



Dave Yost • Auditor of State

COLERAIN TOWNSHIP
HAMILTON COUNTY

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Colerain Township
Hamilton County
4200 Springdale Road
Cincinnati, Ohio 45251

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 Colerain Township, Hamilton, Ohio (the Township) as of and for the years ended December 31, 2017 and 2016.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

As described in Note 1B 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.

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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, 2017 and December 31, 2016, and the respective 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 cash balances, receipts and disbursements by fund type, and related notes of Colerain Township, Hamilton as of December 31, 2017 and December 31, 2016, 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 1B.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29 2018, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



Dave Yost
Auditor of State

Columbus, Ohio

October 29, 2018

Colerain Township
Hamilton County, Ohio
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances
All Governmental Fund Types
For the Year Ended December 31, 2017

	General	Special Revenue	Debt Service	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$510,657	\$16,592,657	\$0	\$17,103,314
Charges for Services	0	65,000	0	65,000
Licenses, Permits and Fees	2,768,687	1,961,569	0	4,730,256
Fines and Forfeitures	0	49,255	0	49,255
Intergovernmental	639,000	2,564,188	0	3,203,188
Special Assessments	0	156,543	0	156,543
Earnings on Investments	257,016	11,651	0	268,667
Miscellaneous	527,324	2,011,642	0	2,538,966
<i>Total Cash Receipts</i>	<u>4,702,684</u>	<u>23,412,505</u>	<u>0</u>	<u>28,115,189</u>
Cash Disbursements				
Current:				
General Government	1,462,091	573,188	0	2,035,279
Public Safety	0	19,015,846	0	19,015,846
Public Works	1,397,271	1,728,589	0	3,125,860
Health	35,056	0	0	35,056
Conservation-Recreation	0	408,965	0	408,965
Capital Outlay	96,879	1,570,910	0	1,667,789
Debt Service:				
Principal Retirement	0	90,000	775,000	865,000
Interest and Fiscal Charges	0	174,975	160,505	335,480
<i>Total Cash Disbursements</i>	<u>2,991,297</u>	<u>23,562,473</u>	<u>935,505</u>	<u>27,489,275</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,711,387</u>	<u>(149,968)</u>	<u>(935,505)</u>	<u>625,914</u>
Other Financing Receipts (Disbursements)				
Transfers In	0	215,000	935,506	1,150,506
Transfers Out	(908,314)	(242,192)	0	(1,150,506)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(908,314)</u>	<u>(27,192)</u>	<u>935,506</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	803,073	(177,160)	1	625,914
<i>Fund Cash Balances, January 1</i>	<u>5,627,127</u>	<u>15,843,323</u>	<u>1</u>	<u>21,470,451</u>
Fund Cash Balances, December 31				
Restricted	0	15,666,163	2	15,666,165
Unassigned (Deficit)	6,430,200	0	0	6,430,200
<i>Fund Cash Balances, December 31</i>	<u>\$6,430,200</u>	<u>\$15,666,163</u>	<u>\$2</u>	<u>\$22,096,365</u>

Colerain Township
Hamilton County, Ohio
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances
All Governmental Fund Types
For the Year Ended December 31, 2016

