



OHIO AUDITOR OF STATE
KEITH FABER



**MOOREFIELD TOWNSHIP
HARRISON COUNTY**

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**MOOREFIELD TOWNSHIP
HARRISON COUNTY**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Moorefield Township
Harrison County
36200 Cadiz Piedmont Road
Cadiz, Ohio 43907

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Moorefield Township, Harrison County, Ohio (the Township), as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud.

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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Moorefield Township, Harrison County, Ohio, as of December 31, 2019 and 2018, and the respective changes in cash financial position and the respective budgetary comparisons for the General, Gasoline Tax, Road and Bridge, Cemetery and Fire District funds, thereof for the year then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

We draw attention to Note 2 of the financial statements, which describes the accounting basis. The financial statements are prepared on the cash basis of accounting, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

Emphasis of Matter

As discussed in Note 11 to the 2019 financial statements, during 2020, 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 this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2020, 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

September 30, 2020

Moorefield Township
Harrison County, Ohio
Statement of Net Position - Cash Basis
December 31, 2019

| | Governmental Activities |
|--|----------------------------|
| Assets | |
| Equity in Pooled Cash and Cash Equivalents | \$232,310 |
| <i>Total Assets</i> | \$232,310 |
| Net Position | |
| Restricted for: | |
| Permanent Fund Purpose: | |
| Expendable | \$2,484 |
| Nonexpendable | 4,509 |
| Other Purposes | 183,082 |
| Unrestricted | 42,235 |
| <i>Total Net Position</i> | \$232,310 |

See accompanying notes to the basic financial statements

Moorefield Township
Harrison County, Ohio
Statement of Activities - Cash Basis
For the Year Ended December 31, 2019

| | Program Cash Receipts | | |
|--------------------------------------|-----------------------|--------------------------------------|--|
| | Cash Disbursements | Charges for Services and Sales | Operating Grants and Contributions |
| Governmental Activities | | | |
| Current: | | | |
| General Government | \$35,000 | \$0 | \$1,708 |
| Public Safety | 51,949 | 2,877 | 0 |
| Public Works | 154,365 | 2,775 | 120,457 |
| Health | 14,176 | 1,805 | 0 |
| Other | 0 | 8,063 | 0 |
| Capital Outlay | 16,195 | 0 | 0 |
| <i>Total Governmental Activities</i> | \$271,685 | \$15,520 | \$122,165 |

General Receipts:
Property Taxes Levied for:
 General Purposes
Grants and Entitlements not
 Restricted to Specific Programs
Earnings on Investments

Total General Receipts

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

| <u>Net (Disbursements) Receipts and Changes in Net Position</u> | |
|---|------------------------------------|
| <u>Capital Grants and Contributions</u> | <u>Governmental Activities</u> |
| \$0 | (\$33,292) |
| 0 | (49,072) |
| 1,560 | (29,573) |
| 0 | (12,371) |
| 0 | 8,063 |
| 0 | (16,195) |
| <u>\$1,560</u> | <u>(132,440)</u> |
| | 188,337 |
| | 18,820 |
| | <u>123</u> |
| | <u>207,280</u> |
| | 74,840 |
| | <u>157,470</u> |
| | <u>\$232,310</u> |

Moorefield Township
Harrison County, Ohio
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2019

| | General | Gasoline Tax |
|--|----------|-----------------|
| Assets | | |
| Equity in Pooled Cash and Cash Equivalents | \$42,235 | \$40,632 |
| <i>Total Assets</i> | \$42,235 | \$40,632 |
| Fund Balances | | |
| Nonspendable | \$0 | \$0 |
| Restricted | 0 | 40,632 |
| Committed | 0 | 0 |
| Assigned | 42,235 | 0 |
| Unassigned (Deficit) | 0 | 0 |
| <i>Total Fund Balances</i> | \$42,235 | \$40,632 |

See accompanying notes to the basic financial statements

| <u>Road and Bridge</u> | <u>Cemetery</u> | <u>Fire District</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|----------------------------|-----------------|--------------------------|---|---|
| <u>\$7,486</u> | <u>\$83,703</u> | <u>\$44,136</u> | <u>\$14,118</u> | <u>\$232,310</u> |
| <u>\$7,486</u> | <u>\$83,703</u> | <u>\$44,136</u> | <u>\$14,118</u> | <u>\$232,310</u> |
| \$0 | \$0 | \$0 | \$4,509 | \$4,509 |
| 0 | 83,703 | 44,136 | 9,609 | 178,080 |
| 7,486 | 0 | 0 | 0 | 7,486 |
| 0 | 0 | 0 | 0 | 42,235 |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <u>\$7,486</u> | <u>\$83,703</u> | <u>\$44,136</u> | <u>\$14,118</u> | <u>\$232,310</u> |

Moorefield Township
Harrison County, Ohio
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2019

| | General | Gasoline Tax |
|--|-----------------|-----------------|
| Receipts | | |
| Property and Other Local Taxes | \$27,399 | \$0 |
| Licenses, Permits and Fees | 0 | 0 |
| Intergovernmental | 20,528 | 109,076 |
| Special Assessments | 0 | 0 |
| Earnings on Investments | 34 | 55 |
| Miscellaneous | 8,063 | 0 |
| <i>Total Receipts</i> | <u>56,024</u> | <u>109,131</u> |
| Disbursements | | |
| Current: | | |
| General Government | 33,402 | 0 |
| Public Safety | 0 | 0 |
| Public Works | 4,125 | 88,676 |
| Health | 863 | 0 |
| Capital Outlay | 0 | 5,100 |
| <i>Total Disbursements</i> | <u>38,390</u> | <u>93,776</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>17,634</u> | <u>15,355</u> |
| Other Financing Sources (Uses) | | |
| Transfers In | 0 | 0 |
| Transfers Out | (250) | 0 |
| <i>Total Other Financing Sources (Uses)</i> | <u>(250)</u> | <u>0</u> |
| <i>Net Change in Fund Balances</i> | 17,384 | 15,355 |
| <i>Fund Balances Beginning of Year</i> | <u>24,851</u> | <u>25,277</u> |
| <i>Fund Balances End of Year</i> | <u>\$42,235</u> | <u>\$40,632</u> |

