



Dave Yost • Auditor of State



STEUBENVILLE TOWNSHIP  
JEFFERSON COUNTY

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Steubenville Township  
Jefferson County  
PO Box 178  
25 Smithfield Street  
Mingo Junction, Ohio 43938

To the Board of Trustees:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Steubenville Township, Jefferson County, Ohio (the Township) as of and for the years ended December 31, 2017 and 2016.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

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

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

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Township does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2017 and 2016, and the respective changes in financial position thereof for the years then ended.

***Basis for Qualified Opinion on Regulatory Basis of Accounting***

During 2013 and 2012, the Township charged trustee salaries of \$35,706 to the Gasoline Tax Fund and \$17,852 to the Road and Bridge Fund that were not substantiated by the prescribed certification forms or equivalent time records as required by Ohio Revised Code Section 505.24(C). The Township declined to record the adjustment due to financial constraints and the accompanying financial statements do not reflect them. Had the Township agreed to the adjustments the Gasoline Tax Fund balance would have been \$61,842 and \$56,001 for December 31, 2017 and 2016 respectively. The Road and Bridge Fund balance would have been \$37,714 and \$42,000 for December 31, 2017 and 2016, respectively. The General Fund balance would have had deficit balances of (\$23,219) and (\$16,502) at December 31, 2017 and 2016, respectively.

***Qualified Opinion on Regulatory Basis of Accounting***

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion on Regulatory Basis of Accounting* paragraph, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Steubenville Township, Jefferson County as of December 31, 2017 and 2016, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2018, 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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State  
Columbus, Ohio

October 29, 2018

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**STEUBENVILLE TOWNSHIP  
JEFFERSON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	General	Special Revenue	Capital Project	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$4,385	\$51,705		\$56,090
Licenses, Permits and Fees	6,996			6,996
Intergovernmental	21,734	100,929	\$64,405	187,068
<i>Total Cash Receipts</i>	<u>33,115</u>	<u>152,634</u>	<u>64,405</u>	<u>250,154</u>
<b>Cash Disbursements</b>				
Current:				
General Government	30,758			30,758
Public Safety		33,550		33,550
Public Works	9,074	101,285		110,359
Human Service		2,975		2,975
Capital Outlay	7,950	7,960	64,405	80,315
Debt Service:				
Principal Retirement		3,572		3,572
Interest and Fiscal Charges		628		628
<i>Total Cash Disbursements</i>	<u>47,782</u>	<u>149,970</u>	<u>64,405</u>	<u>262,157</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(14,667)</u>	<u>2,664</u>	<u>0</u>	<u>(12,003)</u>
<i>Fund Cash Balances, January 1</i>	<u>36,786</u>	<u>64,506</u>	<u>0</u>	<u>101,292</u>
<b>Fund Cash Balances, December 31</b>				
Restricted	0	49,279	0	49,279
Committed	0	20,132	0	20,132
Unassigned (Deficit)	22,119	(2,241)	0	19,878
<i>Fund Cash Balances, December 31</i>	<u><u>\$22,119</u></u>	<u><u>\$67,170</u></u>	<u><u>\$0</u></u>	<u><u>\$89,289</u></u>

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

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**Steubenville Township**  
*Jefferson County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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**NOTE 1 – REPORTING ENTITY**

The constitution and laws of the State of Ohio establish the rights and privileges of the Steubenville Township, Jefferson 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 Brilliant Volunteer Fire Department and Hillndale Volunteer Fire Department to provide fire services and emergency medical services.

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA) a public entity risk pool. Note 7 to the financial statements provides additional information for this entity. The organization is:

Public Entity Risk Pool:

The Ohio Township Association Risk Management Authority (OTARMA) provides property and casualty coverage for its members.

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

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation***

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary fund types which are organized on a fund type basis.

***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:

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

**Steubenville Township**  
*Jefferson County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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:

**Public Works Commission Fund** The Village received a grant from the state for capital improvements.

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The 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).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

***Budgetary Process***

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

**Appropriations** Budgetary 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 carried over, and need not be reappropriated. Encumbrances outstanding at year-end are canceled, and reappropriated in the subsequent year. The Township did not encumber all commitments required by Ohio law.

