

**CHIPPEWA TOWNSHIP
WAYNE COUNTY**

AUDIT REPORT

JANUARY 1, 2015 – DECEMBER 31, 2016

**Wilson, Phillips & Agin, CPA's, Inc.
1100 Brandywine Blvd. Building G
Zanesville, Ohio 43701**



Dave Yost • Auditor of State

Board of Trustees
Chippewa Township
14228 Galehouse Road
Doylestown, Ohio 44230

We have reviewed the *Independent Auditor's Report* of Chippewa Township, Wayne County, prepared by Wilson, Phillips & Agin, CPA's, Inc., for the audit period January 1, 2015 through December 31, 2016. 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. Chippewa 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 13, 2017

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**CHIPPEWA TOWNSHIP
WAYNE COUNTY**

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**WILSON, PHILLIPS & AGIN, CPA'S, INC.
1100 BRANDYWINE BLVD. BUILDING G
ZANESVILLE, OHIO 43701**

INDEPENDENT AUDITORS' REPORT

Chippewa Township
Wayne County
14228 Galehouse Road
Doylestown, Ohio 44230

To the Board of Trustees:

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, major funds and aggregate remaining fund information of Chippewa Township, Wayne County as of and for the years ended December 31, 2016 and 2015 and the related notes to the financial statements, which collectively comprised the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund and the aggregate remaining fund information of Chippewa Township, Wayne County, as of December 31, 2016 and 2015, and the respective changes in cash financial position and the respective budgetary comparison for the General Fund, Road & Bridge Fund, Fire & EMS Special Levy Fund and Ambulance and Emergency Medical Services Fund, thereof for the years then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

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

Emphasis of Matter

As discussed in Note 10 to the financial statements, during the year ended December 31, 2015, the Township adopted Governmental Accounting Standards 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 Matters

Supplemental and 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 a report dated March 16, 2017, on our consideration of Chippewa 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.

Wilson, Phillips & Agin, CPA's, Inc.
Zanesville, Ohio
March 16, 2017

**CHIPPEWA TOWNSHIP, WAYNE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
UNAUDITED**

This discussion and analysis of the Chippewa Township's financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2016 and 2015, within the limitations of the Township's cash basis accounting. The intent of this discussion and analysis is to look at the Township's financial performance as a whole; readers should also review the financial statements and notes to the basic financial statements to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2016 and 2015 are as follows:

Net position of governmental activities increased by \$68,224 or 3 percent in 2016 and increased by \$27,709 or 1 percent in 2015.

The Township's general receipts are primarily Real Estate and property taxes for governmental activities for the year. Tax receipts for 2016 and 2015 changed very little compared to 2014 as development within the Township has stayed about the same.

Using the Basic Financial Statements

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

Report Components

The statement of net position and statement of activities provide information about the cash activities of the Township as a whole. The statement of cash basis assets and fund balances, and the statement of cash receipts, disbursements and changes in fund cash balances, present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

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

Basis of Accounting

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

**CHIPPEWA TOWNSHIP, WAYNE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
UNAUDITED**

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

Reporting the Government as a Whole

The statements of net position and statements of activities for 2016 and 2015 reflect how the Township did financially within the limitations of the cash basis of accounting. The statement of net position presents the cash balances of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the programs services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General cash receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other nonfinancial factors as well such as the Township's tax base, 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 real estate taxes.

In the statement of net position and the statement of activities, we divide the government into governmental activities. All of the Township's basic services are reported here, including road maintenance. Real estate and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Government's Most Significant Funds

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

**CHIPPEWA TOWNSHIP, WAYNE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
UNAUDITED**

Governmental Funds - All of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor 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 for 2016 and 2015 are the General Fund, Road & Bridge Fund, Fire & EMS Special Levy Fund and the Ambulance and Emergency Medical Services Fund (2015 only). The programs reported in governmental funds are related to those reported in the governmental activities section of the entity-wide statements. There are no reconciliations between the two reports as the township reports on the cash basis.

The Government as a Whole

Table 1 provides a summary of the Township's net position for 2016 and 2015 with comparison to 2013.

Table 1
NET POSITION

	Governmental Activities		
	2016	2015	2014
Assets			
Cash	\$ 2,600,782	\$ 2,532,558	\$ 2,504,848
Total Assets	<u>2,600,782</u>	<u>2,532,558</u>	<u>2,504,848</u>
Net Position			
Restricted for:			
Capital Projects	43,975	48,820	45,493
Other Purposes	2,303,642	2,257,467	2,174,980
Unrestricted	253,165	226,271	284,375
Total Net Position	<u>\$ 2,600,782</u>	<u>\$ 2,532,558</u>	<u>\$ 2,504,848</u>

**CHIPPEWA TOWNSHIP, WAYNE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
UNAUDITED**

Table 2 reflects the changes in net position in 2016 and 2015 with comparison to 2013.

