten year period with a final maturity date of December 1, 2020. Interest rates vary from 2% to 3.5%. Debt service payments made by the Township will be from service payments in lieu of taxes made by property owners pursuant to Section 5709.73 of the Ohio Revised Code.

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2015, are as follows:

Year Ending December 31,	Principal	Interest	Total
2016	\$ 900,000	\$ 160,456	\$ 1,060,456
2017	930,000	133,456	1,063,456
2018	960,000	103,231	1,063,231
2019	995,000	69,631	1,064,631
2020	1,030,000	36,050	1,066,050
	\$ 4,815,000	\$ 502,824	\$ 5,317,824

Note 10 – Joint Economic Development Districts

Green Township participates in four Joint Economic Development Districts (JEDD) with the City of Cheviot. The JEDDs is located entirely within Green Township, Hamilton County. The purpose of a JEDD is to facilitate the development of jobs and employment opportunities along with improving the welfare of people in the State of Ohio and the area of the contracting parties. The JEDD creates a Board of Directors which consists of a Municipal Member, a Township member, a member who represents the owners of the businesses within the JEDD, a member who represents the persons working within the JEDD, and one member who is selected by the above members who serves as chairperson.

Green Township
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

The proceeds of the JEDDs are used to pay a portion of the costs associated with the construction and improvement of roads, the provision of public services such as police and fire protection, and to provide for improvements in connector roads that benefit the JEDD. The City of Cheviot administers and collects income tax for the JEDD and reports monthly and quarterly to the contracting parties.

The District agreements in place during 2015 were as follows:

A. JEDD District I

In 2010, the Township and the City entered into an agreement to create the JEDD I within the Western Ridge area. The agreement authorized the levy of a 1% earnings tax for persons employed within the JEDD I boundaries, with an initial cap on earned income of \$100,000 per earner per year. This cap shall be adjusted annually based upon the Consume Prices Index (CPI-U) as published by the U.S. Bureau of Labor Statistics on September 30th of the preceding year. The distribution of the revenue generated from the JEDD I, net of operating expenses, is 80% to the Township and 20% to the City.

B. JEDD District II

In 2012, the Township and the City entered into an agreement to create the JEDD II within the Christ Hospital Medical Center and Children's Hospital Medical Center area. The agreement authorized the levy of a 1% earnings tax for persons employed within the JEDD II boundaries, with an initial cap on earned income of \$100,000 per earner per year. This cap shall be adjusted annually based upon the Consume Prices Index (CPI-U) as published by the U.S. Bureau of Labor Statistics on September 30th of the preceding year. The distribution of the revenue generated from the JEDD II, net of operating expenses, is 80% to the Township and 20% to the City.

C. JEDD District III

In 2013, the Township and the City entered into an agreement to create the JEDD III within the Mercy Hospitals West area. The agreement authorized the initial levy of a 2% earnings tax for persons employed within the JEDD III boundaries, with an initial cap on earned income of \$100,000 per earner per year, for the first ten years of the agreement. Beginning with the eleventh year, the earnings tax rate is reduced to 1% and the earned income cap is adjusted annually based upon the Consume Prices Index (CPI-U) as published by the U.S. Bureau of Labor Statistics on September 30th of the preceding year. The distribution of the revenue generated from the JEDD III, net of operating expenses, for the first twenty years is 90% to the Township and 10% to the City. Beginning with the twenty-first year, the distribution allocations will be adjusted to 85% to the Township and 15% to the City.

Green Township
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

D. JEDD District IV

In 2014, the Township and the City entered into an agreement to create the JEDD IV within the Harrison Greene area. The agreement authorized the levy of a 1% tax on the net profits of all businesses operating within the JEDD IV and a 1% earnings tax for persons employed within the JEDD IV boundaries, with an initial cap on earned income of \$100,000 per earner per year and. This cap shall be adjusted annually based upon the Consume Prices Index (CPI-U) as published by the U.S. Bureau of Labor Statistics on September 30th of the preceding year. The distribution of the revenue generated from the JEDD IV, net of operating expenses, is 90% to the Township and 10% to the City.

Note 11 – Contingent Liabilities

Green Township is a party to legal proceedings seeking damages. The Township management is of the opinion that the ultimate disposition of the various claims and legal proceedings will not have a material effect, if any, on the financial condition of the Township.



313 Second St.
Marietta, OH 45750
740.373.0056

1907 Grand Central Ave.
Vienna, WV 26105
304.422.2203

104 South Sugar St.
St. Clairsville, OH 43950
740.695.1569

1310 Market St., Suite 300
Wheeling, WV 26003
304.232.1358

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

May 15, 2017

Green Township
Hamilton County
6303 Harrison Avenue
Cincinnati, Ohio 45247

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 **Green Township**, Hamilton County, (the Township) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements and have issued our report thereon dated May 15, 2017, 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.

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.

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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 cursive script that reads "Perry & Associates CPAs A.C.".

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



Dave Yost • Auditor of State

GREEN TOWNSHIP

HAMILTON 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
JUNE 27, 2017**