A summary of 2017 budgetary activity appears in Note 4.

***Deposits and Investments***

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

**Steubenville Township**  
*Jefferson County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Accumulated Leave***

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

***Fund Balance***

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

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

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

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

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

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

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

**NOTE 3 – COMPLIANCE**

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the General fund by \$18,682; Motor Vehicle License fund by \$1,442; Road and Bridge fund by \$12,454; Fire Protection fund by \$11,304; Emergency Medical Service fund by \$18,645; and Issue II by \$64,405 for the year ended December 31, 2017.

**Steubenville Township**  
*Jefferson County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

**NOTE 4 – BUDGETARY ACTIVITY**

Budgetary activity for the year ending 2017 follows:

2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$29,100	\$33,115	\$4,015
Special Revenue	150,650	152,634	1,984
Capital Projects	0	64,405	64,405
Total	\$179,750	\$250,154	\$70,404

2017 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$29,100	\$47,782	(\$18,682)
Special Revenue	111,716	149,970	(38,254)
Capital Projects	0	64,405	(64,405)
Total	\$140,816	\$262,157	(\$121,341)

**NOTE 5 – DEPOSITS AND INVESTMENTS**

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

	2017
Demand deposits	\$89,289

At December 31, 2017, the Township held \$0 in equity securities. Equity securities are not eligible investments for the Township under Ohio law.

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation.

**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 homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

**Steubenville Township**  
*Jefferson County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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**NOTE 7 – RISK MANAGEMENT**

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker’s Compensation.

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. York Risk Pooling Services, Inc. (formally known as American Risk Pooling Consultants, Inc.) (York or Management), functions as the administrator of the Pool and provides underwriting claims, loss control, risk management, and reinsurance services for the Pool. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members’ deductibles.

Casualty and Property Coverage

The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2017, OTARMA retained \$350,000 for casualty claims and \$250,000 for property claims.

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

Financial Position

OTARMA’s financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2017.

	<b>2017</b>
Assets	\$40,010,732
Liabilities	8,675,465
Net Position	\$31,335,267

At December 31, 2017 the liabilities above include approximately \$8.0 million of estimated incurred claims payable. The assets above also include approximately \$6.9 million of unpaid claims to be billed to approximately 1,016 member governments in the future, as of December 31, 2017. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2017, the Township’s share of these unpaid claims collectible in future years is approximately \$2000.00.

**Steubenville Township**  
*Jefferson County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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**NOTE 7 – RISK MANAGEMENT (Continued)**

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

<b><u>2017 Contributions to OTARMA</u></b>
\$4,591

After one year of membership, a member may withdraw on the anniversary of the date of joining OTARMA, if the member notifies OTARMA in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

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.

**NOTE 8 – DEFINED BENEFIT PENSION PLANS**

***Ohio Public Employees Retirement System***

Seven 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 postretirement 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, 2017.

**NOTE 9 – 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 1.0 percent during calendar year 2017.



**Steubenville Township**  
*Jefferson County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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**NOTE 10 – DEBT**

Debt outstanding at December 31, 2017, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Building Loan	<u>\$11,768</u>	4.5%
Total	<u><u>\$11,768</u></u>	

The Township obtained a bank promissory note to finance the purchase of a new roof for the Township Complex Building.

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

<u>Year Ending</u> <u>December 31:</u>	<u>Loan</u>
2018	4,200
2019	4,200
2020	4,200
Total	<u><u>\$12,600</u></u>

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**STEUBENVILLE TOWNSHIP  
JEFFERSON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$4,035	\$48,800	\$52,835
Licenses, Permits and Fees	6,979		6,979
Intergovernmental	20,917	96,170	117,087
Miscellaneous		1,783	1,783
<i>Total Cash Receipts</i>	<u>31,931</u>	<u>146,753</u>	<u>178,684</u>
<b>Cash Disbursements</b>			
Current:			
General Government	31,112		31,112
Public Safety		30,684	30,684
Public Works	10,321	96,617	106,938
Debt Service:			
Principal Retirement		3,410	3,410
Interest and Fiscal Charges		790	790
<i>Total Cash Disbursements</i>	<u>41,433</u>	<u>131,501</u>	<u>172,934</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(9,502)</u>	<u>15,252</u>	<u>5,750</u>
<i>Fund Cash Balances, January 1</i>	<u>46,288</u>	<u>49,254</u>	<u>95,542</u>
<b>Fund Cash Balances, December 31</b>			
Restricted	0	41,345	41,345
Committed	0	24,418	24,418
Unassigned (Deficit)	36,786	(1,257)	35,529
<i>Fund Cash Balances, December 31</i>	<u><u>\$36,786</u></u>	<u><u>\$64,506</u></u>	<u><u>\$101,292</u></u>

