

***COLUMBIA TOWNSHIP
HAMILTON COUNTY***

AUDIT REPORT

FOR THE YEARS ENDED DECEMBER 31, 2015 & 2014





Dave Yost • Auditor of State

Board of Trustees
Columbia Township
5686 Kenwood Rd
Cincinnati, OH 45227

We have reviewed the *Independent Auditor's Report* of Columbia Township, Hamilton County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2014 through December 31, 2015. 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. Columbia 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

August 2, 2016

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**COLUMBIA TOWNSHIP
HAMILTON COUNTY
AUDIT REPORT
For Years Ending December 31, 2015 and 2014**

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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, (the Township) as of and for the years ended December 31, 2015 and 2014.

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 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 1 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, 2015 and 2014, or changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of Columbia Township, Hamilton County as of December 31, 2015 and 2014, and its cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2016, 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.



Charles E. Harris & Associates, Inc.

June 13, 2016

**COLUMBIA TOWNSHIP
HAMILTON COUNTY, OHIO
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
All Governmental Fund Types
For the Year Ended December 31, 2015**

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	
Receipts:				
Property Taxes	\$ 67,519	\$ 2,117,359	\$ -	\$ 2,184,878
Intergovernmental	733,232	294,087	-	1,027,319
Fines, Licenses and Permits	60,194	-	-	60,194
Interest	3,008	599	-	3,607
Total Receipts	863,953	2,412,045	-	3,275,998
Disbursements:				
Current:				
General Government	402,480	590	-	403,070
Public Safety	-	1,499,740	-	1,499,740
Public Works	-	1,005,063	-	1,005,063
Health	8,680	-	-	8,680
Other	18,260	-	-	18,260
Capital Outlay	9,175	-	2,835,000	2,844,175
Total Disbursements	438,595	2,505,393	2,835,000	5,778,988
Excess Receipts Over/(Under)				
Disbursements	425,358	(93,348)	(2,835,000)	(2,502,990)
Other Financing Sources/(Uses):				
Proceeds of Special Obligation Revenue Bonds	-	-	2,835,000	2,835,000
Transfer in	-	25,806	-	25,806
Transfer out	(25,806)	-	-	(25,806)
Total Other Financing Sources/(Uses)	(25,806)	25,806	2,835,000	2,835,000
Excess of Receipts and Other Sources Over/(Under) Disbursements and Other Uses	399,552	(67,542)	-	332,010
Fund Cash Balance, January 1, 2015	266,039	2,596,004	34	2,862,077
Fund Cash Balance, December 31, 2015				
Restricted	-	2,528,462	34	2,528,496
Unassigned	665,591	-	-	665,591
Fund Cash Balance, December 31, 2015	\$ 665,591	\$ 2,528,462	\$ 34	\$ 3,194,087

See Accompanying Notes to the Financial Statements.

**COLUMBIA TOWNSHIP
HAMILTON COUNTY, OHIO
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
All Governmental Fund Types
For the Year Ended December 31, 2014**

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	
Receipts:				
Property Taxes	\$ 69,983	\$ 1,954,447	\$ -	\$ 2,024,430
Intergovernmental	60,408	545,544	-	605,952
Fines, Licenses and Permits	60,836	-	-	60,836
Interest	2,701	547	-	3,248
Other	6,229	4,107	-	10,336
Total Receipts	200,157	2,504,645	-	2,704,802
Disbursements:				
Current:				
General Government	336,986	132	-	337,118
Public Safety	-	1,307,438	-	1,307,438
Public Works	-	1,154,127	-	1,154,127
Health	7,244	-	-	7,244
Capital Outlay	-	1,537	-	1,537
Debt Service:				
Principal	-	102,000	-	102,000
Interest	-	942	-	942
Total Disbursements	344,230	2,566,176	-	2,910,406
Total Receipts Over/(Under) Disbursements	(144,073)	(61,531)	-	(205,604)
Fund Cash Balance, January 1, 2014	410,112	2,657,535	34	3,067,681
Fund Cash Balance, December 31, 2014				
Restricted	-	2,596,004	34	2,596,038
Unassigned	266,039	-	-	266,039
Fund Cash Balance, December 31, 2014	\$ 266,039	\$ 2,596,004	\$ 34	\$ 2,862,077

See Accompanying Notes to the Financial Statements.