See accompanying notes to the basic financial statements

| Road and Bridge | Cemetery | Fire District | Other Governmental Funds | Total Governmental Funds |
|--------------------|-----------------|------------------|--------------------------------|--------------------------------|
| \$32,879 | \$32,937 | \$95,122 | \$2,745 | \$191,082 |
| 0 | 1,205 | 0 | 30 | 1,235 |
| 0 | 0 | 0 | 12,941 | 142,545 |
| 0 | 0 | 0 | 2,877 | 2,877 |
| 0 | 0 | 0 | 34 | 123 |
| 0 | 600 | 0 | 0 | 8,663 |
| <u>32,879</u> | <u>34,742</u> | <u>95,122</u> | <u>18,627</u> | <u>346,525</u> |
| 0 | 0 | 0 | 1,598 | 35,000 |
| 0 | 0 | 51,949 | 0 | 51,949 |
| 32,712 | 0 | 0 | 28,852 | 154,365 |
| 0 | 13,313 | 0 | 0 | 14,176 |
| 2,695 | 8,400 | 0 | 0 | 16,195 |
| <u>35,407</u> | <u>21,713</u> | <u>51,949</u> | <u>30,450</u> | <u>271,685</u> |
| <u>(2,528)</u> | <u>13,029</u> | <u>43,173</u> | <u>(11,823)</u> | <u>74,840</u> |
| 0 | 0 | 0 | 250 | 250 |
| 0 | 0 | 0 | 0 | (250) |
| 0 | 0 | 0 | 250 | 0 |
| <u>(2,528)</u> | <u>13,029</u> | <u>43,173</u> | <u>(11,573)</u> | <u>74,840</u> |
| <u>10,014</u> | <u>70,674</u> | <u>963</u> | <u>25,691</u> | <u>157,470</u> |
| <u>\$7,486</u> | <u>\$83,703</u> | <u>\$44,136</u> | <u>\$14,118</u> | <u>\$232,310</u> |

Moorefield Township
Harrison County, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General
For the Year Ended December 31, 2019

| | Budgeted Amounts | | Actual | (Optional) Variance with Final Budget Positive (Negative) |
|--|------------------|-----------------|-----------------|---|
| | Original | Final | | |
| Receipts | | | | |
| Property and Other Local Taxes | \$41,600 | \$41,600 | \$27,399 | (\$14,201) |
| Licenses, Permits and Fees | 100 | 100 | 0 | (100) |
| Intergovernmental | 13,350 | 13,350 | 20,528 | 7,178 |
| Earnings on Investments | 50 | 50 | 34 | (16) |
| Miscellaneous | 0 | 0 | 8,063 | 8,063 |
| <i>Total Receipts</i> | <u>55,100</u> | <u>55,100</u> | <u>56,024</u> | <u>924</u> |
| Disbursements | | | | |
| Current: | | | | |
| General Government | 46,170 | 46,170 | 33,402 | 12,768 |
| Public Works | 15,278 | 15,278 | 4,125 | 11,153 |
| Health | 1,500 | 1,500 | 863 | 637 |
| Capital Outlay | 16,000 | 16,000 | 0 | 16,000 |
| <i>Total Disbursements</i> | <u>78,948</u> | <u>78,948</u> | <u>38,390</u> | <u>40,558</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>(23,848)</u> | <u>(23,848)</u> | <u>17,634</u> | <u>41,482</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers Out | (1,000) | (1,000) | (250) | 750 |
| <i>Total Other Financing Sources (Uses)</i> | <u>(1,000)</u> | <u>(1,000)</u> | <u>(250)</u> | <u>750</u> |
| <i>Net Change in Fund Balance</i> | <u>(24,848)</u> | <u>(24,848)</u> | <u>17,384</u> | <u>42,232</u> |
| <i>Unencumbered Fund Balance Beginning of Year</i> | <u>24,851</u> | <u>24,851</u> | <u>24,851</u> | <u>0</u> |
| <i>Unencumbered Fund Balance End of Year</i> | <u>\$3</u> | <u>\$3</u> | <u>\$42,235</u> | <u>\$42,232</u> |

See accompanying notes to the basic financial statements

Moorefield Township
Harrison County, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Gasoline Tax
For the Year Ended December 31, 2019

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | (Optional) |
|--|-------------------------|----------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | | Variance with Final Budget Positive (Negative) |
| Receipts | | | | |
| Intergovernmental | \$89,000 | \$89,000 | \$109,076 | \$20,076 |
| Earnings on Investments | 0 | 0 | 55 | 55 |
| <i>Total Receipts</i> | <u>89,000</u> | <u>89,000</u> | <u>109,131</u> | <u>20,131</u> |
| Disbursements | | | | |
| Current: | | | | |
| General Government | 500 | 500 | 0 | 500 |
| Public Works | 98,771 | 98,771 | 88,676 | 10,095 |
| Capital Outlay | 15,000 | 15,000 | 5,100 | 9,900 |
| <i>Total Disbursements</i> | <u>114,271</u> | <u>114,271</u> | <u>93,776</u> | <u>20,495</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | (25,271) | (25,271) | 15,355 | 40,626 |
| <i>Unencumbered Fund Balance Beginning of Year</i> | <u>25,277</u> | <u>25,277</u> | <u>25,277</u> | <u>0</u> |
| <i>Unencumbered Fund Balance End of Year</i> | <u>\$6</u> | <u>\$6</u> | <u>\$40,632</u> | <u>\$40,626</u> |

See accompanying notes to the basic financial statements

Moorefield Township
Harrison County, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Road and Bridge
For the Year Ended December 31, 2019

| | Budgeted Amounts | | Actual | (Optional) Variance with Final Budget Positive (Negative) |
|--|------------------|----------|----------|---|
| | Original | Final | | |
| Receipts | | | | |
| Property and Other Local Taxes | \$46,500 | \$46,500 | \$32,879 | (\$13,621) |
| <i>Total Receipts</i> | 46,500 | 46,500 | 32,879 | (13,621) |
| Disbursements | | | | |
| Current: | | | | |
| Public Works | 41,407 | 41,407 | 32,712 | 8,695 |
| Capital Outlay | 15,000 | 15,000 | 2,695 | 12,305 |
| <i>Total Disbursements</i> | 56,407 | 56,407 | 35,407 | 21,000 |
| <i>Excess of Receipts Over (Under) Disbursements</i> | (9,907) | (9,907) | (2,528) | 7,379 |
| <i>Unencumbered Fund Balance Beginning of Year</i> | 9,589 | 9,589 | 9,589 | 0 |
| Prior Year Encumbrances Appropriated | 425 | 425 | 425 | 0 |
| <i>Unencumbered Fund Balance End of Year</i> | \$107 | \$107 | \$7,486 | \$7,379 |

