



OHIO AUDITOR OF STATE
KEITH FABER



WHITEWATER TOWNSHIP
HAMILTON COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis) – All Governmental Fund Types For the Year Ended December 31, 2018.....	3
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis) – All Governmental Fund Types For the Year Ended December 31, 2017.....	4
Notes to the Basic Financial Statements.....	5
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	15
Schedule of Findings.....	17
Prepared by Management:	
Summary Schedule of Prior Audit Findings	19

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Whitewater Township
Hamilton County
6101 Dry Fork Road
Cleves, OH 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 the Whitewater Township, Hamilton County, Ohio (the Township) as of and for the years ended December 31, 2018 and 2017.

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 Principle

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, 2018 and 2017, 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 the Whitewater Township, Hamilton County as of December 31, 2018 and 2017, 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 May 23, 2019 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.



Keith Faber
Auditor of State

Columbus, Ohio

May 23, 2019

Whitewater Township
Hamilton County, Ohio
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2018

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$391,996	\$1,525,962	\$0	\$1,917,958
Charges for Services	0	191,712	0	191,712
Licenses, Permits and Fees	51,765	846	0	52,611
Intergovernmental	85,933	183,854	878,639	1,148,426
Earnings on Investments	8,839	4,193	0	13,032
Miscellaneous	53,250	7,944	0	61,194
<i>Total Cash Receipts</i>	<u>591,783</u>	<u>1,914,511</u>	<u>878,639</u>	<u>3,384,933</u>
Cash Disbursements				
Current:				
General Government	505,611	35,945	0	541,556
Public Safety	0	1,393,447	0	1,393,447
Public Works	21,477	187,392	0	208,869
Health	10,495	0	0	10,495
Human Services	3,340	6,489	0	9,829
Capital Outlay	0	0	878,639	878,639
Debt Service:				
Principal Retirement	0	61,391	0	61,391
Interest and Fiscal Charges	0	4,683	0	4,683
<i>Total Cash Disbursements</i>	<u>540,923</u>	<u>1,689,347</u>	<u>878,639</u>	<u>3,108,909</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>50,860</u>	<u>225,164</u>	<u>0</u>	<u>276,024</u>
Other Financing Receipts (Disbursements)				
Sale of Capital Assets	14,992	7,703		22,695
<i>Total Other Financing Receipts (Disbursements)</i>	<u>14,992</u>	<u>7,703</u>	<u>0</u>	<u>22,695</u>
<i>Net Change in Fund Cash Balances</i>	65,852	232,867	0	298,719
<i>Fund Cash Balances, January 1</i>	<u>233,461</u>	<u>2,381,218</u>	<u>0</u>	<u>2,614,679</u>
Fund Cash Balances, December 31				
Restricted	0	2,614,085	0	2,614,085
Unassigned (Deficit)	299,313	0	0	299,313
<i>Fund Cash Balances, December 31</i>	<u>\$299,313</u>	<u>\$2,614,085</u>	<u>\$0</u>	<u>\$2,913,398</u>

See accompanying notes to the basic financial statements

Whitewater Township
Hamilton County, Ohio
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2017

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$432,130	\$1,571,300	\$0	\$2,003,430
Charges for Services	0	168,846	0	168,846
Licenses, Permits and Fees	41,735	662	0	42,397
Intergovernmental	42,651	168,181	93,401	304,233
Earnings on Investments	4,106	2,570	0	6,676
Miscellaneous	53,946	10,321	0	64,267
<i>Total Cash Receipts</i>	<u>574,568</u>	<u>1,921,880</u>	<u>93,401</u>	<u>2,589,849</u>
Cash Disbursements				
Current:				
General Government	513,100	32,061	0	545,161
Public Safety		1,153,581	0	1,153,581
Public Works	21,103	114,093	0	135,196
Health	7,379	300	0	7,679
Human Services	1,641	0	0	1,641
Capital Outlay	0	0	93,401	93,401
Debt Service:				
Principal Retirement	0	59,020	0	59,020
Interest and Fiscal Charges	0	7,054	0	7,054
<i>Total Cash Disbursements</i>	<u>543,223</u>	<u>1,366,109</u>	<u>93,401</u>	<u>2,002,733</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>31,345</u>	<u>555,771</u>	<u>0</u>	<u>587,116</u>
Other Financing Receipts (Disbursements)				
Sale of Capital Assets	4,840	19,200		24,040
<i>Total Other Financing Receipts (Disbursements)</i>	<u>4,840</u>	<u>19,200</u>	<u>0</u>	<u>24,040</u>
<i>Net Change in Fund Cash Balances</i>	36,185	574,971	0	611,156
<i>Fund Cash Balances, January 1</i>	<u>197,276</u>	<u>1,806,247</u>	<u>0</u>	<u>2,003,523</u>
Fund Cash Balances, December 31				
Restricted	0	2,381,218	0	2,381,218
Unassigned (Deficit)	233,461	0	0	233,461
<i>Fund Cash Balances, December 31</i>	<u>\$233,461</u>	<u>\$2,381,218</u>	<u>\$0</u>	<u>\$2,614,679</u>

