



TIFFIN TOWNSHIP, ADAMS COUNTY

Regular Audit

**For the Years Ended
December 31, 2016 and 2015**

J.L. UHRIG
AND ASSOCIATES INC.

CERTIFIED PUBLIC ACCOUNTANT AND MANAGEMENT CONSULTANTS





Dave Yost • Auditor of State

Board of Trustees
Tiffin Township
111 Madonna Drive
West Union, Ohio 45693

We have reviewed the *Independent Auditors Report* of the Tiffin Township, Adams County, prepared by J.L. Uhrig and Associates, Inc., for the audit period January 1, 2015 through December 31, 2016. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Tiffin Township is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

May 15, 2017

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Independent Auditor's Report

Tiffin Township, Adams County
111 Madonna Drive
West Union, Ohio 45693

Report on the Financial Statements

We have audited the accompanying modified cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Tiffin Township (the Township), Adams County as of and for the years ended December 31, 2016 and 2015, and related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Tiffin Township, Adams County, Ohio as of December 31, 2016 and 2015, and the respective changes in modified cash financial position and the respective budgetary comparisons for the General Fund, Gasoline Tax Fund, and Cemetery Fund, thereof for the years then ended in accordance with the accounting basis Note 2 describes.

Accounting Basis

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

Other Matters

Other Information

We applied no procedures to the Management's Discussion and Analysis presented on pages 3-8 of the report, and accordingly, we express no opinion or any other assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated March 22, 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.

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.
Chillicothe, Ohio

March 22, 2017

TIFFIN TOWNSHIP, ADAMS COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2016 and 2015
Unaudited

This discussion and analysis of the Tiffin Township's financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2016 and 2015, within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2016 are as follows:

Net position of governmental activities decreased \$712, or 0.23 percent.

Program receipts accounted for \$210,666 or 56.38 percent of total receipts. General receipts accounted for \$163,001 or 43.62 percent of total receipts. The Township's general receipts are primarily property taxes and grants and entitlements not restricted to specific programs.

The Township had \$374,379 in disbursements; \$210,666 of these disbursements was offset by program specific operating grants and contributions. General receipts of \$163,001 and net position from the prior year were utilized to provide for these programs.

Among the major funds, the General Fund is the most significant with \$113,561 in receipts and \$112,817 in disbursements.

Key highlights for 2015 are as follows:

Net position of governmental activities increased \$32,074, or 11.43 percent.

Program receipts accounted for \$107,806 or 37.88 percent of total receipts. General receipts accounted for \$176,794 or 62.12 percent of total receipts. The Township's general receipts are primarily property taxes and grants and entitlements not restricted to specific programs.

The Township had \$252,526 in disbursements; \$107,806 of these disbursements was offset by program specific operating grants and contributions. General receipts of \$176,784 were utilized to provide for the remainder of these programs.

Among the major funds, the General Fund is the most significant with \$109,208 in receipts and \$86,030 in disbursements.

Using the Basic Financial Statements

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

Report Components

The statement of net position and the statement of activities provide information about the cash activities of the Township as a whole.

TIFFIN TOWNSHIP, ADAMS COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2016 and 2015
Unaudited

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

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

Basis of Accounting

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

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

Reporting the Township as a Whole

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

These statements report the Township's modified cash position and the changes in modified cash position. Keeping in mind the limitations of the modified cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's modified cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other nonfinancial factors as well such as the Township property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property and income taxes.

In the statement of net position and the statement of activities, the Township consists of one type of activity:

Governmental Activities - All of the Township's basic services are reported here, including fire, roads and general government services. State grants and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

TIFFIN TOWNSHIP, ADAMS COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2016 and 2015
Unaudited

Reporting the Government's Most Significant Funds

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

Governmental Funds - All of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General, Gasoline Tax, and the Cemetery Funds. The programs reported in governmental funds are the same as those reported in the governmental activities section of the entity-wide statements.

The Township as a Whole

Table 1 provides a summary of the Township's net position for 2016 and 2015 compared to 2014 on a modified cash basis:

(Table 1)
Net Position

	Governmental Activities		
	2016	2015	2014
Assets			
Cash and Cash Equivalents	\$213,172	\$214,841	\$183,706
Investments	98,749	97,792	96,853
Total Assets	<u>311,921</u>	<u>312,633</u>	<u>280,559</u>
Net Position			
<i>Restricted for:</i>			
Cemetery Expendable	0	29	29
Cemetery Nonexpendable	2,890	2,890	2,890
Other Purposes	95,149	97,915	90,226
Unrestricted	<u>213,882</u>	<u>211,799</u>	<u>187,414</u>
Total Net Position	<u>\$311,921</u>	<u>\$312,633</u>	<u>\$280,559</u>

As mentioned previously, net position decreased \$712 or 0.23 percent during 2016. The primary reasons contributing to the decrease in cash balances are as follows:

- The Township had a decrease in grants received in the General Fund and an increase in total disbursements during 2016.

TIFFIN TOWNSHIP, ADAMS COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2016 and 2015
Unaudited

Table 2 reflects the changes in net position in 2016, 2015 and 2014.