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

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**Steubenville Township**  
*Jefferson County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

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**NOTE 1 – REPORTING ENTITY**

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Public Entity Risk Pool:

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation***

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***Fund Accounting***

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

**Steubenville Township**  
*Jefferson County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The 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).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

***Budgetary Process***

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

***Appropriations*** Budgetary 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 carried over, and need not be reappropriated. Encumbrances outstanding at year-end are canceled, and reappropriated in the subsequent year. The Township did not encumber all commitments required by Ohio law.

A summary of 2016 budgetary activity appears in Note 4.

***Deposits and Investments***

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

***Accumulated Leave***

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

***Fund Balance***

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

**Steubenville Township**  
*Jefferson County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

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

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

**NOTE 3 – COMPLIANCE**

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Motor Vehicle License fund by \$2,511 for the year ended December 31, 2016.

**Steubenville Township**  
*Jefferson County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

**NOTE 4 – BUDGETARY ACTIVITY**

Budgetary activity for the year ending follows:

2016 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$28,800	\$31,931	\$3,131
Special Revenue	151,200	146,753	(4,447)
Total	\$180,000	\$178,684	(\$1,316)

2016 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$38,500	\$41,433	(\$2,933)
Special Revenue	141,800	131,501	10,299
Total	\$180,300	\$172,934	\$7,366

**NOTE 5 – DEPOSITS AND INVESTMENTS**

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

Demand deposits	2016
	\$101,292

At December 31, 2016, the Township held \$0 in equity securities. Equity securities are not eligible investments for the Township under Ohio law.

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation.

**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 homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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



**Steubenville Township**  
*Jefferson County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

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**NOTE 7 – RISK MANAGEMENT**

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker’s Compensation.

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. York Risk Pooling Services, Inc. (formally known as American Risk Pooling Consultants, Inc.) (York or Management), functions as the administrator of the Pool and provides underwriting claims, loss control, risk management, and reinsurance services for the Pool. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members’ deductibles.

Casualty and Property Coverage

The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2016, OTARMA retained \$350,000 for casualty claims and \$250,000 for property claims.

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

Financial Position

OTARMA’s financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2016.

	<b>2016</b>
Assets	\$38,473,283
Liabilities	8,244,140
Net Position	\$30,229,143

At December 31, 2016 the liabilities above include approximately \$7.4 million of estimated incurred claims payable. The assets above also include approximately \$6.9 million of unpaid claims to be billed to approximately 1,010 member governments in the future, as of December 31, 2016. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2016, the Township’s share of these unpaid claims collectible in future years is approximately \$2,000.00.

**Steubenville Township**  
*Jefferson County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

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**NOTE 7 – RISK MANAGEMENT**

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

<b><u>2016 Contributions to OTARMA</u></b>
\$4,578

After one year of membership, a member may withdraw on the anniversary of the date of joining OTARMA, if the member notifies OTARMA in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

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.

**NOTE 8 – DEFINED BENEFIT PENSION PLANS**

***Ohio Public Employees Retirement System***

Seven 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 postretirement 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, 2016.

**NOTE 9 – 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 2.0 percent during calendar year 2016.

**Steubenville Township**  
*Jefferson County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

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**NOTE 10 – DEBT**

Debt outstanding at December 31, 2016, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Bulding Loan	\$15,340	4.5%
Total	<u>\$15,340</u>	

The Township obtained a bank promissory note to finance the purchase of a new roof for the Township Complex Building.

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

<u>Year Ending</u> <u>December 31:</u>	<u>Loan</u>
2017	\$4,200
2018	4,200
2019	4,200
2020	4,200
Total	<u>\$16,800</u>

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# Dave Yost • Auditor of State

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

Steubenville Township  
Jefferson County  
PO Box 178  
25 Smithfield Street  
Mingo Junction, Ohio 43938

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of the Steubenville Township, Jefferson County, (the Township) as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements and have issued our report thereon dated October 29, 2018 wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

### ***Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider material weaknesses. We consider findings 2017-001, 2017-004 and 2017-005 to be material weaknesses.

***Compliance and Other Matters***

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2017-001 through 2017-003.

***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.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

October 29, 2018

**STEUBENVILLE TOWNSHIP  
JEFFERSON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2017 AND 2016**

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

**FINDING NUMBER 2017-001**

**Noncompliance and Material Weakness – Trustee Salaries**

In 2013 and 2012, the Township charged trustee salaries of \$35,706 to the Gasoline Tax Fund and \$17,852 to the Road and Bridge Fund that were not substantiated by the prescribed certification forms or equivalent time records as required by **Ohio Rev. Code § 505.24(C)**. The Township declined to record the adjustment due to the financial constraints and the accompanying financial statements do not reflect them. Had the Township agreed to the adjustment the Gasoline Tax Fund balance would have been \$61,842 and \$56,001 for December 31, 2017 and 2016, respectively. The Road and Bridge Fund balance would have been \$37,714 and \$42,000 for December 31, 2017 and 2016, respectively. The General Fund balance would have had a deficit balance of (\$23,219) and (\$16,502) at December 31, 2017 and 2016, respectively.

The Township has not entered into a payment plan for the amounts above.

In accordance with the foregoing facts and pursuant to **Ohio Rev. Code § 505.24(C)**, a Finding for Adjustment is made in favor of the Gasoline Tax and Road and Bridge Special Revenue Funds in the amounts of \$35,706 and \$17,852, respectively. In addition, a Finding for Adjustment in the amount of \$53,558 is made against the General Fund.

**FINDING NUMBER 2017-002**

**Noncompliance Citation – Disbursements Exceed Appropriations**

**Ohio Revised Code § 5705.41(B)** prohibits a subdivision from making an expenditure unless it has been properly appropriated. At December 31, 2017 and 2016 disbursements exceeded appropriations in the following funds:

**2017:**

Fund	Appropriation	Actual Disbursement	Variance	Percent of Variance
General	\$29,100	\$47,782	\$18,682	39%
Special Revenue:				
Motor Vehicle License	2,950	4,392	1,442	33
Road and Bridge	12,965	25,419	12,454	49
Fire	3,100	14,404	11,304	79
Emergency Medical Services	500	19,145	18,645	97
Issue II Capital Projects	0	64,405	64,405	100

**FINDING NUMBER 2017-002**  
 (Continued)

**2016:**

<b>Fund</b>	<b>Appropriation</b>	<b>Actual Disbursement</b>	<b>Variance</b>	<b>Percent of Variance</b>
General	\$38,500	\$41,433	\$2,933	7%
Special Revenue:				
Road and Bridge	13,400	13,634	234	2
Emergency Medical Services	17,700	18,280	580	3
Motor Vehicle License	2,000	4,511	2,511	56

This is due to the Township not having a policy or procedures in place to review this information to help ensure compliance. Failure to have a policy in place and monitor appropriations could result in overspending and negative fund balances.

The Fiscal Officer should not certify the availability of funds and should deny payment requests exceeding appropriations. The Fiscal Officer should request Trustees to approve increased disbursement levels by increasing appropriations in the minutes and amending estimated resources, if necessary and available.

**FINDING NUMBER 2017-003**

**Noncompliance Citation – Township Debt**

**Ohio Rev. Code Chapter 133** allows various methods for subdivisions to incur debt.

**Ohio Rev. Code § 133.22** allows a subdivision to issue anticipatory securities;

**Ohio Rev. Code § 133.10** allows anticipation securities in anticipation of current property tax revenues or in anticipation of current revenues in and for any fiscal year from any source or combination of sources, including distributions of any federal or state monies, other than the proceeds of property taxes levied by the subdivision;

**Ohio Rev. Code § 133.15** allows the issuance of securities for the purpose of paying all or any portion of the costs of any permanent improvement that the subdivision is authorized, alone or in cooperation with other persons, to acquire, improve, or construct; and

**Ohio Rev. Code § 133.18** allows the taxing authority of a subdivision by legislation to submit to the electors of the subdivision question of issuing any general obligation bonds, for one purpose, that the subdivision has the power or authority to issue.