See accompanying notes to the basic financial statements

Moorefield Township
Harrison County, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Cemetery
For the Year Ended December 31, 2019

| | Budgeted Amounts | | Actual | (Optional) Variance with Final Budget Positive (Negative) |
|--|------------------|-----------------|-----------------|---|
| | Original | Final | | |
| Receipts | | | | |
| Property and Other Local Taxes | \$49,400 | \$49,400 | \$32,937 | (\$16,463) |
| Licenses, Permits and Fees | 1000 | 1000 | 1205 | 205 |
| Intergovernmental | 750 | 750 | 0 | (750) |
| Miscellaneous | 1000 | 1000 | 600 | (400) |
| <i>Total Receipts</i> | <i>52,150</i> | <i>52,150</i> | <i>34,742</i> | <i>(17,408)</i> |
| Disbursements | | | | |
| Current: | | | | |
| Health | 109,200 | 109,200 | 13,313 | 95,887 |
| Capital Outlay | 13,624 | 13,624 | 8,400 | 5,224 |
| <i>Total Disbursements</i> | <i>122,824</i> | <i>122,824</i> | <i>21,713</i> | <i>101,111</i> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <i>(70,674)</i> | <i>(70,674)</i> | <i>13,029</i> | <i>83,703</i> |
| <i>Unencumbered Fund Balance Beginning of Year</i> | <i>70,174</i> | <i>70,174</i> | <i>70,174</i> | <i>0</i> |
| Prior Year Encumbrances Appropriated | 500 | 500 | 500 | 0 |
| <i>Unencumbered Fund Balance End of Year</i> | <i>\$0</i> | <i>\$0</i> | <i>\$83,703</i> | <i>\$83,703</i> |

See accompanying notes to the basic financial statements

Moorefield Township
Harrison County, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Fire District
For the Year Ended December 31, 2019

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | (Optional) |
|--|-------------------------|----------------|----------------|---|
| | <u>Original</u> | <u>Final</u> | | Variance with Final Budget Positive (Negative) |
| Receipts | | | | |
| Property and Other Local Taxes | \$118,000 | \$118,000 | \$95,122 | (\$22,878) |
| Intergovernmental | 2400 | 2400 | 0 | (2,400) |
| <i>Total Receipts</i> | <u>120,400</u> | <u>120,400</u> | <u>95,122</u> | <u>(25,278)</u> |
| Disbursements | | | | |
| Current: | | | | |
| General Government | 250 | 250 | 0 | 250 |
| Public Safety | 121,113 | 121,113 | 91,949 | 29,164 |
| <i>Total Disbursements</i> | <u>121,363</u> | <u>121,363</u> | <u>91,949</u> | <u>29,414</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | (963) | (963) | 3,173 | 4,136 |
| <i>Unencumbered Fund Balance Beginning of Year</i> | <u>963</u> | <u>963</u> | <u>963</u> | <u>0</u> |
| <i>Unencumbered Fund Balance End of Year</i> | <u>\$0</u> | <u>\$0</u> | <u>\$4,136</u> | <u>\$4,136</u> |

See accompanying notes to the basic financial statements

Moorefield Township
Harrison County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 1 – Reporting Entity

Moorefield Township, Harrison County, Ohio (the Township), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Township Fiscal Officer.

The reporting entity is comprised of the primary government, component units and other organizations that were included to ensure that the financial statements are not misleading.

Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The primary government of the Township provides the following services to its citizens: general government services, maintenance of Township roads and bridges, and cemetery maintenance and fire protection. The Township contracts with the Moorefield Township Volunteer Fire Department to provide fire services.

Public Entity Risk Pools

The Township participates in a public entity risk pool available to Ohio townships. Note 7 to the financial statements provides additional information for this entity.

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

As discussed further in the Basis of Accounting section of this Note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Township's accounting policies.

Basis of Presentation

The Township's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements The statement of net position and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

The statement of net position presents the cash and investment balances of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible.

Moorefield Township
Harrison County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that are required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Township's general receipts.

Fund Financial Statements During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Fund Accounting

The Township uses fund accounting 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 governmental funds.

Governmental Funds Governmental funds are those through which most governmental functions of the Township are financed. The following are the Township's major governmental funds.

General 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.

Gasoline Tax Fund The gasoline tax fund accounts for and reports gasoline tax money for constructing, maintaining and repairing Township roads.

Road and Bridge Fund The road and bridge fund accounts for and reports property tax (inside millage) committed for the construction, reconstruction, resurfacing and repair of Township roads and bridges.

Cemetery Fund The cemetery fund accounts for and reports tax money to pay for the general maintenance and upkeep of the cemeteries for the Township.

Fire District Fund The fire district fund accounts for and reports tax money to pay for fire protection for the Township.

The other governmental funds of the Township account for and report grants and other resources, whose use is restricted, committed or assigned to a particular purpose.

Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

Moorefield Township
Harrison County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.

Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriations resolution is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Township.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

Cash and Investments

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2019, the Township invested in nonnegotiable certificate of deposit. The nonnegotiable certificate of deposit is reported at cost.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

Inventory and Prepaid Items

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

Moorefield Township
Harrison County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's cash basis of accounting.

Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for other postemployment benefits (OPEB).

Net Position

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for cemetery tax levy and gasoline excise taxes.

Fund Balance

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

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

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of Township Trustees. Those committed amounts cannot be used for any other purpose unless the Township Trustees remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Township Trustees, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Moorefield Township
Harrison County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Assigned Amounts in the assigned fund balance classification are intended to be used by the Township for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute. State Statute authorizes the Township Clerk to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

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 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund and any major special revenue fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference(s) between the budgetary basis and the cash basis is as follows:

Outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis).

| | |
|--------------|--------------------------|
| | Fire District Fund |
| | <hr/> |
| Cash Basis | \$44,136 |
| Encumbrances | <u>(40,000)</u> |
| Budget Basis | <u><u>\$4,136</u></u> |

Note 4 – Deposits and Investments

Monies held by the Township are classified by State statute into two categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Moorefield Township
Harrison County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

Deposits

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by:

Eligible securities pledged to the Township and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

Moorefield Township
Harrison County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Participation in 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. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Note 5 – 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 the 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. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Township.

