



OHIO AUDITOR OF STATE  
**KEITH FABER**





**YORK TOWNSHIP  
BELMONT COUNTY  
DECEMBER 31, 2020 AND 2019**

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

York Township  
Belmont County  
53420 York Drive  
Powhatan Point, Ohio 43942

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 each governmental fund type as of and for the years ended December 31, 2020 and 2019, and related notes of York Township, Belmont County, Ohio (the Township).

### ***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 § 117.38 and Ohio Administrative Code § 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 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 § 117.38 and Ohio Administrative Code § 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 § 117.38 and Ohio Administrative Code § 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, 2020 and 2019, 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 for each governmental fund type as of and for the years ended December 31, 2020 and 2019, and related notes of the Township, in accordance with the financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit, described in Note 1.

***Emphasis of Matters***

As discussed in Note 12 to the financial statements for 2019, there is a restatement of beginning fund balances for the following opinion units: General and Special Revenue. The January 1, 2019 fund balances have been restated to reflect corrected errors in previous audits. As discussed in Note 12 and Note 11 to the financial statements, for the years ended December 31, 2020 and 2019, respectively, 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 these matters.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 21, 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

July 21, 2021

**York Township**  
*Belmont 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*

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$75,875	\$390,746	\$0	\$0	\$466,621
Intergovernmental	46,523	316,272	0	0	362,795
Earnings on Investments	50	100	0	0	150
Miscellaneous	15,846	9,757	0	0	25,603
<i>Total Cash Receipts</i>	<u>138,294</u>	<u>716,875</u>	<u>0</u>	<u>0</u>	<u>855,169</u>
<b>Cash Disbursements</b>					
Current:					
General Government	83,491	35,700	0	0	119,191
Public Safety	0	234,810	0	0	234,810
Public Works	0	215,962	0	0	215,962
Health	2,600	0	0	0	2,600
Other	0	19,506	0	0	19,506
Capital Outlay	0	84,772	0	3,494	88,266
Debt Service:					
Principal Retirement	0	0	321	0	321
<i>Total Cash Disbursements</i>	<u>86,091</u>	<u>590,750</u>	<u>321</u>	<u>3,494</u>	<u>680,656</u>
<i>Excess of Cash Receipts Over/(Under) Cash Disbursements</i>	<u>52,203</u>	<u>126,125</u>	<u>(321)</u>	<u>(3,494)</u>	<u>174,513</u>
<i>Fund Cash Balances, January 1</i>	<u>87,272</u>	<u>580,065</u>	<u>321</u>	<u>3,494</u>	<u>671,152</u>
<i>Fund Cash Balances, December 31</i>	<u>\$139,475</u>	<u>\$706,190</u>	<u>\$0</u>	<u>\$0</u>	<u>\$845,665</u>

*The notes to the financial statements are an integral part of this statement.*

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**YORK TOWNSHIP  
BELMONT COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR YEAR ENDING DECEMBER 31, 2020**

**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 York Township, Belmont 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, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the Village of Powhatan Point Volunteer Fire Department to provide fire services and EMS services.

The Township participates in a public entity risk pool. Note 9 to the financial statements provides additional information for this entity. This organization is the Ohio Township Association Risk Management Authority (OTARMA).

The Township's management believes these financial statements present all activities for which the Township is financially accountable.

**B. Accounting Basis**

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, which are organized on a fund type basis.

This financial statement follows the accounting basis the Auditor of State prescribes or permits. 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).

This statement includes adequate disclosure of material matters, as the Auditor of State prescribes or permits.

**C. Fund Accounting**

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

**1. General Fund**

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

**2. 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 Special Revenue Funds:

**YORK TOWNSHIP  
BELMONT COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR YEAR ENDING DECEMBER 31, 2020**

Road and Bridge Fund: This fund receives property tax money for the constructing, maintaining and repair of township roads.

Special Levy Fund: This fund receives money from a levy outside the 10 mill limitation for the purpose of Fire and EMS services.

**3. 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 significant Debt Service Funds:

Special Assessment Fund: The special assessment debt service fund is used for debt payments for the Township.

**4. 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:

Miscellaneous Capital Projects Fund: The miscellaneous capital projects fund is to be used for capital projects for the Township.

