

**ST. ALBANS TOWNSHIP  
LICKING COUNTY**

*Financial Statement  
(Audited)*

For the Year Ended  
December 31, 2017





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

Board of Trustees  
St. Albans Township  
33 E. Main Street  
Alexandria, Ohio 43001

We have reviewed the *Independent Auditor's Report* of St. Albans Township, Licking County, prepared by Julian & Grube, Inc., for the audit period January 1, 2017 through December 31, 2017. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. St. Albans Township is responsible for compliance with these laws and regulations

Keith Faber  
Auditor of State  
Columbus, Ohio

May 30, 2019

**This page intentionally left blank.**

**ST. ALBANS TOWNSHIP  
LICKING COUNTY**

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report .....	1 - 2
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Governmental Fund Types For the Year Ended December 31, 2017 .....	3
Notes to the Financial Statement .....	4 - 10
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	11 - 12
Schedule of Findings and Responses .....	13
Status of Prior Audit Findings .....	14

**This page intentionally left blank.**



**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report

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

To the Board of Trustees:

***Report on the Financial Statement***

We have audited the accompanying financial statement of the cash balances, receipts and disbursements by fund type, and related notes of the St. Albans Township, Licking County, Ohio, as of and for the year ended December 31, 2017.

***Management's Responsibility for the Financial Statement***

Management is responsible for preparing and fairly presenting the financial statement 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 the financial statement free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to opine on the financial statement 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 statement is 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 St. Albans Township's preparation and fair presentation of the financial statement 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 St. Albans 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 statement, the St. Albans Township prepared the financial statement 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 statement of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the St. Albans Township does not intend the statement 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 statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the St. Albans Township as of December 31, 2017, and the respective changes in financial position thereof for the year then ended.

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the St. Albans Township, Licking County, Ohio, as of December 31, 2017, for the year 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 April 12, 2019, on our consideration of the St. Albans 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 St. Albans Township's internal control over financial reporting and compliance.



Julian & Grube, Inc.  
April 12, 2019



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

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

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Cash Receipts:					
Property and Other Taxes	\$ 89,183	\$ 751,360	\$ 96,044	\$ -	\$ 936,587
Charges for Services	-	170,421	-	-	170,421
Licenses, Permits, and Fees	15,292	-	-	-	15,292
Intergovernmental	35,245	175,527	13,455	25,582	249,809
Earnings on Investments	2,960	1,974	-	-	4,934
Miscellaneous	2,703	12,696	-	-	15,399
Total Cash Receipts	<u>145,383</u>	<u>1,111,978</u>	<u>109,499</u>	<u>25,582</u>	<u>1,392,442</u>
Cash Disbursements:					
Current:					
General Government	94,680	34,706	-	-	129,386
Public Safety	7,800	633,486	-	-	641,286
Public Works	-	369,731	-	-	369,731
Other	-	-	1,469	-	1,469
Capital Outlay	-	184,810	-	-	184,810
Debt Service:					
Principal Retirement	-	18,740	51,336	-	70,076
Interest and Fiscal Charges	-	3,329	49,704	-	53,033
Total Cash Disbursements	<u>102,480</u>	<u>1,244,802</u>	<u>102,509</u>	<u>-</u>	<u>1,449,791</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>42,903</u>	<u>(132,824)</u>	<u>6,990</u>	<u>25,582</u>	<u>(57,349)</u>
Other Financing Receipts (Disbursements)					
Transfers In	-	25,582	-	-	25,582
Transfers Out	-	-	-	(25,582)	(25,582)
Sale of Assets	55,675	-	-	-	55,675
Total Other Financing Receipts (Disbursements)	<u>55,675</u>	<u>25,582</u>	<u>-</u>	<u>(25,582)</u>	<u>55,675</u>
Net Change in Fund Cash Balances	98,578	(107,242)	6,990	-	(1,674)
Fund Cash Balances, January 1, 2017 - (Restated)	<u>40,817</u>	<u>823,129</u>	<u>7,668</u>	<u>-</u>	<u>871,614</u>
Fund Cash Balances, December 31, 2017					
Restricted	-	715,887	14,658	-	730,545
Unassigned	139,395	-	-	-	139,395
Fund Cash Balances, December 31, 2017	<u>\$ 139,395</u>	<u>\$ 715,887</u>	<u>\$ 14,658</u>	<u>\$ -</u>	<u>\$ 869,940</u>