	General	Special Revenue	Debt Service	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$493,489	\$17,659,973	\$0	\$18,153,462
Charges for Services	0	0	0	0
Licenses, Permits and Fees	2,767,965	2,087,166	0	4,855,131
Fines and Forfeitures	0	44,878	0	44,878
Intergovernmental	654,087	2,584,382	0	3,238,469
Special Assessments	0	153,820	0	153,820
Earnings on Investments	182,013	7,218	0	189,231
Miscellaneous	355,590	1,924,553	0	2,280,143
<i>Total Cash Receipts</i>	<u>4,453,144</u>	<u>24,461,990</u>	<u>0</u>	<u>28,915,134</u>
Cash Disbursements				
Current:				
General Government	1,381,326	327,732	0	1,709,058
Public Safety	0	18,146,081	0	18,146,081
Public Works	1,351,570	1,991,326	0	3,342,896
Health	67,877	0	0	67,877
Conservation-Recreation	0	506,959	0	506,959
Capital Outlay	23,107	1,095,958	0	1,119,065
Debt Service:				
Principal Retirement	0	645,000	855,000	1,500,000
Interest and Fiscal Charges	0	192,712	200,398	393,110
<i>Total Cash Disbursements</i>	<u>2,823,880</u>	<u>22,905,768</u>	<u>1,055,398</u>	<u>26,785,046</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,629,264</u>	<u>1,556,222</u>	<u>(1,055,398)</u>	<u>2,130,088</u>
Other Financing Receipts (Disbursements)				
Sale of Capital Assets	187,911	0	0	187,911
Transfers In	0	201,857	1,055,398	1,257,255
Transfers Out	(1,014,658)	(242,596)	0	(1,257,254)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(826,747)</u>	<u>(40,739)</u>	<u>1,055,398</u>	<u>187,912</u>
<i>Net Change in Fund Cash Balances</i>	802,517	1,515,483	0	2,318,000
<i>Fund Cash Balances, January 1</i>	<u>4,824,610</u>	<u>14,327,840</u>	<u>1</u>	<u>19,152,451</u>
Fund Cash Balances, December 31				
Restricted	0	15,843,323	1	15,843,324
Unassigned (Deficit)	5,627,127	0	0	5,627,127
<i>Fund Cash Balances, December 31</i>	<u>\$5,627,127</u>	<u>\$15,843,323</u>	<u>\$1</u>	<u>\$21,470,451</u>

**COLERAIN TOWNSHIP
HAMILTON COUNTY**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The Colerain Township, Hamilton County, Ohio (the Township), is a body politic and corporate established in 1794 to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Township 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.

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, fire and emergency medical services, zoning, maintenance of Township roads and bridges, a Senior and Community Center, and historical cemetery maintenance.

Component units are legally separate organizations for which the Township is financially accountable. The Township has no component units.

The Township participates in a public entity risk pool. Note 8 to the financial statements provides additional information for this entity. This organization is the Ohio Plan.

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

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits based on the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is a modified cash basis of accounting similar to the cash receipts and disbursements accounting basis. The Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. The financial statements also report investments. 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 Auditor of State prescribes or permits.

C. 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.

The Township values U.S. Treasury Notes and U.S. Government Agency Notes at cost. Money market mutual funds are recorded at share values the mutual funds report, which approximates cost.

**COLERAIN TOWNSHIP
HAMILTON COUNTY**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016**

D. Fund Accounting

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

1. General Fund

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

2. Special Revenue Funds

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

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

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

Motor Vehicle License Tax - This fund receives vehicle license fees money to pay for constructing, maintaining, and repairing Township roads.

Police District - This fund receives levy tax money to pay staff and equipment in the police department.

Fire District - This fund receives levy tax money to pay staff and equipment in the fire and EMS department.

Zoning – This fund receives funds from the general fund and permit fees to pay for zoning code enforcement.

Emergency Medical Services (EMS) – This fund receives monies from billed EMS services performed by our Fire & EMS Department, and used to fund such activities.

Parks & Services – This fund receives funds from the general fund, shelter rentals and permit fees to pay for zoning code enforcement.

Community Center – This fund receives funds from the general fund and room rental fees to pay for the operations of the Community Center.

Lighting Districts – This fund received funds from property tax assessments and pays for artificially lighting residential streets in the Township.

TIF – Kroger – This fund received monies from the issuance of bonds as a result of tax increment financing.

TIF – Stone Creek – This fund received monies from property taxes as a result of tax

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**NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016**

increment financing.

TIF – Best Buy – This fund receives monies from property taxes as a result of tax increment financing.

3. Debt Service Funds

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Township had the following significant Debt Service Funds:

Government Complex – Debt transactions related to the construction of the administration and police offices.