**D. Budgetary Process**

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

**1. 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.

**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 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 2020 budgetary activity appears in Note 3.

**YORK TOWNSHIP  
BELMONT COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR YEAR ENDING DECEMBER 31, 2020**

**E. Fund Balance**

Fund balances are 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:

**1. Nonspendable**

The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable portion of the corpus in permanent funds.

**2. 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.

**3. 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.

**4. 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.

**5. 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.

**F. 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.

**YORK TOWNSHIP  
BELMONT COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR YEAR ENDING DECEMBER 31, 2020**

**G. 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.

**2. Compliance**

Contrary to Ohio Rev. Code § 5705.39, appropriations exceeded estimated resources in the General Fund by \$45,472 for the year ended December 31, 2020.

**3. Budgetary Activity**

Budgetary activity for the year 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted	Actual	Variance
	Receipts	Receipts	
General	\$117,106	\$138,294	\$21,188
Special Revenue	511,416	716,875	205,459
<b>Total</b>	<b>\$628,522</b>	<b>\$855,169</b>	<b>\$226,647</b>

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation	Budgetary	Variance
	Authority	Expenditures	
General	\$249,850	\$86,091	\$163,759
Special Revenue	1,023,741	590,750	432,991
Debt Service	321	321	0
Capital Projects	3,494	3,494	0
<b>Total</b>	<b>\$1,277,406</b>	<b>\$680,656</b>	<b>\$596,750</b>

**4. Equity in Pooled 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:

	<u>2020</u>
Demand deposits	<u>\$845,665</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.

**YORK TOWNSHIP  
BELMONT COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR YEAR ENDING DECEMBER 31, 2020**

**5. Property Tax**

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 statement includes 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 semi-annually, 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.

**6. Debt**

Debt outstanding at December 31, 2020 was as follows:

	Principal	Interest Rate
Master Lease-Purchase Agreement	\$3,121	2.25%

On July 15, 2016, the Township entered into a Master Lease-Purchase Agreement with Wesbanco Bank, Inc., in the amount of \$25,450 to finance half of the purchase of a 2016 Ford F-550 truck to be used for road maintenance. The total cost of the truck was \$50,634.

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

Year Ending December 31:	Master Lease- Purchase Agreement
2021	\$3,145
Total	\$3,145

**7. Defined Benefit Pension Plans**

The Township's officials and 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 includes postretirement healthcare and survivor and disability benefits.

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

**8. 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.

**YORK TOWNSHIP  
BELMONT COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR YEAR ENDING DECEMBER 31, 2020**

**9. Risk Management**

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2020</u>
Cash and investments	\$36,348,066
Actuarial liabilities	\$10,894,146

**10. Contingent Liabilities**

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**11. Changes in Accounting Principle**

For 2020, the Township has made changes 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.

**12. COVID -19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. In addition, the impact on the Township's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

**York Township**  
*Belmont 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	Debt Service	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$81,330	\$427,261	\$0	\$0	\$508,591
Charges for Services	611	0	0	0	611
Intergovernmental	48,842	131,707	0	0	180,549
Earnings on Investments	109	218	0	0	327
Miscellaneous	109,884	8,131	0	0	118,015
<i>Total Cash Receipts</i>	<u>240,776</u>	<u>567,317</u>	<u>0</u>	<u>0</u>	<u>808,093</u>
<b>Cash Disbursements</b>					
Current:					
General Government	103,725	0	0	0	103,725
Public Safety	0	256,632	0	0	256,632
Public Works	0	157,072	0	0	157,072
Health	2,750	0	0	0	2,750
Other	0	9,328	0	0	9,328
Capital Outlay	0	84,640	0	0	84,640
<i>Total Cash Disbursements</i>	<u>106,475</u>	<u>507,672</u>	<u>0</u>	<u>0</u>	<u>614,147</u>
<i>Excess of Cash Receipts Over/(Under) Cash Disbursements</i>	<u>134,301</u>	<u>59,645</u>	<u>0</u>	<u>0</u>	<u>193,946</u>
<b>Other Financing (Disbursements)</b>					
Other Financing Uses	0	(50,000)	0	0	(50,000)
<i>Total Other Financing (Disbursements)</i>	<u>0</u>	<u>(50,000)</u>	<u>0</u>	<u>0</u>	<u>(50,000)</u>
<i>Net Change in Fund Cash Balances</i>	134,301	9,645	0	0	143,946
<i>Fund Cash Balances, January 1, Restated, See Note 12</i>	<u>(47,029)</u>	<u>570,420</u>	<u>321</u>	<u>3,494</u>	<u>527,206</u>
<b>Fund Cash Balances, December 31</b>					
Restricted	0	237,139	321	3,494	240,954
Committed	0	342,926	0	0	342,926
Assigned	87,272	0	0	0	87,272
<i>Fund Cash Balances, December 31</i>	<u>\$87,272</u>	<u>\$580,065</u>	<u>\$321</u>	<u>\$3,494</u>	<u>\$671,152</u>