(Table 2)
Changes in Net Position

	Governmental Activities		
	2016	2015	2014
<u>Receipts:</u>			
<i>Program Receipts:</i>			
Charges for Services and Sales	\$23,030	\$1,600	\$17,535
Operating Grants and Contributions	108,861	106,206	99,244
Capital Grants and Contributions	78,775	0	0
Total Program Receipts	<u>210,666</u>	<u>107,806</u>	<u>116,779</u>
<i>General Receipts:</i>			
Property and other Local Taxes	107,855	105,367	103,371
Grants and Entitlements Not Restricted to Specific Programs	44,537	48,455	31,197
Cable Franchise Fees	5,636	18,824	0
Interest	1,316	1,314	1,337
Miscellaneous	3,657	2,834	11,103
Total General Receipts	<u>163,001</u>	<u>176,794</u>	<u>147,008</u>
Total Receipts	<u>373,667</u>	<u>284,600</u>	<u>263,787</u>
<u>Disbursements:</u>			
General Government	89,726	75,856	71,684
Public Safety	9,985	10,050	9,859
Public Works	217,013	120,108	119,914
Health	47,845	36,702	36,008
Human Services	0	0	500
Capital Outlay	0	0	49,050
<i>Debt Service:</i>			
Principal Retirement	9,810	9,810	9,810
Total Disbursements	<u>374,379</u>	<u>252,526</u>	<u>296,825</u>
Increase (Decrease) in Net Position	(712)	32,074	(33,038)
Net Position, Beginning of Year	312,633	280,559	313,557
Net Position, End of Year	<u>\$311,921</u>	<u>\$312,633</u>	<u>\$280,519</u>

TIFFIN TOWNSHIP, ADAMS COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2016 and 2015
Unaudited

Governmental Activities

Program receipts represent 56.38 percent of total receipts for 2016 and 37.88 percent of total receipts for 2015. Program receipts are primarily comprised of restricted intergovernmental receipts such as gasoline tax receipts and motor vehicle license fees.

General receipts represent 43.62 percent of total receipts for 2016 and 62.12 percent of total receipts for 2015. General receipts are comprised of property taxes, grants and entitlements not restricted to specific programs, interest and miscellaneous receipts. Property taxes represent 28.86 percent of total receipts in 2016 and 37.02 percent in 2015. Grants and entitlements not restricted to specific programs represent 11.92 percent of total receipts in 2016 and 17.03 percent in 2015.

The most significant program disbursements for the Township are Public Works and General Government. These programs account for 81.93 percent of total disbursements in 2016 and 77.60 percent in 2015. Public Works, which accounts for 57.97 percent of the total in 2016 and 47.56 percent in 2015, represents costs associated with maintaining the Township's roads and bridges. General Government, which accounts for 23.97 of the total in 2016 and 30.04 in 2015, represents the overhead costs of running the Township and the support services provided for the other Township activities. These include the board of trustees and the fiscal officer, as well as internal services such as payroll and purchasing. Since these costs do not represent direct services to residents, we try to limit these costs.

If you look at the 2016 Statement of Activities on page 10 and the 2015 Statement of Activities on page 17 you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The next column of the Statement entitled Program Receipts identify grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

Governmental Activities

	Total Cost Of Services	Net Cost Of Services	Total Cost Of Services	Net Cost Of Services	Total Cost Of Services	Net Cost Of Services
	2016	2016	2015	2015	2014	2014
General Government	\$89,726	\$89,726	\$75,856	\$75,856	\$71,684	\$71,684
Public Safety	9,985	8,773	10,050	8,831	9,859	9,859
Public Works	217,013	32,821	120,108	17,354	119,914	7,111
Health	47,845	22,583	36,702	32,869	36,008	32,033
Human Services	0	0	0	0	500	500
Capital Outlay	0	0	0	0	49,050	49,050
Principal Retirement	9,810	9,810	9,810	9,810	9,810	9,810
Total Expenses	\$374,379	\$163,713	\$252,526	\$144,720	\$296,825	\$180,047

It should be noted that 56.27 percent of the costs of services for 2016 and 42.69 percent for 2015, are derived from program receipts including operating grants and contributions.

TIFFIN TOWNSHIP, ADAMS COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2016 and 2015
Unaudited

The Township's Funds

Total governmental funds had receipts and other financing receipts of \$373,667 and disbursements of \$374,379 in 2016. There was a decrease in fund balances for 2016.

Total governmental funds had receipts and other financing receipts of \$284,600 and disbursements of \$252,526 in 2015. There was an increase in fund balances for 2015.

General Fund Budgeting Highlights

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

For the General Fund final budgeted receipts for 2016 were \$83,745 representing no change from the original budgeted receipts, while actual receipts were \$113,561.

General Fund final disbursements were budgeted at \$295,544 for 2016 representing no change from the original budgeted disbursements, while actual disbursements were \$112,817. The difference between final budgeted disbursements and actual disbursements was \$182,727 or 61.83 percent.

For the General Fund final budgeted receipts for 2015 were \$79,745 representing no change from the original budgeted receipts, while actual receipts were \$109,208.

General Fund final disbursements were budgeted at \$267,159 for 2015 representing no change from the original budgeted disbursement, while actual disbursements were \$86,030. The difference between final budgeted disbursements and actual disbursements was \$181,129.