Table 2
CHANGES IN NET POSITION

	Governmental Activities		
	2016	2015	2014
Receipts:			
Program Receipts:			
Charges for Services	\$ 445,835	\$ 375,881	\$ 269,790
Operating Grants	121,635	19,160	19,311
Capital Grants	88,582	38,742	38,373
Total Program Receipts	<u>656,052</u>	<u>433,783</u>	<u>327,474</u>
General Receipts;			
Property and Other Tax	1,262,464	1,297,977	1,275,417
Grants and Entitlements			
not Restricted	50,870	47,104	36,608
Interest	2,315	3,074	3,846
Sale of Assets	9,582	3,327	-
Miscellaneous	20,081	63,797	44,797
Total General Receipts	<u>1,345,312</u>	<u>1,415,279</u>	<u>1,360,668</u>
Total Receipts	<u>2,001,364</u>	<u>1,849,062</u>	<u>1,688,142</u>
Disbursements:			
General Government	240,405	317,678	299,748
Public Safety	856,948	787,389	782,522
Public Works	528,707	682,249	696,174
Health	7,090	2,477	4,262
Capital Outlay	299,990	31,560	60,106
Total Disbursements	<u>1,933,140</u>	<u>1,821,353</u>	<u>1,842,812</u>
Increase/(Decrease)			
In Net Position	<u>68,224</u>	<u>27,709</u>	<u>(154,669)</u>
Net Position, January 1	<u>2,532,558</u>	<u>2,504,849</u>	<u>2,659,518</u>
Net Position, December 31	<u>\$ 2,600,782</u>	<u>\$ 2,532,558</u>	<u>\$ 2,504,849</u>

Program receipts represent 33% and 23% of total receipts for 2016 and 2015, respectively. They are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money.

General receipts represent 67%, and 77% of the Township's total receipts for 2016 and 2015, respectively. Local taxes represent 94%, and 92% of the general receipts. Grants and entitlements make up the balance of general receipts. Other receipts are insignificant and somewhat unpredictable receipt sources.

Disbursements for general government represent the overhead costs of running the Township and the support services provided for the other Township activities.

**CHIPPEWA TOWNSHIP, WAYNE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
UNAUDITED**

Township Activities

If you look at the Statement of Activities, you will see that the first column lists the major services provided by Chippewa Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are Public Works, Public Safety and General Government, which account for 59%, 8% and 32% in 2016 and 55%, 9% and 35% in 2015 of all governmental disbursements. 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. 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 general receipts, which are presented at the bottom of the Statement. A comparison between the total cost of service and the net cost for 2016 and 2015 is presented in Table 3.

TABLE 3

	Total Cost of Services 2016	Net Cost of Services 2016	Total Cost of Services 2015	Net Cost of Services 2015
General Government	\$ 240,405	\$ 240,405	\$ 317,678	\$ 317,678
Public Safety	856,948	502,982	787,389	450,860
Public Works	528,707	429,090	682,249	585,667
Health	7,090	5,190	2,477	1,877
Other	-	(201,246)	-	(72)
Capital Outlay	299,990	299,990	31,560	31,560
Total Expenses	<u>\$ 1,933,140</u>	<u>\$ 1,277,088</u>	<u>\$ 1,821,353</u>	<u>\$ 1,387,570</u>

The dependence upon property and tax receipts is apparent as a majority of governmental activities are supported through these general receipts.

The Government's Funds

Total governmental funds had receipts of \$2,001,364 and \$1,849,062 for 2016 and 2015 and disbursements of \$1,933,140 and \$1,821,353 for 2016 and 2015, respectively.

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 and disbursements. The most significant budgeted fund is the General Fund.

During 2016 and 2015, the Township made amendments to its appropriation budget and receipts budget to reflect changing circumstances. For 2016 and 2015 actual receipts were greater than budgeted receipts.

Final budgeted disbursements for 2016 and 2015 were \$410,500 and \$482,700, respectively. Actual disbursements for 2016 and 2015 were \$244,994 and \$318,883, respectively. The Township kept spending close to budgeted amounts.

**CHIPPEWA TOWNSHIP, WAYNE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
UNAUDITED**

Capital Assets and Debt Administration

Capital Assets

The Township does not currently keep track of its capital assets and infrastructure in the accompanying financial statements, but records payments for capital assets as disbursements.

Debt

As of December 31, 2016, the Township had no outstanding debt.

Current Issues

The challenge for all Governments 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.

Contacting the Government'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 Laurie Busson, Fiscal Officer, 14228 Galehouse Road, Doylestown, Ohio 44230.

**CHIPPEWA TOWNSHIP
WAYNE COUNTY**

**STATEMENT OF NET POSITION-CASH BASIS
December 31, 2016**

	<u>Governmental Activities</u>
ASSETS:	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 2,600,782</u>
Total Assets	<u>\$ 2,600,782</u>
NET POSITION:	
Restricted for:	
Capital Projects	\$ 43,975
Other Purposes	2,303,642
Unrestricted	<u>253,165</u>
Total Net Position	<u><u>\$ 2,600,782</u></u>

See notes to basic financial statements.

**CHIPPEWA TOWNSHIP
WAYNE COUNTY**

**STATEMENT OF ACTIVITIES-CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Cash Disbursements</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Disbursements) Receipts and Changes in Net Assets</u>
Governmental Activities:					
General Government	\$ 240,405	\$ -	\$ -	\$ -	\$ (240,405)
Public Safety	856,948	304,826	-	49,140	(502,982)
Public Works	528,707	39,443	20,055	39,442	(429,767)
Health	7,090	1,900	-	-	(5,190)
Other	-	99,666	101,580	-	201,246
Capital Outlay	299,990	-	-	-	(299,990)
Total Governmental Activities	<u>\$ 1,933,140</u>	<u>\$ 445,835</u>	<u>\$ 121,635</u>	<u>\$ 88,582</u>	<u>\$ (1,277,088)</u>

General Receipts:

Property Taxes Levied for:	
General Purposes	1,262,464
Grants and Entitlements not	
Restricted to Specific Programs	50,870
Interest	2,315
Sale of Assets	9,582
Miscellaneous	<u>20,081</u>
Total General Receipts	<u>1,345,312</u>
 Change in Net Position	 68,224
 Net Position Beginning of Year	 <u>2,532,558</u>
 Net Position End of Year	 <u>\$ 2,600,782</u>

See notes to the basic financial statements.