**COLUMBIA TOWNSHIP
HAMILTON COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2015 and 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE 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, Golf Manor Fire Department, 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's management believes these financial statements present all activities for which the Township is financially accountable.

B. 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.

C. DEPOSITS AND INVESTMENTS

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

D. FUND ACCOUNTING

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

COLUMBIA TOWNSHIP
HAMILTON COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2015 and 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

D. FUND ACCOUNTING - (Continued)

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

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.
- 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.

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 projects.

**COLUMBIA TOWNSHIP
HAMILTON COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2015 and 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

E. BUDGETARY PROCESS

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

1. 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. Appropriations lapse at year end.

2. 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.

3. 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 2015 and 2014 budgetary activity appears in Note 4.

F. PROPERTY, PLANT, AND EQUIPMENT

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

G. FUND BALANCES

Fund balance is divided into five classifications based primarily on the extent to which the Township is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

**COLUMBIA TOWNSHIP
HAMILTON COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2015 and 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

G. FUND BALANCES - (Continued)

Nonspendable

The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact.

Restricted

Fund balance is reported as 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

The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Board. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned

Amounts in the assigned fund balance classification are intended to be used by the Township for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Board, which includes giving the Fiscal Officer the authority to constrain monies for intended purposes.

Unassigned

Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

**COLUMBIA TOWNSHIP
HAMILTON COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2015 and 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

G. FUND BALANCES - (Continued)

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.

2. EQUITY IN POOLED CASH AND CASH EQUIVALENTS

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:

	<u>2015</u>	<u>2014</u>
Demand Deposits	\$3,194,087	\$2,862,077

Deposits: Deposits are either (1) insured by the Federal Deposit Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution to the Township or (3) by the financial institution's public entity deposit pool.

3. 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.

**COLUMBIA TOWNSHIP
HAMILTON COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2015 and 2014**

4. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2015 and 2014 follows:

<u>Fund:</u>	<u>2015 Budgeted vs Actual Receipts</u>		<u>Variance</u>
	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	
General Fund	\$ 863,944	863,953	\$ 9
Special Revenue Funds	2,648,238	2,437,851	(210,387)
Capital Projects	2,835,000	2,835,000	-0-

<u>Fund:</u>	<u>2015 Budgeted vs Actual Budgetary Basis Disbursements</u>		<u>Variance</u>
	<u>Appropriation Authority</u>	<u>Budgetary Disbursements</u>	
General Fund	\$ 497,038	\$ 464,401	\$ 32,637
Special Revenue Funds	3,081,645	2,505,393	576,252
Capital Projects	2,835,000	2,835,000	-0-

<u>Fund:</u>	<u>2014 Budgeted vs Actual Receipts</u>		<u>Variance</u>
	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	
General Fund	\$ 199,724	\$ 200,157	\$ 433
Special Revenue Funds	2,499,596	2,504,645	5,049

<u>Fund:</u>	<u>2014 Budgeted vs Actual Budgetary Basis Disbursements</u>		<u>Variance</u>
	<u>Appropriation Authority</u>	<u>Budgetary Disbursements</u>	
General Fund	\$ 406,890	\$ 374,230	\$ 32,660
Special Revenue Funds	2,800,494	2,566,176	234,318

5. 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 2015 and 2014, 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, 2015.

**COLUMBIA TOWNSHIP
HAMILTON COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2015 and 2014**

6. RISK MANAGEMENT

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

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

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss, except OPRM retains 41.5% (effective November 1, 2011) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty.

Effective November 1, 2012 the plan increased its retention to 50% of the first \$250,000 casualty treaty. The Plan's property retention remained unchanged from prior years. This change was made to balance the reinsurance market conditions. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 774 and 783 members as of December 31, 2014 and 2013 respectively.