On November 27, 2013, the Township signed a commercial security agreement with First National Bank in the amount of \$25,115 to finance repairs to the Township garage. Since this debt is a promissory note between a banking institution and the Township, the note does not meet the requirements set forth in Ohio Revised Code Chapter 133. As of December 31, 2017 and 2016, the balance of the note was \$11,768 and \$15,340, respectively. Failure to issue debt in accordance with Ohio Revised Code Chapter 133 could leave the Township with limited legal recourse in the event of a dispute.



**FINDING NUMBER 2017-003**  
 (Continued)

The Township did not have procedures in place to ensure authorized debt instruments were used.

The Township should issue debt in accordance with Ohio Revised Code Chapter 133.

**FINDING NUMBER 2017-004**

**Material Weakness – Accurate Posting of Transactions**

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 Fiscal Officer did not abide by the adopted chart of account in coding and classifying various transactions in 2017 and 2016. This resulted in adjustments and reclassifications to the financial statements. The Township Fiscal Officer and management have agreed to and posted the adjustments to the Township's accounting records and the corrected amounts are reflected in the accompanying financial statements.

**2017 Adjustments:**

<b>Fund Adjusted from:</b>	<b>Fund Adjusted to:</b>	<b>Amount</b>	<b>Explanation:</b>
Permissive Motor Vehicle License Tax Special Revenue	General	\$7,950	To post a furnace disbursement to the General Fund.
None	Issue II Capital Projects	64,405	To record an on-behalf payment for Issue II monies.

**2017 Reclassifications:**

<b>Fund</b>	<b>Reclassified To:</b>	<b>Amount</b>	<b>Reclassified From:</b>
Motor Vehicle License Tax Special Revenue	Principal and Interest and Fiscal Charges Disbursements	\$880 and \$170	Capital Outlay Disbursement
Road and Bridge Special Revenue	Capital Outlay Disbursement	7,960	Public Works Disbursement
Motor Vehicle License Tax Special Revenue	Unassigned Fund Balance	2,241	Restricted Fund Balance
Road and Bridge Special Revenue	Committed Fund Balance	20,132	Restricted Fund Balance

**FINDING NUMBER 2017-004**  
 (Continued)

**2016 Adjustment:**

<b>Fund Adjusted from:</b>	<b>Fund Adjusted to:</b>	<b>Amount</b>	<b>Explanation:</b>
Permissive Motor Vehicle License Tax Special Revenue	Motor Vehicle License Tax Special Revenue	\$3,850	To post debt payments to the proper fund.

**2016 Reclassifications:**

<b>Fund</b>	<b>Reclassified To:</b>	<b>Amount</b>	<b>Reclassified From:</b>
Motor Vehicle License Tax Special Revenue	Principal and Interest and Fiscal Charges Disbursement	\$291 and \$59	Capital Outlay Disbursement
Motor Vehicle License Tax Special Revenue	Unassigned Fund Balance	1,257	Restricted Fund Balance
Road and Bridge Special Revenue	Committed Fund Balance	24,418	Restricted Fund Balance

The 2016 adjustment led to the Permissive Motor Vehicle License Tax Special Revenue Fund reporting a negative cash fund balance of \$2,241 and \$1,257 as of December 31, 2017 and 2016, respectively.

Other mispostings were identified; however they were not material and the Township decided not to make the adjustments.

Adjustments to the Financial Statement Notes include:

- The 2017 Notes had the following errors:
  - The total demand deposits within the Equity in Pooled Deposits Note did not agree to the ending fund balance within the financial statements;
  - The Budgetary Activity Note did not include the comparison tables and figures; and
  - The Risk Management Note did not reflect the most current information.
- The 2016 Notes had the following errors:
  - The total demand deposits within the Equity in Pooled Deposits Note did not agree to the ending fund balance within the financial statements;
  - The Budgetary Activity Note did not include the comparison tables and figures; and
  - The Risk Management Note did not reflect the most current information.