**CHIPPEWA TOWNSHIP
WAYNE COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
December 31, 2016**

	<u>General</u>	<u>Road & Bridge</u>	<u>Fire & EMS Levy</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS:					
Equity in Pooled Cash and cash Equivalents	\$ 253,165	\$ 758,118	\$ 649,142	\$ 940,357	\$ 2,600,782
Total Assets	<u>\$ 253,165</u>	<u>\$ 758,118</u>	<u>\$ 649,142</u>	<u>\$ 940,357</u>	<u>\$ 2,600,782</u>
Fund Balances:					
Restricted	-	758,118	649,142	940,357	2,347,617
Unassigned	<u>253,165</u>			<u>-</u>	<u>253,165</u>
Total Fund Balances	<u>\$ 253,165</u>	<u>\$ 758,118</u>	<u>\$ 649,142</u>	<u>\$ 940,357</u>	<u>\$ 2,600,782</u>

See notes to basic financial statements.

**CHIPPEWA TOWNSHIP
WAYNE COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
GOVERNMENTAL FUNDS
December 31, 2016**

	<u>General</u>	<u>Road & Bridge</u>	<u>Fire & EMS Levy</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
CASH RECEIPTS					
Property and Other Local Taxes	\$ 77,296	\$ 382,645	\$ 500,737	\$ 219,536	\$ 1,180,214
Charges for Services	-	-	-	183,129	183,129
Licenses, Permits, and Fees	104,809	-	-	3,775	108,584
Fines and Forfeitures	12,054	-	-	1,059	13,113
Intergovernmental	67,849	80,252	99,666	185,221	432,988
Special Assessments	-	-	-	1,010	1,010
Interest	2,006	-	-	627	2,633
Other	4,474	3,588	53,549	8,500	70,111
Total Receipts	<u>268,488</u>	<u>466,485</u>	<u>653,952</u>	<u>602,857</u>	<u>1,991,782</u>
CASH DISBURSEMENTS:					
Current:					
General Government	240,405	-	-	-	240,405
Public Safety	-	-	523,685	333,263	856,948
Public Works	-	338,116	-	190,591	528,707
Health	1,189	-	-	5,901	7,090
Capital Outlay	-	10,000	255,563	34,427	299,990
Total Disbursements	<u>241,594</u>	<u>348,116</u>	<u>779,248</u>	<u>564,182</u>	<u>1,933,140</u>
Excess of Receipts Over/(Under) Disbursements	26,894	118,369	(125,296)	38,675	58,642
Other Financing Sources					
Sale of Capital Asset	-	-	-	9,582	9,582
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,582</u>	<u>9,582</u>
Net Change in Fund cash Balance	26,894	118,369	(125,296)	48,257	68,224
Cash Fund Balances Beginning of Year	<u>226,271</u>	<u>639,749</u>	<u>774,438</u>	<u>892,100</u>	<u>2,532,558</u>
Cash Fund Balances End of Year	<u>\$ 253,165</u>	<u>\$ 758,118</u>	<u>\$ 649,142</u>	<u>\$ 940,357</u>	<u>\$ 2,600,782</u>

See notes to basic financial statements.

**CHIPPEWA TOWNSHIP
WAYNE COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>Actual</u>
CASH RECEIPTS				
Property and Other Local Taxes	\$ 81,500	\$ 81,500	\$ 77,296	\$ (4,204)
Licenses, Permits and Fees	88,000	88,000	104,809	16,809
Fines and Forfeitures	13,000	13,000	12,054	(946)
Intergovernmental	61,185	61,185	67,849	6,664
Earnings on Investments	5,000	5,000	2,006	(2,994)
Miscellaneous	9,000	9,000	4,474	(4,526)
Total Receipts	<u>257,685</u>	<u>257,685</u>	<u>268,488</u>	<u>10,803</u>
CASH DISBURSEMENTS:				
Current:				
General Government	360,600	360,600	243,805	116,795
Public Safety	5,000	5,000	-	5,000
Public Works	-	-	-	-
Health	24,900	24,900	1,189	23,711
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Capital Outlay	15,000	15,000	-	15,000
Total Disbursements	<u>405,500</u>	<u>405,500</u>	<u>244,994</u>	<u>160,506</u>
Excess of Receipts Over/(Under) Disbursements	(147,815)	(147,815)	23,494	(149,703)
Other Financing Uses				
Transfer-Out	(5,000)	(5,000)	-	5,000
Total Other Financing Uses	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>	<u>5,000</u>
Net Change in Cash Fund Balance	(152,815)	(152,815)	23,494	176,309
Cash Fund Balances Beginning of Year	<u>226,271</u>	<u>226,271</u>	<u>226,271</u>	<u>-</u>
Cash Fund Balances End of Year	<u>\$ 73,456</u>	<u>\$ 73,456</u>	<u>\$ 249,765</u>	<u>\$ 176,309</u>

See notes to basic financial statements.

**CHIPPEWA TOWNSHIP
WAYNE COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
ROAD AND BRIDGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
CASH RECEIPTS				
Property and Other Local Taxes	\$ 380,000	\$ 380,000	\$ 382,645	\$ 2,645
Intergovernmental	45,100	45,100	80,252	35,152
Miscellaneous	500	500	3,588	3,088
Total Receipts	<u>425,600</u>	<u>425,600</u>	<u>466,485</u>	<u>40,885</u>
CASH DISBURSEMENTS:				
Current:				
Public Works	539,100	539,100	338,116	200,984
Capital Outlay	30,000	30,000	10,000	20,000
Total Disbursements	<u>569,100</u>	<u>569,100</u>	<u>348,116</u>	<u>220,984</u>
Net Change in Cash Fund Balances	(143,500)	(143,500)	118,369	261,869
Cash Fund Balances Beginning of Year	<u>639,749</u>	<u>639,749</u>	<u>639,749</u>	<u>-</u>
Cash Fund Balances End of Year	<u>\$ 496,249</u>	<u>\$ 496,249</u>	<u>\$ 758,118</u>	<u>\$ 261,869</u>

See notes to basic financial statements.