See accompanying notes to the basic financial statements

**WHITEWATER TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018 AND 2017**

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 is a member of the Western Joint Ambulance District. The Western Joint Ambulance District is funded by an independent levy to provide Paramedic Emergency Medical Services, in addition to the services provided by the Township Fire Department.

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, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary 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:

**WHITEWATER TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018 AND 2017
(Continued)**

Note 2 – Summary of Significant Accounting Policies (Continued)

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

Community Development Block Grant Project Fund – The Community Development Block Grant program funds various improvements to buildings and equipment.

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 re-appropriated in the subsequent year.

A summary of 2018 and 2017 budgetary activity appears in Note 3.

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. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

**WHITEWATER TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018 AND 2017
(Continued)**

Note 2 – Summary of Significant Accounting Policies (Continued)

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.

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.

**WHITEWATER TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018 AND 2017
(Continued)**

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2018 follows:

2018 Budgeted vs. Actual Receipts			
	Budgeted	Actual	
Fund Type	Receipts	Receipts	Variance
General	\$ 573,993	\$ 606,775	\$ 32,782
Special Revenue	3,054,607	1,922,214	(1,132,393)
Capital Projects	-	672,002	672,002
Total	\$3,628,600	\$3,200,991	\$ (427,609)

2018 Budgeted vs. Actual Budgetary Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 688,566	\$ 540,923	\$ 147,643
Special Revenue	3,494,805	1,689,347	1,805,458
Capital Projects	1,928,000	672,002	1,255,998
Total	\$ 6,111,371	\$2,902,272	\$3,209,099

Budgetary activity for the year ending December 31, 2017 follows:

2017 Budgeted vs. Actual Receipts			
	Budgeted	Actual	
Fund Type	Receipts	Receipts	Variance
General	\$ 758,655	\$ 612,394	\$ (146,261)
Special Revenue	3,582,609	1,908,094	\$ (1,674,515)
Capital Projects	1,975,635	95,635	\$ (1,880,000)
Total	\$6,316,899	\$2,616,123	\$ (3,700,776)

**WHITEWATER TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018 AND 2017
(Continued)**

Note 3 – Budgetary Activity (Continued)

2017 Budgeted vs. Actual Budgetary Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 713,874	\$ 543,225	\$ 170,649
Special Revenue	2,304,218	1,366,107	\$ 938,111
Capital Projects	1,975,635	95,635	\$1,880,000
Total	\$ 4,993,727	\$2,004,967	\$2,988,760

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:

	2018	2017
Demand Deposits	\$ 2,319,918	\$ 2,032,658
STAR Ohio	593,480	582,021
Total Deposits and Investments	\$ 2,913,398	\$ 2,614,679

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.

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.

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

**WHITEWATER TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018 AND 2017
(Continued)**

Note 6 – Risk Management (Continued)

Commercial Insurance

The Township has obtained commercial insurance for the following risks from November 5, 2017 through November 5, 2018 and again renewed the coverage for the period from November 5, 2018 through November 5, 2019

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

Risk Pool Membership

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 764 and 762 members as of December 31, 2017 and 2016 respectively.

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, 2017 (the latest information available).

	2017
Assets	\$ 14,854,000
Liabilities	\$ (9,562,000)
Members Equity	\$ 5,292,000

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

**WHITEWATER TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018 AND 2017
(Continued)**

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, 2018.

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 12.25% of their wages from January 1, 2017 through December 31, 2018. 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, 2018.

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, 2018.

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.

**WHITEWATER TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018 AND 2017
(Continued)**

Note 9 – Debt

Debt outstanding at December 31, 2018 was as follows:

	Principal	Interest Rate
2017 Squad	79,336	2.75%
Total	\$ 79,336	

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:	2017 Squad
2019	27,932
2020	27,932
2021	27,932
Total	\$ 83,796

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.

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:

**WHITEWATER TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018 AND 2017
(Continued)**

Note 11 - Joint Ventures (Continued)

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

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 the 5 members of the Board of Health.

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 – Construction and Contractual Commitments

The Township has a joint agreement with Hamilton County for the Construction of Improvements to Harrison Ave., West Rd. and Kopp Ln. The current estimate of the total project is \$3,819,000. The County portion of the project is \$3,760,000 and the Township portion is \$59,600.

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

Whitewater Township
Hamilton County
6101 Dry Fork Road
Cleves, OH 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 statements of cash balances, receipts and disbursements by fund type, and related notes of the Whitewater Township, Hamilton County, (the Township) as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements and have issued our report thereon dated May 23, 2019 wherein we noted the Township uses a special purpose framework other than generally accepted accounting principles.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2018-001 to be a material weakness.

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*.

Township's Response to Finding

The Township's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not subject the Township's response to the auditing procedures applied in the audit of the financial statements 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 report is not suitable for any other purpose.



Keith Faber
Auditor of State

Columbus, Ohio

May 23, 2019

**WHITEWATER TOWNSHIP
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2018 AND 2017**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2018-001

Material Weakness

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; 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 as discussed in AU-C Section 210 paragraphs .A14 & .A16.

We identified the following conditions related to the Township's financial statements at December 31, 2018:

- Homestead and Rollback receipts in the amount of \$35,447 were posted to Property and Other Local Taxes instead of Intergovernmental receipts in the General Fund.
- One month of Permissive Motor Vehicle Tax in the amount of \$6,432 was posted as Intergovernmental receipts instead of Property and Other Local Taxes in the Special Revenue Fund.
- Homestead and Rollback receipts in the Special Revenue Fund in the amount of \$90,536 were posted as Property and Other Local Taxes instead of Intergovernmental receipts.
- Capital Outlay in the amount of \$206,637 was not posted to the Capital Projects Fund for money paid on behalf of the Township for the Ohio Public Works Commission (OPWC) grant. The same amount was not posted as Intergovernmental receipts in the Capital Project fund.

We identified the following conditions related to the Township's financial statements at December 31, 2017:

- Homestead and Rollback were posted to Intergovernmental receipts in the amount of \$32,986 to the General Fund instead of the Fire Fund.
- The Township improperly posted amounts to Property Taxes instead of Intergovernmental receipts in the amount of \$1,908 in the General Fund and \$3,745 in the Special Revenue Fund for the Mobile Home Rollback money received.
- Homestead and Rollback receipts in the amount of \$6,575 were improperly classified as Property Taxes instead of Intergovernmental receipts in the Special Revenue fund.
- The Township incorrectly posted the amount of the Community Development Block Grant (CDBG) award in excess of \$2,234 in the Capital Projects Fund.

The financial statements and accounting records have been adjusted for these errors, where applicable.

Due care should be exercised when posting entries to the financial records and preparation of the financial statements to prevent errors and to assist in properly reflecting the Township's financial activity. The Township should refer to the Ohio Township Manual for guidance when posting transactions. In addition, Trustees should adopt procedures for ongoing reviews of the activity recorded in the underlying accounting records and reported on the financial statements so that errors can be detected and corrected in a timely manner.

**FINDING NUMBER 2018-001
(Continued)**

Officials' Response:

Whitewater Township has reviewed the items in Finding Number 2018-001 and has corrected the posting to the appropriate funds. The Township has taken steps to assure that the posted entries to the financial records are correct and properly reflect the Township's financial activity.

**WHITEWATER TOWNSHIP
HAMILTON COUNTY**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

DECEMBER 31, 2018 AND 2017

Finding Number	Finding Summary	Status	Additional Information
2016-001	Posting Receipts and Disbursements	Not Corrected	Reissued as Finding 2018-001

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OHIO AUDITOR OF STATE
KEITH FABER



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
JUNE 11, 2019**