Debt Administration

At December 31, 2016, the Township's outstanding debt included \$44,143 in general obligation bonds issued for Gatewood-Page School Road Restructuring.

At December 31, 2015, the Township's outstanding debt included \$53,953 in general obligation bonds issued for Gatewood-Page School Road Restructuring.

For further information regarding the Township's debt, refer to Note 9 in the basic financial statements.

Current Issues

The challenge for all governments is to provide quality services to the public while staying within the restrictions imposed by limited funding. As indicated in the preceding financial information, the Township relies heavily on local taxes and intergovernmental receipts to operate at the current level of services.

Contacting the Township's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Sharon Chenoweth, Fiscal Officer for Tiffin Township, Adams County, Ohio at 111 Madonna Drive, West Union, OH 45693.

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TIFFIN TOWNSHIP, ADAMS COUNTY
Statement of Net Position - Modified Cash Basis
For the Year Ended December 31, 2016

	Governmental Activities
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$213,172
Investments	98,749
<i>Total Assets</i>	311,921
<u>Net Position:</u>	
<i>Restricted for:</i>	
Permanent Fund: Care of Cemetery	
Nonexpendable	2,890
Other Purposes	95,149
Unrestricted	213,882
<i>Total Net Position</i>	\$311,921

See accompanying notes to the basic financial statements.

TIFFIN TOWNSHIP, ADAMS COUNTY
Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2016

	Program Receipts			Governmental Activities	Net (Disbursements) Receipts and Changes in Net Position
	Disbursements	Charges for Services and Sales	Operating Grants and Contributions		
<u>Governmental Activities:</u>					
General Government	\$89,726	\$0	\$0	\$0	(\$89,726)
Public Safety	9,985	0	1,212	0	(8,773)
Public Works	217,013	0	105,417	78,775	(32,821)
Health	47,845	23,030	2,232	0	(22,583)
<i>Debt Service:</i>					
Principal Retirement	9,810	0	0	0	(9,810)
<i>Total Governmental Activities</i>	\$374,379	\$23,030	\$108,861	\$78,775	(163,713)
<u>General Receipts:</u>					
Property and other Local Taxes					107,855
Grants and Entitlements not Restricted to Specific Programs					44,537
Cable Franchise Fees					5,636
Earnings on Investments					1,316
Miscellaneous					3,657
<i>Total General Receipts</i>					163,001
Change in Net Position					(712)
<i>Net Position at Beginning of Year</i>					312,633
<i>Net Position at End of Year</i>					\$311,921

See accompanying notes to the basic financial statements.

TIFFIN TOWNSHIP, ADAMS COUNTY
Statement of Modified Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2016

	General	Gasoline Tax	Cemetery	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>					
Equity in Pooled Cash and Cash Equivalents	\$118,023	\$59,074	\$11,751	\$24,324	\$213,172
Investments	95,859	0	0	2,890	98,749
<i>Total Assets</i>	<u>\$213,882</u>	<u>\$59,074</u>	<u>\$11,751</u>	<u>\$27,214</u>	<u>\$311,921</u>
<u>Fund Balances:</u>					
Nonspendable	\$0	\$0	\$0	\$2,890	\$2,890
Restricted	0	59,074	11,751	24,324	95,149
Assigned	213,882	0	0	0	213,882
<i>Total Fund Balances</i>	<u>\$213,882</u>	<u>\$59,074</u>	<u>\$11,751</u>	<u>\$27,214</u>	<u>\$311,921</u>

See accompanying notes to the basic financial statements.

TIFFIN TOWNSHIP, ADAMS COUNTY
Statement of Receipts, Disbursements and Changes in Modified Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2016

	General	Gasoline Tax	Cemetery	Other Governmental Funds	Total Governmental Funds
<u>Receipts:</u>					
Property and other Local Taxes	\$42,488	\$0	\$21,329	\$44,038	\$107,855
Charges for Services	19,705	0	0	0	19,705
Fines, Licenses and Permits	5,636	0	0	0	5,636
Intergovernmental	44,537	89,944	2,232	95,460	232,173
Earnings on Investments	1,195	86	0	35	1,316
Miscellaneous	0	1,977	3,666	0	5,643
<i>Total Receipts</i>	<u>113,561</u>	<u>92,007</u>	<u>27,227</u>	<u>139,533</u>	<u>372,328</u>
<u>Disbursements:</u>					
<i>Current:</i>					
General Government	89,726	0	0	0	89,726
Public Safety	0	0	0	9,985	9,985
Public Works	1,912	93,811	0	121,290	217,013
Health	21,179	0	26,666	0	47,845
<i>Debt Service:</i>					
Principal Retirement	0	0	0	9,810	9,810
<i>Total Disbursements</i>	<u>112,817</u>	<u>93,811</u>	<u>26,666</u>	<u>141,085</u>	<u>374,379</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>744</u>	<u>(1,804)</u>	<u>561</u>	<u>(1,552)</u>	<u>(2,051)</u>
<u>Other Financing Receipts (Disbursements):</u>					
Other Financing Receipts	1,339	0	0	0	1,339
<i>Total Other Financing Receipts (Disbursements)</i>	<u>1,339</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,339</u>
<i>Net Change in Fund Balances</i>	2,083	(1,804)	561	(1,552)	(712)
<i>Fund Balances at Beginning of Year</i>	<u>211,799</u>	<u>60,878</u>	<u>11,190</u>	<u>28,766</u>	<u>312,633</u>
<i>Fund Balances at End of Year</i>	<u>\$213,882</u>	<u>\$59,074</u>	<u>\$11,751</u>	<u>\$27,214</u>	<u>\$311,921</u>

See accompanying notes to the basic financial statements.

