

313 Second St.
Marietta, OH 45750
740.373.0056

1907 Grand Central Ave.
Vienna, WV 26105
304.422.2203

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

1310 Market Street, Suite 300
Wheeling, WV 26003
304.232.1358



**WHITEWATER TOWNSHIP
HAMILTON COUNTY
Regular Audit
For the Years Ended December 31, 2016 and 2015**

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Tax – Accounting – Audit – Review – Compilation – Agreed Upon Procedure – Consultation – Bookkeeping – Payroll
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Members: American Institute of Certified Public Accountants

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- Association of Certified Anti - Money Laundering Specialists •



Dave Yost • Auditor of State

Board of Trustees
Whitewater Township
6101 Dry Fork Road
Cleves, Ohio 45002

We have reviewed the *Independent Auditor's Report* of Whitewater Township, Hamilton County, prepared by Perry & Associates, Certified Public Accountants, A.C., 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. Whitewater 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

September 14, 2017

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WHITEWATER TOWNSHIP
HAMILTON COUNTY

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INDEPENDENT AUDITOR'S REPORT

June 19, 2017

Whitewater Township
Hamilton County
6101 Dry Fork Road
Cleves, Ohio 45002

To the Board of Trustees:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Government'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 Government'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.

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Opinion on Regulatory Basis of Accounting

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2017, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



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

**WHITEWATER TOWNSHIP
HAMILTON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$ 402,795	\$ 904,355	\$ -	\$ 1,307,150
Charges for Services	-	175,833	-	175,833
Licenses, Permits and Fees	37,490	2,692	-	40,182
Intergovernmental	81,198	154,049	719,709	954,956
Earnings on Investments	1,539	1,278	-	2,817
Miscellaneous	47,227	5,787	-	53,014
<i>Total Cash Receipts</i>	<u>570,249</u>	<u>1,243,994</u>	<u>719,709</u>	<u>2,533,952</u>
Cash Disbursements				
Current:				
General Government	712,867	20,838	-	733,705
Public Safety	-	930,054	-	930,054
Public Works	21,700	75,393	-	97,093
Health	7,703	125	-	7,828
Human Services	1,247	-	-	1,247
Capital Outlay	-	128,709	719,709	848,418
Debt Service:				
Principal Retirement	-	33,058	-	33,058
Interest and Fiscal Charges	-	5,083	-	5,083
<i>Total Cash Disbursements</i>	<u>743,517</u>	<u>1,193,260</u>	<u>719,709</u>	<u>2,656,486</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(173,268)</u>	<u>50,734</u>	<u>-</u>	<u>(122,534)</u>
Other Financing Receipts				
Other Debt Proceeds	-	128,709	-	128,709
Sale of Capital Assets	-	1,156	-	1,156
<i>Total Other Financing Receipts</i>	<u>-</u>	<u>129,865</u>	<u>-</u>	<u>129,865</u>
<i>Net Change in Fund Cash Balances</i>	<u>(173,268)</u>	<u>180,599</u>	<u>-</u>	<u>7,331</u>
<i>Fund Cash Balances, January 1</i>	<u>370,544</u>	<u>1,625,648</u>	<u>-</u>	<u>1,996,192</u>
Fund Cash Balances, December 31				
Restricted	-	1,806,247	-	1,806,247
Unassigned	197,276	-	-	197,276
<i>Fund Cash Balances, December 31</i>	<u>\$ 197,276</u>	<u>\$ 1,806,247</u>	<u>\$ -</u>	<u>\$ 2,003,523</u>

The notes to the financial statements are an integral part of this statement.

