

ST. ALBANS TOWNSHIP
LICKING COUNTY, OHIO

REGULAR AUDIT

**FOR THE YEARS ENDED
DECEMBER 31, 2020 AND 2019**

OHIO AUDITOR OF STATE
KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
IPAReport@ohioauditor.gov
(800) 282-0370

Board of Trustees
St. Albans Township
2548 Johnstown-Alexandria Rd
Alexandria, OH 43001

We have reviewed the *Independent Auditor's Report* of St. Albans Township, Licking County, prepared by Julian & Grube, Inc., for the audit period January 1, 2019 through December 31, 2020. 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. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

Ohio Rev. Code §§ 505.24(A) and (B) states that in calendar year 2018, each township trustee is entitled to compensation in an amount for each day of service in the business of the township, to be paid from the township treasury. In townships having a budget of more than one million five hundred thousand but not more than three million five hundred thousand dollars, sixty-two dollars and thirty-nine cents per day for not more than two hundred days. In calendar year 2019 and in each calendar year thereafter through calendar year 2028, the amounts paid as specified in division (A) of this section shall be increased by one and three-quarters per cent.

Ohio Const. Art. II, Section 20 states that the general assembly, in cases not provided for in the constitution, shall fix the term of office and the compensation of all officers; but no change therein shall affect the salary of any officer during his existing term, unless the office be abolished.

St. Albans Township Trustees Bruce Lane and Retta Morrison, were elected for the terms of January 1, 2018 through December 31, 2021. During 2020 both Trustees were paid at the increased rate outlined in Ohio Rev. Code § 505.24(B). However, the Trustees were not eligible for the increased rate since they were not elected or appointed on or after December 27, 2018. As a result both Trustees were overpaid by \$440.

In accordance with the forgoing facts, and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public money illegally expended is hereby issued against Bruce Lane and in favor of St. Albans Township, in the amount of \$440 and against Retta Morrison and in favor of St. Albans Township, in the amount of \$440 in favor of the following funds: General, Road and Bridge, and Fire District Funds.

On May 11, 2021, the payroll checks for Bruce Lane and Retta Morrison were reduced by \$440 to repay St. Albans Township and posted to the proper funds.

Board of Trustees
St. Albans Township
2548 Johnstown-Alexandria Rd
Alexandria, OH 43001
Page -2-

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. St. Albans Township is responsible for compliance with these laws and regulations.



Keith Faber
Auditor of State
Columbus, Ohio

June 15, 2021

**ST. ALBANS TOWNSHIP
LICKING COUNTY**

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1 - 2
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Governmental Fund Types For the Year Ended December 31, 2020.....	3
Notes to the Financial Statement	4 - 10
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Governmental Fund Types For the Year Ended December 31, 2019.....	11
Notes to the Financial Statement	12 - 18
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	19 - 20
Schedule of Findings and Responses.....	21
Summary Schedule of Prior Audit Findings.....	22

This page intentionally left blank.

Independent Auditor's Report

St. Albans Township
Licking County
33 E. Main Street
Alexandria, Ohio 43001

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts, and disbursements for the governmental fund type as of and for the years ended December 31, 2020 and December 31, 2019, and related notes of the St. Albans Township, Licking County, Ohio.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), as described in Note 2. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the St. Albans Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the St. Albans Township's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 2, the financial statements are prepared by the St. Albans Township, on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP), to meet the requirements of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D).

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Though the St. Albans 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 "Unmodified 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 St. Albans Township, as of December 31, 2020 and 2019, or changes in net position for the years then ended.

Unmodified 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 for each governmental fund type as of and for the years ended December 31, 2020 and December 31, 2019, and related notes of the St. Albans Township, in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) as described in Note 2.

Emphasis of Matters

As described in Note 14 to the financial statements, during 2020, the St. Albans Township adopted a change in accounting principle and removed the fund balance classifications from the Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types. As described in Note 15 to the financial statements, during 2020, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the St. Albans Township. Our opinions are not modified with respect to these matters.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 2021 on our consideration of the St. Albans Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the St. Albans Township's 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 St. Albans Township's internal control over financial reporting and compliance.

Julian & Grube, Inc.