The notes to the financial statements are an integral part of this statement.

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**YORK TOWNSHIP  
BELMONT COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR YEAR ENDING DECEMBER 31, 2019**

**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 York Township, Belmont 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, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the Village of Powhatan Point Volunteer Fire Department to provide fire services and EMS services.

The Township participates in a public entity risk pool. Note 9 to the financial statements provides additional information for this entity. This organization is the Ohio Township Association Risk Management Authority (OTARMA).

The Township's management believes these financial statements present all activities for which the Township is financially accountable.

**B. Accounting Basis**

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, which are organized on a fund type basis.

This financial statement follows the accounting basis the Auditor of State prescribes or permits. 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).

This statement includes adequate disclosure of material matters, as the Auditor of State prescribes or permits.

**C. Fund Accounting**

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

**1. General Fund**

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

**2. 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 Special Revenue Funds:

**YORK TOWNSHIP  
BELMONT COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR YEAR ENDING DECEMBER 31, 2019**

Road and Bridge Fund: This fund receives property tax money for the constructing, maintaining and repair of township roads.

Special Levy Fund: This fund receives money from a levy outside the 10 mill limitation for the purpose of Fire and EMS services.

**3. 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 significant Debt Service Funds:

Special Assessment Fund: The special assessment debt service fund is used for debt payments for the Township.

**4. 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:

Miscellaneous Capital Projects Fund: The miscellaneous capital projects fund is to be used for capital projects for the Township.

**D. Budgetary Process**

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

**1. 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. Unencumbered appropriations lapse at year end.

**2. 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.

**3. Encumbrances**

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2019 budgetary activity appears in Note 3.

**YORK TOWNSHIP  
BELMONT COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR YEAR ENDING DECEMBER 31, 2019**

**E. Fund Balance**

Fund balances are 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:

**1. Nonspendable**

The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**2. 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.

**3. 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.

**4. 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.

**5. 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.

**F. 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.

**YORK TOWNSHIP  
BELMONT COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR YEAR ENDING DECEMBER 31, 2019**

**G. 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.

**2. Compliance**

Contrary to Ohio Rev. Code § 5705.39, appropriations exceeded estimated resources in the General Fund by \$33,904 for the year ended December 31, 2019.

**3. Budgetary Activity**

Budgetary activity for the year 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$91,437	\$240,776	\$149,339
Special Revenue	400,420	567,317	166,897
<b>Total</b>	<b>\$491,857</b>	<b>\$808,093</b>	<b>\$316,236</b>

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$202,000	\$125,218	\$76,782
Special Revenue	815,000	558,961	256,039
<b>Total</b>	<b>\$1,017,000</b>	<b>\$684,179</b>	<b>\$332,821</b>

**4. Equity in Pooled 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	<u>2019</u> <u>\$671,152</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.

**YORK TOWNSHIP  
BELMONT COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR YEAR ENDING DECEMBER 31, 2019**

**5. Property Tax**

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 statement includes 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 semi-annually, 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.

**6. Debt**

Debt outstanding at December 31, 2019 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Master Lease-Purchase Agreement	<u>\$8,375</u>	2.25%

On July 15, 2016, the Township entered into a Master Lease-Purchase Agreement with Wesbanco Bank, Inc., in the amount of \$25,450 to finance half of the purchase of a 2016 Ford F-550 truck to be used for road maintenance. The total cost of the truck was \$50,634.

