

**WASHINGTON TOWNSHIP  
CLINTON COUNTY, OHIO**

**AUDIT REPORT**

**FOR THE YEARS ENDED DECEMBER 31, 2015 & 2014**







# Dave Yost • Auditor of State

Board of Trustees  
Washington Township  
186 Leslie Avenue  
Wilmington, Ohio 45177

We have reviewed the *Independent Auditor's Report* of Washington Township, Clinton County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2014 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. Washington 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

July 28, 2016

**This page intentionally left blank.**

**WASHINGTON TOWNSHIP  
CLINTON COUNTY  
AUDIT REPORT  
For the Years Ended December 31, 2015 and 2014**

**TABLE OF CONTENTS**

<b><u>TITLE</u></b>	<b><u>PAGE</u></b>
<b>Independent Auditor’s Report</b>	<b>1-2</b>
<b>Basic Financial Statements:</b>	
<b>Statement of Net Position - 2015</b>	<b>3</b>
<b>Statement of Net Position - 2014</b>	<b>4</b>
<b>Statement of Activities – 2015</b>	<b>5</b>
<b>Statement of Activities - 2014</b>	<b>6</b>
<b>Statement of Assets and Fund Balances - 2015</b>	<b>7</b>
<b>Statement of Assets and Fund Balances - 2014</b>	<b>8</b>
<b>Statement of Receipts, Disbursements and Changes in     Fund Balances – 2015</b>	<b>9</b>
<b>Statement of Receipts, Disbursements and Changes in     Fund Balances – 2014</b>	<b>10</b>
<b>Schedule of Receipts, Disbursements and Changes in Fund     Balance – Budget and Actual (Non GAAP Budgetary Basis) -</b>	
<b>General Fund – 2015</b>	<b>11</b>
<b>General Fund - 2014</b>	<b>12</b>
<b>Motor Vehicle License Tax – 2014</b>	<b>13</b>
<b>Gas Tax – 2015</b>	<b>14</b>
<b>Gas Tax – 2014</b>	<b>15</b>
<b>Road District – 2015</b>	<b>16</b>
<b>Road District – 2014</b>	<b>17</b>
<b>Fire &amp; Emergency – 2015</b>	<b>18</b>
<b>Fire &amp; Emergency – 2014</b>	<b>19</b>
<b>Road Improvement – 2015</b>	<b>20</b>
<b>Road Improvement – 2014</b>	<b>21</b>
<b>Notes to the Basic Financial Statements</b>	<b>22-34</b>
<b>Independent Accountant’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i></b>	<b>35-36</b>

**This page intentionally left blank.**

Rockefeller Building  
614 W Superior Ave Ste 1242  
Cleveland OH 44113-1306  
Office phone - (216) 575-1630  
Fax - (216) 436-2411

***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

---

## **INDEPENDENT AUDITOR'S REPORT**

Washington Township  
Clinton County  
186 Leslie Avenue  
Wilmington, Ohio 45177

To the Board of Trustees:

### ***Report on the Financial Statements***

We have audited the accompanying cash basis financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Washington Township, Clinton County, Ohio, (the Township), as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise Township's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash financial position of the governmental activities, each major fund and the aggregate remaining fund information of Washington Township, Clinton County, Ohio as of December 31, 2015 and 2014, and the respective changes in cash financial position and the respective budgetary comparison for the General fund, Motor Vehicle License Tax (2014 only), Gas Tax, Road District, Fire & Emergency, and Road Improvement funds thereof for the years then ended in accordance with the accounting basis described in accordance with Note 2.

***Accounting Basis***

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

***Emphasis of Matter***

As discussed in Note 11 to the financial statements, during 2015, the Township adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*. We did not modify our opinion regarding this matter.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 10, 2016 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.



***Charles E. Harris & Associates, Inc.***  
May 10, 2016

**Washington Township**  
**Clinton County**  
*Statement of Net Position - Cash Basis*  
*December 31, 2015*

---

	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in pooled cash and cash equivalents	<u>\$ 242,511</u>
Total assets	<u>242,511</u>
<b>Net Position</b>	
Restricted for:	
Other purposes	212,224
Unrestricted	<u>30,287</u>
Total net position	<u><u>\$ 242,511</u></u>

See accompanying notes to the financial statements.

**Washington Township**  
**Clinton County**  
*Statement of Net Position - Cash Basis*  
*December 31, 2014*

---

	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in pooled cash and cash equivalents	<u>\$ 213,895</u>
Total assets	<u>213,895</u>
<b>Net Position</b>	
Restricted for:	
Other purposes	190,749
Unrestricted	<u>23,146</u>
Total net position	<u>\$ 213,895</u>

See accompanying notes to the financial statements.