Parks – Debt transactions related to the construction of Township Parks.

Public Works Building – Debt transactions related to the construction of this building.

Clippard Park – Debt transactions related to the construction of this park.

Streetscape – Debt transactions related to the construction and improvements of the Colerain Avenue corridor.

Fire – Debt transactions related to the construction of a fire station.

4. 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 received no funding for capital project funds.

E. Budgetary Process

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

1. 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. Unencumbered appropriations lapse at year end.

2. Estimated Resources

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

COLERAIN TOWNSHIP
HAMILTON COUNTY

NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over and need not be re-appropriated.

A summary of 2016 and 2017 budgetary activity appears in Note 3.

F. 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:

1. Non-spendable

The Township classifies assets as *non-spendable* when legally or contractually required to maintain the amounts intact.

2. 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.

3. 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.

4. 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.

5. 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

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**NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016**

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.

G. Property, Plant, and Equipment

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

H. 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.

I. Pensions

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

2. Equity in Pooled Deposits and Investments

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

	2017	2016
Demand Deposits	850,744	2,975,832
Certificates of Deposit	<u>988,259</u>	<u>988,259</u>
Total Deposits	1,839,003	3,964,091
U.S. Treasury Notes	207,200	0
U.S. Agency Notes	12,914,414	10,925,595
Commercial Paper	7,129,656	6,573,004
Money Market	6,092	7,761
Total Investments	20,257,362	17,506,360
Total Deposits and Investments	22,096,365	21,470,451

Deposits: Deposits are insured by the Federal Depository Insurance Corporation or collateralized through the Ohio Collateral System (OPCS).

Investments: U.S. government securities are held in book-entry form by the Federal Reserve in the name of the Township's financial institution. The financial institution maintains records identifying the Township as owner of these securities.

The Township's financial institution transfers securities to the Township's agent to collateralize

**COLERAIN TOWNSHIP
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**NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016**

repurchase agreements. The securities are not in the Township's name.

Investments in money market funds are not evidenced by securities that exist in physical or book-entry form.

3. Budgetary Activity

Budgetary activity for the years ending 2017 and 2016 follows:

2017 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	4,720,028	4,702,684	(17,344)
Special Revenue	23,888,135	23,627,505	(260,630)
Debt Service	935,507	935,506	(1)
Total	<u><u>29,543,670</u></u>	<u><u>29,265,695</u></u>	<u><u>(277,975)</u></u>

2017 Budgeted vs. Actual Basis Expenditures

Fund Type	Appropriations Authority	Budgetary Expenditures	Variance
General	5,712,056	4,100,996	1,611,060
Special Revenue	28,260,434	24,092,461	4,167,973
Debt Service	935,507	935,505	2
Total	<u><u>34,907,997</u></u>	<u><u>29,128,962</u></u>	<u><u>5,779,035</u></u>

2016 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	4,645,215	4,641,055	-4,160
Special Revenue	24,695,531	24,663,847	-31,684
Debt Service	1,055,400	1,055,398	-2
Total	<u><u>30,396,146</u></u>	<u><u>30,360,300</u></u>	<u><u>-35,846</u></u>

**COLERAIN TOWNSHIP
HAMILTON COUNTY**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016**

2016 Budgeted vs. Actual Basis Expenditures

Fund Type	Appropriations	Budgetary	Variance
	Authority	Expenditures	
General	5,496,137	5,222,106	274,031
Special Revenue	26,508,739	24,708,379	1,800,360
Debt Service	1,055,400	1,055,398	2
Total	<u><u>33,060,276</u></u>	<u><u>30,985,883</u></u>	<u><u>2,074,393</u></u>

4. Property Tax

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

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

5. Debt

Debt outstanding at December 31, 2016 and 2017 was as follows:

	Interest Rate	2017	2016
G.O. Bonds:			
2001 Fire Bonds	4.73%	\$0	\$195,000
2001 Building Bonds	4.73%	\$0	\$170,000
2001 Park Bonds	4.73%	\$0	\$245,000
2011 Various Purpose Bonds	2.34% - 4.50%	\$3,525,000	\$3,780,000
Total G.O. Bonds		\$3,525,000	\$4,390,000
Other Bonds:			
2015 Kroger - TIF	4.50%	\$3,765,000	\$3,765,000
Total All Bonds		\$7,290,000	\$8,155,000

The 2001 Fire Department Bonds were issued December 15, 2001 for the purpose of building and rehabbing township fire stations. The bonds are collateralized solely by the Township's taxing authority.