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

<u>Year Ending December 31:</u>	<u>Master Lease- Purchase Agreement</u>
2020	\$5,391
2021	3,145
Total	<u>\$8,536</u>

**7. Defined Benefit Pension Plans**

The Township's officials and 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 includes 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 Township contributed an amount equaling 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2019.

**8. 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.

**YORK TOWNSHIP  
BELMONT COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR YEAR ENDING DECEMBER 31, 2019**

**9. Risk Management**

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2019</u>
Cash and investments	\$35,207,320
Actuarial liabilities	\$10,519,942

**10. Contingent Liabilities**

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**11. COVID -19 Subsequent Event**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. In addition, the impact on the Township's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

**12. Restatement of Cash Fund Balances**

For 2019, the Township's beginning balances were adjusted due to the Township posting the prior audit finding for Adjustments during the current audit period. The effect of these adjustments were as follows:

	General	Special Revenue
December 31, 2018 Cash Fund Balances	\$ 76,659	\$ 446,732
Adjustments	<u>(123,688)</u>	<u>123,688</u>
January 1, 2019 Restated Cash Fund Balances	<u>\$ (47,029)</u>	<u>\$ 570,420</u>

# OHIO AUDITOR OF STATE KEITH FABER



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Athens, Ohio 45701  
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SoutheastRegion@ohioauditor.gov

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

York Township  
Belmont County  
53420 York Drive  
Powhatan Point, Ohio 43942

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 for each governmental fund type as of and for the years ended December 31, 2020 and 2019, and related notes of York Township, Belmont County, Ohio (the Township), and have issued our report thereon dated July 21, 2021, wherein we noted the Township followed financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit. We also noted the Township restated the January 1, 2019 fund balances to correct errors from previous audits. We also noted the financial impact of COVID-19 and the continuing emergency measures which 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 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying Schedule of Findings we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses and a significant deficiency.

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 a 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. We consider Findings 2020-003, 2020-004, and 2020-006 through 2020-008 described in the accompanying Schedule of Findings to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of internal control deficiencies less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider Finding 2020-009 described in the accompanying Schedule of Findings 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 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 instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2020-001 through 2020-005.

***Township's Response to Findings***

The Township's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. We did not subject the Township's responses to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

***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

July 21, 2021



YORK TOWNSHIP  
BELMONT COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2020 AND 2019

FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2020-001

**Finding for Recovery – Repaid Under Audit**

**Ohio Rev. Code § 505.24 (A)(4)** states, in part, that 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 seven hundred fifty thousand but not more than one million five hundred thousand dollars, fifty-six dollars and seventy-one cents per day for not more than two hundred days. Further, (B) states that 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.

However, Ohio Constitution, Article II, §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.

Our testing in 2020 found that Trustee Ronald Graham improperly received a raise, which he was not eligible for since his term commenced on January 1, 2018 and expires on December 31, 2021. This resulted in an overpayment of \$400 in 2020.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Ronald Graham, York Township Trustee and his bonding company, the Ohio Township Association Risk Management Authority, jointly and severally, in the amount of \$400 and in favor of the York Township General Fund in the amount of \$80 and the Road and Bridge Fund in the amount of \$320.

The Fiscal Officer should ensure the Board of Trustees are receiving the proper compensation by utilizing available resources, such as the Township Compensation Chart available on the Ohio Township Association's website.

Ronald Graham repaid the \$400 on May 6, 2021 on receipt number 36-2021. The amount was paid into York Township's General and Road and Bridge funds in the amounts of \$80 and \$320, respectively.

**Officials' Response:** Finding was repaid. The months of April, May, and June of 2021 were/will be reduced to correct any 2021 overpayment already made.

FINDING NUMBER 2020-002

**Finding for Recovery – Repaid Under Audit**

**Ohio Rev. Code § 505.24(A)(4)** states, in part, that 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 seven hundred fifty thousand but not more than one million five hundred thousand dollars, fifty-six dollars and seventy-one cents per day for not more than two hundred days. Further, (B) states that 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.

**YORK TOWNSHIP  
BELMONT COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2020 AND 2019**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (CONTINUED)**

**FINDING NUMBER 2020-002  
(CONTINUED)**

**Finding for Recovery – Repaid Under Audit - Ohio Rev. Code § 505.24(A)(4) Continued**

However, Ohio Constitution, Article II, §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.