**WHITEWATER TOWNSHIP
HAMILTON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$ 405,300	\$ 904,362	\$ 1,309,662
Charges for Services	-	111,068	111,068
Licenses, Permits and Fees	31,664	3,357	35,021
Intergovernmental	81,504	144,644	226,148
Earnings on Investments	1,157	620	1,777
Miscellaneous	64,251	8,847	73,098
<i>Total Cash Receipts</i>	<u>583,876</u>	<u>1,172,898</u>	<u>1,756,774</u>
Cash Disbursements			
Current:			
General Government	700,691	14,998	715,689
Public Safety	-	866,965	866,965
Public Works	22,077	123,643	145,720
Health	7,044	600	7,644
Human Services	1,453	-	1,453
Debt Service:			
Principal Retirement	-	31,519	31,519
Interest and Fiscal Charges	-	6,623	6,623
<i>Total Cash Disbursements</i>	<u>731,265</u>	<u>1,044,348</u>	<u>1,775,613</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(147,389)</u>	<u>128,550</u>	<u>(18,839)</u>
Other Financing Receipts			
Sale of Capital Assets	3,633	11,115	14,748
<i>Total Other Financing Receipts</i>	<u>3,633</u>	<u>11,115</u>	<u>14,748</u>
<i>Net Change in Fund Cash Balances</i>	(143,756)	139,665	(4,091)
<i>Fund Cash Balances, January 1</i>	<u>514,300</u>	<u>1,485,983</u>	<u>2,000,283</u>
Fund Cash Balances, December 31			
Restricted	-	1,625,648	1,625,648
Unassigned	370,544	-	370,544
<i>Fund Cash Balances, December 31</i>	<u>\$ 370,544</u>	<u>\$ 1,625,648</u>	<u>\$ 1,996,192</u>

The notes to the financial statements are an integral part of this statement.

**WHITEWATER TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Whitewater Township, Hamilton County, (the Township) as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides general government services, including road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services.

The Township participates in a jointly governed organization, a joint venture and a public entity risk pool. Notes 6, 11 and 12 to the financial statements provides additional information for these entities.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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

Gas Tax Fund – This fund receives gasoline tax money to pay for constructing, maintaining and repairing Township roads.

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

Fire District Fund – This fund receives property tax money to provide fire protection and emergency medical services to Township residents.

Capital Project Funds – These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant Capital Projects Fund:

OPWC Project Fund – The OPWC project fund receives OPWC grant funding for various road projects.

**WHITEWATER TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

Basis of Accounting

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

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

Budgetary Process

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

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

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

Encumbrances – The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2016 and 2015 budgetary activity appears in Note 4.

Deposits and Investments

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Money market mutual funds (including STAR Ohio and Star Plus) are recorded at share values the mutual funds report.

Capital Assets

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

Accumulated Leave

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

**WHITEWATER TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

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 must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

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

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

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

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

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

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

Note 3 – Budgetary Activity

Budgetary activity for the years ending December 31, 2016 and 2015 follows:

2016 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 531,022	\$ 570,249	\$ 39,227
Special Revenue	1,098,925	1,373,859	274,934
Capital Projects	719,709	719,709	-
Total	\$ 2,349,656	\$ 2,663,817	\$ 314,161

**WHITEWATER TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

Note 3 – Budgetary Activity (Continued)

2016 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 837,226	\$ 743,517	\$ 93,709
Special Revenue	1,675,973	1,193,260	482,713
Capital Projects	719,709	719,709	-
Total	\$ 3,232,908	\$ 2,656,486	\$ 576,422

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 506,717	\$ 587,509	\$ 80,792
Special Revenue	1,158,203	1,184,013	25,810
Total	\$ 1,664,920	\$ 1,771,522	\$ 106,602

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 972,394	\$ 731,265	\$ 241,129
Special Revenue	1,992,304	1,044,348	947,956
Total	\$ 2,964,698	\$ 1,775,613	\$ 1,189,085

Note 4 – Deposits and Investments

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

	2016	2015
Demand deposits	\$ 1,427,359	\$ 1,422,314
Total deposits	1,427,359	1,422,314
STAR Ohio	576,164	573,878
Total investments	576,164	573,878
Total deposits and investments	\$ 2,003,523	\$ 1,996,192

Deposits: Deposits are insured by the Federal Depository Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Township.

Investments: Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

**WHITEWATER TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

Note 5 – Property Taxes

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

Public utilities are also taxed on personal and real property located within the Township.

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

Note 6 – Risk Management

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

Commercial Insurance

The Township has obtained commercial insurance for the following risks from January 1, 2015 through November 4, 2016:

- Commercial property and general liability;
- Vehicles; and
- Errors and Omissions.