**Washington Township**  
**Clinton County**  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2015*

	Cash Disbursements	Program Cash Receipts	Net (Disbursements) Receipts and Changes in Net Position
		Operating Grants Contributions and Interest	Governmental Activities
General government	\$ 65,657	\$ -	\$ (65,657)
Public safety	59,182	-	(59,182)
Public works	183,209	104,226	(78,983)
Health	1,700	-	(1,700)
Total governmental activities	<u>\$ 309,748</u>	<u>\$ 104,226</u>	<u>(205,522)</u>

**General Receipts**

Taxes:	
Property taxes levied for general purposes	42,290
Property taxes levied for fire & ems	52,754
Other Taxes	89,442
Grants and entitlements not restricted to specific programs	48,011
Earnings on investment	312
Miscellaneous	<u>1,329</u>
Total general receipts	<u>234,138</u>
Change in net position	28,616
Net position beginning of year	<u>213,895</u>
Net position end of year	<u>\$ 242,511</u>

See accompanying notes to the financial statements.

**Washington Township**  
**Clinton County**  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2014*

	Cash Disbursements	Program Cash Receipts	Net (Disbursements) Receipts and Changes in Net Position
		Operating Grants Contributions and Interest	Governmental Activities
General government	\$ 85,613	\$ -	\$ (85,613)
Public safety	59,242	-	(59,242)
Public works	195,598	117,853	(77,745)
Health	2,820	-	(2,820)
Capital Outlay	72,870	-	(72,870)
Total governmental activities	<u>\$ 416,143</u>	<u>\$ 117,853</u>	<u>(298,290)</u>

**General Receipts**

Taxes:	
Property taxes levied for general purposes	33,411
Property taxes levied for fire & ems	52,027
Other taxes	77,016
Grants and entitlements not restricted	
to specific programs	36,202
Sale of capital assets	18,500
Earnings on investment	281
Miscellaneous	244
	<hr/>
Total general receipts	217,681
	<hr/>
Change in net position	(80,609)
	<hr/>
Net position beginning of year	294,504
	<hr/>
Net position end of year	<u>\$ 213,895</u>

See accompanying notes to the financial statements.

**Washington Township**  
**Clinton County**  
*Statement of Assets and Fund Balances - Cash Basis*  
*Governmental Funds*  
*December 31, 2015*

	General	Gas Tax	Road District	Fire & Emergency	Road Improvement	Other Governmental	Total Governmental Funds
<b>Assets</b>							
Equity in pooled cash and cash equivalents	\$ 30,287	\$ 57,116	\$ 33,312	\$ 93,724	\$ 3,197	\$ 24,875	\$ 242,511
Total assets	<u>\$ 30,287</u>	<u>\$ 57,116</u>	<u>\$ 33,312</u>	<u>\$ 93,724</u>	<u>\$ 3,197</u>	<u>\$ 24,875</u>	<u>\$ 242,511</u>
<b>Fund Balances</b>							
Restricted	\$ -	\$ 57,116	\$ 33,312	\$ 93,724	\$ 3,197	\$ 24,875	\$ 212,224
Assigned	667	-	-	-	-	-	667
Unassigned	29,620	-	-	-	-	-	29,620
Total fund balances	<u>\$ 30,287</u>	<u>\$ 57,116</u>	<u>\$ 33,312</u>	<u>\$ 93,724</u>	<u>\$ 3,197</u>	<u>\$ 24,875</u>	<u>\$ 242,511</u>

See accompanying notes to the financial statements.

**Washington Township**  
**Clinton County**  
*Statement of Assets and Fund Balances - Cash Basis*  
*Governmental Funds*  
*December 31, 2014*

	General	Motor Vehicle Lic Tax	Gas Tax	Road District	Fire & Emergency	Road Improvement	Other Governmental	Total Governmental Funds
<b>Assets</b>								
Equity in pooled cash and cash equivalents	\$ 23,146	\$ 6,566	\$ 46,030	\$ 21,258	\$ 93,749	\$ 16,542	\$ 6,604	\$ 213,895
Total assets	<u>\$ 23,146</u>	<u>\$ 6,566</u>	<u>\$ 46,030</u>	<u>\$ 21,258</u>	<u>\$ 93,749</u>	<u>\$ 16,542</u>	<u>\$ 6,604</u>	<u>\$ 213,895</u>
<b>Fund Balances</b>								
Restricted	\$ -	\$ 6,566	\$ 46,030	\$ 21,258	\$ 93,749	\$ 16,542	\$ 6,604	\$ 190,749
Assigned	110	-	-	-	-	-	-	110
Unassigned	<u>23,036</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,036</u>
Total fund balances	<u>\$ 23,146</u>	<u>\$ 6,566</u>	<u>\$ 46,030</u>	<u>\$ 21,258</u>	<u>\$ 93,749</u>	<u>\$ 16,542</u>	<u>\$ 6,604</u>	<u>\$ 213,895</u>

See accompanying notes to the financial statements.

**Washington Township**  
**Clinton County**  
Statement of Receipts, Disbursements, and  
Changes in Fund Balances-Cash Basis  
Governmental Funds  
For the Year Ended December 31, 2015

	General	Gas Tax	Road District	Fire & Emergency	Road Improvement	Other Governmental Funds	Total Governmental Funds
Receipts:							
Property Taxes and Other Local Taxes	\$ 42,290	\$ -	\$ 40,174	\$ 52,754	\$ 32,352	\$ 21,761	\$ 189,331
Intergovernmental	26,181	92,455	6,117	7,942	4,746	9,501	146,942
Earnings on Investments	255	53	-	-	-	4	312
Miscellaneous	603	942	-	-	-	234	1,779
<b>Total Receipts</b>	<b>69,329</b>	<b>93,450</b>	<b>46,291</b>	<b>60,696</b>	<b>37,098</b>	<b>31,500</b>	<b>338,364</b>
Disbursements:							
Current:							
General Government	61,508	-	1,173	1,539	943	494	65,657
Public Safety	-	-	-	59,182	-	-	59,182
Public Works	-	82,364	33,064	-	49,500	18,281	183,209
Health	680	-	-	-	-	1,020	1,700
<b>Total Disbursements</b>	<b>62,188</b>	<b>82,364</b>	<b>34,237</b>	<b>60,721</b>	<b>50,443</b>	<b>19,795</b>	<b>309,748</b>
<b>Total Receipts Over/(Under)</b>							
Disbursements	7,141	11,086	12,054	(25)	(13,345)	11,705	28,616
Fund Cash Balance, January 1, 2015	23,146	46,030	21,258	93,749	16,542	13,170	213,895
Fund Cash Balance, December 31, 2015	<u>\$ 30,287</u>	<u>\$ 57,116</u>	<u>\$ 33,312</u>	<u>\$ 93,724</u>	<u>\$ 3,197</u>	<u>\$ 24,875</u>	<u>\$ 242,511</u>

See Accompanying Notes to the Financial Statements.

**Washington Township**  
**Clinton County**  
Statement of Receipts, Disbursements, and  
Changes in Fund Balances-Cash Basis  
Governmental Funds  
For the Year Ended December 31, 2014

	General	Motor Vehicle Lic Tax	Gas Tax	Road District	Fire & Emergency	Road Improvement	Other Governmental Funds	Total Governmental Funds
Receipts:								
Property Taxes and Other Local Taxes	\$ 33,411	\$ 28,825	\$ -	\$ 31,741	\$ 52,027	\$ 31,912	\$ 13,364	\$ 191,280
Intergovernmental	14,045	7,262	82,264	5,350	8,762	5,293	2,253	125,229
Earnings on Investments	222	6	53	-	-	-	-	281
Miscellaneous	244	-	-	-	-	-	-	244
<b>Total Receipts</b>	<b>47,922</b>	<b>36,093</b>	<b>82,317</b>	<b>37,091</b>	<b>60,789</b>	<b>37,205</b>	<b>15,617</b>	<b>317,034</b>
Disbursements:								
Current:								
General Government	81,766	-	-	944	1,548	958	397	85,613
Public Safety	-	-	-	-	59,242	-	-	59,242
Public Works	-	35,287	82,094	23,913	-	32,000	22,304	195,598
Health	2,820	-	-	-	-	-	-	2,820
Capital Outlay	35,000	-	22,870	15,000	-	-	-	72,870
<b>Total Disbursements</b>	<b>119,586</b>	<b>35,287</b>	<b>104,964</b>	<b>39,857</b>	<b>60,790</b>	<b>32,958</b>	<b>22,701</b>	<b>416,143</b>
Total Receipts Over/(Under)								
Disbursements	(71,664)	806	(22,647)	(2,766)	(1)	4,247	(7,084)	(99,109)
Other Financing Receipts/(Disbursements):								
Sale of Capital Assets	10,730	1,850	2,590	-	-	-	3,330	18,500
<b>Total Other Financing Sources/(Uses)</b>	<b>10,730</b>	<b>1,850</b>	<b>2,590</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,330</b>	<b>18,500</b>
Excess of Receipts and Other Sources Over/(Under) Disbursements and Other Uses								
	(60,934)	2,656	(20,057)	(2,766)	(1)	4,247	(3,754)	(80,609)
Fund Cash Balance, January 1, 2014	84,080	3,910	66,087	24,024	93,750	12,295	10,358	294,504
Fund Cash Balance, December 31, 2014	\$ 23,146	\$ 6,566	\$ 46,030	\$ 21,258	\$ 93,749	\$ 16,542	\$ 6,604	\$ 213,895

See Accompanying Notes to the Financial Statements.

**Washington Township**  
**Clinton County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*General Fund*  
*For the Year Ended December 31, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and other local taxes	\$ 36,983	\$ 48,982	\$ 42,290	\$ (6,692)
Intergovernmental	8,000	13,000	26,181	13,181
Earnings on investments	-	-	255	255
Miscellaneous	-	-	603	603
Total receipts	44,983	61,982	69,329	7,347
<b>Disbursements</b>				
Current:				
General government	66,266	67,469	62,175	5,294
Health	1,000	1,000	680	320
Total disbursements	67,266	68,469	62,855	5,614
Excess of receipts under disbursements	(22,283)	(6,487)	6,474	12,961
Fund balance at beginning of year	23,036	23,036	23,036	-
Prior year encumbrances appropriated	110	110	110	-
Fund balance at end of year	\$ 863	\$ 16,659	\$ 29,620	\$ 12,961

See accompanying notes to the financial statements.

**Washington Township**  
**Clinton County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*General Fund*  
*For the Year Ended December 31, 2014*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Property and other local taxes	\$ 36,978	\$ 36,978	\$ 33,411	\$ (3,567)
Intergovernmental	8,000	18,730	14,045	(4,685)
Earnings on investments	-	-	222	222
Miscellaneous	-	-	244	244
Total receipts	<u>44,978</u>	<u>55,708</u>	<u>47,922</u>	<u>(7,786)</u>
<b>Disbursements</b>				
Current:				
General government	110,450	95,784	81,876	13,908
Health	14,000	3,060	2,820	240
Capital Outlay	-	35,000	35,000	-
Total disbursements	<u>124,450</u>	<u>133,844</u>	<u>119,696</u>	<u>14,148</u>
Excess of receipts under disbursements	(79,472)	(78,136)	(71,774)	6,362
<b>Other financing sources (uses)</b>				
Sale of capital assets	-	10,730	10,730	-
Total other financing sources (uses)	<u>-</u>	<u>10,730</u>	<u>10,730</u>	<u>-</u>
Net change in fund balance	(79,472)	(67,406)	(61,044)	6,362
Fund balance at beginning of year	<u>84,080</u>	<u>84,080</u>	<u>84,080</u>	<u>-</u>
Fund balance at end of year	<u>\$ 4,608</u>	<u>\$ 16,674</u>	<u>\$ 23,036</u>	<u>\$ 6,362</u>

See accompanying notes to the financial statements.

**Washington Township**  
**Clinton County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Motor Vehicle License Tax*  
*For the Year Ended December 31, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and other local taxes	\$ -	\$ -	\$ 28,825	\$ 28,825
Intergovernmental	6,900	35,726	7,262	(28,464)
Earnings on investments	-	-	6	6
Total receipts	6,900	35,726	36,093	367
<b>Disbursements</b>				
Current:				
Public Works	9,000	37,826	35,310	2,516
Total disbursements	9,000	37,826	35,310	2,516
Excess of receipts under disbursements	(2,100)	(2,100)	783	2,883
<b>Other financing sources (uses)</b>				
Sale of capital assets	-	1,850	1,850	-
Total other financing sources (uses)	-	1,850	1,850	-
Net change in fund balance	(2,100)	(250)	2,633	2,883
Fund balance at beginning of year	3,910	3,910	3,910	-
Fund balance at end of year	\$ 1,810	\$ 3,660	\$ 6,543	\$ 2,883

See accompanying notes to the financial statements.

**Washington Township**  
**Clinton County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Gas Tax*  
*For the Year Ended December 31, 2015*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Intergovernmental	\$ 81,000	\$ 81,000	\$ 92,455	\$ 11,455
Earnings on investments	-	-	53	53
Miscellaneous	-	-	942	942
Total receipts	<u>81,000</u>	<u>81,000</u>	<u>93,450</u>	<u>12,450</u>
<b>Disbursements</b>				
Current:				
Public Works	<u>125,999</u>	<u>126,129</u>	<u>82,582</u>	<u>43,547</u>
Total disbursements	<u>125,999</u>	<u>126,129</u>	<u>82,582</u>	<u>43,547</u>
Excess of receipts under disbursements	(44,999)	(45,129)	10,868	55,997
Fund balance at beginning of year	45,966	45,966	45,966	-
Prior year encumbrances appropriated	<u>64</u>	<u>64</u>	<u>64</u>	-
Fund balance at end of year	<u>\$ 1,031</u>	<u>\$ 901</u>	<u>\$ 56,898</u>	<u>\$ 55,997</u>

See accompanying notes to the financial statements.

**Washington Township**  
**Clinton County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Gas Tax*  
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Intergovernmental	\$ 84,000	\$ 84,000	\$ 81,764	\$ (2,236)
Earnings on investments	-	-	53	53
Miscellaneous	-	-	500	500
Total receipts	84,000	84,000	82,317	(1,683)
<b>Disbursements</b>				
Current:				
Public Works	124,200	125,450	82,158	43,292
Capital Outlay	25,000	25,000	22,870	2,130
Total disbursements	149,200	150,450	105,028	45,422
Excess of receipts under disbursements	(65,200)	(66,450)	(22,711)	43,739
<b>Other financing sources (uses)</b>				
Sale of capital assets	-	2,590	2,590	-
Total other financing sources (uses)	-	2,590	2,590	-
Net change in fund balance	(65,200)	(63,860)	(20,121)	43,739
Fund balance at beginning of year	66,087	66,087	66,087	-
Fund balance at end of year	\$ 887	\$ 2,227	\$ 45,966	\$ 43,739

See accompanying notes to the financial statements.