Our testing in 2020 found that Trustee Robert Graham improperly received a raise, which he was not eligible for since his term commenced on January 1, 2018 and expires on December 31, 2021. This resulted in an overpayment of \$400 in 2020.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Robert Graham, York Township Trustee and his bonding company, the Ohio Township Association Risk Management Authority, jointly and severally, in the amount of \$400 and in favor of the York Township General Fund in the amount of \$80 and the Road and Bridge Fund in the amount of \$320.

The Fiscal Officer should ensure the Board of Trustees are receiving the proper compensation by utilizing available resources, such as the Township Compensation Chart available on the Ohio Township Association's website.

Robert Graham repaid the \$400 on May 6, 2021 on receipt number 35-2021. The amount was paid into York Township's General and Road and Bridge funds in the amounts of \$80 and \$320, respectively.

**Officials' Response:** Finding was repaid. The months of April, May, and June of 2021 were/will be reduced to correct any 2021 overpayment already made.

**FINDING NUMBER 2020-003**

**Noncompliance and Material Weakness**

**Ohio Rev. Code § 505.24(C)** sets forth the method by which township trustees' compensation should be allocated. By summary, Ohio Rev. Code § 505.24(C) permits trustees to receive per diem payments or annual salaries if voted upon unanimously by the township board of trustees.

If using the annual salary compensation method, the amount of the annual salary approved by the board shall be no more than the maximum amount that could be received annually by a trustee if the trustee were paid on a per diem basis as specified in Ohio Rev. Code § 505.24(C), and shall be paid from the township general fund or from other township funds in such proportions as the board may specify by resolution. Each trustee shall certify the percentage of time spent working on matters to be paid from the township general fund and from other township funds in such proportions as the kinds of services performed.

We noted the Township Board of Trustees did not approve to be paid on a salary basis in 2020 or 2019. In addition, in 2019, the Trustee's did not complete time certifications, therefore, all gross salaries should have been paid from the General Fund.

YORK TOWNSHIP  
BELMONT COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2020 AND 2019

FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2020-003  
(Continued)

**Noncompliance and Material Weakness - Ohio Rev. Code § 505.24(C) (Continued)**

These errors resulted in misstatements to the financial statements. Management has made the following adjustments for wages to the accompanying financial statements and the accounting records:

- The General Fund General Government expenditures were increased \$11,342.
- The Gasoline Tax Fund General Government expenditures were decreased \$11,342.

The Township should draft, approve, and implement policies and procedures to help ensure compensation and certifications are made in accordance with Ohio Rev. Code § 505.24. Further, the Board of Trustees should approve being paid on a salary basis in equal monthly installments at the Township's annual re-organizational meeting.

**Officials' Response:** All of 2020 to present the Trustees have signed certifications.

FINDING NUMBER 2020-004

**Noncompliance and Material Weakness**

**Ohio Rev. Code § 5705.10(D)** provides in part that all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose. Further, **Ohio Rev. Code § 5705.10(I)** requires that money paid into any fund shall be used for the purposes for which such fund is established.

During 2020, we noted the following:

- Homestead and rollback revenue was improperly posted to the General Fund as Property and Other Local Taxes in the amount of \$6,168 and Intergovernmental in the amount of \$1,279 rather than being allocated to the Road and Bridge and Special Levy Funds as Intergovernmental in the amounts of \$5,391 and \$2,056, respectively.
- Permissive Motor Vehicle License Tax revenue in the amount of \$3,817 was improperly posted as Property and Other Local Taxes within the General Fund in the amount of \$2,373 and Intergovernmental within the Motor Vehicle License Tax Fund in the amount of \$1,444.
- Cemetery mowing costs were improperly charged to the Gasoline Tax Fund in the amount of \$1,300 and the Road and Bridge Fund in the amount of \$1,300 as General Government. These charges should have been paid from the General Fund as Health since the Township does not maintain a Cemetery Fund.