Julian & Grube, Inc.
May 21, 2021

**ST. ALBANS TOWNSHIP
LICKING 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, 2020

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Cash Receipts:					
Property and Other Taxes	\$ 113,947	\$ 982,378	\$ 88,194	\$ -	\$ 1,184,519
Charges for Services	-	185,880	-	-	185,880
Licenses, Permits, and Fees	9,611	-	-	-	9,611
Intergovernmental	38,183	312,990	11,782	1,793	364,748
Earnings on Investments	1,957	1,304	-	-	3,261
Miscellaneous	8,625	54,556	-	-	63,181
Total Cash Receipts	172,323	1,537,108	99,976	1,793	1,811,200
Cash Disbursements:					
Current:					
General Government	81,841	103,885	-	-	185,726
Public Safety	8,195	657,060	-	-	665,255
Public Works	-	394,991	-	-	394,991
Other	-	-	1,367	-	1,367
Capital Outlay	86,438	255,619	-	-	342,057
Debt Service:					
Principal Retirement	-	49,464	59,343	-	108,807
Interest and Fiscal Charges	-	9,249	41,717	-	50,966
Total Cash Disbursements	176,474	1,470,268	102,427	-	1,749,169
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>(4,151)</i>	<i>66,840</i>	<i>(2,451)</i>	<i>1,793</i>	<i>62,031</i>
Other Financing Receipts (Disbursements)					
Transfers In	-	1,793	-	-	1,793
Transfers Out	-	-	-	(1,793)	(1,793)
Total Other Financing Receipts (Disbursements)	-	1,793	-	(1,793)	-
Net Change in Fund Cash Balances	(4,151)	68,633	(2,451)	-	62,031
Fund Cash Balances, January 1, Restated	324,961	947,166	13,265	-	1,285,392
Fund Cash Balances, December 31	\$ 320,810	\$ 1,015,799	\$ 10,814	\$ -	\$ 1,347,423

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

St. Albans Township
Licking County
Notes to the Financial Statement
For the Year Ended December 31, 2020

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the St. Albans Township, Licking 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, fire protection and emergency medical services. The Township has been contracted to provide fire and ambulance services to Liberty Township. All fire department expenses are appropriated in the Fire District Fund.

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 statement consists of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types. The Township had no proprietary or fiduciary fund types.

Fund Accounting

The Township uses funds 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. The funds of the Township are presented below:

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

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

Road and Bridge Fund The road and bridge fund receives property tax money levied for the funding of repairing and maintaining Township roads.

Fire District Fund The fund receives property tax money levied for the funding of the fire and emergency medical services.

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

General Bond Note Retirement Fund The general bond note fund accounts for the construction/renovation project of the Fire Station, mainly the principal and interest from the 25 year bond on the project.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant capital project fund:

St. Albans Township
Licking County
Notes to the Financial Statement
For the Year Ended December 31, 2020

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

Miscellaneous Capital Projects The township received a FEMA grant.

Basis of Accounting

The financial statement follows the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

The statement includes adequate disclosures of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

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

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year-end.

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

Encumbrances The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year-end are cancelled, and re-appropriated at year end.

A summary of 2020 budgetary activity appears in Note 4.

Deposits

The Township's accounting basis includes deposits as assets. The township does not have any investments.

Capital Assets

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

St. Albans Township
Licking County
Notes to the Financial Statement
For the Year Ended December 31, 2020

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

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*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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. For regulatory purposes, limited disclosure related to fund balance is included in Note 13.

Note 3 – Compliance

The Township was in noncompliance with Ohio Revised Code Section 5705.41(D) for not properly establishing purchase orders prior to being invoiced.

St. Albans Township
Licking County
Notes to the Financial Statement
For the Year Ended December 31, 2020

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2020 was as follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$172,322	\$172,323	(\$1)
Special Revenue	1,538,902	1,538,901	1
Debt Service	99,975	99,976	(1)
Capital Projects	1,793	1,793	0
Total	\$1,812,992	\$1,812,993	(\$1)

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$253,038	\$176,474	\$76,564
Special Revenue	1,772,561	1,470,268	302,293
Debt Service	102,200	102,427	(227)
Capital Projects	0	1,793	(1,793)
Total	\$2,127,799	\$1,750,962	\$376,837

Note 5 – Deposits

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

	2020
Demand deposits	\$1,347,423

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized by the financial institution's public entity deposit pool.