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

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

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2014 and 2013 (the latest information available).

	<u>2014</u>	<u>2013</u>
Assets	\$14,830,185	\$13,774,304
Liabilities	(7,968,395)	(8,942,504)
Members' Equity	<u>\$5,805,909</u>	<u>\$5,887,681</u>

**COLUMBIA TOWNSHIP
HAMILTON COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2015 and 2014**

6. RISK MANAGEMENT – (Continued)

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

The Township pays the State Workers’ Compensation System (the System) a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The System administers and pays all claims.

7. CONTINGENT LIABILITIES / SUBSEQUENT EVENTS

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.

8. DEBT

	<u>Principal</u>	<u>Interest Rate</u>
Special Obligation Revenue Bond 2013	\$ 970,000	5.75 – 6.625%
TIF Revenue Bond 2015	<u>2,835,000</u>	2.00 – 5.00%
Total due at December 31, 2015	<u>\$3,805,000</u>	

In June 2011, the Township issued Road Improvement Obligation Bonds in the amount of \$500,000. The bonds were issued for road improvement projects within the Township.

At December 31, 2015 the Township had a Special Obligation Revenue Bond with outstanding balance of \$970,000 at interest rates ranging form of 5.75 – 6.625% for the construction and improvement of the Columbia Medical Office Building Project. This Special Obligation Revenue Bond’s financing closed on September 31, 2013. The on behalf receipt and payment were not included in the December 31, 2013 financial statements nor footnote.

At December 31, 2015 the Township had a TIF Revenue Bond with outstanding balance of \$2.835,000 at interest rates ranging from 2.0% to 5.0% for the Ridge Road Project.

**COLUMBIA TOWNSHIP
HAMILTON COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2015 and 2014**

8. DEBT – (Continued)

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

Year ending December 31:	Special Obligation Revenue Bonds	TIF Revenue Bond
2016	\$ 70,775	\$ -
2017	69,913	257,686
2018	69,050	181,745
2019	68,188	181,845
2020	67,325	181,835
2021-2025	361,125	909,080
2026-2030	374,918	909,035
2031-2035	381,519	909,055
2036-2040	378,588	909,150
2041-2045	221,500	908,990
2046-2047		363,665
Total	<u>\$ 2,062,901</u>	<u>\$ 5,712,086</u>

9. 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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Charles E. Harris & Associates, Inc.
Certified Public Accountants

INDEPENDENT ACCOUNTANTS' 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 of Columbia Township, Hamilton County, (the Township) as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements and have issued our report thereon dated June 13, 2016, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permits.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a significant deficiency. We consider finding 2015-001 to be a significant deficiency.

Compliance and Other Matters

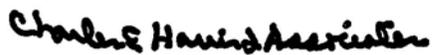
As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial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

Entity's Response to Finding

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

Purpose of this Report

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



Charles E. Harris & Associates, Inc.
June 13, 2016

**COLUMBIA TOWNSHIP
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2015 AND 2014**

<p>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</p>

**FINDING NUMBER 2015-001
Significant Deficiency**

Unrecorded On Behalf Accounting Transactions

We noted an on behalf transaction not recorded on the Township's books. During 2015, proceeds from a Tax Increment Revenue Bond were not included as a receipt or payment in the Township's financial statements.

The financial statements and District's records have been reclassified to present the accounting information correctly.

We recommend that the District closely follow the UAN Handbook, Ohio Township Handbook, the Ohio Revised Code and other Auditor of State guidance when recording transactions.

Management's Response:

The Fiscal Officer will follow the UAN Handbook to correctly record all transactions.

COLUMBIA TOWNSHIP
HAMILTON COUNTY
SCHEDULE OF PRIOR AUDIT FINDINGS
For the years ended December 31, 2015 and 2014

The prior audit report, for the years ended December 31, 2012 and 2013, reported no material citations or recommendations.

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Dave Yost • Auditor of State

COLUMBIA TOWNSHIP

HAMILTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 16, 2016**