During 2019, we noted the following:

- Homestead and rollback revenue was improperly posted to the General Fund as Intergovernmental in the amount of \$7,691 rather than being allocated to the Road and Bridge and Special Levy Funds as Intergovernmental in the amounts of \$5,506 and \$2,185, respectively.
- Permissive Motor Vehicle License Tax revenue in the amount of \$3,531 was improperly posted as Property and Other Local Taxes within the General Fund in the amount of \$2,933 and Intergovernmental within the Motor Vehicle License Tax Fund in the amount of \$598.

YORK TOWNSHIP  
BELMONT COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2020 AND 2019

FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2020-004  
(Continued)

**Noncompliance and Material Weakness - Ohio Rev. Code § 5705.10(D) & (I) (Continued)**

- Cemetery mowing costs of \$2,750 were charged to the Gasoline Tax Fund as General Government. These charges should have been paid from the General Fund as Health since the Township does not maintain a Cemetery Fund.

Audit adjustments are reflected in the financial statements and in the accounting records correcting the misstatements.

The lack of controls over the posting of financial transactions decreases the reliability of financial data at year-end and can result in undetected errors and irregularities.

The Township should implement controls to help ensure all transactions are reviewed to help ensure posting to the proper funds.

**Officials' Response:** Fund Adjustments have been posted and the Fiscal Officer will work to improve on the accuracy of posting receipts and disbursements.

FINDING NUMBER 2020-005

**Noncompliance**

**Ohio Rev. Code § 5705.39** provides that total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure there-from, as certified by the county budget commission. No appropriation measure shall become effective until the county auditor files a certificate that the total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed such official estimate or amended official estimate. For purposes of this section of the Ohio Revised Code, estimated revenue is commonly referred to as "estimated resources" because it includes unencumbered fund balances.

At December 31, 2020 the Township's appropriations exceeded the amount certified as available by the budget commission in the General Fund by \$45,472. At December 31, 2019 the Township's appropriations exceeded the amount certified as available by the budget commission in the General Fund by \$33,904.

Failure to limit appropriations to the amount certified by the budget commission due to deficiencies in the Township's compliance monitoring policies and procedures could result in overspending and negative cash fund balances.

The Township should draft, approve, and implement procedures to compare appropriations to estimated resources and, if adequate resources are available for additional appropriations, the Township should submit an amended certificate of estimated resources to the budget commission for certification. If the resources are not available to cover the appropriations, an amendment to the appropriation resolution should be passed by the Board of Trustees to reduce the appropriations.

**Officials' Response:** The Township will work to improve on not over appropriating funds.

YORK TOWNSHIP  
BELMONT COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2020 AND 2019

FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2020-006

**Material Weakness**

**Auditor of State Bulletin 98-013** provides guidance on accounting for Federal Emergency Management Agency (FEMA) grants. This Bulletin states that when a portion or all of the work has been completed and paid for at the time the FEMA money is received, the entity must place all funds into a special FEMA fund. For work completed and paid for, the fund(s) used to pay for the goods and/or services (before the FEMA money as received) can be reimbursed. One way to repay the fund is to transfer the FEMA money from the FEMA fund to the fund that made the original payments.

FEMA grant revenue in the amount of \$159,742 in 2020 was improperly posted to the Road and Bridge Fund as Miscellaneous Revenue and should have been placed into a special FEMA Fund as Intergovernmental then be reimbursed to the funds used to pay for the goods and/or services before the FEMA money was received.

The Township did not have control procedures in place to ensure that grant revenue was posted to the correct funds when the FEMA monies were received. The reclassification of \$159,742, with which Township management agrees, is reflected in the accompanying financial statements.

The Township should implement procedures to ensure that the FEMA grant revenue is properly posted to the FEMA Grant Fund as Intergovernmental revenue and should review Auditor of State Bulletin 98-013 to ensure any reimbursements to other funds are allowable and properly posted.

**Officials' Response:** The Township will work to improve the posting of amounts to the accounting records.

FINDING NUMBER 2020-007

**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.

The Township should maintain an accounting system and accounting records sufficient to enable the Township to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

The Ohio Township Handbook provides suggested account classifications. These accounts classify receipts by fund and source (property taxes or intergovernmental revenue, for example); classify disbursements by fund, program (general government, for example) or object (personal services, for example); and provides suggested fund balance classifications and clarifies the existing governmental fund type definitions. Using these classifications and the aforementioned accounting records will provide the Township with information required to monitor compliance with the budget, and prepare annual reports in the format required by the Auditor of State.