Note 6 – 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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statement includes these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

St. Albans Township
Licking County
Notes to the Financial Statement
For the Year Ended December 31, 2020

Note 7 – 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.

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

Note 8 – Insurance Benefits

The township pays for the following insurances for township employees:

Health Insurance – Medical Mutual

Dental Insurance – Delta Dental

Note 9 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2020.

Ohio Police and Fire Retirement System

One Township certified Fire Fighter belongs to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postemployment health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Township contributed to OP&F an amount equal to 24 percent of full-time fire fighters' wages. The Township has paid all contributions required through December 31, 2020.

Social Security

The Township's Fire Department employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

St. Albans Township
Licking County
Notes to the Financial Statement
For the Year Ended December 31, 2020

Note 9 – Defined Benefit Pension Plans – (Continued)

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants’ gross salaries. The Township has paid all contributions required through December 31, 2020.

Note 10 – Postemployment Benefits

OPERS offers 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 2020. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2020.

Note 11 – Debt

Debt outstanding at December 31, 2020, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
General Obligation Bonds	\$781,532	4.95%
General Obligation Notes	10,815	3.84%
Fire Truck Lease	226,376	3.23%
Total	\$1,018,723	

The General Obligation Bond is for the Fire Station Construction Renovation Project and is a 25-year bond. The General Obligation Note is for the purchase of a Dump Truck and is a 5-year loan.

Leases

On October 1, 2017 the Township entered into a Lease-Purchase Agreement for a 2018 Sutphen fire truck for \$491,113 with an interest rate of 3.23%. The Township disbursed \$36,650 to pay principal and interest costs for the year ended December 31, 2020.

St. Albans Township
Licking County
Notes to the Financial Statement
For the Year Ended December 31, 2020

Note 11 – Debt – (Continued)

Amortization

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

Year Ending December 31:	Fire Truck Lease	General Obligation Bonds	General Obligation Notes
2021	\$36,650	\$95,368	\$11,035
2022	36,650	92,570	-
2023	36,650	89,771	-
2024	36,650	86,972	-
2025	36,650	84,173	-
2026-2030	73,303	597,770	-
Total	<u>\$256,553</u>	<u>\$1,046,624</u>	<u>\$11,035</u>

Note 12 – Restatement of Fund Balances

The Fire District Fund balance was restated due to the voiding of a prior year old outstanding check.

Note 13 - Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. The Township had no outstanding encumbrances at December 31, 2020.

The fund balance of special revenue funds is either restricted or committed. These restricted, committed and assigned amounts in the special revenue funds would include the outstanding encumbrances, if applicable. In the general fund, outstanding encumbrances are considered assigned, if applicable.

Note 14 - Changes in Accounting Principle

For 2020, the Township made a change to their cash basis reporting model. This change includes removing the fund balance classifications from the Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types.

Note 15 - COVID-19

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 continuing emergency measures may impact subsequent periods of the Township. 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.