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

Note 6 – Transfers

Transfers

During 2019, the following transfers were made:

| <u>Transfer to</u> | <u>Transfer from</u> <u>Major Funds</u> |
|--------------------------------------|--|
| | General |
| Other Nonmajor Governmental Funds | \$250 |

The above mentioned Transfers From/To were used to move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; and to use unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 7 – Risk Pool Membership

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 (local entity’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

Moorefield Township
Harrison County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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 |

Note 8 – Defined Benefit Pension Plan

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - Township employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administer three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. Members (e.g. Township employees) may participate in all three plans.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222- 7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

Moorefield Township
Harrison County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

| Group A Eligible to retire prior to January 7, 2013, or five years after January 7, 2013 | Group B 20 years of service credit prior to January 7, 2013, or eligible to retire ten years after January 7, 2013 | Group C Members not in other Groups and members hired on or after January 7, 2013 |
|--|--|--|
| State and Local | State and Local | State and Local |
| Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit | Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit | Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit |
| Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 | Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 | Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35 |
| Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30 | Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30 | Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35 |
| Public Safety | Public Safety | Public Safety |
| Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit | Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit | Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit |
| Law Enforcement | Law Enforcement | Law Enforcement |
| Age and Service Requirements: Age 52 with 15 years of service credit | Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit | Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit |
| Public Safety and Law Enforcement | Public Safety and Law Enforcement | Public Safety and Law Enforcement |
| Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 | Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 | Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 |

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a traditional plan benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment of the defined benefit portion of their pension benefit. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Moorefield Township
Harrison County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

| | State and Local |
|--|--------------------|
| 2018 Statutory Maximum Contribution Rates | |
| Employer | 14.0 % |
| Employee *** | 10.0 % |
| 2018 Actual Contribution Rates | |
| Employer: | |
| Pension | 14.0 % |
| Post-employment Health Care Benefits ***** | 0.0 |
| Total Employer | 14.0 % |
| Employee | 10.0 % |

*** Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Township's contractually required contribution was \$12,783 for the year 2019.

Moorefield Township
Harrison County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 9 - Postemployment Benefits

Ohio Public Employees Retirement System

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple- employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit postemployment health care trusts, which fund multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member-directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml> by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2019, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2019 was 4.0 percent.

Moorefield Township
Harrison County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 10 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Township is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

| Fund Balances | General | Gasoline Tax | Road and Bridge | Cemetery | Fire District | Other Governmental Funds | Total |
|-----------------------------|-----------------|-----------------|--------------------|-----------------|------------------|--------------------------------|------------------|
| Nonspendable | | | | | | | |
| Cemetery Endowment | \$0 | \$0 | \$0 | \$0 | \$0 | \$4,509 | \$4,509 |
| <i>Total Nonspendable</i> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>4,509</u> | <u>4,509</u> |
| Restricted for | | | | | | | |
| Cemetery | 0 | 0 | 0 | 83,703 | 0 | 2,484 | 86,187 |
| Fire Operations | 0 | 0 | 0 | 0 | 44,136 | 0 | 44,136 |
| Road and Bridge | 0 | 40,632 | 0 | 0 | 0 | 1,334 | 41,966 |
| Street Lighting | 0 | 0 | 0 | 0 | 0 | 4,700 | 4,700 |
| Zoning | 0 | 0 | 0 | 0 | 0 | 1,091 | 1,091 |
| <i>Total Restricted</i> | <u>0</u> | <u>40,632</u> | <u>0</u> | <u>83,703</u> | <u>44,136</u> | <u>9,609</u> | <u>178,080</u> |
| Committed to | | | | | | | |
| Road and Bridge | 0 | 0 | 7,486 | 0 | 0 | 0 | 7,486 |
| Assigned to | | | | | | | |
| Appropriations | 42,235 | 0 | 0 | 0 | 0 | 0 | 42,235 |
| Unassigned (Deficit) | | | | | | | |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <i>Total Fund Balances</i> | <u>\$42,235</u> | <u>\$40,632</u> | <u>\$7,486</u> | <u>\$83,703</u> | <u>\$44,136</u> | <u>\$14,118</u> | <u>\$232,310</u> |

Note 11 – Subsequent Events

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

Moorefield Township
Harrison County, Ohio
Statement of Net Position - Cash Basis
December 31, 2018

| | Governmental Activities |
|--|----------------------------|
| Assets | |
| Equity in Pooled Cash and Cash Equivalents | \$157,470 |
| <i>Total Assets</i> | <i>\$157,470</i> |
| Net Position | |
| Restricted for: | |
| Permanent Fund Purpose: | |
| Expendable | \$2,478 |
| Nonexpendable | 4,509 |
| Other Purposes | 125,632 |
| Unrestricted | 24,851 |
| <i>Total Net Position</i> | <i>\$157,470</i> |

See accompanying notes to the basic financial statements

Moorefield Township
Harrison County, Ohio
Statement of Activities - Cash Basis
For the Year Ended December 31, 2018

| | Program Cash Receipts | | |
|--------------------------------------|-----------------------|--------------------------------------|--|
| | Cash Disbursements | Charges for Services and Sales | Operating Grants and Contributions |
| Governmental Activities | | | |
| Current: | | | |
| General Government | \$94,343 | \$0 | \$1,607 |
| Public Safety | 197,226 | 3,338 | 0 |
| Public Works | 139,645 | 2,581 | 106,396 |
| Health | 10,818 | 2,900 | 0 |
| Other | 12 | 13,955 | 0 |
| Capital Outlay | 89,000 | 0 | 0 |
| Debt Service: | | | |
| Interest and Fiscal Charges | 23,365 | 0 | 0 |
| <i>Total Governmental Activities</i> | \$554,409 | \$22,774 | \$108,003 |

General Receipts:
Property Taxes Levied for:
 General Purposes
Grants and Entitlements not
 Restricted to Specific Programs
Earnings on Investments
Miscellaneous

Total General Receipts

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

| <u>Net (Disbursements) Receipts and Changes in Net Position</u> | |
|---|------------------|
| <u>Governmental Activities</u> | |
| | (\$92,736) |
| | (193,888) |
| | (30,668) |
| | (7,918) |
| | 13,943 |
| | (89,000) |
| | <u>(23,365)</u> |
| | (423,632) |
| | 189,063 |
| | 23,364 |
| | 148 |
| | <u>61,542</u> |
| | <u>274,117</u> |
| | (149,515) |
| | <u>306,985</u> |
| | <u>\$157,470</u> |

Moorefield Township
Harrison County, Ohio
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2018

| | <u>General</u> | <u>Gasoline Tax</u> | <u>Road and Bridge</u> |
|--|-----------------|-------------------------|----------------------------|
| Assets | | | |
| Equity in Pooled Cash and Cash Equivalents | \$24,851 | \$25,277 | \$10,014 |
| <i>Total Assets</i> | <u>\$24,851</u> | <u>\$25,277</u> | <u>\$10,014</u> |
| Fund Balances | | | |
| Nonspendable | \$0 | \$0 | \$0 |
| Restricted | 0 | 25,277 | 0 |
| Committed | 0 | 0 | 10,014 |
| Assigned | 24,851 | 0 | 0 |
| <i>Total Fund Balances</i> | <u>\$24,851</u> | <u>\$25,277</u> | <u>\$10,014</u> |

See accompanying notes to the basic financial statements

| <u>Cemetery</u> | <u>Fire District</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|-----------------|--------------------------|---|---|
| \$70,674 | \$963 | \$25,691 | \$157,470 |
| \$70,674 | \$963 | \$25,691 | \$157,470 |
| \$0 | \$0 | \$4,509 | \$4,509 |
| 70,674 | 963 | 21,182 | 118,096 |
| 0 | 0 | 0 | 10,014 |
| 0 | 0 | 0 | 24,851 |
| \$70,674 | \$963 | \$25,691 | \$157,470 |

Moorefield Township
Harrison County, Ohio
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2018

| | General | Gasoline Tax | Road and Bridge |
|--|------------------------|------------------------|------------------------|
| Receipts | | | |
| Property and Other Local Taxes | \$27,424 | \$0 | \$32,909 |
| Licenses, Permits and Fees | 205 | 0 | 0 |
| Fines and Forfeitures | 0 | 0 | 0 |
| Intergovernmental | 21,214 | 94,742 | 944 |
| Special Assessments | 0 | 0 | 0 |
| Earnings on Investments | 36 | 67 | 0 |
| Miscellaneous | 13,750 | 0 | 0 |
| <i>Total Receipts</i> | <u>62,629</u> | <u>94,809</u> | <u>33,853</u> |
| Disbursements | | | |
| Current: | | | |
| General Government | 91,725 | 500 | 0 |
| Public Safety | 0 | 0 | 0 |
| Public Works | 6,608 | 82,590 | 34,358 |
| Health | 1,155 | 0 | 0 |
| Capital Outlay | 21,000 | 25,000 | 18,000 |
| Debt Service: | 0 | | |
| Interest and Fiscal Charges | 23,365 | 0 | 0 |
| <i>Total Disbursements</i> | <u>143,853</u> | <u>108,090</u> | <u>52,358</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>(81,224)</u> | <u>(13,281)</u> | <u>(18,505)</u> |
| Other Financing Sources (Uses) | | | |
| Transfers In | 0 | 0 | 0 |
| Transfers Out | (1,575) | 0 | 0 |
| Other Financing Sources | 61,542 | 0 | 0 |
| Other Financing Uses | (12) | 0 | 0 |
| <i>Total Other Financing Sources (Uses)</i> | <u>59,955</u> | <u>0</u> | <u>0</u> |
| <i>Net Change in Fund Balances</i> | (21,269) | (13,281) | (18,505) |
| <i>Fund Balances Beginning of Year</i> | <u>46,120</u> | <u>38,558</u> | <u>28,519</u> |
| <i>Fund Balances End of Year</i> | <u><u>\$24,851</u></u> | <u><u>\$25,277</u></u> | <u><u>\$10,014</u></u> |

See accompanying notes to the basic financial statements

| Cemetery | Fire District | Other Governmental Funds | Total Governmental Funds |
|-----------------|-----------------|--------------------------|--------------------------|
| \$33,118 | \$95,612 | \$2,473 | \$191,536 |
| 1,400 | 0 | 93 | 1,698 |
| 0 | 0 | 15 | 15 |
| 710 | 2,103 | 11,654 | 131,367 |
| 0 | 0 | 3,338 | 3,338 |
| 0 | 0 | 45 | 148 |
| 1,500 | 0 | 0 | 15,250 |
| <u>36,728</u> | <u>97,715</u> | <u>17,618</u> | <u>343,352</u> |
| 0 | 0 | 2,118 | 94,343 |
| 0 | 197,226 | 0 | 197,226 |
| 0 | 0 | 16,089 | 139,645 |
| 9,663 | 0 | 0 | 10,818 |
| 23,000 | 0 | 2,000 | 89,000 |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>23,365</u> |
| <u>32,663</u> | <u>197,226</u> | <u>20,207</u> | <u>554,397</u> |
| <u>4,065</u> | <u>(99,511)</u> | <u>(2,589)</u> | <u>(211,045)</u> |
| 0 | 0 | 1,575 | 1,575 |
| 0 | 0 | 0 | (1,575) |
| 0 | 0 | 0 | 61,542 |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>(12)</u> |
| <u>0</u> | <u>0</u> | <u>1,575</u> | <u>61,530</u> |
| 4,065 | (99,511) | (1,014) | (149,515) |
| <u>66,609</u> | <u>100,474</u> | <u>26,705</u> | <u>306,985</u> |
| <u>\$70,674</u> | <u>\$963</u> | <u>\$25,691</u> | <u>\$157,470</u> |