The 2001 Building Improvement Bonds were issued December 15, 2001 for the purpose of relocating the Township's Public Works Department. The bonds are collateralized solely by the Township's taxing authority.

The 2001 Park Bonds were issued December 1, 2001 for the purpose of improving the East Miami River Road Park. The bonds are collateralized solely by the Township's taxing authority.

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**NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016**

The 2011 Various Purpose Bonds were issued on February 23, 2011 for the purpose of refunding a portion of the Township’s outstanding Building Improvement bonds, Fire Department bonds and Park bonds as well as fully refunding the Government Complex Building Improvement bonds and 2009 TIF Revenue bonds. The issuance also included new money for the purpose of paying the cost of constructing streetscape improvements to be paid from the general fund.

The 2015 Kroger TIF Bonds were issued for land acquisition associated with a tax increment financing project. The bonds are subject to repayment based on the tax revenues generated from the project and were not issued as general obligation bonds.

The following is a summary of the Township’s future annual debt service requirements:

Year Ending 12/31/2018	Principal	Interest	Total Debt Service
2018	\$980,000	\$293,974	\$1,273,974
2019	\$910,000	\$263,529	\$1,173,529
2020	\$945,000	\$234,125	\$1,179,125
2021	\$1,075,000	\$195,950	\$1,270,950
2022-2035	\$3,380,000	\$1,248,630	\$4,628,630
Totals	\$7,290,000	\$2,236,208	\$9,526,208

6. Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed at the statutory rate of 10% of earnable salary or compensation. The Township currently contributes at the rate of 14% of the same base. Police personnel contribute to OPERS at the rate of 13.0% of earnable salary. The Township contributes at the rate of 18.10% of the same base. The Township has paid all contributions required through December 31, 2017.

<i>Retirement Rates</i>	<i>Year</i>	<i>Member Rate</i>	<i>Employer Rate</i>
<i>OPERS – Local</i>	<i>2012-2017</i>	<i>10%</i>	<i>14%</i>
<i>OPERS – Law Enforcement</i>	<i>2014-2017</i>	<i>13.00%</i>	<i>18.10%</i>

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

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**NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016**

benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Township contributed to OP&F an amount equal to 24 percent of full-time fire fighters' wages, respectively. The Township has paid all contributions required through December 31, 2017.

<i>Retirement Rates</i>	<i>Year</i>	<i>Member Rate</i>	<i>Employer Rate</i>
<i>OP&F- full time firefighters</i>	<i>July 1, 2015- December 31, 2017</i>	<i>12.25%</i>	<i>24%</i>

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 has paid all contributions required through December 31, 2017.

7. 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. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 2.0 percent during calendar year 2016, and 1.0 percent during calendar year 2017. OP&F contributes 0.5 percent to fund these benefits.

8. 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. In 2017, the Township contracted with the Ohio Plan Risk Management, Inc. The Ohio Plan was formed in 1988 to provide affordable, comprehensive property and liability coverage to Ohio public entities. The Ohio Plan is managed by a board of directors composed of individual representatives from a diverse selection of local governments. The Ohio Plan pays judgments, settlements, and other disbursements resulting from covered claims that exceed the members' deductibles. Coverage provided by the Ohio Plan is as follows:

<u>Type of Coverage</u>	<u>Coverage</u>
Legal Liability	\$10,000,000 Per Occurrence
Automobile Liability	10,000,000 Per Occurrence
Wrongful Acts	10,000,000 Per Occurrence
Property	28,815,956 Total Coverage
Boiler and Machinery	28,815,956 Limit

**COLERAIN TOWNSHIP
HAMILTON COUNTY**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016**

9. Contingent Liabilities

The Township is defendant in several lawsuits. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially adversely affect the Township's financial condition.