**ST. ALBANS TOWNSHIP
LICKING 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

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Debt Service	
Cash Receipts:				
Property and Other Taxes	\$ 101,806	\$ 806,082	\$ 86,144	\$ 994,032
Charges for Services	-	181,388	-	181,388
Licenses, Permits, and Fees	12,627	-	-	12,627
Intergovernmental	36,368	196,991	11,926	245,285
Earnings on Investments	8,693	5,796	-	14,489
Miscellaneous	2,322	12,877	-	15,199
Total Cash Receipts	<u>161,816</u>	<u>1,203,134</u>	<u>98,070</u>	<u>1,463,020</u>
Cash Disbursements:				
Current:				
General Government	71,739	41,490	-	113,229
Public Safety	7,800	609,001	-	616,801
Public Works	-	351,451	-	351,451
Other	-	-	1,348	1,348
Capital Outlay	75,068	30,769	-	105,837
Debt Service:				
Principal Retirement	-	46,918	56,544	103,462
Interest and Fiscal Charges	-	11,802	44,400	56,202
Total Cash Disbursements	<u>154,607</u>	<u>1,091,431</u>	<u>102,292</u>	<u>1,348,330</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>7,209</u>	<u>111,703</u>	<u>(4,222)</u>	<u>114,690</u>
Other Financing Receipts (Disbursements)				
Other Financing Sources	<u>148</u>	<u>-</u>	<u>-</u>	<u>148</u>
Total Other Financing Receipts (Disbursements)	<u>148</u>	<u>-</u>	<u>-</u>	<u>148</u>
Net Change in Fund Cash Balances	7,357	111,703	(4,222)	114,838
Fund Cash Balances, January 1, Restated	<u>317,604</u>	<u>834,350</u>	<u>17,487</u>	<u>1,169,441</u>
Restricted	-	946,053	13,265	959,318
Unassigned	324,961	-	-	324,961
Fund Cash Balances, December 31	<u>\$ 324,961</u>	<u>\$ 946,053</u>	<u>\$ 13,265</u>	<u>\$ 1,284,279</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

St. Albans Township
Licking County
Notes to the Financial Statement
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 the St. Albans Township, Licking 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, fire protection and emergency medical services. The Township has been contracted to provide fire and ambulance services to Liberty Township. All fire department expenses are appropriated in the Fire District Fund.

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 statement consists of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types. The Township had no proprietary or fiduciary fund types.

Fund Accounting

The Township uses funds 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. The funds of the Township are presented below:

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

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

Road and Bridge Fund The road and bridge fund receives property tax money levied for the funding of repairing and maintaining Township roads.

Fire District Fund The fund receives property tax money levied for the funding of the fire and emergency medical services.

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

General Bond Note Retirement Fund The general bond note fund accounts for the construction/renovation project of the Fire Station, mainly the principal and interest from the 25 year bond on the project.

St. Albans Township
Licking County
Notes to the Financial Statement
For the Year Ended December 31, 2019

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

Basis of Accounting

The financial statement follows the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

The statement includes adequate disclosures of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

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

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year-end.

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

Encumbrances The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year-end are cancelled, and re-appropriated at year end.

A summary of 2019 budgetary activity appears in Note 4.

Deposits

The Township's accounting basis includes deposits as assets. The township does not have any investments.

Capital Assets

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

St. Albans Township
Licking County
Notes to the Financial Statement
For the Year Ended December 31, 2019

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

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 – Compliance

The Township was in noncompliance with Ohio Revised Code Section 5705.41(D) for not properly establishing purchase orders prior to being invoiced.

St. Albans Township
Licking County
Notes to the Financial Statement
For the Year Ended December 31, 2019

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2019 was as follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$152,306	\$161,964	(\$9,658)
Special Revenue	1,207,178	1,203,134	4,044
Debt Service	97,989	98,070	(81)
Total	\$1,457,473	\$1,463,168	(\$5,695)

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$270,606	\$154,607	\$115,999
Special Revenue	1,521,494	1,091,431	430,063
Debt Service	102,200	102,292	(92)
Total	\$1,894,300	\$1,348,330	\$545,970

Note 5 – Deposits

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

Demand deposits	2019
	\$1,284,279

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized by the financial institution's public entity deposit pool.

Note 6 – 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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statement includes these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

St. Albans Township
Licking County
Notes to the Financial Statement
For the Year Ended December 31, 2019

Note 7 – 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.

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

Note 8 – Insurance Benefits

The township pays for the following insurances for township employees:

Health Insurance – Medical Mutual

Dental Insurance – Delta Dental

Note 9 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Social Security

The Township's Fire Department employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2019.

St. Albans Township
Licking County
Notes to the Financial Statement
For the Year Ended December 31, 2019

Note 10 – Postemployment Benefits

OPERS offers 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.

Note 11 – Debt

Debt outstanding at December 31, 2019, was as follows:

	Principal	Interest Rate
General Obligation Bonds	\$840,875	4.95%
General Obligation Notes	31,840	3.84%
Fire Truck Lease	254,796	3.23%
Total	\$1,127,511	

The General Obligation Bond is for the Fire Station Construction Renovation Project and is a 25-year bond. The General Obligation Note is for the purchase of a Dump Truck and is a 5-year loan.