TIFFIN TOWNSHIP, ADAMS COUNTY
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Receipts:</u>				
Property Taxes	\$43,745	\$43,745	\$42,488	(\$1,257)
Charges for Services	0	0	19,705	19,705
Fines, Licenses and Permits	0	0	5,636	5,636
Intergovernmental	39,000	39,000	44,537	5,537
Earnings on Investments	1,000	1,000	1,195	195
<i>Total Receipts</i>	<u>83,745</u>	<u>83,745</u>	<u>113,561</u>	<u>29,816</u>
<u>Disbursements:</u>				
<i>Current:</i>				
General Government	107,449	107,549	89,726	17,823
Public Works	7,063	4,963	1,912	3,051
Health	25,000	29,000	21,179	7,821
Human Services	3,000	1,000	0	1,000
Capital Outlay	153,032	153,032	0	153,032
<i>Total Disbursements</i>	<u>295,544</u>	<u>295,544</u>	<u>112,817</u>	<u>182,727</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(211,799)	(211,799)	744	212,543
<u>Other Financing Sources (Uses):</u>				
Other Financing Sources	0	0	1,339	1,339
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>1,339</u>	<u>1,339</u>
<i>Excess of Receipts and Other Financing Receipts Over (Under) Disbursements and Other Financing Disbursements</i>	(211,799)	(211,799)	2,083	213,882
<i>Fund Balance at Beginning of Year</i>	<u>211,799</u>	<u>211,799</u>	<u>211,799</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$213,882</u>	<u>\$213,882</u>

See accompanying notes to the basic financial statements

TIFFIN TOWNSHIP, ADAMS COUNTY
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Gasoline Tax Fund
For the Year Ended December 31, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Receipts:</u>				
Intergovernmental	\$85,000	\$85,000	\$89,944	\$4,944
Earnings on Investments	70	70	86	16
Miscellaneous	0	0	1,977	1,977
<i>Total Receipts</i>	<u>85,070</u>	<u>85,070</u>	<u>92,007</u>	<u>6,937</u>
<u>Disbursements:</u>				
<i>Current:</i>				
Public Works	<u>145,948</u>	<u>145,948</u>	<u>93,811</u>	<u>52,137</u>
<i>Total Disbursements</i>	<u>145,948</u>	<u>145,948</u>	<u>93,811</u>	<u>52,137</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(60,878)	(60,878)	(1,804)	59,074
<i>Fund Balance at Beginning of Year</i>	<u>60,878</u>	<u>60,878</u>	<u>60,878</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$59,074</u></u>	<u><u>\$59,074</u></u>

See accompanying notes to the basic financial statements

TIFFIN TOWNSHIP, ADAMS COUNTY
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Cemetery Fund
For the Year Ended December 31, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Receipts:</u>				
Property Taxes	\$20,700	\$20,700	\$21,329	\$629
Intergovernmental	2,200	2,200	2,232	32
Miscellaneous	3,000	3,000	3,666	666
<i>Total Receipts</i>	<u>25,900</u>	<u>25,900</u>	<u>27,227</u>	<u>1,327</u>
<u>Disbursements:</u>				
<i>Current:</i>				
Health	31,090	32,690	26,666	6,024
Capital Outlay	6,000	4,400	0	4,400
<i>Total Disbursements</i>	<u>37,090</u>	<u>37,090</u>	<u>26,666</u>	<u>10,424</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(11,190)	(11,190)	561	11,751
<i>Fund Balance at Beginning of Year</i>	<u>11,190</u>	<u>11,190</u>	<u>11,190</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$11,751</u>	<u>\$11,751</u>

See accompanying notes to the basic financial statements

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TIFFIN TOWNSHIP, ADAMS COUNTY
Statement of Net Position - Modified Cash Basis
For the Year Ended December 31, 2015

	Governmental Activities
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$214,841
Investments	97,792
<i>Total Assets</i>	312,633
<u>Net Position:</u>	
<i>Restricted for:</i>	
Permanent Fund: Care of Cemetery	
Expendable	29
Nonexpendable	2,890
Other Purposes	97,915
Unrestricted	211,799
<i>Total Net Position</i>	\$312,633

See accompanying notes to the basic financial statements.

TIFFIN TOWNSHIP, ADAMS COUNTY
Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2015

	Disbursements	Program Receipts		Net (Disbursements) Receipts and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<u>Governmental Activities:</u>				
General Government	\$75,856	\$0	\$0	(\$75,856)
Public Safety	10,050	0	1,219	(8,831)
Public Works	120,108	0	102,754	(17,354)
Health	36,702	1,600	2,233	(32,869)
<i>Debt Service:</i>				
Principal Retirement	9,810	0	0	(9,810)
<i>Total Governmental Activities</i>	<u>\$252,526</u>	<u>\$1,600</u>	<u>\$106,206</u>	<u>(144,720)</u>
 <u>General Receipts:</u>				
Property and other Local Taxes				105,367
Grants and Entitlements not Restricted to Specific Programs				48,455
Cable Franchise Fees				18,824
Earnings on Investments				1,314
Miscellaneous				2,834
<i>Total General Receipts</i>				<u>176,794</u>
Change in Net Position				32,074
<i>Net Position at Beginning of Year</i>				<u>280,559</u>
<i>Net Position at End of Year</i>				<u><u>\$312,633</u></u>

See accompanying notes to the basic financial statements.

