



OHIO AUDITOR OF STATE
KEITH FABER



**COLUMBIA TOWNSHIP
HAMILTON COUNTY
DECEMBER 31, 2019 AND 2018**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Columbia Township
Hamilton County
5686 Kenwood Road
Cincinnati, Ohio 45227

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 Columbia Township, Hamilton County, Ohio (the Township) as of and for the years ended December 31, 2019 and 2018.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

As described in Note 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, 2019 and 2018, 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 Township, as of December 31, 2019 and 2018, 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.

Emphasis of Matter

As discussed in Note 11 to the 2019 financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2021, 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
February 3, 2021

Columbia 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, 2019

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$67,182	\$3,381,043	\$0	\$3,448,225
Licenses, Permits and Fees	55,834	0	0	55,834
Fines and Forfeitures	4,985	0	0	4,985
Intergovernmental	1,139,549	299,572	0	1,439,121
Earnings on Investments	122,313	15,508	0	137,821
Miscellaneous	18,046	959	0	19,005
<i>Total Cash Receipts</i>	<u>1,407,909</u>	<u>3,697,082</u>	<u>0</u>	<u>5,104,991</u>
Cash Disbursements				
Current:				
General Government	598,313	278,304	0	876,617
Public Safety	0	1,743,344	0	1,743,344
Public Works	0	992,809	0	992,809
Health	8,277	0	0	8,277
Conservation-Recreation	40,925	0	0	40,925
Other	25,000	0	0	25,000
Capital Outlay	7,015	1,750	0	8,765
Debt Service:				
Principal	0	45,149	0	45,149
Interest and Fiscal Charges	0	167,523	0	167,523
<i>Total Cash Disbursements</i>	<u>679,530</u>	<u>3,228,879</u>	<u>0</u>	<u>3,908,409</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>728,379</u>	<u>468,203</u>	<u>0</u>	<u>1,196,582</u>
Other Financing Sources:				
Other Financing Sources	389	0	0	389
<i>Total Other Financing Sources</i>	<u>389</u>	<u>0</u>	<u>0</u>	<u>389</u>
<i>Net Change in Fund Cash Balances</i>	728,768	468,203	0	1,196,971
<i>Fund Cash Balances, January 1</i>	<u>1,897,631</u>	<u>3,741,446</u>	<u>34</u>	<u>5,639,111</u>
Fund Cash Balances, December 31				
Restricted	0	4,209,649	34	4,209,683
Assigned	40,881	0	0	40,881
Unassigned (Deficit)	2,585,518	0	0	2,585,518
<i>Fund Cash Balances, December 31</i>	<u>\$2,626,399</u>	<u>\$4,209,649</u>	<u>\$34</u>	<u>\$6,836,082</u>

See accompanying notes to the financial statements

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Columbia Township
Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2019

NOTE 1 - REPORTING ENTITY

The constitution and laws of the State of Ohio establish the rights and privileges of Columbia 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 road and bridge maintenance, waste collection, fire protection and emergency medical services. The Township contracts with the Little Miami Joint Fire and Rescue District and Deer Park Silverton Fire District to provide fire and EMS services. The Township contracts with the Hamilton County Sheriff's Department for police protection. The Township contracts with Rumpke for waste collection.

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.

Fund Accounting

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

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:

Gasoline 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 for constructing, maintaining, and repairing Township roads and bridges.

Road District Fund – This fund receives property tax money and certain intergovernmental receipts which are used for constructing and maintaining Township roads.

Ridge Fire District Fund – This fund receives property tax revenue that is used to pay for fire protection service.

Police District Fund – This fund receives property tax revenue that is used to pay for police protection services.

Garbage & Waste Disposal – This fund receives property tax money that is used to pay for garbage and waste collection services.

Columbia Township
Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2019

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 Township 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 disbursements (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. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year-end.

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

Encumbrances - The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year. A summary of 2019 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.

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.

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.