Moorefield Township
Harrison County, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General
For the Year Ended December 31, 2018

| | Budgeted Amounts | | Actual | (Optional) Variance with Final Budget Positive (Negative) |
|--|------------------|----------|----------|---|
| | Original | Final | | |
| Receipts | | | | |
| Property and Other Local Taxes | \$40,000 | \$40,000 | \$27,424 | (\$12,576) |
| Licenses, Permits and Fees | 0 | 0 | 205 | 205 |
| Intergovernmental | 14,000 | 14,000 | 21,214 | 7,214 |
| Earnings on Investments | 0 | 0 | 36 | 36 |
| Miscellaneous | 0 | 0 | 13,750 | 13,750 |
| <i>Total Receipts</i> | 54,000 | 54,000 | 62,629 | 8,629 |
| Disbursements | | | | |
| Current: | | | | |
| General Government | 88,025 | 92,704 | 91,725 | 979 |
| Public Works | 12,255 | 7,034 | 6,608 | 426 |
| Health | 1,600 | 1,155 | 1,155 | 0 |
| Capital Outlay | 21,100 | 21,000 | 21,000 | 0 |
| Debt Service: | | | | |
| Interest and Fiscal Charges | 23,365 | 23,365 | 23,365 | 0 |
| <i>Total Disbursements</i> | 146,345 | 145,258 | 143,853 | 1,405 |
| <i>Excess of Receipts Over (Under) Disbursements</i> | (92,345) | (91,258) | (81,224) | 10,034 |
| Other Financing Sources (Uses) | | | | |
| Transfers Out | (500) | (1,575) | (1,575) | 0 |
| Other Financing Sources | 46,725 | 46,725 | 61,542 | 14,817 |
| Other Financing Uses | 0 | (12) | (12) | 0 |
| <i>Total Other Financing Sources (Uses)</i> | 46,225 | 45,138 | 59,955 | 14,817 |
| <i>Net Change in Fund Balance</i> | (46,120) | (46,120) | (21,269) | 24,851 |
| <i>Unencumbered Fund Balance Beginning of Year</i> | 46,120 | 46,120 | 46,120 | 0 |
| <i>Unencumbered Fund Balance End of Year</i> | \$0 | \$0 | \$24,851 | \$24,851 |

See accompanying notes to the basic financial statements

Moorefield Township
Harrison County, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Gasoline Tax
For the Year Ended December 31, 2018

| | <u>Budgeted Amounts</u> | | | (Optional) |
|--|-------------------------|----------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
| Receipts | | | | |
| Intergovernmental | \$90,100 | \$90,100 | \$94,742 | \$4,642 |
| Earnings on Investments | 0 | 0 | 67 | 67 |
| <i>Total Receipts</i> | <u>90,100</u> | <u>90,100</u> | <u>94,809</u> | <u>4,709</u> |
| Disbursements | | | | |
| Current: | | | | |
| General Government | 500 | 500 | 500 | 0 |
| Public Works | 103,158 | 103,158 | 82,590 | 20,568 |
| Capital Outlay | 25,000 | 25,000 | 25,000 | 0 |
| <i>Total Disbursements</i> | <u>128,658</u> | <u>128,658</u> | <u>108,090</u> | <u>20,568</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | (38,558) | (38,558) | (13,281) | 25,277 |
| <i>Unencumbered Fund Balance Beginning of Year</i> | <u>38,558</u> | <u>38,558</u> | <u>38,558</u> | <u>0</u> |
| <i>Unencumbered Fund Balance End of Year</i> | <u>\$0</u> | <u>\$0</u> | <u>\$25,277</u> | <u>\$25,277</u> |

See accompanying notes to the basic financial statements

Moorefield Township
Harrison County, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Road and Bridge
For the Year Ended December 31, 2018

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | (Optional) |
|--|-------------------------|---------------|----------------|---|
| | <u>Original</u> | <u>Final</u> | | Variance with Final Budget Positive (Negative) |
| Receipts | | | | |
| Property and Other Local Taxes | \$46,800 | \$46,800 | \$32,909 | (\$13,891) |
| Intergovernmental | 0 | 0 | 944 | 944 |
| <i>Total Receipts</i> | <u>46,800</u> | <u>46,800</u> | <u>33,853</u> | <u>(12,947)</u> |
| Disbursements | | | | |
| Current: | | | | |
| Public Works | 42,319 | 42,319 | 34,783 | 7,536 |
| Capital Outlay | 33,000 | 33,000 | 18,000 | 15,000 |
| <i>Total Disbursements</i> | <u>75,319</u> | <u>75,319</u> | <u>52,783</u> | <u>22,536</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | (28,519) | (28,519) | (18,930) | 9,589 |
| <i>Unencumbered Fund Balance Beginning of Year</i> | <u>28,519</u> | <u>28,519</u> | <u>28,519</u> | <u>0</u> |
| <i>Unencumbered Fund Balance End of Year</i> | <u>\$0</u> | <u>\$0</u> | <u>\$9,589</u> | <u>\$9,589</u> |

See accompanying notes to the basic financial statements

Moorefield Township
Harrison County, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Cemetery
For the Year Ended December 31, 2018

| | Budgeted Amounts | | Actual | (Optional) Variance with Final Budget Positive (Negative) |
|--|------------------|----------|----------|---|
| | Original | Final | | |
| Receipts | | | | |
| Property and Other Local Taxes | \$50,000 | \$50,000 | \$33,118 | (\$16,882) |
| Licenses, Permits and Fees | 0 | 0 | 1400 | 1400 |
| Intergovernmental | 0 | 0 | 710 | 710 |
| Miscellaneous | 0 | 0 | 1500 | 1500 |
| <i>Total Receipts</i> | 50,000 | 50,000 | 36,728 | (13,272) |
| Disbursements | | | | |
| Current: | | | | |
| Health | 81,609 | 81,609 | 10,163 | 71,446 |
| Capital Outlay | 35,000 | 35,000 | 23,000 | 12,000 |
| <i>Total Disbursements</i> | 116,609 | 116,609 | 33,163 | 83,446 |
| <i>Excess of Receipts Over (Under) Disbursements</i> | (66,609) | (66,609) | 3,565 | 70,174 |
| <i>Unencumbered Fund Balance Beginning of Year</i> | 66,609 | 66,609 | 66,609 | 0 |
| <i>Unencumbered Fund Balance End of Year</i> | \$0 | \$0 | \$70,174 | \$70,174 |