**YORK TOWNSHIP  
BELMONT COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2020 AND 2019**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

**FINDING NUMBER 2020-007  
(Continued)**

**Material Weakness (Continued)**

The Township did not always record receipts and disbursements into accurate classifications on the financial statements.

Also, the Township did not properly classify its December 31, 2019 governmental fund cash balances in accordance with Governmental Accounting Standards Board (GASB) Statement Number 54 - Fund Balance Reporting and Governmental Fund Type Definitions, effective for fiscal years beginning after June 15, 2010.

The UAN Accounting and General Manual provides five suggested fund balance classifications and clarifies the existing governmental fund type definitions. The fund balance classifications relate to constraints placed upon the use of resources reported in governmental funds. The five classifications are nonspendable, restricted, committed, assigned, and unassigned.

We noted the following in 2020:

- The Township's road employees' payroll wages were improperly posted to General Government and should have been posted to Public Works in the amount of \$25,263 within the Gasoline Tax Fund and \$22,700 within the Road and Bridge Fund.
- The prior year Finding for Recovery revenue in the amount of \$10,737 was improperly classified as Intergovernmental Revenue and should have been classified as Miscellaneous within the General Fund.
- The debt payment made from the Debt Service Fund in the amount of \$321 was improperly classified as Interest and Fiscal Charges and should have been classified as Principal Retirement.

We noted the following in 2019:

- The Township's road employees' payroll wages were improperly posted to General Government and should have been posted to Public Works in the amount of \$36,746 within the Gasoline Tax Fund.
- The OPERS payments for the Township's road employees' were improperly posted to General Government and should have been posted to Public Works within the Gasoline Tax Fund in the amount of \$3,204 and the Road and Bridge Fund in the amount of \$398.
- The Township's RUMA release of \$50,000 was improperly classified as Principal Retirement and should have been classified as Other Financing Uses within the Road and Bridge Fund.
- The prior year Finding for Recovery revenue in the amount of \$104,819 was improperly classified as Intergovernmental Revenue and should have been classified as Miscellaneous within the General Fund.
- The ending fund balance in the Road and Bridge Fund in the amount of \$342,926 was improperly classified as Restricted, rather than Committed.
- The ending fund balance within the General Fund in the amount of \$87,272 was improperly classified as Unassigned and should have been Assigned.

The adjustments noted above, with which management agrees, have been made and are reflected in the accompanying financial statements.

YORK TOWNSHIP  
BELMONT COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2020 AND 2019

FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2020-007  
(Continued)

**Material Weakness (Continued)**

In addition, we also identified additional misstatements in the amount of \$8,131 in 2019 that we have brought to the Township's attention and are not reflected in the accompanying financial statements due to the insignificance.

By not properly reporting financial activity could result in material misstatements occurring and remaining undetected and the risk that management would not be provided an accurate picture of the Township's financial position and operations.

The Township should take the necessary steps to ensure that all receipts, disbursements and fund balances are properly presented and disclosed in the Township's financial statements.

**Officials' Response:** The Township will work to improve the posting of amounts to the accounting records.

FINDING NUMBER 2020-008

**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.

Sound accounting practices require accurately posting estimated receipts and appropriations to the ledgers to provide information for budget versus actual comparison and to allow the Board to make informed decisions regarding budgetary matters.

The Appropriation resolution and subsequent amendments establish the legal spending authority of the Township and the appropriation ledger provides the process by which the Township controls spending, it is therefore necessary the amounts appropriated by the Board are precisely stated and accurately posted to the appropriation ledger.

The original certificate and amendments establish the amounts available for expenditures for the Township and the receipts ledger provides the process by which the Township controls what is available, it is therefore necessary the amounts estimated by the County Budget Commission are posted accurately to the receipts ledger.