THE NOTES TO THE FINANCIAL STATEMENT ARE AN INTEGRAL PART OF THIS STATEMENT.

**St. Albans Township**  
*Licking County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2017*

---

**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the St. Albans Township, Licking County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, fire protection and emergency medical services. The Township has been contracted to provide fire and ambulance services to Liberty Township. All fire department expenses are appropriated in the Fire District Fund.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

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

***Fund Accounting***

The Township uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Township are presented below:

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

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

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

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

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

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

***Capital Projects 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 capital projects fund:

***Miscellaneous Capital Projects Fund*** The Township received a grant from FEMA for the purchase of new fire department equipment. The proceeds of this grant are restricted for FEMA approved equipment.

**St. Albans Township**  
*Licking County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2017*

---

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

***Basis of Accounting***

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

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

***Budgetary Process***

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

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

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

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

A summary of 2017 budgetary activity appears in Note 4.

***Deposits and Investments***

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

***Capital Assets***

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

**St. Albans Township**  
*Licking County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2017*

---

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

***Fund Balance***

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

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

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

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

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

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

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

**Note 3 – Compliance**

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

**St. Albans Township**  
*Licking County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2017*

**Note 4 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2017 was as follows:

2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$125,714	\$201,058	\$75,344
Special Revenue	1,191,889	1,137,560	(54,329)
Debt Service	107,169	109,499	2,330
Capital Projects	25,582	25,582	0
Total	\$1,450,354	\$1,473,699	\$23,345

2017 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$165,664	\$102,480	\$63,184
Special Revenue	1,987,591	1,244,802	742,789
Debt Service	114,837	102,509	12,328
Capital Projects	25,582	25,582	0
Total	\$2,293,674	\$1,475,373	\$818,301

**Note 5 – Deposits**

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	2017 \$869,940
-----------------	-------------------

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

**Note 6 – Property Taxes**

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

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

**St. Albans Township**  
*Licking County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2017*

---

**Note 7 – Risk Management**

Workers’ Compensation coverage is provided by the State of Ohio. The Township pays the State Workers’ Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs, if material.

***Commercial Insurance***

The Township has obtained commercial insurance for the following risks:

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

**Note 8– Insurance Benefits**

The township pays for the following insurances for township employees:

Health Insurance- Aetna  
Dental Insurance- Delta Dental

**Note 9 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

8 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.

<i>Retirement Rates</i>	<i>Year</i>	<i>Member Rate</i>	<i>Employer Rate</i>
<i>OPERS – Local</i>	<i>2017</i>	<i>10%</i>	<i>14%</i>

***Social Security***

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

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants’ gross salaries. The Township has paid all contributions required through December 31, 2017.

**St. Albans Township**  
*Licking County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2017*

**Note 10 – Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plans, which includes 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. OPERS contributes 1% of the employer contribution to fund these benefits.

**Note 11 – Debt**

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

	Principal	Interest Rate
General Obligation Bonds	\$951,296	4.95%
General Obligation Notes	71,558	3.84%
Fire Truck Lease	308,997	3.23%
Total	\$1,331,851	

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

***Leases***

On October 1, 2017 the Township entered into a Lease-Purchase Agreement for a 2018 Sutphen fire truck for \$491,113 with an interest rate of 3.23%. Lease payments for both principal and interest are recorded as functional disbursements within the Fire District Fund (Special Revenue Fund Type). The Township disbursed \$182,116 to pay lease costs for the year ended December 31, 2017.