Risk Pool Membership

Effective November 5, 2016, the Township's insurance coverage is now through the Ohio Plan.

The Township belongs to the Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Government Risk Management Plan, (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2012 (and through October 2014) the plan increased its retention to 50% of the first \$250,000 casualty treaty. Effective November 1, 2014, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 772 and 783 members as of December 31, 2015 and 2014 respectively.

**WHITEWATER TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

Note 6 – Risk Management

Risk Pool Membership (Continued)

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2015 and 2014 (the latest information available).

	<u>2015</u>	<u>2014</u>
Assets	\$14,643,667	\$14,830,185
Liabilities	(9,112,030)	(8,942,504)
Members' Equity	<u>\$5,531,637</u>	<u>\$5,887,681</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The Township's employees, with the exception of full time fire department personnel, belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

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

Ohio Police and Fire Retirement System

The Township's certified fire fighters belong to the Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 11.5% of their wages from January 1, 2015 through June 30, 2015 and 12.25% of their wages from July 1, 2015 through December 31, 2016. The Township contributed to OP&F an amount equal to 24% of full-time firefighter's wages. The Township has paid all contributions required through December 31, 2016.

**WHITEWATER TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

Note 7 – Defined Benefit Pension Plans (Continued)

Social Security

Some 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 has paid all contributions required through December 31, 2016.

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. OPERS contributes 2 percent of the employer contribution to fund these benefits, and OP&F contributes 0.5 percent to fund these benefits.

Note 9 – Debt

Debt outstanding at December 31, 2016 was as follows:

	Principal	Interest Rate
2009 Pumper Truck	\$ 71,038	2.50%
2017 Squad	128,709	2.75%
Total	\$ 199,747	

The Township incurred debt in the amount of \$297,497 in 2008 for ten years with annual payments of \$38,142 with Old National Bank for a pumper truck. Payments are made from the Fire Fund.

The Township incurred debt in the amount of \$128,709 in December 2016 for five years with annual payments of \$27,931.84 with US Bank for the refurbishment of a 2007 Braun Life Squad including a new 2017 Chassis. Payments are scheduled to be made from the Fire Fund.

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

Year ending December 31:	2009 Pumper	2017 Squad
2017	\$ 38,142	\$ 27,932
2018	38,142	27,932
2019	-	27,932
2020	-	27,932
2021	-	27,932
Total	\$ 76,284	\$ 139,660

Note 10 – Contingent Liabilities

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**WHITEWATER TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

Note 10 – Contingent Liabilities (Continued)

The Township settled an EEOC complaint with an employee in 2016. The settlement included allowing the employee to remain as an employee while using the employee's accumulated leave time. The settlement also included a onetime payment due in 2016 of \$20,000.00 to the employee's legal Counsel. In addition, the employee's final day of employment was agreed upon as January 6, 2018. Upon that final day an additional payment of \$25,989.60 shall be due and payable in two installments. The first payment being due January 6, 2018, and the second payment being due 90 days after the first payment. Management believes that the resolution of this matter will not materially adversely affect the Township's financial condition.

Note 11 - Joint Ventures

Western Joint Ambulance District

The Western Joint Ambulance District, known locally as West JAD, is a multi-community tiered Paramedic Service founded by the community leaders and the local Fire Chiefs to provide advanced life support to our community residents and visitors in conjunction with the local Fire Departments and Emergency Medical Services. West JAD was established in November of 1995 and began operations on the street on July 1, 1996. The original communities participating were the Village of Cleves, Crosby, Whitewater and Harrison Townships and the City of Harrison. The District was designed to provide advanced care to all of the patients in the geographic area by sharing services and expenses until each community chose to provide the paramedic level of protection individually.

As of 2016 Whitewater Township and Crosby Township are the only communities participating as members of West JAD. The funding for West JAD comes from a Levy Approved by the voters of the member communities. The Levy set at 2.25 mils, and generates approximately \$347,000 annually.