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

10. Interfund Transfers

During 2017 and 2016 the following transfers were made:

2017

Fund	Transfers In	Transfers Out
General		\$908,313
Fire District		\$242,192
Zoning	\$55,000	
Parks & Services	\$160,000	
Bond retirement - parks	\$303,491	
Bond Retirement PW Bldg	\$212,272	
Bond Retirement Street Scape	\$177,550	
Bond Retirement Special Assessment	\$242,192	
Fire		
totals	<u>\$1,150,506</u>	<u>\$1,150,506</u>

2016

	Transfers In	Transfers Out
General		\$1,014,658
Fire District		\$242,596
Parks	\$201,857	
Bond Retirement- Admin	\$107,888	
Bond Retirement - Parks	\$306,671	
Bond Retirement - Public Works Building	\$216,568	
Bond Retirement -Streetscape	\$181,675	
Bond Retirement - Fire Assessment Bonds	\$242,596	
Total	\$1,257,255	\$1,257,254

Transfers represent the allocation of unrestricted receipts collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers from the general fund and other funds above to bond retirement/debt service funds are for the purposes of making debt payments.

**COLERAIN TOWNSHIP
HAMILTON COUNTY
NOTES TO FINANCIAL STATEMENTS
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11. Related Organizations

The Colerain Township Community Improvement Corporation, Inc. is an organization related to the Township. It acts as the Township's agent for economic development.

12. Joint Venture

Neighboring townships of Colerain, Springfield and Ross have a joint venture for residential solid waste and recycling. The contract is April 1, 2016 to March 31, 2021 and was awarded to Rumpke, after competitive bidding.

13. Subsequent Events

On April 24, 2018, Geoff Milz was appointed Administrator for the Township. He was promoted from Assistant Administrator, after serving as Interim Administrator. On May 8, 2018, Jeffrey Weckbach was appointed Assistant Administrator.

On June 26, 2018, the Board passed Resolution 29-18, "Resolution Approving Loan Agreement to Colerain Township Hamilton County Community Improvement Corporation." The CIC requested financial assistance in the amount of \$530,000 to support a real property improvement project which will include the creation of a Tax Increment Financing (TIF) district. The Board agreed to transfer \$530,000 to the Colerain CIC for the purpose of purchasing and demolishing certain properties in the Township. Of that amount, \$400,000 will be a loan to the CIC, which will be repaid on or before February 28, 2019. Also, at this time, the Board passed Resolution 30-18, "Resolution to Authorizing the Administrator to Execute All Relevant Documentation as Required to Transfer Lan to the Colerain Township Hamilton County Community Improvement Corporation." With this, the Board transferred the police station property to the CIC. This is approximately 0.36 acres located at 7500 Colerain Ave. Resolution 31-18, was passed on the same date: "Resolution Authorizing Administrator to Execute a Purchase and Sale and Demolition Agreement with the Colerain Township, Hamilton County CIC, Inc. and Duke Energy, Ohio." This is for the property known as the Fireside Motel. Duke Energy plans to build an operations center on this site and surrounding parcels, formerly known as Western Home Center.

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Dave Yost • Auditor of State

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

Colerain Township
Hamilton County
4200 Springdale Road
Colerain Township, OH 45251

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities and each major fund of Colerain Township, Hamilton County, (the Township) as of and for the year ended December 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements and have issued our report thereon dated October 29, 2018 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 opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Township's internal control. Accordingly, we have not opined on it.

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

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

Compliance and Other Matters

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

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

October 29, 2018



Dave Yost • Auditor of State

COLERAIN 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
DECEMBER 27, 2018**