See accompanying notes to the basic financial statements

Moorefield Township
Harrison County, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Fire District
For the Year Ended December 31, 2018

| | Budgeted Amounts | | Actual | (Optional) Variance with Final Budget Positive (Negative) |
|--|------------------|-----------|----------|---|
| | Original | Final | | |
| Receipts | | | | |
| Property and Other Local Taxes | \$104,800 | \$104,800 | \$95,612 | (\$9,188) |
| Intergovernmental | 0 | 0 | 2,103 | 2,103 |
| <i>Total Receipts</i> | 104,800 | 104,800 | 97,715 | (7,085) |
| Disbursements | | | | |
| Current: | | | | |
| General Government | 250 | 250 | 0 | 250 |
| Public Safety | 205,024 | 205,024 | 197,226 | 7,798 |
| <i>Total Disbursements</i> | 205,274 | 205,274 | 197,226 | 8,048 |
| <i>Excess of Receipts Over (Under) Disbursements</i> | (100,474) | (100,474) | (99,511) | 963 |
| <i>Unencumbered Fund Balance Beginning of Year</i> | 100,474 | 100,474 | 100,474 | 0 |
| <i>Unencumbered Fund Balance End of Year</i> | \$0 | \$0 | \$963 | \$963 |

See accompanying notes to the basic financial statements

Moorefield Township
Harrison County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 1 – Reporting Entity

Moorefield Township, Harrison County, Ohio (the Township), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Township Fiscal Officer.

The reporting entity is comprised of the primary government and other organizations that were included to ensure that the financial statements are not misleading.

Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The primary government of the Township provides the following services to its citizens: general government services, maintenance of Township roads and bridges, cemetery maintenance and fire protection. The Township contracts with the Moorefield Township Volunteer Fire Department to provide fire services.

Public Entity Risk Pools

The Township participates in a public entity risk pool available to Ohio townships. Note 7 to the financial statements provides additional information for this entity.

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

As discussed further in the Basis of Accounting section of this Note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Township's accounting policies.

Basis of Presentation

The Township's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements The statement of net position and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

Moorefield Township
Harrison County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

The statement of net position presents the cash and investment balances of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that are required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Township's general receipts.

Fund Financial Statements During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Fund Accounting

The Township uses fund accounting 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 governmental funds.

Governmental Funds Governmental funds are those through which most governmental functions of the Township are financed. The following are the Township's major governmental funds.

General 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.

Gasoline Tax Fund The gasoline tax fund accounts for and reports gasoline tax money for constructing, maintaining and repairing Township roads.

Road and Bridge Fund The road and bridge fund accounts for and reports property tax (inside millage) committed for the construction, reconstruction, resurfacing and repair of Township roads and bridges.

Cemetery Fund The cemetery fund accounts for and reports tax money to pay for the general maintenance and upkeep of the cemeteries for the Township.

Fire District Fund The fire district fund accounts for and reports tax money to pay for fire protection for the Township.

The other governmental funds of the Township account for and report grants and other resources, whose use is restricted, committed or assigned to a particular purpose.

Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

Moorefield Township
Harrison County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.

Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriations resolution is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Township.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

Cash and Investments

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2018, the Township invested in nonnegotiable certificate of deposit. The nonnegotiable certificate of deposit is reported at cost.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

Inventory and Prepaid Items

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

Moorefield Township
Harrison County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's cash basis of accounting.

Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for other postemployment benefits (OPEB).

Long-Term Obligations

The Township's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments are reported when paid.

Net Position

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for cemetery tax levy and gasoline excise taxes.

Fund Balance

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

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

Moorefield Township
Harrison County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of Township Trustees. Those committed amounts cannot be used for any other purpose unless the Township Trustees remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Township Trustees, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the Township for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute. State Statute authorizes the Township Clerk to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

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 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund and any major special revenue funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference(s) between the budgetary basis and the cash basis is as follows:

Outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis).

Moorefield Township
Harrison County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

| | Road and Bridge Fund | Cemetery Fund |
|--------------|----------------------------|------------------|
| Cash Basis | \$10,014 | \$70,674 |
| Encumbrances | (425) | (500) |
| Budget Basis | \$9,589 | \$70,174 |

Note 4 – Deposits and Investments

Monies held by the Township are classified by State statute into two categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;

Moorefield Township
Harrison County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

Deposits

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by:

Eligible securities pledged to the Township and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

Participation in 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. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Note 5 – 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 the 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. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Township.

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

Note 6 – Transfers

Transfers

During 2018, the following transfers were made:

Moorefield Township
Harrison County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

| Transfer to | Transfer from Major Funds |
|--------------------------------------|--------------------------------------|
| | General |
| Other Nonmajor Governmental Funds | \$1,575 |

The above mentioned Transfers From/To were used to move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; and to use unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 7 – Risk Pool Membership

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 (local entity’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>2018</u> |
|-----------------------|--------------|
| Cash and investments | \$33,097,416 |
| Actuarial liabilities | \$ 7,874,610 |

Note 8 – Defined Benefit Pension Plan

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - Township employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administer three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. Members (e.g. Township employees) may participate in all three plans.

Moorefield Township
Harrison County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

| Group A Eligible to retire prior to January 7, 2013, or five years after January 7, 2013 | Group B 20 years of service credit prior to January 7, 2013, or eligible to retire ten years after January 7, 2013 | Group C Members not in other Groups and members hired on or after January 7, 2013 |
|--|--|--|
| State and Local | State and Local | State and Local |
| Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit | Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit | Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit |
| Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 | Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 | Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35 |
| Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30 | Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30 | Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35 |
| Public Safety | Public Safety | Public Safety |
| Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit | Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit | Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit |
| Law Enforcement | Law Enforcement | Law Enforcement |
| Age and Service Requirements: Age 52 with 15 years of service credit | Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit | Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit |
| Public Safety and Law Enforcement | Public Safety and Law Enforcement | Public Safety and Law Enforcement |
| Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 | Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 | Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 |

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Moorefield Township
Harrison County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a traditional plan benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment of the defined benefit portion of their pension benefit. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

| | State and Local |
|--|--------------------|
| 2018 Statutory Maximum Contribution Rates | |
| Employer | 14.0 % |
| Employee *** | 10.0 % |
| 2018 Actual Contribution Rates | |
| Employer: | |
| Pension | 14.0 % |
| Post-employment Health Care Benefits **** | 0.0 |
| Total Employer | 14.0 % |
| Employee | 10.0 % |

*** Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

Moorefield Township
Harrison County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Township's contractually required contribution was \$12,460 for the year 2018.

Note 9 - Postemployment Benefits

Ohio Public Employees Retirement System

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit postemployment health care trusts, which funds multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. See OPERS CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml> by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2018, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Moorefield Township
Harrison County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2018 was 4.0 percent.