The following variances were noted in 2020:

Fund	Estimated Receipts per Amended Certificate	Estimated Receipts Posted to the Accounting System	Variance
General	\$117,106	\$122,952	(\$5,846)

**YORK TOWNSHIP  
BELMONT COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2020 AND 2019**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2020-008  
(Continued)**

**Material Weakness (Continued)**

The following variances were noted in 2019:

Fund	Estimated Receipts per Amended Certificates	Estimated Receipts Posted to the Accounting System	Variance
General	\$91,437	\$91,834	(\$397)
Special Levy	169,258	224,819	(55,561)

Fund	Approved Appropriations	Appropriation Amount Posted to the Accounting System	Variance
Special Levy	\$204,000	\$259,561	\$55,561

The Township did not have procedures in place to accurately post authorized budgetary measures to the accounting system. The appropriations approved by the Board were not properly posted to the accounting system. Additionally, the approved Certificate of Estimated Resources were not posted to the accounting system.

Failure to accurately post the appropriations and estimated resources to the ledgers could result in overspending and negative cash balances. In addition, this 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 only post to the ledgers, on a timely basis, estimated resources as certified by the budget commission and appropriations approved by the Board. The Township should then monitor budget versus actual reports to help ensure amended certificates of resources and appropriations have been properly posted to the ledgers.

**Officials' Response:** The Fiscal Officer will work to improve on the accuracy of posting.

**FINDING NUMBER 2020-009**

**Significant Deficiency**

When designing the public office's system of internal control and the specific control activities, management should plan for adequate segregation of duties or compensating controls.



YORK TOWNSHIP  
BELMONT COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2020 AND 2019

FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2020-009

**Significant Deficiency (Continued)**

The small size of the Township's staff did not allow for an adequate segregation of duties, and therefore, the Fiscal Officer performed all accounting functions. It is important that the Board of Trustees functions as a finance committee to monitor financial activity closely. There was no documentation in the minutes of the Board's approval of bank reconciliations, monthly activity of revenues and expenditures, or budget versus actual reports received at monthly meetings. This resulted in errors and omissions occurring in the Township's accounting system. With no control procedures in place, this was unnoticed by management.

Financial information should be presented to the Board of Trustees on a regular basis. This information should include monthly bank reconciliations, as well as monthly revenue and expenditure activity by fund, and budget versus actual reports. The presentation and approval of these reports should be documented in the minutes of the Township's meetings.

**Officials' Response:** The Township will document the review and approval of accounting records in the minutes.

**YORK TOWNSHIP BOARD OF TRUSTEES  
53420 YORK DRIVE  
POWHATAN POINT, OH 43942  
740-359-8734**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**DECEMBER 31, 2020 and 2019**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2018-001	Finding for Recovery – Penalties and Interest.	Fully Corrected	
2018-002	Finding for Adjustment and Material Weakness – Trustee Compensation.	Partially Corrected	All of 2020 to present the Trustees have signed certifications
2018-003	Ohio Rev. Code § 5705.09 – not properly posting road bond receipt.	Fully Corrected	Finding No Longer Applicable
2018-004	Ohio Rev. Code § 5705.10(D) – Use of Revenues.	Not Corrected	Fund adjustments have been posted and the Fiscal Officer will work to improve on the accuracy of posting receipts and disbursements.
2018-005	Ohio Rev. Code § 5705.10(I) – Expenditure Classification.	Not Corrected	The Township will work to improve on the accuracy of expenditure classifications.
2018-006	Ohio Rev. Code § 5705.38(A) and Ohio Rev. Code § 5705.41(B) – Not properly approving appropriations and expenditures exceeding appropriations	Partially Corrected	Temporary and Permanent Appropriations are approved by the Board and are noted in the minutes.
2018-007	Ohio Rev. Code § 5705.39 - Appropriations limited by estimated revenue.	Not Corrected	The Township will work to improve on not over appropriating funds.
2018-008	Material Weakness for budgetary amounts not being properly posted to the accounting system.	Not Corrected	Fund adjustments have been posted and the Fiscal Officer will work to improve on the accuracy of posting.
2018-009	Material Weakness for posting receipts and disbursements to improper line items.	Not Corrected	The Township will work to improve the posting of amounts to the accounting records.
2018-010	Significant Deficiency for inadequate segregation of duties.	Not Corrected.	The Township will document the review and approval of accounting records in the minutes.

# OHIO AUDITOR OF STATE KEITH FABER



**YORK TOWNSHIP**

**BELMONT 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 8/3/2021**

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](http://www.ohioauditor.gov)