Finally, the Township prepared and filed Notes to the Basic Financial Statements and a Management's Discussion and Analysis with the 2017 and 2016 filed annual reports which is consistent with an entity reporting OCBOA, however, the Township is an AOS basis entity. The Fiscal Officer subsequently provided AOS basis Notes to the Basic Financial Statements.

The Township did not have procedures in place to record/report transactions properly.

**FINDING NUMBER 2017-004**  
 (Continued)

Failure to consistently follow a uniform chart of accounts increases the possibility the Township will not be able to identify, assemble, classify, record, and report its transactions correctly or to document compliance with finance-related legal and contractual requirements.

The Fiscal Officer should maintain the accounting system to enable the Township to identify, assemble, analyze, classify, record, and report all transactions and to maintain accountability. All transactions should be properly coded and classified according to the UAN chart of accounts to help ensure that financial activity of the Township is accurately recorded and reported. In addition, the Township should review the financial statements and notes prior to report submission.

**FINDING NUMBER 2017-005**

**Material Weakness – Budgetary Measures**

Sound accounting practices require accurately posting estimated receipts and appropriations to the ledgers to provide information for budget versus actual comparison and to allow Township Trustees 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. Authorized budgetary measures were not accurately posted to the accounting ledgers in 2017 and 2016.

The following variances were identified:

**2017 Appropriations:**

<b>Fund</b>	<b>Appropriations Per Resolutions</b>	<b>Appropriations Per Accounting System</b>	<b>Variance</b>	<b>Percent of Variance</b>
General	\$29,100	\$45,572	\$16,472	57%
Special Revenue:				
Motor Vehicle License	2,950	5,550	2,600	88
Gasoline Tax	84,250	86,750	2,500	3
Road and Bridge	12,965	29,654	16,689	129
Fire District	3,100	14,512	11,412	368
Permissive Motor Vehicle License	7,950	10,925	2,975	37
Emergency Medical Services	500	19,147	18,647	3,729

**2016 Appropriations:**

<b>Fund</b>	<b>Appropriations Per Resolutions</b>	<b>Appropriations Per Accounting System</b>	<b>Variance</b>	<b>Percent of Variance</b>
General	\$38,500	\$47,473	\$8,973	23%
Special Revenue:				
Road and Bridge	13,400	15,705	2,305	17
Fire District	14,250	14,263	13	.09
Emergency Medical Services	17,700	18,536	836	5

**FINDING NUMBER 2017-005**  
(Continued)

The Township did not have procedures in place to ensure only authorized appropriations were posted to the ledgers. When authorized budgetary measures are not accurately posted to the ledgers, the budget versus actual information generated by the Township's accounting system is not an accurate reflection of the intentions of the Trustees.

Failure to accurately post the appropriations to the ledgers could result in overspending and negative cash balances. In addition, this led to inaccurate reporting of the budgetary information in the financial statements.

To effectively control the budgetary cycle and to help maintain accountability over Township disbursements and receipts, the Fiscal Officer should post to the ledgers, on a timely basis, appropriation amounts as approved by the Board of Trustees. The Board should also monitor budget versus actual reports to help ensure supplemental and amended appropriations have been properly posted.

**Officials' Response:** We did not receive a response from Officials to these findings.

# STEUBENVILLE TOWNSHIP

## BOARD OF TRUSTEES

25 Smithfield Street

P. O. Box 178

MINGO JUNCTION, OHIO 43938

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2015-001	<b>Ohio Rev. Code 505.24(C)</b>	Not Corrected	Re-Issued as Finding 2017-001
2015-002	<b>Ohio Rev. Code 5705.36(A)(4)</b>	Corrected	
2015-003	<b>Material Weakness – Sound Financial Reporting</b>	Not Corrected	Re-Issued as Finding 2017-004

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# Dave Yost • Auditor of State

**STEUBENVILLE TOWNSHIP**

**JEFFERSON COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
NOVEMBER 27, 2018**