TIFFIN TOWNSHIP, ADAMS COUNTY
Statement of Modified Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2015

	General	Gasoline Tax	Cemetery	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>					
Equity in Pooled Cash and Cash Equivalents	\$116,897	\$60,878	\$11,190	\$25,876	\$214,841
Investments	94,902	0	0	2,890	97,792
<i>Total Assets</i>	<u>\$211,799</u>	<u>\$60,878</u>	<u>\$11,190</u>	<u>\$28,766</u>	<u>\$312,633</u>
<u>Fund Balances:</u>					
Nonspendable	\$0	\$0	\$0	\$2,890	\$2,890
Restricted	0	60,878	11,190	25,847	97,915
Assigned	211,799	0	0	29	211,828
<i>Total Fund Balances</i>	<u>\$211,799</u>	<u>\$60,878</u>	<u>\$11,190</u>	<u>\$28,766</u>	<u>\$312,633</u>

See accompanying notes to the basic financial statements.

TIFFIN TOWNSHIP, ADAMS COUNTY
Statement of Receipts, Disbursements and Changes in Modified Cash Basis Fund Balances
 Governmental Funds
 For the Year Ended December 31, 2015

	General	Gasoline Tax	Cemetery	Other Governmental Funds	Total Governmental Funds
<u>Receipts:</u>					
Property and other Local Taxes	\$40,766	\$0	\$20,635	\$43,966	\$105,367
Fines, Licenses and Permits	18,824	0	0	0	18,824
Intergovernmental	48,455	87,504	2,233	16,469	154,661
Earnings on Investments	1,163	89	0	62	1,314
Miscellaneous	0	824	2,403	0	3,227
<i>Total Receipts</i>	<u>109,208</u>	<u>88,417</u>	<u>25,271</u>	<u>60,497</u>	<u>283,393</u>
<u>Disbursements:</u>					
<i>Current:</i>					
General Government	75,856	0	0	0	75,856
Public Safety	0	0	0	10,050	10,050
Public Works	2,350	82,659	0	35,099	120,108
Health	7,824	0	28,878	0	36,702
<i>Debt Service:</i>					
Principal Retirement	0	0	0	9,810	9,810
<i>Total Disbursements</i>	<u>86,030</u>	<u>82,659</u>	<u>28,878</u>	<u>54,959</u>	<u>252,526</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>23,178</u>	<u>5,758</u>	<u>(3,607)</u>	<u>5,538</u>	<u>30,867</u>
<u>Other Financing Receipts (Disbursements):</u>					
Other Financing Receipts	1,207	0	0	0	1,207
<i>Total Other Financing Receipts (Disbursements)</i>	<u>1,207</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,207</u>
<i>Net Change in Fund Balances</i>	24,385	5,758	(3,607)	5,538	32,074
<i>Fund Balances at Beginning of Year</i>	<u>187,414</u>	<u>55,120</u>	<u>14,797</u>	<u>23,228</u>	<u>280,559</u>
<i>Fund Balances at End of Year</i>	<u>\$211,799</u>	<u>\$60,878</u>	<u>\$11,190</u>	<u>\$28,766</u>	<u>\$312,633</u>

See accompanying notes to the basic financial statements.

TIFFIN TOWNSHIP, ADAMS COUNTY
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2015*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Receipts:</u>				
Property Taxes	\$42,835	\$42,835	\$40,766	(\$2,069)
Intergovernmental	36,160	36,160	48,455	12,295
Fines, Licenses and Permits	0	0	18,824	18,824
Earnings on Investments	750	750	1,163	413
<i>Total Receipts</i>	<u>79,745</u>	<u>79,745</u>	<u>109,208</u>	<u>29,463</u>
<u>Disbursements:</u>				
<i>Current:</i>				
General Government	105,575	106,575	75,856	30,719
Public Works	4,992	3,992	2,350	1,642
Health	11,500	11,500	7,824	3,676
Human Services	3,000	3,000	0	3,000
Capital Outlay	142,092	142,092	0	142,092
<i>Total Disbursements</i>	<u>267,159</u>	<u>267,159</u>	<u>86,030</u>	<u>181,129</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(187,414)	(187,414)	23,178	210,592
<u>Other Financing Sources (Uses):</u>				
Other Financing Sources	0	0	1,207	1,207
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>1,207</u>	<u>1,207</u>
<i>Excess of Receipts and Other Financing Receipts Over (Under) Disbursements and Other Financing Disbursements</i>	(187,414)	(187,414)	24,385	211,799
<i>Fund Balance at Beginning of Year</i>	<u>187,414</u>	<u>187,414</u>	<u>187,414</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$211,799</u>	<u>\$211,799</u>

See accompanying notes to the basic financial statements

TIFFIN TOWNSHIP, ADAMS COUNTY
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Gasoline Tax Fund
For the Year Ended December 31, 2015*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Receipts:</u>				
Intergovernmental	\$84,030	\$84,030	\$87,504	\$3,474
Earnings on Investments	50	50	89	39
Miscellaneous	0	0	824	824
<i>Total Receipts</i>	<u>84,080</u>	<u>84,080</u>	<u>88,417</u>	<u>4,337</u>
<u>Disbursements:</u>				
<i>Current:</i>				
Public Works	<u>139,200</u>	<u>139,200</u>	<u>82,659</u>	<u>56,541</u>
<i>Total Disbursements</i>	<u>139,200</u>	<u>139,200</u>	<u>82,659</u>	<u>56,541</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(55,120)	(55,120)	5,758	60,878
<i>Fund Balance at Beginning of Year</i>	<u>55,120</u>	<u>55,120</u>	<u>55,120</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$60,878</u></u>	<u><u>\$60,878</u></u>

See accompanying notes to the basic financial statements

TIFFIN TOWNSHIP, ADAMS COUNTY
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Cemetery Fund
For the Year Ended December 31, 2015*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Receipts:</u>				
Property Taxes	\$21,150	\$21,150	\$20,635	(\$515)
Intergovernmental	1,900	1,900	2,233	333
Miscellaneous	4,000	1,500	2,403	903
<i>Total Receipts</i>	<u>27,050</u>	<u>24,550</u>	<u>25,271</u>	<u>721</u>
<u>Disbursements:</u>				
<i>Current:</i>				
Health	35,847	35,847	28,878	6,969
Capital Outlay	6,000	3,500	0	3,500
<i>Total Disbursements</i>	<u>41,847</u>	<u>39,347</u>	<u>28,878</u>	<u>10,469</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(14,797)	(14,797)	(3,607)	11,190
<i>Fund Balance at Beginning of Year</i>	<u>14,797</u>	<u>14,797</u>	<u>14,797</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$11,190</u>	<u>\$11,190</u>

See accompanying notes to the basic financial statements

Tiffin Township
Adams County, Ohio
Notes to the Basic Financial Statements
For the Years Ended December 31, 2016 and December 31, 2015

Note 1 – Reporting Entity

Tiffin Township, Adams County, Ohio (the Township), is a body politic and corporate established in 1806 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 a primary government.

Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, and cemetery maintenance. The Township contracts with the Village of West Union for fire protection. Police protection is provided by the Adams County Sheriff's Department.

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

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

Basis of Presentation

The Township's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements The statement of net position and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

The statement of net position presents the cash and investment balances of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that are required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a modified cash basis or draws from the Township's general receipts.

Tiffin Township
Adams County, Ohio
Notes to the Basic Financial Statements
For the Years Ended December 31, 2016 and December 31, 2015

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

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

Fund Accounting

The Township uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the Township are classified as governmental.

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

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

Gasoline Tax Fund The gasoline tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

Cemetery This fund accounts for all finances available to the Township through property tax and sale of cemetery lots. The Cemetery fund balance is used for upkeep, maintenance, and care of 12 cemeteries in Tiffin Township.

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

Basis of Accounting

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

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

Tiffin Township
Adams County, Ohio
Notes to the Basic Financial Statements
For the Years Ended December 31, 2016 and December 31, 2015

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

Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

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

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

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

Cash and Investments

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

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

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts, respectively.

The Township invested in nonnegotiable certificates of deposit at Adams County Building and Loan.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2016 was \$1,195 and \$1,163 during 2015.

Tiffin Township
Adams County, Ohio
Notes to the Basic Financial Statements
For the Years Ended December 31, 2016 and December 31, 2015

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

Inventory and Prepaid Items

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

Inventories resulting from cash transactions are presented at cost on a first-in, first out basis and are reported as disbursements when used. Prepaid items are reported as disbursements when consumed.

Accumulated Leave

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

Employer Contributions to Cost-Sharing Pension Plans

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

Long-Term Obligations

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

Net Position

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for maintenance of roads and related expenses and upkeep, maintenance and care of cemeteries in Tiffin Township. The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net position is available.

Restricted net position represents \$98,039 of the total funds balance of \$311,921 in 2016.

J. 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:

Tiffin Township
Adams County, Ohio
Notes to the Basic Financial Statements
For the Years Ended December 31, 2016 and December 31, 2015

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

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 Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund is (and any major special revenue fund are) prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference(s) between the budgetary basis and the modified cash basis is (are) outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (modified cash basis) (and outstanding year end advances are treated as an other financing source or use (budgetary basis) rather than as an interfund receivable or payable (modified cash basis)). The encumbrances outstanding at year end (budgetary basis) amounted to \$2,890 cemetery non-expendable.

Tiffin Township
Adams County, Ohio
Notes to the Basic Financial Statements
For the Years Ended December 31, 2016 and December 31, 2015

Note 4 – Deposits and Investments

Monies held by the Township are classified by State statute into three categories.

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

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

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

Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

Tiffin Township
Adams County, Ohio
Notes to the Basic Financial Statements
For the Years Ended December 31, 2016 and December 31, 2015

Note 4 – Deposits and Investments – (Continued)

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

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Township's deposits may not be returned. All deposits are collateralized with eligible securities in amount equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institutions collateral pools at the Federal Reserve Bank, or at member banks of the federal reserve system, in the name of the respective depository bank and pledges as pool of collateral against all of the public deposits in holds or as specific collateral held at the Federal Reserve Bank in the name of the Township.

At December 31, 2016, the carrying amount of all Township deposits was \$311,921. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2016, none of the Township's bank balance of \$333,692, was exposed to custodial credit risk as discussed above, \$333,692 was covered by the Federal Deposit Insurance.

At December 31, 2015, the carrying amount of all Township deposits was \$312,633. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2015, none of the Township bank balance of \$334,654 was exposed to custodial credit risk as discussed above, \$334,654 was covered by Federal Deposit Insurance.

Note 5 – Property Taxes

Property taxes include amounts levied against all real property and public utility property located in the Township. Real property tax received in 2016 represent the collection of 2015 taxes. Real property taxes received in 2016 were levied after October 1, 2015, on the assessed values as of January 1, 2015, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first half is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2016 represent the collection of 2015 taxes. Public utility real and tangible personal property taxes received in 2016 became a lien on December 31, 2015, were levied after October 1, 2015, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The full tax rate for all Township operations for the year ended December 31, 2016 and 2015, was \$2.50 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2016 property tax receipts were based are as follows:

Tiffin Township
Adams County, Ohio
Notes to the Basic Financial Statements
For the Years Ended December 31, 2016 and December 31, 2015

Note 5 – Property Taxes – (Continued)

<u>Real Property:</u>	
Residential/Agricultural	\$52,426,030
Commercial/Industrial	16,004,840
Public Utility	<u>5,665,330</u>
Total Assessed Value	<u><u>\$74,096,200</u></u>

Note 6– Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Township contracted with the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP.) Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members’ deductibles.

Casualty Coverage

OTARMA retains casualty risk up to \$350,000 per occurrence, including loss adjustment expenses. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year. Governments can elect up to \$13,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with OTARMA.

If losses exhaust OTARMA’s retained earnings, APEEP provides excess of funds available coverage up to \$5,000,000 per year, subject to the annual aggregate limit of \$10,000,000.

Property Coverage

The Travelers Indemnity Company reinsures specific losses exceeding \$500,000 up to \$600 million per occurrence. APEEP reinsures members for specific losses exceeding \$150,000 up to \$500,000 per occurrence, subject to an annual aggregate loss payment. Travelers provide property aggregate stop loss coverage to APEEP based upon the combined Members’ Total Insurable Value (TIV). If the stop loss is reached by payment of OTARMA’s retained losses, Travelers will then reinsure property specific losses in excess of the retention up to their \$600,000,000 per occurrence limit. Additionally, APEEP provides an additional aggregate for the \$50,000 excess \$100,000 layer, with the aggregate limit tied to TIV, for the insurance coverage’s to OTARMA.

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

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

Tiffin Township
Adams County, Ohio
Notes to the Basic Financial Statements
For the Years Ended December 31, 2016 and December 31, 2015

Note 6– Risk Management – (Continued)

Financial Position

OTARMA’s financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2015 and 2014 (the most recent years available):

Combined Coverage	2015	2014
Assets	\$37,313,311	\$35,970,263
Liabilities	(8,418,518)	(8,912,432)
Retained Earnings	\$28,894,793	\$27,057,831

The Pool’s membership increased from 957 members in 2014 to 989 members in 2015.

The Pool uses reinsurance and excess risk-sharing arrangements to reduce its exposure to loss. These agreements permit recovery of a portion of its claims from reinsurers and a risk-sharing pool; however, they do not discharge the Pool’s primary liability for such payments. The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York Risk Pooling Services, Inc. (YORK). APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, the Pool retains insured risks up to an amount specified in the contracts. (At December 31, 2015 the Pool retained \$350,000 for casualty claims and \$250,000 for property claims). The Board of Directors and YORK periodically review the financial strength of the Pool and other market conditions to determine the appropriate level of risk the Pool will retain.

The Township insures against injuries to officials and employees through the Ohio Bureau of Workers’ Compensation.

The Township is contracted with Anthem Blue Cross Blue Shield to provide health and life insurance.

Note 7– Defined Benefit Pension Plan

Ohio Public Employees Retirement System (OPERS)

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

Tiffin Township
Adams County, Ohio
Notes to the Basic Financial Statements
For the Years Ended December 31, 2016 and December 31, 2015

Note 7– Defined Benefit Pension Plan – (Continued)

OPERS provide retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS’ fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

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

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

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

Tiffin Township
Adams County, Ohio
Notes to the Basic Financial Statements
For the Years Ended December 31, 2016 and December 31, 2015

Note 7– Defined Benefit Pension Plan – (Continued)

	<u>State and Local</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
2015 Statutory Maximum Contribution Rates			
Employer	14.0%	18.1%	18.1%
Employee	10.0%	*	**
2015 Actual Contribution Rates			
Employer:			
Pension	12.0%	16.1%	16.1%
Post-employment Health Care Benefits	<u>2.0%</u>	<u>2.0%</u>	<u>2.0%</u>
Total Employer	<u>14.0%</u>	<u>18.1%</u>	<u>18.1%</u>
Employee	<u>10.0%</u>	<u>12.0%</u>	<u>13.0%</u>

*This rate is determined by OPERS' Board and has no maximum rate established by ORC.