The current organization is managed and governed as follows:

OFFICERS

Chief - Nadine Swift
Captain - Jim Corbin
Medical Director - Dr. Matthew Birkle

BOARD MEMBERS

Lawanda Corman - Whitewater Township
Chuck Heil - Crosby Township
Clerk - Robert Grauvogel
Legal Advisor - William Deters

ADVISORY BOARD

Chief Bruce Downard - Crosby Fire Department
Chief Scott Schorsch - Whitewater Fire Department

**WHITEWATER TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

Note 12 - Jointly Governed Organizations

Hamilton County General Health District

As set by Ohio Law, ORC Chapter 3701-36 "Local Health Departments", Whitewater Township is a member of the Hamilton County General Health District. The Health District, DBA: Hamilton County Public Health serves 45 communities located within the County. All of the Townships and Villages which are a part of the Health District as defined in ORC. 3709.01 "Health Districts" have a representative to the District Advisory Council, which appoints 4 of the 5 members of the Board of Health, The 5th member is appointed by the Licensing Advisory Council, a separate board established by state law.

Hamilton County Public Health is governed by a five member Board of Health and day-to-day functions are carried out by the Health Commissioner. The Board has the authority to adopt rules, regulations and resolutions, which have the same status as law, and to enact policies within Hamilton County Public Health.

Board members are appointed to five-year, overlapping terms and at least one member must be a physician. According to Ohio Revised Code, all appointments to the Board of Health must be made with due regard to equal representation of all parts of the jurisdiction served by Hamilton County Public Health. In March of each year, the Board reorganizes, electing new officers, and setting the time and location for the next year's meetings.

Note 13 – Subsequent Event

Fire Levy

In the March 2016 Primary Election, the voters of Whitewater Approved a 5.37 mil Fire Department Tax Levy. The proceeds of that levy will begin to be realized in 2017. The estimated amount of resources for that levy, as provided by the Hamilton County Auditor, is expected to be \$603,051.

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313 Second St.
Marietta, OH 45750
740.373.0056

1907 Grand Central Ave.
Vienna, WV 26105
304.422.2203

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

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

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

June 19, 2017

Whitewater Township
Hamilton County
6101 Dry Fork Road
Cleves, Ohio 45002

To the Board of Trustees:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of **Whitewater Township**, Hamilton County, (the Township) as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements and have issued our report thereon dated June 19, 2017, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Township's internal control. Accordingly, we have not opined on it.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of audit findings that we consider a material weakness. We consider finding 2016-001 to be a material weakness.

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Compliance and Other Matters

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

We also noted certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated June 19, 2017.

Township's Response to Finding

The Township's response to the finding identified in our audit is described in the accompanying schedule of audit findings. We did not audit the Township's response and, accordingly, we express no opinion on it.

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.



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

**WHITEWATER TOWNSHIP
HAMILTON COUNTY**

**SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

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

FINDING NUMBER 2016-001

Material Weakness

Posting Receipts and Disbursements

The Township should have procedures and controls in place to help prevent and detect errors in financial reporting.

Receipts and disbursements were not always posted correctly. The following posting errors were noted:

- The Township posted first half rollback receipts in 2015 to the General Fund instead of allocating between the General, Road and Bridge and Fire Funds. Instead of re-allocating the receipt, the Village posted a fund balance adjustment which resulted in Intergovernmental receipts being misstated;
- OPWC pass-through receipts and disbursements were not posted to the Township's accounting system;
- Debt proceeds and corresponding capital outlay were not posted to the Township's accounting system.

Not posting receipts and disbursements accurately resulted in the financial statements requiring reclassification. The accompanying financial statements reflect all reclassifications.

To help ensure accuracy and reliability in the financial reporting process, we recommend that management perform a detail review of its draft financial statements. Such review should include procedures to ensure that all sources of revenues and disbursements are properly identified and classified on the financial statements.

We also recommend the Fiscal Officer refer to the Ohio Township Handbook for guidance to determine the proper establishment of receipt and disbursement accounts and posting of receipts and disbursements.

Management's Response – These issues have been addressed and corrected as of January 2017.

**WHITEWATER TOWNSHIP
HAMILTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2014-001	Posting Receipts and Disbursements	No	Not Corrected, Repeated as Finding 2016-001
2014-002	ORC 5705.41(B)	Yes	N/A



Dave Yost • Auditor of State

WHITEWATER TOWNSHIP

HAMILTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 26, 2017**