Note 10 – Debt

Leases

The Township leases a vehicle under a noncancelable lease. The Township disbursed \$23,365 to pay lease costs for the year ended December 31, 2018. This lease was paid in full in 2018.

Note 11 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Township is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

| Fund Balances | General | Gasoline Tax | Road and Bridge | Cemetery | Fire District | Other Governmental Funds | Total |
|-----------------------------|-----------------|-----------------|--------------------|-----------------|------------------|--------------------------------|------------------|
| Nonspendable | | | | | | | |
| Cemetery Endowment | \$0 | \$0 | \$0 | \$0 | \$0 | \$4,509 | \$4,509 |
| <i>Total Nonspendable</i> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>4,509</u> | <u>4,509</u> |
| Restricted for | | | | | | | |
| Cemetery | 0 | 0 | 0 | 70,674 | 0 | 2,478 | 73,152 |
| Fire Operations | 0 | 0 | 0 | 0 | 963 | 0 | 963 |
| Road and Bridge | 0 | 25,277 | 0 | 0 | 0 | 13,051 | 38,328 |
| Street Lighting | 0 | 0 | 0 | 0 | 0 | 4,554 | 4,554 |
| Zoning | 0 | 0 | 0 | 0 | 0 | 1,099 | 1,099 |
| <i>Total Restricted</i> | <u>0</u> | <u>25,277</u> | <u>0</u> | <u>70,674</u> | <u>963</u> | <u>21,182</u> | <u>118,096</u> |
| Committed to | | | | | | | |
| Road and Bridge | 0 | 0 | 10,014 | 0 | 0 | 0 | 10,014 |
| Assigned to | | | | | | | |
| Appropriations | 24,851 | 0 | 0 | 0 | 0 | 0 | 24,851 |
| Unassigned (Deficit) | | | | | | | |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <i>Total Fund Balances</i> | <u>\$24,851</u> | <u>\$25,277</u> | <u>\$10,014</u> | <u>\$70,674</u> | <u>\$963</u> | <u>\$25,691</u> | <u>\$157,470</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*

Moorefield Township
Harrison County
36200 Cadiz Piedmont Road
Cadiz, Ohio 43907

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 cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Moorefield Township, Harrison County, Ohio (the Township), as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements and have issued our report thereon dated September 30, 2020, wherein we noted the Township uses a special purpose framework other than generally accepted accounting principles. We also noted the financial impact of COVID-19 and the continuing emergency measures 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) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion 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 a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2019-001 to be a material weakness.

Compliance and Other Matters

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

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

September 30, 2020

**MOOREFIELD TOWNSHIP
HARRISON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2019 AND 2018**

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

FINDING NUMBER 2019-001

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 did not always record receipts into accurate classifications based upon the source of the receipt.

Also, the Township did not properly classify its December 31, 2019 and 2018 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.

As a result of audit procedures performed, receipt and fund balance misclassifications were noted in the Township's financial statements. Those misclassifications are as follows for 2019:

- Homestead and rollback receipts were posted to Taxes instead of Intergovernmental in the General, Road and Bridge, Cemetery, and Fire District funds in the amounts of \$1,568, \$1,881, \$1,418, and \$4,198, respectively;
- Employer premium refunds from the Bureau of Workers Compensation were posted to Intergovernmental instead of Miscellaneous in the amount of \$1,708;
- Statement No. 54 of the Governmental Accounting Standards Board (GASB) defines the reporting of fund balances in the financial statements and was codified as follows: GASB Cod. 1800.166 requires reporting amounts that cannot be spent as Nonspendable. GASB Cod. 1800.168-169 requires reporting funds whose revenue had external legal restrictions as Restricted. The Township improperly reported the Nonspendable portion of the Permanent Fund's cash fund balance as restricted instead of Nonspendable, in the amount of \$4,509; and
- Statement of No. 54 of the Governmental Accounting Standards Board (GASB) defines the reporting of fund balances in the financial statements. We found the Township improperly reported appropriations in excess of estimated receipts in the General Fund as unassigned instead of reporting the excess as assigned, in the amount of \$42,235. We also found the Township improperly reported the Road and Bridge Fund's cash fund balance as restricted instead of reporting the cash fund balance as committed, in the amount of \$7,486.

As a result of audit procedures performed, receipt and fund balance misclassifications were noted in the Township's financial statements. Those misclassifications are as follows for 2018:

- Homestead and rollback receipts were posted to Taxes instead of Intergovernmental in the General, Road and Bridge, Cemetery, and Fire District funds in the amounts of \$787, \$945, \$713, and \$2,110, respectively;
- Employer premium refunds from the Bureau of Workers Compensation was posted to Intergovernmental instead of Miscellaneous in the amount \$1,607;

**MOOREFIELD TOWNSHIP
HARRISON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2019 AND 2018
(Continued)**

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

FINDING NUMBER 2019-001 (Continued)

Material Weakness (Continued)

- Statement No. 54 of the Governmental Accounting Standards Board (GASB) defines the reporting of fund balances in the financial statements and was codified as follows: GASB Cod. 1800.166 requires reporting amounts that cannot be spent as Nonspendable. GASB Cod. 1800.168-169 requires reporting funds whose revenue had external legal restrictions as Restricted. The Township improperly reported the Nonspendable portion of the Permanent Fund's cash fund balance as restricted instead of Nonspendable, in the amount of \$4,509; and
- Statement of No. 54 of the Governmental Accounting Standards Board (GASB) defines the reporting of fund balances in the financial statements. We found the Township improperly reported appropriations in excess of estimated receipts in the General Fund as unassigned instead of reporting the excess as assigned, in the amount of \$24,851. We also found the Township improperly reported the Road and Bridge Fund's cash fund balance as restricted instead of reporting the cash fund balance as committed, in the amount of \$10,014.

These receipt and fund balance reclassifications were due to limited oversight by management. The significant reclassifications, with which management agrees, were posted to the financial statements.

The Fiscal Officer should refer to the Ohio Township Handbook for proper receipt classification to ensure the Township's accounting system and year-end financial statements are properly reported. Also, the Township should review AOS Bulletin 2011-004 for proper reporting of cash fund balances.

Officials' Response: We did not receive a response from Officials to this finding.

OHIO AUDITOR OF STATE KEITH FABER



MOOREFIELD TOWNSHIP

HARRISON 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 10/13/2020

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