**This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The Township's contractually required contribution was \$10,715 for year 2015 and \$11,374 for year 2016.

Note 8 - Postemployment Benefits

Ohio Public Employees Retirement System

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

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

In order to qualify for postemployment health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. See OPERS' CAFR referenced below for additional information.

Tiffin Township
Adams County, Ohio
Notes to the Basic Financial Statements
For the Years Ended December 31, 2016 and December 31, 2015

Note 8 - Postemployment Benefits – (Continued)

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

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml> by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund health care through their contributions to OPERS. A portion of each employer’s contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2015, State and Local employers contributed at a rate of 14.0% of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

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

Substantially all of the Township’s contribution allocated to fund postemployment health care benefits relates to the cost-sharing, multiple employer trusts. The corresponding contribution for the years ended December 31, 2016, 2015 and 2014 was \$1,625, \$1,530 and \$1,505 respectively. For 2015, 100 percent has been contributed. The full amount has been contributed for 2014 and 2013.

Note 9– Debt

Debt Issue	Rate	Issue Amount	Date of Maturity
2004 Gatewood-Page School Road Restructuring	0.00%	\$176,574	July 1, 2021

Tiffin Township
Adams County, Ohio
Notes to the Basic Financial Statements
For the Years Ended December 31, 2016 and December 31, 2015

Note 9– Debt – (Continued)

The Township’s long-term debt activity for the year ended December 31, 2016, was as follows:

	Amount Outstanding			Amount Outstanding 12/31/16	Amounts Due in One Year
	12/31/15	Additions	Deletions		
Governmental Activities:					
General Obligation Bonds	\$53,953	\$0	\$9,810	\$44,143	\$9,810

The general obligation bonds are supported by the full faith and credit of the Township and are payable from unvoted property tax receipts to the extent that other resources are not available to meet annual principal and interest payments.

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

Year	General Obligation Bonds	
	Principal	Interest
2017	\$9,810	\$0
2018	9,810	0
2019	9,810	0
2020	9,810	0
2021	4,903	0
Total	\$44,143	\$0

Note 10 – Fund Balances

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

2016

Fund Balances	General	Gasoline	Cemetery	Other Governmental Funds	Total
Nonspendable					
Cemetery Endowment	\$0	\$0	\$0	\$2,890	\$2,890
<i>Total Nonspendable</i>	<u>0</u>	<u>0</u>	<u></u>	<u>2,890</u>	<u>2,890</u>
Restricted for					
Road and Bridge	0	59,074	0	24,324	83,398
Cemetery	0	0	11,751	0	11,751
<i>Total Restricted</i>	<u>0</u>	<u>59,074</u>	<u>11,751</u>	<u>24,324</u>	<u>95,149</u>
Assigned to					
Future Appropriations	213,882	0	0	0	213,882
<i>Total Fund Balances</i>	<u>\$213,882</u>	<u>\$59,074</u>	<u>\$11,751</u>	<u>\$27,214</u>	<u>\$311,921</u>

Tiffin Township
Adams County, Ohio
Notes to the Basic Financial Statements
For the Years Ended December 31, 2016 and December 31, 2015

Note 10 – Fund Balances – (Continued)

2015

Fund Balances	General	Gasoline	Cemetery	Other Governmental Funds	Total
Nonspendable					
Cemetery Endowment	\$0	\$0	\$0	\$2,890	\$2,890
<i>Total Nonspendable</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,890</u>	<u>2,890</u>
Restricted for					
Road and Bridge	0	60,878	0	25,847	86,725
Cemetery	0	0	11,190	0	11,190
<i>Total Restricted</i>	<u>0</u>	<u>60,878</u>	<u>11,190</u>	<u>25,847</u>	<u>97,915</u>
Assigned to					
Cemetery	0	0	0	29	29
Future Appropriations	211,799	0	0	0	211,799
<i>Total Fund Balances</i>	<u><u>\$211,799</u></u>	<u><u>\$60,878</u></u>	<u><u>\$11,190</u></u>	<u><u>\$28,737</u></u>	<u><u>\$312,633</u></u>

Note 11 – Subsequent Events

The Cemetery levy will be placed on the November 2017 ballot for renewal. This levy provides the funding for upkeep and maintenance of 12 cemeteries in the Township. Our residents are very vocal about the condition of the cemeteries.

**Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required By *Government Auditing Standards***

Board of Trustees
Tiffin Township, Adams County
111 Madonna Drive
West Union, Ohio 45693

To the Township Council:

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, each major fund and the aggregate remaining fund information of Tiffin Township, Adams County, Ohio (the Township), as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements and have issued our report thereon dated March 22, 2017, wherein we noted the Township followed the modified cash basis of accounting.

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. Given these limitations, we did not identify any deficiencies in internal control that we consider a material weakness. However, unidentified material weaknesses may exist.

Board of Trustees
Tiffin Township, Adams County
Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance and Other Matters
Required By *Government Auditing Standards*

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 such an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

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

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.
Chillicothe, Ohio

March 22, 2017



Dave Yost • Auditor of State

TIFFIN TOWNSHIP

ADAMS 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
MAY 25, 2017