**Washington Township**  
**Clinton County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Road District*  
*For the Year Ended December 31, 2015*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Property and other local taxes	\$ 35,132	\$ 43,132	\$ 40,174	\$ (2,958)
Intergovernmental	-	-	6,117	6,117
Total receipts	<u>35,132</u>	<u>43,132</u>	<u>46,291</u>	<u>3,159</u>
<b>Disbursements</b>				
Current:				
General government	1,100	1,297	1,173	124
Public Works	<u>55,000</u>	<u>55,000</u>	<u>33,064</u>	<u>21,936</u>
Total disbursements	<u>56,100</u>	<u>56,297</u>	<u>34,237</u>	<u>22,060</u>
Excess of receipts under disbursements	(20,968)	(13,165)	12,054	25,219
Fund balance at beginning of year	<u>21,258</u>	<u>21,258</u>	<u>21,258</u>	-
Fund balance at end of year	<u>\$ 290</u>	<u>\$ 8,093</u>	<u>\$ 33,312</u>	<u>\$ 25,219</u>

See accompanying notes to the financial statements.

**Washington Township**  
**Clinton County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Road District*  
*For the Year Ended December 31, 2014*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Property and other local taxes	\$ 35,129	\$ 35,129	\$ 31,741	\$ (3,388)
Intergovernmental	-	-	5,350	5,350
Total receipts	<u>35,129</u>	<u>35,129</u>	<u>37,091</u>	<u>1,962</u>
<b>Disbursements</b>				
Current:				
General government	1,200	1,200	944	256
Public Works	42,000	42,400	23,913	18,487
Capital Outlay	15,000	15,000	15,000	-
Total disbursements	<u>58,200</u>	<u>58,600</u>	<u>39,857</u>	<u>18,743</u>
Excess of receipts under disbursements	(23,071)	(23,471)	(2,766)	20,705
Fund balance at beginning of year	<u>24,024</u>	<u>24,024</u>	<u>24,024</u>	-
Fund balance at end of year	<u>\$ 953</u>	<u>\$ 553</u>	<u>\$ 21,258</u>	<u>\$ 20,705</u>

See accompanying notes to the financial statements.

**Washington Township**  
**Clinton County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Fire & Emergency*  
*For the Year Ended December 31, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and other local taxes	\$ 57,268	\$ 57,268	\$ 52,754	\$ (4,514)
Intergovernmental	-	-	7,942	7,942
Total receipts	<u>57,268</u>	<u>57,268</u>	<u>60,696</u>	<u>3,428</u>
<b>Disbursements</b>				
Current:				
General government	2,200	2,200	1,539	661
Public Safety	80,000	80,000	59,182	20,818
Total disbursements	<u>82,200</u>	<u>82,200</u>	<u>60,721</u>	<u>21,479</u>
Excess of receipts under disbursements	(24,932)	(24,932)	(25)	24,907
Fund balance at beginning of year	93,749	93,749	93,749	-
Fund balance at end of year	<u>\$ 68,817</u>	<u>\$ 68,817</u>	<u>\$ 93,724</u>	<u>\$ 24,907</u>

See accompanying notes to the financial statements.

**Washington Township**  
**Clinton County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Fire & Emergency*  
*For the Year Ended December 31, 2014*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Property and other local taxes	\$ 57,265	\$ 57,265	\$ 52,027	\$ (5,238)
Intergovernmental	-	-	8,762	8,762
Total receipts	<u>57,265</u>	<u>57,265</u>	<u>60,789</u>	<u>3,524</u>
<b>Disbursements</b>				
Current:				
General government	2,500	2,500	1,548	952
Public Safety	<u>80,000</u>	<u>80,000</u>	<u>59,242</u>	<u>20,758</u>
Total disbursements	<u>82,500</u>	<u>82,500</u>	<u>60,790</u>	<u>21,710</u>
Excess of receipts under disbursements	(25,235)	(25,235)	(1)	25,234
Fund balance at beginning of year	<u>93,750</u>	<u>93,750</u>	<u>93,750</u>	-
Fund balance at end of year	<u>\$ 68,515</u>	<u>\$ 68,515</u>	<u>\$ 93,749</u>	<u>\$ 25,234</u>

See accompanying notes to the financial statements.