**CHIPPEWA TOWNSHIP
WAYNE COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
FIRE & EMS SPECIAL LEVY
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
CASH RECEIPTS				
Property and Other Local Taxes	\$ 534,000	\$ 534,000	\$ 500,737	\$ (33,263)
Charges for Services	-	-	-	-
Intergovernmental	65,000	65,000	99,666	34,666
Other	-	49,140	53,549	4,409
Total Receipts	<u>599,000</u>	<u>648,140</u>	<u>653,952</u>	<u>5,812</u>
CASH DISBURSEMENTS:				
Current:				
General Government	-	-	-	-
Public Safety	658,595	658,595	523,685	134,910
Public Works	-	-	-	-
Capital Outlay	<u>305,000</u>	<u>419,140</u>	<u>255,563</u>	<u>163,577</u>
Total Disbursements	<u>963,595</u>	<u>1,077,735</u>	<u>779,248</u>	<u>298,487</u>
Net Change in Cash Fund Balances	(364,595)	(429,595)	(125,296)	304,299
Cash Fund Balances Beginning of Year	<u>774,438</u>	<u>774,438</u>	<u>774,438</u>	<u>-</u>
Cash Fund Balances End of Year	<u>\$ 409,843</u>	<u>\$ 344,843</u>	<u>\$ 649,142</u>	<u>\$ 304,299</u>

See notes to basic financial statements.

**CHIPPEWA TOWNSHIP
WAYNE COUNTY**

**STATEMENT OF FIDUCIARY NET POSITION - CASH BASIS
FIDUCIARY FUNDS
December 31, 2016**

	<u>Agency</u>
ASSETS:	
Equity in Pooled Cash and cash Equivalents	\$ 1,083
Total Assets	<u>\$ 1,083</u>
Net Position:	
Restricted for:	
Other Purposes	\$ 1,083
Total Net Position	<u>\$ 1,083</u>

See notes to financial statements.

**CHIPPEWA TOWNSHIP
WAYNE COUNTY**

**STATEMENT OF NET POSITION-CASH BASIS
December 31, 2015**

	<u>Governmental Activities</u>
ASSETS:	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 2,532,558</u>
Total Assets	<u>\$ 2,532,558</u>
NET POSITION:	
Restricted for:	
Capital Projects	\$ 48,820
Other Purposes	2,257,467
Unrestricted	<u>226,271</u>
Total Net Position	<u><u>\$ 2,532,558</u></u>

See notes to basic financial statements.

**CHIPPEWA TOWNSHIP
WAYNE COUNTY**

**STATEMENT OF ACTIVITIES-CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Cash Disbursements</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Disbursements) Receipts and Changes in Net Assets</u>
Governmental Activities:					
General Government	\$ 317,678	\$ -	\$ -	\$ -	\$ (317,678)
Public Safety	787,389	336,529	-	-	(450,860)
Public Works	682,249	38,742	19,098	38,742	(585,667)
Health	2,477	600	-	-	(1,877)
Other	-	10	62	-	72
Capital Outlay	31,560	-	-	-	(31,560)
Total Governmental Activities	<u>\$ 1,821,353</u>	<u>\$ 375,881</u>	<u>\$ 19,160</u>	<u>\$ 38,742</u>	<u>\$ (1,387,570)</u>

General Receipts:

Property Taxes Levied for:	
General Purposes	1,297,977
Grants and Entitlements not	
Restricted to Specific Programs	47,104
Interest	3,074
Sale of Assets	3,327
Miscellaneous	63,797
Total General Receipts	<u>1,415,279</u>
 Change in Net Position	 27,709
 Net Position Beginning of Year	 <u>2,504,849</u>
 Net Position End of Year	 <u>\$ 2,532,558</u>

See notes to the basic financial statements.

**CHIPPEWA TOWNSHIP
WAYNE COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
December 31, 2015**

	<u>General</u>	<u>Road & Bridge</u>	<u>Fire & EMS Levy</u>	<u>Fire &RSC Ambulance EMS Serv.</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS:						
Equity in Pooled Cash and cash Equivalents	\$ 226,271	\$ 639,749	\$ 774,438	\$ 331,031	\$ 561,069	\$ 2,532,558
Total Assets	<u>\$ 226,271</u>	<u>\$ 639,749</u>	<u>\$ 774,438</u>	<u>\$ 331,031</u>	<u>\$ 561,069</u>	<u>\$ 2,532,558</u>
Fund Balances:						
Restricted	-	639,749	774,438	331,031	561,069	2,306,287
Unassigned	226,271				-	226,271
Total Fund Balances	<u>\$ 226,271</u>	<u>\$ 639,749</u>	<u>\$ 774,438</u>	<u>\$ 331,031</u>	<u>\$ 561,069</u>	<u>\$ 2,532,558</u>

See notes to basic financial statements.

**CHIPPEWA TOWNSHIP
WAYNE COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
GOVERNMENTAL FUNDS
December 31, 2015**

	<u>General</u>	<u>Road & Bridge</u>	<u>Fire & EMS Levy</u>	<u>Fire & RSC Ambulance EMS Serv.</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
CASH RECEIPTS						
Property and Other Local Taxes	\$ 85,459	\$ 372,167	\$ 483,847	\$ -	\$ 214,143	\$ 1,155,616
Charges for Services	-	-	-	222,039	-	222,039
Licenses, Permits, and Fees	89,436	-	-	-	3,151	92,587
Fines and Forfeitures	20,181	-	-	-	1,722	21,903
Intergovernmental	52,942	28,026	33,943	-	171,146	286,057
Special Assessments	-	-	-	-	878	878
Interest	2,550	-	-	-	586	3,136
Other	10,211	3,023	5,435	44,250	600	63,519
Total Receipts	<u>260,779</u>	<u>403,216</u>	<u>523,225</u>	<u>266,289</u>	<u>392,226</u>	<u>1,845,735</u>
CASH DISBURSEMENTS:						
Current:						
General Government	317,678	-	-	-	-	317,678
Public Safety	-	-	505,691	120,698	161,000	787,389
Public Works	-	342,228	-	-	340,021	682,249
Health	1,205	-	-	-	1,272	2,477
Capital Outlay	-	-	31,560	-	-	31,560
Total Disbursements	<u>318,883</u>	<u>342,228</u>	<u>537,251</u>	<u>120,698</u>	<u>502,293</u>	<u>1,821,353</u>
Excess of Receipts Over/(Under) Disbursements	(58,104)	60,988	(14,026)	145,591	(110,067)	24,382
Other Financing Sources						
Sale of Capital Asset	-	-	-	-	3,327	3,327
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,327</u>	<u>3,327</u>
Net Change in Fund cash Balance	(58,104)	60,988	(14,026)	145,591	(106,740)	27,709
Cash Fund Balances Beginning of Year	<u>284,375</u>	<u>578,761</u>	<u>788,464</u>	<u>185,440</u>	<u>667,809</u>	<u>2,504,849</u>
Cash Fund Balances End of Year	<u>\$ 226,271</u>	<u>\$ 639,749</u>	<u>\$ 774,438</u>	<u>\$ 331,031</u>	<u>\$ 561,069</u>	<u>\$ 2,532,558</u>

See notes to basic financial statements.

**CHIPPEWA TOWNSHIP
WAYNE COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
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>		<u>Actual</u>
CASH RECEIPTS				
Property and Other Local Taxes	\$ 80,500	\$ 80,500	\$ 85,459	\$ 4,959
Licenses, Permits and Fees	89,000	89,000	89,436	436
Fines and Forfeitures	10,000	10,000	20,181	10,181
Intergovernmental	56,575	56,575	52,942	(3,633)
Earnings on Investments	5,000	5,000	2,550	(2,450)
Miscellaneous	-	-	10,211	10,211
Total Receipts	<u>241,075</u>	<u>241,075</u>	<u>260,779</u>	<u>19,704</u>
CASH DISBURSEMENTS:				
Current:				
General Government	407,700	407,700	317,678	90,022
Public Safety	5,000	5,000	-	5,000
Public Works	-	-	-	-
Health	31,900	31,900	1,205	30,695
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Capital Outlay	28,100	28,100	-	28,100
Total Disbursements	<u>472,700</u>	<u>472,700</u>	<u>318,883</u>	<u>153,817</u>
Excess of Receipts Over/(Under) Disbursements	(231,625)	(231,625)	(58,104)	(134,113)
Other Financing Uses				
Transfer-Out	(10,000)	(10,000)	-	10,000
Total Other Financing Uses	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>	<u>10,000</u>
Net Change in Cash Fund Balance	(241,625)	(241,625)	(58,104)	183,521
Cash Fund Balances Beginning of Year	<u>284,375</u>	<u>284,375</u>	<u>284,375</u>	<u>-</u>
Cash Fund Balances End of Year	<u>\$ 42,750</u>	<u>\$ 42,750</u>	<u>\$ 226,271</u>	<u>\$ 183,521</u>

See notes to basic financial statements.

**CHIPPEWA TOWNSHIP
WAYNE COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
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 Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
CASH RECEIPTS				
Property and Other Local Taxes	\$ 380,000	\$ 380,000	\$ 372,167	\$ (7,833)
Intergovernmental	27,100	27,100	28,026	926
Miscellaneous	500	500	3,023	2,523
Total Receipts	<u>407,600</u>	<u>407,600</u>	<u>403,216</u>	<u>(4,384)</u>
CASH DISBURSEMENTS:				
Current:				
Public Works	535,100	525,100	342,228	182,872
Capital Outlay	20,000	20,000	-	20,000
Total Disbursements	<u>555,100</u>	<u>545,100</u>	<u>342,228</u>	<u>202,872</u>
Net Change in Cash Fund Balances	(147,500)	(137,500)	60,988	198,488
Cash Fund Balances Beginning of Year	<u>578,761</u>	<u>578,761</u>	<u>578,761</u>	<u>-</u>
Cash Fund Balances End of Year	<u>\$ 431,261</u>	<u>\$ 441,261</u>	<u>\$ 639,749</u>	<u>\$ 198,488</u>

See notes to basic financial statements.

**CHIPPEWA TOWNSHIP
WAYNE COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
FIRE & EMS SPECIAL LEVY
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
CASH RECEIPTS				
Property and Other Local Taxes	\$ 534,000	\$ 534,000	\$ 483,847	\$ (50,153)
Charges for Services	-	-	-	-
Intergovernmental	65,000	65,000	33,943	(31,057)
Other	-	-	5,435	5,435
Total Receipts	<u>599,000</u>	<u>599,000</u>	<u>523,225</u>	<u>(75,775)</u>
CASH DISBURSEMENTS:				
Current:				
General Government	-	-	-	-
Public Safety	610,231	610,231	505,691	104,540
Public Works	-	-	-	-
Capital Outlay	<u>335,000</u>	<u>335,000</u>	<u>31,560</u>	<u>303,440</u>
Total Disbursements	<u>945,231</u>	<u>945,231</u>	<u>537,251</u>	<u>407,980</u>
Net Change in Cash Fund Balances	(346,231)	(346,231)	(14,026)	332,205
Cash Fund Balances Beginning of Year	<u>788,464</u>	<u>788,464</u>	<u>788,464</u>	<u>-</u>
Cash Fund Balances End of Year	<u>\$ 442,233</u>	<u>\$ 442,233</u>	<u>\$ 774,438</u>	<u>\$ 332,205</u>

See notes to basic financial statements.

**CHIPPEWA TOWNSHIP
WAYNE COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
AMBULANCE AND EMERGENCY MEDICAL SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
CASH RECEIPTS				
Charges for Services	\$ 100,000	\$ 100,000	\$ 222,039	\$ 122,039
Charges for Services	-	-	-	-
Intergovernmental	-	-	-	-
Other	2,100	2,100	45,250	43,150
Total Receipts	<u>102,100</u>	<u>102,100</u>	<u>267,289</u>	<u>165,189</u>
CASH DISBURSEMENTS:				
Current:				
General Government	-	-	-	-
Public Safety	178,000	218,000	120,698	97,302
Public Works	-	-	-	-
Capital Outlay	-	-	-	-
Total Disbursements	<u>178,000</u>	<u>218,000</u>	<u>120,698</u>	<u>97,302</u>
Net Change in Cash Fund Balances	(75,900)	(115,900)	146,591	262,491
Cash Fund Balances Beginning of Year	<u>185,440</u>	<u>185,440</u>	<u>185,440</u>	<u>-</u>
Cash Fund Balances End of Year	<u>\$ 109,540</u>	<u>\$ 69,540</u>	<u>\$ 332,031</u>	<u>\$ 262,491</u>

See notes to basic financial statements.

**CHIPPEWA TOWNSHIP
WAYNE COUNTY**

**STATEMENT OF FIDUCIARY NET POSITION - CASH BASIS
FIDUCIARY FUNDS
December 31, 2015**

	<u>Agency</u>
ASSETS:	
Equity in Pooled Cash and cash Equivalents	\$ 1,083
Total Assets	<u>\$ 1,083</u>
Net Position:	
Restricted for:	
Other Purposes	\$ 1,083
Total Net Position	<u>\$ 1,083</u>

See notes to financial statements.

**CHIPPEWA TOWNSHIP
WAYNE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

1. DESCRIPTION OF THE REPORTING ENTITY

Reporting Entity

The Township of Chippewa, Wayne County, 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 and a publicly elected Fiscal Officer.

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

Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township road and bridges, cemetery maintenance, fire protection and emergency medical services. Police protection is provided by the Wayne County Sheriff's department.

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. Component units may also include organizations for which the Township authorizes the issuance of debt or the levying of taxes or determines the budget if there is also the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Township.

Chippewa Township has no component units.

Joint Ventures, Jointly Governed Organizations and Public Entity Risk Pools

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. Under the cash basis of accounting, the Township does not report assets for equity interest in joint ventures.

The Township does not participate in a public entity risk pool, joint venture or jointly governed organization.

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

**CHIPPEWA TOWNSHIP
WAYNE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

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. In the government-wide financial statements. Following are more 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

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. The statements distinguish between those activities of the Township that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or service. The 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 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 programs 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 are required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with 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 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.

**CHIPPEWA TOWNSHIP
WAYNE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 divided into one category: governmental.

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The following are the Township's major funds:

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

Road & Bridge Fund – This fund receives property tax monies restricted for maintenance and repair of roads within the Township.

Fire & EMS Levy Fund – This fund receives property tax monies restricted for use for Fire and EMS services.

Fire & Rescue Ambulance and EMS Fund – This fund receives charges for service for providing ambulance and rescue service.

Fiduciary Funds

Fiduciary funds include pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Township's own programs. The Township has no trust funds. Agency Funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Township's two agency fund accounts for unclaimed monies and fire escrow monies.

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. There were no modifications having substantial support.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue billed or provided services not yet collected) and certain liabilities (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.

**CHIPPEWA TOWNSHIP
WAYNE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 is the Township's authorization to spend resources and set limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, department, and object level for all funds.

The 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.

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 the Township 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 with an original maturity of three months or less at the time of purchase and investments of the cash management pool are presented on the financial statements as cash equivalents. Investments 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 sale of investments are not recorded as receipts. Gains and losses at the time of sale are recorded as receipts or negative receipts, 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 2016 and 2015 was \$2,006 and \$2,550.

**CHIPPEWA TOWNSHIP
WAYNE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

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 imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Amounts restricted for other purposes represents special revenue funds restricted to a specific use.

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.

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 or other long-term obligations. Proceeds of debt are reported when the 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 a 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 either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include gasoline tax receipts used for the upkeep of Township roads and bridges, real estate tax used for fire protection and ems services, permissive tax used for upkeep of roads. 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 are available.

**CHIPPEWA TOWNSHIP
WAYNE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

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 must observe constraints imposed upon the use of its governmental-fund resources. 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. It also includes the long-term amount of interfund loans.

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

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of Township Trustees. Those committed amounts cannot be used for any other purpose unless the Township Trustees removes or change the specified use by taking the same type of action (resolution) it employed to previously commit the 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 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 ordinance, or by State Statute.

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

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

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.

**CHIPPEWA TOWNSHIP
WAYNE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Transactions

Exchange transactions between funds are reported as cash receipts in the seller funds and as cash 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. Repayments from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented on the financial statements.

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 any major special revenue fund are prepared on the budgetary basis to provide a meaningful comparisons of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance. There were no outstanding encumbrances at year-end for 2016 and 2015.

4. DEPOSITS

Monies held by the Township are classified by State 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 withdrawable 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.

**CHIPPEWA TOWNSHIP
WAYNE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

4. DEPOSITS (Continued)

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 issuance of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligation 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 obligation described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

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

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

The Township did not have any undeposited cash on hand for 2016 or 2015.

**CHIPPEWA TOWNSHIP
WAYNE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

4. DEPOSITS (Continued)

Deposits:

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.

5. PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the Township. Property tax revenue received during 2016 for real and public utility property taxes represent collections of 2015 taxes.

2016 real property taxes are levied after October 1, 2016, on assessed value at January 1, 2016, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2016 real property taxes are collected in and intended to finance 2017.

Real property taxes are payable annually or semi-annually. If paid annually, 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.

Public utility personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2016 public utility property taxes which became a lien December 31, 2015, are levied after October 1, 2016, and are collected in 2017 with real property taxes.

The full tax rate for all Township operations for the year ended December 31, 2016, was 4.80 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2016 property tax receipts were based are as follows:

Real Property	<u>\$ 129,417,370</u>
Total Assessed Value	<u><u>\$ 129,417,370</u></u>

**CHIPPEWA TOWNSHIP
WAYNE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

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. During 2016 and 2015, the Township contracted with Whitaker-Myers for various types of insurance coverage as follows:

Type of Coverage	Amount of Coverage
General Liability	\$3,000,000
Vehicle	\$1,000,000

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

7. DEFINED BENEFIT PENSION PLAN

Ohio Public Employees Retirement System

Plan Description - Township employees, other than full-time firefighters participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional 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 <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, OH 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, including requirements for reduced and unreduced benefits):

**CHIPPEWA TOWNSHIP
WAYNE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

7. DEFINED BENEFIT PENSION PLAN (Continued)

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.

**CHIPPEWA TOWNSHIP
WAYNE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

7. DEFINED BENEFIT PENSION PLAN (Continued)

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.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions as follows:

	<u>State and Local</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
2016 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	*	**
2016 Actual Contribution Rates			
Employer:			
Pension	12.0 %	16.1 %	16.1 %
Post-employment Health Care Benefits	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>
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.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Township's contractually required contribution was \$35,498 and \$41,035 for year 2016 and 2015, respectively.

Ohio Police & Fire Pension Fund (OPF)

Plan Description – Township full-time firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF provides retirement and disability pension benefits, annual cost-of-living adjustments 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. OPF issues a publically available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. That report that may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

**CHIPPEWA TOWNSHIP
WAYNE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

7. DEFINED BENEFIT PENSION PLAN (Continued)

Upon attaining a qualifying age with sufficient years of service, a member of OPF may retire and received a lifetime monthly pension. OPF 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.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent 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 OPF 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 three percent or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 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 three percent of their base pension or disability benefit.

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

	Police	Firefighters
2016 Statutory Maximum Contribution Rates		
Employer	19.50%	19.50%
Employee	12.25%	12.25%
 2016 Actual Contribution Rates		
Employer:		
Pension	19.00%	23.50%
Post-employment Health Care Benefits	.50%	.50%
Total Employer	19.50%	24.00%
 Employee	 12.25%	 12.25%

Employer contribution rates are expressed as a percentage of covered payroll. The Township's contractually required contribution to OPF was \$13,066 and \$10,061 for 2016 and 2015, respectively.

**CHIPPEWA TOWNSHIP
WAYNE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

7. DEFINED BENEFIT PENSION PLAN (Continued)

Social Security

Several Township employees contributed to social security. This plan provides retirement benefits, including survivor and disability benefits to participants.

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

8. POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

Plan Description - Ohio Public Employees Retirement System (OPERS) administers three separate pension plans; The Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan; the Member-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 post-employment health care coverage.

In order to qualify for post-employment 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 Postemployment Benefit (OPEB) as described in GASB Statement 45. Please see the Plan Statement on the OPERS 2014 CAFR for details.

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 in Chapter 145 of the Ohio Revised Code. Disclosures for the health care plan are presented separately on the OPERS 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, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

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 2016, State and Local employers contributed at a rate of 14.00% of earnable salary and Public Safety and Law Enforcement employers contributed at a rate at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

**CHIPPEWA TOWNSHIP
WAYNE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

8. POSTEMPLOYMENT BENEFITS (Continued)

At the beginning of 2016, OPERS maintained three health care trusts. The two cost-sharing, multiple-employer trusts, the 401(h) Health care Trust (401 (h) Trust) and the 115 Health Care Trust (115 Trust), worked together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. Each year, the OPERS Board of Trustees determines the portion of the employer contributions rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0 percent for both the Traditional Pension and Combined 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 third trust is a Voluntary Employee's Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan members. The employer contribution as a percentage of covered payroll deposited to the RMAs for 2016 was 4.0 percent.

In March 2016, PERS received two favorable rulings from the IRS allowing OPERS to consolidate all health care assets into the 115 Trust. Transition to the new health care trust structure occurred during 2016. OPERS Combining Statements of Changes in Fiduciary Net Position for the year ended December 31, 2016, will reflect a partial year of activity in the 401 (h) Trust and VEBA Trust prior to the termination of these trusts as of end of business day June 30, 2016, and the assets and liabilities, or net position, of these trusts being consolidated into the 115 Trust on July 1, 2016.

Substantially all of the Township's contributions allocated to fund postemployment health care benefits relates to the cost-sharing, multiple employer trusts. The corresponding contributions for the years ended December 31, 2016 and 2015 was \$5,071 and \$5,862, respectively. The full amount has been contributed for these years.

Ohio Police and Fire Pension Fund

Plan Description – The Township contributes to the Ohio Police and Fire Pension Fund (OPF) sponsored healthcare program, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by OPF. OPF provides health care benefits including coverage for medical, prescription drug, dental, vision, Medicare Part B Premium, and long-term care to retirees, qualifying benefit recipients and their eligible dependents.

OPF provides access to postretirement 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 OPF meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 45.

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

OPF issues a publically available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OPF website at www.opf.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

**CHIPPEWA TOWNSHIP
WAYNE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

8. POSTEMPLOYMENT BENEFITS (Continued)

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OPF 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 19.5 % percent and 24 percent of covered payroll for police and fire employer units. Active members do not make contributions to the OPEB Plan.

OPF 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 administered 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 OPF Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the 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. For 2016, the portion of employer contributions allocated to health care was .5 percent of covered payroll. 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 OPF Board of Trustees is also 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.

The Townships contribution to OPF for the years ended December 31, 2016 and 2015 were \$13,066 and \$10,061, respectively, of which \$272 and \$210, respectively, was allocated to the healthcare plan. The full amount has been paid for both years.

**CHIPPEWA TOWNSHIP
WAYNE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

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 governmental funds. The constraints placed on fund balance for major governmental funds and all other governmental funds as of December 31, 2016 are presented below:

Fund Balance	General	Road & Bridge	Fire & EMS Levy	Other Gov. Funds	Total
Restricted					
Cemetery	\$ -	\$ -	\$ -	\$ 32,026	\$ 32,026
Drug/Alcohol Educ.	-	-	-	3,038	3,038
EMS	-	-	-	333,553	333,553
Fire Operations	-	-	649,142	10,194	659,336
Police Operations	-	-	-	92,929	92,929
Recreation Programs	-	-	-	13,605	13,605
Road & Bridge Maint	-	758,118	-	455,012	1,213,130
Total Restricted	<u>-</u>	<u>758,118</u>	<u>649,142</u>	<u>940,357</u>	<u>2,347,617</u>
Unassigned	253,165	-	-	-	253,165
Total Fund Balances	<u>\$ 253,165</u>	<u>\$ 758,118</u>	<u>\$ 649,142</u>	<u>\$ 940,357</u>	<u>\$ 2,600,782</u>

**CHIPPEWA TOWNSHIP
WAYNE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

9. FUND BALANCES (Continued)

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 governmental funds. The constraints placed on fund balance for major governmental funds and all other governmental funds as of December 31, 2015 are presented below:

Fund Balance	General	Road & Bridge	Fire & EMS Levy	Fire & RSC Ambulance EMS Serv.	Other Gov. Funds
Restricted					
Cemetery	\$ -	\$ -	\$ -	\$ -	\$ 32,252
Drug/Alcohol Educ.	-	-	-	-	1,979
EMS	-	-	-	331,031	3,782
Fire Operations	-	-	774,438	-	10,194
Police Operations	-	-	-	-	54,100
Recreation Programs	-	-	-	-	13,470
Road & Bridge Maint	-	639,749	-	-	445,292
Total Restricted	-	639,749	774,438	331,031	561,069
Unassigned	226,271	-	-	-	-
Total Fund Balances	\$ 226,271	\$ 639,749	\$ 774,438	\$ 331,031	\$ 561,069

Fund Balance	Total
Restricted	
Cemetery	\$ 32,252
Drug/Alcohol Educ.	1,979
EMS	334,813
Fire Operations	784,632
Police Operations	54,100
Recreation Programs	13,470
Road & Bridge Maint	1,085,041
Total Restricted	2,306,287
Unassigned	226,271
Total Fund Balances	\$ 2,532,558

**CHIPPEWA TOWNSHIP
WAYNE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

10. CHANGES IN ACCOUNTING PRINCIPLE

For 2015, the Township implemented Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27.

Statement No. 68 requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The statement also enhances accountability and transparency through revised note disclosures and required supplemental information (RSI). The total pension liability will be computed on a different basis than the current actuarial liability and it is deemed likely that this pronouncement would have a material impact on governments who prepare their financial statements in accordance with accounting principles generally accepted in the United State of America. Since the Township currently reports on the cash basis of accounting, there is not any effect on the financial statements; however, there are additional disclosure requirements which are included in Note 7.

**WILSON, PHILLIPS & AGIN, CPA'S, INC.
1100 BRANDYWINE BLVD. BUILDING G
ZANESVILLE, OHIO 43701**

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

Chippewa Township
Wayne County
14228 Galehouse Road
Doylestown, Ohio 44230

To the Township Trustees:

We have audited, in accordance with auditing standards general 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 Chippewa Township, Wayne County as of and for the years ended December 31, 2016 and 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 March 16, 2017, wherein we noted the Township uses a special purpose framework other than generally accepted accounting principles. We also noted the Township adopted Governmental Accounting Standards Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered Chippewa 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 a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Township's financial statements. A *significant deficiency* is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Chippewa 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 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.

Wilson, Phillips & Agin, CPA's, Inc.
Zanesville, Ohio
March 16, 2017



Dave Yost • Auditor of State

CHIPPEWA TOWNSHIP

WAYNE 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**