Columbia Township
Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2019

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

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

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

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

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

NOTE 3 -BUDGETARY ACTIVITY

Budgetary activity for the year ending 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,082,300	\$1,408,298	\$325,998
Special Revenue	3,702,308	3,697,082	(5,226)
Total	\$4,784,608	\$5,105,380	\$320,772

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$820,126	\$720,411	\$99,715
Special Revenue	4,605,445	3,462,939	1,142,506
Total	\$5,425,571	\$4,183,350	\$1,242,221

Columbia Township
 Hamilton County
 Notes to the Financial Statements
 For the Year Ended December 31, 2019

NOTE 4 - DEPOSITS AND INVESTMENTS

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

	2019
Demand deposits	\$330,692
Other time deposits (savings and NOW accounts)	441,657
Total deposits	772,349
STAR Ohio	6,063,733
Total investments	6,063,733
<i>Total deposits and investments</i>	\$6,836,082

Deposits - Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Investments - Investments in STAR Ohio 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.

Public utilities are also taxed on personal and real property located within the Township. The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

Joint Economic Development Zone - On August 5, 2013 the Township and the Village of Fairfax (Village), Hamilton County, Ohio entered into a joint economic development zone contract. The purpose of the zone is to facilitate new or expanded commercial and economic development, create and preserve jobs, and improve the economic welfare of the Township, Village and Zone. The Zone shall levy a 1% income tax for all Zone residents. The Village collect the income tax and remit 90% of distributable receipts to the Township. The Township may use the distributable receipts for any lawful purpose and is included

Columbia Township
Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2019

as Intergovernmental receipts.

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

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.

Risk Pool Membership - "The Township belongs to the Ohio Plan Risk Management, Inc. (OPRM) (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, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty.

The OPRM is also participated in a property primary excess of loss treaty. This treaty reimbursed the OPRM 30% for losses between \$200,000 and \$1,000,000. The reimbursement is based on the amount of loss between \$200,000 and \$1,000,000. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. Effective November 1, 2019, the OPRM's property retention increased from 30% to 33%, while the casualty treaty remains unchanged and still assumes 100% of the first \$250,000 casualty treaty. OPRM had 776 members as of December 31, 2019.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2019.

Assets	\$ 15,920,504
Liabilities	<u>(11,329,011)</u>
Members' Equity	<u>\$ 4,591,493</u>

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

Columbia Township
 Hamilton County
 Notes to the Financial Statements
 For the Year Ended December 31, 2019

NOTE 7 – DEFINED BENEFIT PENSION PLANS

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

The Ohio Revised Code also prescribes contribution rates. For 2019, OPERS members contributed 10% of their gross salaries and the District contributed an amount equaling 14%, of participants’ gross salaries. The District has paid all contributions required through December 31, 2019

NOTE 8 – POSTEMPLOYMENT BENEFITS

OPERS offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2019.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

NOTE 9 -DEBT

Debt outstanding at December 31, 2019 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
TIF Revenue Bond 2013 MOB	\$910,000	5.75 - 6.625%
TIF Revenue Bond 2015 CBT	\$2,736,276	2.00-5.00%
OPWC Loan	250,225	0%
Total	<u>\$3,896,501</u>	

At December 31, 2019 the Township had a Special Obligation Revenue Bond with outstanding balance of \$910,000 at interest rates ranging form of 5.75 – 6.625% for the construction and improvement of the Columbia Medical Office Building Project.

At December 31, 2019 the Township had a TIF Revenue Bond with outstanding balance of \$2,736,276 at interest rates ranging from 2.0% to 5.0% for the Ridge Road Project.

At December 31, 2019 the Township had a OPWC Loan Debt with outstanding balance of \$250,225 with 0% interest Rate for Roe Street Improvement Project.