**Washington Township**  
**Clinton County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Road Improvement*  
*For the Year Ended December 31, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and other local taxes	\$ 34,965	\$ 34,965	\$ 32,352	\$ (2,613)
Intergovernmental	-	-	4,746	4,746
Total receipts	34,965	34,965	37,098	2,133
<b>Disbursements</b>				
Current:				
General government	1,200	1,200	943	257
Public Works	49,500	49,500	49,500	-
Total disbursements	50,700	50,700	50,443	257
Excess of receipts under disbursements	(15,735)	(15,735)	(13,345)	2,390
Fund balance at beginning of year	16,542	16,542	16,542	-
Fund balance at end of year	\$ 807	\$ 807	\$ 3,197	\$ 2,390

See accompanying notes to the financial statements.

**Washington Township**  
**Clinton County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Road Improvement*  
*For the Year Ended December 31, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and other local taxes	\$ 34,987	\$ 34,987	\$ 31,912	\$ (3,075)
Intergovernmental	-	-	5,293	5,293
Total receipts	<u>34,987</u>	<u>34,987</u>	<u>37,205</u>	<u>2,218</u>
<b>Disbursements</b>				
Current:				
General government	1,200	1,200	958	242
Public Works	<u>45,500</u>	<u>45,500</u>	<u>32,000</u>	<u>13,500</u>
Total disbursements	<u>46,700</u>	<u>46,700</u>	<u>32,958</u>	<u>13,742</u>
Excess of receipts under disbursements	(11,713)	(11,713)	4,247	15,960
Fund balance at beginning of year	<u>12,295</u>	<u>12,295</u>	<u>12,295</u>	<u>-</u>
Fund balance at end of year	<u>\$ 582</u>	<u>\$ 582</u>	<u>\$ 16,542</u>	<u>\$ 15,960</u>

See accompanying notes to the financial statements.

**Washington Township**  
**Clinton County**  
Notes to the Financial Statements  
For the Years Ended December 31, 2015 and 2014

---

**Note 1 – Reporting Entity**

Washington Township, Clinton County (the Township), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees.

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

***Primary Government***

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides road and bridge maintenance and cemetery maintenance. The Township contracts with the City of Wilmington for fire and emergency services.

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

***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.

**Note 2 – Summary of Significant Accounting Policies**

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

***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. Prior to 2014, the Township reported fund financial statements by fund type using the regulatory basis of accounting as prescribed by the State Auditor's Office. The fund financial statements now present each major fund in a separate column with nonmajor funds aggregated and presented in a single column, rather than a column for each fund type.

***Government-Wide Financial Statements***

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.

**Washington Township**  
**Clinton County**  
Notes to the Financial Statements  
For the Years Ended December 31, 2015 and 2014

---

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Basis of Presentation (continued)***

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 each of 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 and grants and contributions restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants 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 general receipts of the Township.

***Fund Financial Statements***

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

***Fund Accounting***

The Township uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Township are presented in three categories: governmental, proprietary and fiduciary. The Township has no proprietary or fiduciary funds.

***Governmental Funds***

Governmental funds are those through which most governmental functions of the Township are financed. The Township's major governmental funds are the general fund, motor vehicle license fund (2014 only), gas tax fund, road district fund, fire & emergency fund, and road improvement fund.

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

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

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

***Road District*** – The road district fund receives property taxes levied to fund repairs of Township roads.

***Fire & Emergency*** – The fire and emergency fund receives property taxes levied to fund fire and emergency medical services.

***Road Improvement*** – The road improvement fund receives property taxes levied to fund repairs of Township roads.

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

**Washington Township**  
**Clinton County**  
Notes to the Financial Statements  
For the Years Ended December 31, 2015 and 2014

---

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Basis of Accounting***

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

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

***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 resolution, 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 Trustees may appropriate. The appropriations resolution is Township's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by Township Trustees. The legal level of control has been established by Township Trustees at the fund, function, and object level for all funds.

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

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, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Township Trustees during the year.

***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 Cash Equivalents".

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as 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 receipt), respectively.

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 and 2014 were \$255 and \$281, respectively.

**Washington Township**  
**Clinton County**  
Notes to the Financial Statements  
For the Years Ended December 31, 2015 and 2014

---

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Restricted Assets***

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or by laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

***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.

***Capital Assets***

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

***Interfund Receivables/Payables***

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

***Accumulated Leave***

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

***Employer Contributions to Cost-Sharing Pension Plans***

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

***Long-Term Obligations***

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

***Net Position***

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for road and bridge repairs and fire and emergency services.

The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted resources are available.

**Washington Township**  
**Clinton County**  
Notes to the Financial Statements  
For the Years Ended December 31, 2015 and 2014

---

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***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 are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

***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 Township Trustees. Those committed amounts cannot be used for any other purpose unless Township 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 Township Trustees or a Township official delegated that authority by resolution, or by State statute.

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

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

***Interfund 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 interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds.

**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 difference between the budgetary basis and the cash basis is that outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as assigned fund balance (cash basis) in the general fund. For 2015, the outstanding encumbrances at year end (budgetary basis) amounted to \$667 for the general fund and \$218 for the gas tax fund. For 2014, the outstanding encumbrances at year end (budgetary basis) amounted to \$110 for the general fund, \$23 for the motor vehicle license tax fund, and \$64 for the gas tax fund.

**Washington Township**  
**Clinton County**  
Notes to the Financial Statements  
For the Years Ended December 31, 2015 and 2014

---

**Note 4 – Deposits and Investments**

State statutes classify monies held by the Township into three categories.

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

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

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

Interim monies may be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two 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 division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

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

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

**Washington Township**  
**Clinton County**  
Notes to the Financial Statements  
For the Years Ended December 31, 2015 and 2014

---

**Note 4 – Deposits and Investments (Continued)**

*Deposits*

Custodial credit risk is the risk that, in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2015 and 2014, the Township’s bank balance of \$249,246 and \$227,933 was covered by FDIC insurance and not exposed to custodial credit risk.

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 105% of the deposits being secured.

*Investments*

The Township did not have investments during 2015 or 2014.

**Note 5 – Property Taxes**

Property taxes include amounts levied against all real property and public utility property located in the Township. Property tax revenue received during 2015 for real and public utility property taxes represents collections of 2014 taxes, respectively.

2015 real property taxes are levied after October 1, 2015, on the assessed value as of January 1, 2015, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. 2015 real property taxes are collected in and intended to finance 2016.

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

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. 2015 public utility property taxes which became a lien December 31, 2014, are levied after October 1, 2015 and are collected in 2016 with real property taxes.

The full tax rate for all Township operations for the year ended December 31, 2015, was \$5.22 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:

	<u>2015</u>	<u>2014</u>
Real property		
Residential and agricultural	\$ 46,156,240	\$46,186,190
Other	1,568,150	1,622,490
Total assessed value	\$ 47,724,390	\$47,808,680

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.

**Washington Township**  
**Clinton County**  
Notes to the Financial Statements  
For the Years Ended December 31, 2015 and 2014

---

**Note 6 – Risk Management**

**Risk Pool Membership**

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

The Township insures against injuries to employees through the Ohio Bureau of Worker’s Compensation.

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

Casualty and Property Coverage

The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2015, OTARMA retained \$350,000 for casualty claims and \$250,000 for property claims.

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

Financial Position

OTARMA’s financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2015 and 2014 :

	<u>2015</u>	<u>2014</u>
Assets	\$ 37,313,311	\$ 35,970,263
Liabilities	<u>(8,418,518)</u>	<u>( 8,912,432)</u>
Member’s Equity	<u>\$ 28,894,793</u>	<u>\$ 27,057,831</u>

At December 31, 2015 and 2014, respectively, the liabilities above include approximately \$7.8 and \$8.2 million of estimated incurred claims payable. The assets above also include approximately \$7.7 and \$7.2 million of unpaid claims to be billed to approximately 989 members and 957 member governments in the future, as of December 31, 2015 and 2014, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2015, the Township’s share of these unpaid claims collectible in future years is approximately \$2,000.

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

<u>Contributions to OTARMA</u>	
<u>2014</u>	<u>2015</u>
\$3,717	\$3,973

**Washington Township**  
**Clinton County**  
Notes to the Financial Statements  
For the Years Ended December 31, 2015 and 2014

---

**6. - Risk Management (Continued)**

**Risk Pool Membership – (continued)**

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

Settled claims have not exceeded this commercial coverage in any of the last three years. There have been no significant reductions in insurance coverage from last year.

All employees of the Township are covered by a blanket bond, while certain individuals in policy making roles are covered by a separate, higher limit bond coverage.

**Note 7 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting [www.opers.org](http://www.opers.org), 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):

**Washington Township**  
**Clinton County**  
Notes to the Financial Statements  
For the Years Ended December 31, 2015 and 2014

**Note 7 – Defined Benefit Pension Plans (Continued)**

*Ohio Public Employees Retirement System (continued)*

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

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

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent 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 percent.

**Washington Township**  
**Clinton County**  
Notes to the Financial Statements  
For the Years Ended December 31, 2015 and 2014

---

**Note 7 – Defined Benefit Pension Plans (Continued)**

*Ohio Public Employees Retirement System (continued)*

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

	State and Local
<b>2015 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0 %
 <b>2015 Actual Contribution Rates</b>	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	2.0
Total Employer	14.0 %
 Employee	 10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Township’s contractually required contribution was \$5,529 for 2015.

**Note 8 - Postemployment Benefits**

*Ohio Public Employees Retirement System*

**A. Plan Description**

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains two cost-sharing multiple-employer defined benefit post-employment health care trusts, which fund multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage.

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 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. Please see the Plan Statement in the OPERS 2014 CAFR for details.