***Amortization***

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

Year Ending December 31:	Fire Truck Lease	General Obligation Bonds	General Obligation Notes
2018	\$36,650	\$101,002	\$22,070
2019	36,650	101,213	22,070
2020	36,650	98,167	22,070
2021	36,650	95,368	11,035
2022	36,650	92,570	-
2023-2027	183,253	420,864	-
2028-2030	-	437,821	-
Total	\$366,503	\$1,347,005	\$77,245

**St. Albans Township**  
*Licking County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2017*

---

**Note 12 – Transfers**

Transfers only occurred from the Miscellaneous Capital Projects Fund (Capital Projects fund type) to the Fire District Fund (Special Revenue fund type), where the disbursements, related to the Townships FEMA grant, were originally disbursed.

**Note 13 – Restatement of Fund Balances**

Certain fund balances were restated due to the voiding of prior year old outstanding checks.





**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

**Independent Auditor's Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Required by *Government Auditing Standards***

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

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statement of the cash balances, receipts, and disbursements by fund type of the St. Albans Township, Licking County, Ohio, as of and for the year ended December 31, 2017, and the related notes to the financial statement, and have issued our report thereon date April 12, 2019, wherein we noted the St. Albans 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 St. Albans 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 statement, but not to the extent necessary to opine on the effectiveness of the St. Albans 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 St. Albans Township's financial statement. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

***Compliance and Other Matters***

As part of reasonably assuring whether the St. Albans Township's financial statement is 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 an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings and responses as item 2017-002.

***St. Albans Township's Responses to Findings***

The St. Albans Township's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not subject the St. Albans Township's responses to the auditing procedures applied in the audit of the financial statement 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 St. Albans Township's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the St. Albans Township's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Julian & Grube, Inc.  
April 12, 2019

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

**SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENT REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>	
Finding Number	2017-001

Material Weakness - Financial Statement Presentation

Accurate financial reporting is required in order to provide management and other stakeholders with objective and timely information to enable well-informed decisions.

In order to properly state financial statement amounts, certain adjustments were made to the Townships financial statement and related notes for the year ended December 31, 2017.

In general, an accounting and information system should be designed to provide management with accurate and timely information to enable well-informed business decisions to be made. The present system lacks fiscal oversight and approvals and fails to meet the above expectations.

We recommend the Township consult with their auditors and the Ohio Township Handbook, to help ensure accurate financial reporting. The Township may want to consider additional financial statement reviews prior to submission of their annual reports on the Hinkle System.

*Client Response:* The Fiscal Officer will continue to work to provide a sound fiscal environment for the Township and has implemented additional policies and procedures to help with financial statement presentation.

Finding Number	2017-002
----------------	----------

Noncompliance

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

The Township had 30.43% of expenditures that were not timely certified for the year ended December 31, 2017.

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

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

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

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

**STATUS OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2017**

<b><u>Finding Number</u></b>	<b><u>Finding Summary</u></b>	<b><u>Fully Corrected?</u></b>	<b><u>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:</u></b>
2016-001	<u>Material Weakness - Financial Statement Presentation</u> - The presentation of a materially correct financial statement and related notes is the responsibility of management and is an important part of the Township's overall purpose. Financial reporting requires internal controls to help ensure the accuracy of the activity reported. Certain adjustments were posted to the audited financial statement to materially correct.	Not Corrected	Finding repeated as 2017-001
2016-002	<u>Noncompliance/Material Weakness</u> - Ohio Administrative Code Section 117-2-02(C)(1) requires local public offices to integrate the budgetary accounts, at the legal level of control or lower, into the financial accounting system. The Township's UAN system included appropriations that were not legal since they were not approved by the Board of Trustees for the year ended December 31, 2016.	Fully Corrected	N/A

# OHIO AUDITOR OF STATE KEITH FABER



**ST. ALBANS TOWNSHIP**

**LICKING 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  
JUNE 13, 2019**