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

Columbia Township
Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Year Ending December 31:	TIF Revenue Bond - MOB	TIF Revenue Bond - CBT	OPWC Loan
2020	\$73,894	\$181,835	\$13,527
2021	78,031	181,815	13,527
2022	76,881	181,780	13,527
2023	75,731	181,825	13,527
2024	74,581	181,840	13,526
2025-2029	385,275	909,090	67,628
2030-2034	382,144	909,025	67,628
2035-2039	379,819	909,090	47,335
2040-2044	298,394	909,090	0
2045-2047	0	545,420	0
Total	<u>\$1,824,750</u>	<u>\$5,090,810</u>	<u>\$250,225</u>

NOTE 10 -CONTINGENT LIABILITIES

The Township may be a defendant in several lawsuits. Although management cannot presently determine the outcome of these suits, they believe the resolution of these matters will not materially affect the Township’s financial condition.

NOTE 11-SUBSEQUENT EVENTS

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township. The investments of the pension and other employee benefit plan in which the Township participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Township's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

NOTE 12- JOINT ECONOMIC DEVELOPMENT

On August 5, 2013 the Township and the Village of Fairfax (Village), Hamilton County, Ohio entered into a joint economic development zone contract. The purpose of the zone is to facilitate new or expanded commercial and economic development, create and preserve jobs, and improve the economic welfare of the Township, Village and Zone. The Zone shall levy a 1% income tax for all Zone residents. The Village will collect the income tax and remit 90% of distributable receipts to the Township. The Township may use the distributable receipts for any lawful purpose and is included as Intergovernmental receipts.

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Columbia 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	\$105,249	\$3,516,095	\$0	\$3,621,344
Licenses, Permits and Fees	59,733	0	0	59,733
Fines and Forfeitures	5,713	0	0	5,713
Intergovernmental	928,080	270,388	300,192	1,498,660
Earnings on Investments	82,348	10,664	0	93,012
Miscellaneous	19,094	15,000	0	34,094
<i>Total Cash Receipts</i>	<u>1,200,217</u>	<u>3,812,147</u>	<u>300,192</u>	<u>5,312,556</u>
Cash Disbursements				
Current:				
General Government	645,692	111,549	0	757,241
Public Safety	0	1,667,539	0	1,667,539
Public Works	0	1,064,990	0	1,064,990
Health	7,899	0	0	7,899
Conservation-Recreation	55,145	0	0	55,145
Capital Outlay	0	151,564	300,192	451,756
Debt Service:				
Principal	0	203,508	0	203,508
Interest and Fiscal Charges	0	60,619	0	60,619
<i>Total Cash Disbursements</i>	<u>708,736</u>	<u>3,259,769</u>	<u>300,192</u>	<u>4,268,697</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>491,481</u>	<u>552,378</u>	<u>0</u>	<u>1,043,859</u>
Other Financing Sources:				
Other Financing Sources	6	0	0	6
<i>Total Other Financing Sources</i>	<u>6</u>	<u>0</u>	<u>0</u>	<u>6</u>
Special Item	3,560	0	0	3,560
<i>Net Change in Fund Cash Balances</i>	<u>495,047</u>	<u>552,378</u>	<u>0</u>	<u>1,047,425</u>
<i>Fund Cash Balances, January 1</i>	<u>1,402,584</u>	<u>3,189,068</u>	<u>34</u>	<u>4,591,686</u>
Fund Cash Balances, December 31				
Restricted	0	3,741,446	34	3,741,480
Assigned	65,564	0	0	65,564
Unassigned (Deficit)	1,832,067	0	0	1,832,067
<i>Fund Cash Balances, December 31</i>	<u>\$1,897,631</u>	<u>\$3,741,446</u>	<u>\$34</u>	<u>\$5,639,111</u>

See accompanying notes to the financial statements

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Columbia Township
Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 1. Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Columbia 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 road and bridge maintenance, waste collection, fire protection and emergency medical services. The Township contracts with the Little Miami Joint Fire and Rescue District and Deer Park Silverton Fire District to provide fire and EMS services. The Township contracts with the Hamilton County Sheriff's Department for police protection. The Township contracts with the Rumpke for waste collection.

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.

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

General Fund: The general fund reports all financial resources except those required to be accounted for in another fund.