**Washington Township**  
**Clinton County**  
Notes to the Financial Statements  
For the Years Ended December 31, 2015 and 2014

---

**Note 8 - Postemployment Benefits (Continued)**

*Ohio Public Employees Retirement System (continued)*

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

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml#CAFR>, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

**B. Funding Policy**

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 to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2015 and 2014, the Township contributed at a rate of 14.00% of earnable salary for state and local employees. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund the OPEB Plan.

OPERS maintains three health care trusts. The two cost-sharing, multiple-employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan members. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2015. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0% for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the VEBA for participants in the Member-Directed Plan for 2015 was 4.5%.

Actual employer contributions which were used to fund postemployment benefits for the years ended December 31, 2015, 2014, and 2013 were \$789, \$865 and \$916 respectively, 100% has been contributed for 2015, 2014, and 2013.

**Washington Township**  
**Clinton County**  
Notes to the Financial Statements  
For the Years Ended December 31, 2015 and 2014

**Note 9 - Fund Balances**

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

<b>2015</b>		<i>Gas</i>	<i>Road</i>	<i>Fire &amp;</i>	<i>Road</i>	<i>Other</i>	<i>Total</i>
<i>Fund Balances</i>	<i>General</i>	<i>Tax</i>	<i>District</i>	<i>Emerg</i>	<i>Improv</i>	<i>Govtl</i>	<i>Govtl</i>
						<i>Funds</i>	<i>Funds</i>
<b><u>Restricted for</u></b>							
Roads	\$ -	\$ 57,116	\$ 33,312	\$ -	\$ 3,197	\$ 24,875	\$ 118,500
Emergency Services	-	-	-	93,724	-	-	93,724
Total restricted	<u>-</u>	<u>57,116</u>	<u>33,312</u>	<u>93,724</u>	<u>3,197</u>	<u>24,875</u>	<u>212,224</u>
<b><u>Assigned</u></b>							
Encumbrances	<u>667</u>	-	-	-	-	-	<u>667</u>
<b>Unassigned</b>							
	<u>29,620</u>	-	-	-	-	-	<u>29,620</u>
Total fund balances	<u>\$ 30,287</u>	<u>\$ 57,116</u>	<u>\$ 33,312</u>	<u>\$ 93,724</u>	<u>\$ 3,197</u>	<u>\$ 24,875</u>	<u>\$ 242,511</u>

<b>2014</b>		<i>Gas</i>	<i>Road</i>	<i>Fire &amp;</i>	<i>Road</i>	<i>Other</i>	<i>Total</i>
<i>Fund Balances</i>	<i>General</i>	<i>MVLT</i>	<i>Tax</i>	<i>District</i>	<i>Emerg</i>	<i>Improv</i>	<i>Govtl</i>
						<i>Funds</i>	<i>Govtl</i>
							<i>Funds</i>
<b><u>Restricted for</u></b>							
Roads	\$ -	\$ 6,566	\$ 46,030	\$ 21,258	\$ -	\$ 16,542	\$ 97,000
Emergency Services	-	-	-	-	93,749	-	93,749
Total restricted	<u>-</u>	<u>6,566</u>	<u>46,030</u>	<u>21,258</u>	<u>93,749</u>	<u>16,542</u>	<u>190,749</u>
<b><u>Assigned</u></b>							
Encumbrances	<u>110</u>	-	-	-	-	-	<u>110</u>
<b>Unassigned</b>							
	<u>23,036</u>	-	-	-	-	-	<u>23,036</u>
Total fund balances	<u>\$ 23,146</u>	<u>\$ 6,566</u>	<u>\$ 46,030</u>	<u>\$ 21,258</u>	<u>\$ 93,749</u>	<u>\$ 16,542</u>	<u>\$ 213,895</u>

**Note 10 – Contingent Liabilities**

Management believes there are no pending claims or lawsuits.

**Note 11 – Change in Accounting Principles**

For fiscal year 2015, the Township has implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27*. GASB Statement No. 68 improves the accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. The implementation of GASB Statement No. 68 did not affect the Township's beginning net position.

Rockefeller Building  
614 W Superior Ave Ste 1242  
Cleveland OH 44113-1306  
Office phone - (216) 575-1630  
Fax - (216) 436-2411

***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

---

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

Washington Township  
Clinton County  
186 Leslie Avenue  
Wilmington, Ohio 45177

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the cash basis financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Washington Township, Clinton County, Ohio, (the Township) as of and for the years ended December 31, 2015 and 2014, 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 10, 2016, wherein we noted the Township uses a special purpose framework other than generally accepted accounting principles. We also noted the Township adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*.

**Internal Controls 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, 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 over financial reporting, that we consider a material weaknesses. However, unidentified material weaknesses may exist.

### **Compliance and Other Matters**

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

We did note certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated May 10, 2016.

### **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.



*Charles E. Harris & Associates, Inc.*  
May 10, 2016



# Dave Yost • Auditor of State

**WASHINGTON TOWNSHIP**

**CLINTON 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  
AUGUST 11, 2016**