Leases

On October 1, 2017 the Township entered into a Lease-Purchase Agreement for a 2018 Sutphen fire truck for \$491,113 with an interest rate of 3.23%. The Township disbursed \$36,650 to pay principal and interest costs for the year ended December 31, 2019.

Amortization

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

Year Ending December 31:	Fire Truck Lease	General Obligation Bonds	General Obligation Notes
2020	\$36,650	\$98,167	\$22,070
2021	36,650	95,368	11,035
2022	36,650	92,570	-
2023	36,650	89,771	-
2024	36,650	86,972	-
2025-2029	109,953	392,875	-
2030	-	289,067	-
Total	\$293,203	\$1,144,790	\$33,105

St. Albans Township
Licking County
Notes to the Financial Statement
For the Year Ended December 31, 2019

Note 12 – Restatement of Fund Balances

The Fire District Fund balance (Special Revenue Fund Type) was restated due to the voiding of a prior year old outstanding check.

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in Accordance with
*Government Auditing Standards***

St. Albans Township
Licking County
33 E. Main Street
Alexandria, Ohio 43001

To the Board of Trustees

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type of St. Albans Township, Licking County, Ohio, as of and for the years ended December 31, 2020 and December 31, 2019, and the related notes to the financial statements and have issued our report thereon dated May 21, 2021, wherein we noted as described in Note 2 to the financial statements, St. Albans Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Furthermore, as described in Note 14 to the financial statements, during 2020, St. Albans Township adopted a change in accounting principle and removed the fund balance classifications from the Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types. Additionally, as described in Note 15 to the financial statements, during 2020, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of St. Albans Township.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered St. Albans Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of St. Albans Township's internal control. Accordingly, we do not express an opinion on the effectiveness of St. Albans Township's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of St. Albans Township's financial statements will not be prevented, or detected and corrected, on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether St. Albans Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion 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 an instance of noncompliance or other matters we must report under Government Auditing Standards which is described in the accompanying schedule of findings and responses as item 2020-001.

St. Albans Township's Response to Finding

St. Albans Township's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. St. Albans Township's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of St. Albans Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering St. Albans Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Julian & Grube, Inc.

Julian & Grube, Inc.
May 21, 2021

**ST. ALBANS TOWNSHIP
LICKING COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2020-001

Noncompliance

Ohio Revised Code Section 5705.41(D) requires that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the Fiscal Officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

The Township had 50% of examined expenditures that were not timely certified in 2020 and 60% of examined expenditures that were not timely certified in 2019.

Without timely certification, the Township may expend more funds than available in the Treasury, in the process of collection or in the funds appropriated. It may also result in unnecessary purchases.

We recommend that all orders or contracts involving the expenditure of money be timely certified to ensure all monies expended are lawfully appropriated and available in the treasury or in the process of collection. A policy and procedure statement adopted by the Council and distributed at least annually may be beneficial. The Township should consider using “Then” and “Now” certificates where applicable.

Client Response: The Township is continually trying to improve its ordering and purchasing processes to decrease its noncompliance percentage and help insure all purchased items are timely approved, as evidenced by a purchase order dated prior to the invoice date.

**ST. ALBANS TOWNSHIP
LICKING COUNTY, OHIO**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2020 AND 2019**

Finding Number	Year Initially Occurred	Finding Summary	Status	Additional Information
2018-001	2016	<u>Material Weakness - Financial Statement Presentation</u> - The presentation of a materially correct financial statement and related notes is the responsibility of management and is an important part of the Township's overall purpose. Financial reporting requires internal controls to help ensure the accuracy of the activity reported. Certain adjustments were posted to the audited financial statement to make them materially correct.	Corrected	N/A
2018-002	2017	<u>Noncompliance</u> - Ohio Revised Code Section 5705.41(D) requires that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the Fiscal Officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. The Township had 20% of expenditures that were not timely certified.	Not Corrected	Finding repeated as 2020-001.

OHIO AUDITOR OF STATE KEITH FABER



ST. ALBANS TOWNSHIP

LICKING 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 6/29/2021

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