Capital Projects Fund: This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Township had the following Capital Projects fund

Road Project Fund – This fund receives grant funding from state and federal agencies and debt proceeds for various Township road project

Special Revenue Funds: These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditures for specific purposes. The Township had the following significant Special Revenue Funds:

Gasoline 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 for constructing, maintaining, and repairing Township roads and bridges.

Road District Fund – This fund receives property tax money and certain intergovernmental receipts which are used for constructing and maintaining Township roads.

Columbia Township
Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Ridge Fire District Fund – This fund receives property tax revenue that is used to pay for fire protection service.

Police District Fund – This fund receives property tax revenue that is used to pay for police protection services.

Garbage & Waste Disposal – This fund receives property tax money that is used to pay for garbage and waste collection services.

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 Township 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 disbursements (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. The County Budget Commission must also approve the annual appropriation measure. Unencumbered 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 also approve estimated resources.

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

A summary of 2018 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.

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.

Capital Assets -The Township records disbursements for acquisitions of property, plant, and

Columbia Township
Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2018

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.

Note 3. Budgetary Activity

Budgetary activity for the year ending 2018 follows:

Columbia Township
 Hamilton County
 Notes to the Financial Statements
 For the Year Ended December 31, 2018

2018 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$900,000	\$1,203,783	\$303,783
Special Revenue	4,050,839	3,812,147	(238,692)
Capital Projects	771,440	300,192	(471,248)
Total	\$5,722,279	\$5,316,122	(\$406,157)

2018 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$988,760	\$774,300	\$214,460
Special Revenue	4,517,269	3,579,150	938,119
Capital Projects	771,439	300,192	471,247
Total	\$6,277,468	\$4,653,642	\$1,623,826

Note 4. Deposits and Investments

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

	2018
Demand deposits	\$29,916
Other time deposits (savings and NOW accounts)	774,898
Total deposits	804,814
STAR Ohio	4,834,297
Total investments	4,834,297
<i>Total deposits and investments</i>	<u>\$5,639,111</u>

Deposits - Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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

Columbia Township
Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 5. Property Taxes

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

Public utilities are also taxed on personal and real property located within the Township. The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

Joint Economic Development Zone - On August 5, 2013 the Township and the Village of Fairfax (Village), Hamilton County, Ohio entered into a joint economic development zone contract. The purpose of the zone is to facilitate new or expanded commercial and economic development, create and preserve jobs, and improve the economic welfare of the Township, Village and Zone. The Zone shall levy a 1% income tax for all Zone residents. The Village collect the income tax and remit 90% of distributable receipts to the Township. The Township may use the distributable receipts for any lawful purpose and is included as Intergovernmental receipts.

Note 6. Risk Pool Management

The Township belongs to the Ohio Plan Risk Management, Inc. (OPRM) (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, 2016, the OPRM retained 50% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 774 members as of December 31, 2018.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2018.

Assets	\$ 15,065,412
Liabilities	(10,734,623)
Members' Equity	\$ 4,330,789

Columbia Township
 Hamilton County
 Notes to the Financial Statements
 For the Year Ended December 31, 2018

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

Note 7. Defined Benefit Pension Plans

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

The Ohio Revised Code also prescribes contribution rates. For 2018, OPERS members contributed 10% of their gross salaries and the District contributed an amount equaling 14%, of participants’ gross salaries. The District has paid all contributions required through December 31, 2018

Note 8. Postemployment Benefits

OPERS 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 of both the traditional pension and the combined plans. OPERS contributes 2 percent of the employer contribution to fund these benefits.

Note 9. Debt

Debt outstanding at December 31, 2018 was as follows:

	Principal	Interest Rate
Special Obligation Revenue Bond 2013	\$925,000	5.75 – 6.625%
TIF Revenue Bond 2015	\$2,752,900	2.00 – 5.00%
OPWC Loan – Roe Street	\$263,750	0%
Total due at December 31, 2018	\$3,941,650	

At December 31, 2018 the Township had a Special Obligation Revenue Bond with outstanding balance of \$925,000 at interest rates ranging form of 5.75 – 6.625% for the construction and improvement of the Columbia Medical Office Building Project.

At December 31, 2018 the Township had a TIF Revenue Bond with outstanding balance of \$2,752,900.00 at interest rates ranging from 2.0% to 5.0% for the Ridge Road Project.

At December 31, 2018 the Township had a OPWC Loan Debt with outstanding balance of \$263,750.17 with 0% interest Rate for Roe Street Improvement Project.

Columbia Township
 Hamilton County
 Notes to the Financial Statements
 For the Year Ended December 31, 2018

Year Ending December 31:	2013 TIF Revenue Bond	2015 TIF Revenue Bond	OPWC Loan
2019	\$74,756	\$181,845	\$13,527
2020	73,894	181,835	13,527
2021	78,031	181,815	13,527
2022	76,881	181,780	13,527
2023	75,731	181,825	13,526
2024-2028	383,244	909,065	67,628
2029-2033	382,981	909,105	67,628
2034-2038	380,065	909,060	60,860
2039-2043	373,931	909,070	0
2044-2048	0	727,255	0
Total	<u>\$1,899,514</u>	<u>\$5,272,655</u>	<u>\$263,750</u>

Note 10. Joint Economic Development Zone

On August 5, 2013 the Township and the Village of Fairfax (Village), Hamilton County, Ohio entered into a joint economic development zone contract. The purpose of the zone is to facilitate new or expanded commercial and economic development, create and preserve jobs, and improve the economic welfare of the Township, Village and Zone. The Zone shall levy a 1% income tax for all Zone residents. The Village will collect the income tax and remit 90% of distributable receipts to the Township. The Township may use the distributable receipts for any lawful purpose and is included as Intergovernmental receipts.

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OHIO AUDITOR OF STATE KEITH FABER



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(513) 361-8550 or (800) 368-7419
SouthwestRegion@ohioauditor.gov

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

Columbia Township
Hamilton County
5686 Kenwood Road
Cincinnati, Ohio 45227

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements of the Columbia Township, Hamilton County, (the Township) and have issued our report thereon dated February 3, 2021, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. 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 2019-001 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 financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

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



Keith Faber
Auditor of State
Columbus, Ohio
February 3, 2021

**COLUMBIA TOWNSHIP
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2019 AND 2018**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2019-001

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.

Due to deficiencies in the Township's financial statement monitoring and review process, the following conditions were noted related to the Township's Budgetary Activity Footnote reporting process:

- Township understated 2018 Budgeted Receipts for Special Revenue funds by \$514,094 and Capital Projects funds by \$771,440 and Actual Receipts for the Capital Projects funds by \$300,192.
- Township understated 2018 Appropriation Authority for the General Fund by \$15,576, Special Revenue funds by \$145,059, Capital Projects funds by \$156,439 and Budgetary Expenditures for the General Fund by \$65,565 and Special Revenue funds by \$325,381.
- Township understated 2019 Appropriation Authority for the General Fund by \$30,699 and Special Revenue funds by \$295,977, and Budgetary Expenditures for the General Fund by \$40,881 and Special Revenue funds by \$234,060.

The Township did not have procedures in place to accurately report authorized budgetary measures and actual receipts and budgetary expenditures on the Budgetary Activity Footnote.

Failure to accurately report the authorized budgetary measures and actual receipts and budgetary expenditures on the Budgetary Activity Footnote could lead to inaccurate reporting of the budgetary information in the financial statements.

To effectively control the budgetary cycle and to maintain accountability over receipts and expenditures, the Township should utilize due care to ensure accurate amounts are reported on the Budgetary Activity Footnote, including budgeted receipts as certified by the budget commission and appropriations approved by the Board.

Officials' Response:

Township Officials did not respond to this finding.

OHIO AUDITOR OF STATE KEITH FABER



COLUMBIA TOWNSHIP

HAMILTON COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 2/18/2021

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov