



Dave Yost • Auditor of State

**WHEELING TOWNSHIP
BELMONT COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Wheeling Township
Belmont County
71179 Main Street
St. Clairsville, Ohio 43950

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of Wheeling Township, Belmont County, Ohio (the Township), as of and for the years ended December 31, 2014 and 2013.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

As described in Note 1 of the financial statements, the Township prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2014 and 2013, or changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of Wheeling Township, Belmont County, Ohio, as of December 31, 2014 and 2013, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit, described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2015, 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.



Dave Yost
Auditor of State
Columbus, Ohio

December 18, 2015

**WHEELING TOWNSHIP
BELMONT COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2014**

| | General | Special Revenue | Totals (Memorandum Only) |
|--|----------|--------------------|--------------------------------|
| Cash Receipts | | | |
| Property and Other Local Taxes | \$39,378 | \$90,837 | \$130,215 |
| Licenses, Permits and Fees | 7,616 | 0 | 7,616 |
| Intergovernmental | 34,306 | 111,410 | 145,716 |
| Earnings on Investments | 12 | 4 | 16 |
| Miscellaneous | 7,097 | 0 | 7,097 |
| <i>Total Cash Receipts</i> | 88,409 | 202,251 | 290,660 |
| Cash Disbursements | | | |
| Current: | | | |
| General Government | 28,493 | 11,421 | 39,914 |
| Public Safety | 0 | 26,419 | 26,419 |
| Public Works | 18,994 | 203,178 | 222,172 |
| Health | 8,665 | 0 | 8,665 |
| <i>Total Cash Disbursements</i> | 56,152 | 241,018 | 297,170 |
| <i>Excess of Cash Receipts Over (Under) Cash Disbursements</i> | 32,257 | (38,767) | (6,510) |
| <i>Fund Cash Balances, January 1</i> | 49,173 | 90,424 | 139,597 |
| Fund Cash Balances, December 31 | | | |
| Restricted | | 28,540 | 28,540 |
| Committed | 0 | 23,117 | 23,117 |
| Assigned | 1,328 | 0 | 1,328 |
| Unassigned | 80,102 | 0 | 80,102 |
| <i>Fund Cash Balances, December 31</i> | \$81,430 | \$51,657 | \$133,087 |

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

**WHEELING TOWNSHIP
BELMONT COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2013**

| | General | Special Revenue | Totals (Memorandum Only) |
|--|-----------------|--------------------|--------------------------------|
| Cash Receipts | | | |
| Property and Other Local Taxes | \$39,584 | \$91,076 | \$130,660 |
| Licenses, Permits and Fees | 7,677 | 0 | 7,677 |
| Intergovernmental | 34,919 | 110,225 | 145,144 |
| Earnings on Investments | 13 | 3 | 16 |
| Miscellaneous | 1,053 | 651 | 1,704 |
| | 83,246 | 201,955 | 285,201 |
| <i>Total Cash Receipts</i> | | | |
| Cash Disbursements | | | |
| Current: | | | |
| General Government | 35,286 | 3,899 | 39,185 |
| Public Safety | 0 | 26,093 | 26,093 |
| Public Works | 18,558 | 162,867 | 181,425 |
| Health | 8,050 | 0 | 8,050 |
| Capital Outlay | 12,000 | 0 | 12,000 |
| | 73,894 | 192,859 | 266,753 |
| <i>Total Cash Disbursements</i> | | | |
| <i>Excess of Cash Receipts Over Cash Disbursements</i> | 9,352 | 9,096 | 18,448 |
| <i>Fund Cash Balances, January 1</i> | 39,821 | 81,328 | 121,149 |
| Fund Cash Balances, December 31 | | | |
| Restricted | 0 | 52,462 | 52,462 |
| Committed | 0 | 37,962 | 37,962 |
| Assigned | 1,800 | 0 | 1,800 |
| Unassigned | 47,373 | 0 | 47,373 |
| | 49,173 | 90,424 | 139,597 |
| <i>Fund Cash Balances, December 31</i> | \$49,173 | \$90,424 | \$139,597 |

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

**WHEELING TOWNSHIP
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Wheeling Township, Belmont County (the Township), as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, and fire protection. The Township contracts with the Cumberland Trail Fire District, and the Flushing, Maynard, Lafferty, New Athens, and Harrisville Volunteer Fire Department to provide fire services.

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio Townships. Note 6 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.

B. Accounting Basis

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

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

C. Fund Accounting

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

1. General Fund

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

2. Special Revenue Funds

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

Road and Bridge Fund - This fund receives property tax money for constructing, maintaining, and repairing Township roads and bridges.

Gasoline Tax Fund - This fund receives gasoline tax money for constructing, maintaining, and repairing Township roads.

**WHEELING TOWNSHIP
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process

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

1. Appropriations

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

2. Estimated Resources

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

3. Encumbrances

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

A summary of 2014 and 2013 budgetary activity appears in Note 3.

E. Fund Balance

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

1. Restricted

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

2. Committed

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

**WHEELING TOWNSHIP
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Fund Balance (Continued)

3. Assigned

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

4. Unassigned

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

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

F. Property, Plant, and Equipment

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

G. Accumulated Leave

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

2. EQUITY IN POOLED DEPOSITS

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

| | | |
|-----------------|------------------|------------------|
| | 2014 | 2013 |
| Demand deposits | <u>\$133,087</u> | <u>\$139,597</u> |

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation.

**WHEELING TOWNSHIP
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2014 and 2013, follows:

| 2014 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|--------------------|----------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$60,430 | \$88,409 | \$27,979 |
| Special Revenue | 201,714 | 202,251 | 537 |
| Total | \$262,144 | \$290,660 | \$28,516 |

| 2014 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|----------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$92,556 | \$57,480 | \$35,076 |
| Special Revenue | 292,486 | 242,858 | 49,628 |
| Total | \$385,042 | \$300,338 | \$84,704 |

| 2013 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|--------------------|----------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$58,993 | \$83,246 | \$24,253 |
| Special Revenue | 180,500 | 201,955 | 21,455 |
| Total | \$239,493 | \$285,201 | \$45,708 |

| 2013 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|----------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$115,394 | \$75,694 | \$39,700 |
| Special Revenue | 245,249 | 194,062 | 51,187 |
| Total | \$360,643 | \$269,756 | \$90,887 |

Contrary to Ohio law, estimated resources exceeded appropriations in the General Fund by \$16,580 for the year ended December 31, 2013.

4. PROPERTY TAX

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

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.

**WHEELING TOWNSHIP
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)**

5. RETIREMENT SYSTEM

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

The Ohio Revised Code also prescribes contribution rates. For 2014 and 2013, OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2014.

6. RISK MANAGEMENT

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

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

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

Casualty and Property Coverage

The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2014, OTARMA retained \$350,000 for casualty claims and \$250,000 for property claims.

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

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2013 and 2014 (the latest information available):

| | <u>2013</u> | <u>2014</u> |
|--------------|---------------------|---------------------|
| Assets | \$34,954,286 | \$35,970,263 |
| Liabilities | <u>8,486,363</u> | <u>8,912,432</u> |
| Net Position | <u>\$26,467,923</u> | <u>\$27,057,831</u> |

**WHEELING TOWNSHIP
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)**

6. RISK MANAGEMENT (Continued)

At December 31, 2013 and 2014, respectively, the liabilities above include approximately \$7.9 and \$8.2 million of estimated incurred claims payable. The assets above also include approximately \$7.4 and 7.2 million of unpaid claims to be billed to approximately 957 member governments in the future, as of December 31, 2013 and 2014, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2014, the Township's share of these unpaid claims collectible in future years is approximately \$3,000.

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

| <u>Contributions to OTARMA</u> | |
|---------------------------------------|--------------------|
| <u>2013</u> | <u>2014</u> |
| \$6,038 | \$5,611 |

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

7. SUBSEQUENT EVENT

On March 17, 2015, the Township entered into a John Deere Financial lease-purchase agreement for a wheel loader in the amount of \$56,662. Lease is for 7 years with a lease term date of March 17, 2022.



Dave Yost • Auditor of State

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

Wheeling Township
Belmont County
71179 Main Street
St. Clairsville, Ohio 43950

To the Board of Trustees:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of Wheeling Township, Belmont County, Ohio (the Township), as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, and have issued our report thereon dated December 18, 2015, wherein we noted the Township followed financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administration Code § 117-2-03(D) permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our 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.

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Township's financial statements. We consider finding 2014-001 described in the accompanying Schedule of Findings to be a material weakness.

A significant deficiency is a deficiency, or a combination of internal control deficiencies less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2014-002 described in the accompanying Schedule of Findings to be a significant deficiency.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matter we must report under *Government Auditing Standards* which is described in the accompanying Schedule of Findings as item 2014-003.

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 communication is not suitable for any other purpose.

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

Dave Yost
Auditor of State
Columbus, Ohio

December 18, 2015

**WHEELING TOWNSHIP
BELMONT COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2014 AND 2013**

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

FINDING NUMBER 2014-001

Material Weakness

All local public offices shall maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

The Ohio Township Handbook (revised March 2015) provides suggested account classifications. These accounts classify receipts by fund and source (property taxes or intergovernmental revenue, for example) and provides suggested fund balance classifications and clarifies the existing governmental fund type definitions. The fund balance classification relate to constraints placed upon the use of resources reported in governmental funds. The five classifications are: nonspendable, restricted, committed, assigned and unassigned. Using these classifications and the aforementioned accounting records will provide the Township with information required to monitor compliance with the budget, and prepare annual reports in the format required by the Auditor of State.

The Township did not correctly post all receipts and classify fund balances in 2014 and 2013, which resulted in reclassifications.

The following table reflects 2014 receipt and fund balance reclassifications:

| Fund | Account Type | Amount | Description |
|----------------------|---------------------------|---------|---|
| Receipts: | | | |
| General | Intergovernmental Revenue | \$5,554 | Local government utility reimbursement and homestead and rollback misclassified as general property taxes |
| General | Intergovernmental Revenue | 953 | Net effect of local government utility reimbursement misclassified as miscellaneous revenue and worker's compensation refund misclassified as intergovernmental revenue |
| Road and Bridge | Intergovernmental Revenue | 9,086 | Local government utility reimbursement and homestead and rollback misclassified as general property taxes |
| Fire District | Intergovernmental Revenue | 2,800 | Local government utility reimbursement and homestead and rollback misclassified as general property taxes |
| Fund Balance: | | | |
| General | Assigned | 1,328 | Encumbrances at year end misclassified as Unassigned |
| Road and Bridge | Committed | 23,117 | Property taxes - inside millage misclassified as Restricted |

**WHEELING TOWNSHIP
BELMONT COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2014 AND 2013
(Continued)**

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| FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued) |
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**FINDING NUMBER 2014-001
(Continued)**

Material Weakness (Continued)

The following table reflects 2013 receipt and fund balance reclassifications:

| Fund | Account Type | Amount | Description |
|----------------------|----------------------------|---------|--|
| Receipts: | | | |
| General | Intergovernmental Revenue | \$5,542 | Cigarette tax, local government utility reimbursement and homestead and rollback misclassified as general property taxes |
| General | Intergovernmental Revenue | 2,761 | Liquor permit fee misclassified as miscellaneous revenue |
| General | Licenses, permits and fees | 7,677 | Franchise fees misclassified as miscellaneous revenue |
| Road and Bridge | Intergovernmental Revenue | 8,994 | Local government utility reimbursement and homestead and rollback misclassified as general property taxes |
| Fire District | Intergovernmental Revenue | 2,762 | Local government utility reimbursement and homestead and rollback misclassified as general property taxes |
| Fund Balance: | | | |
| General | Assigned | 1,800 | Encumbrances at year end misclassified as Unassigned |
| Road and Bridge | Committed | 37,962 | Property taxes - inside millage misclassified as Restricted |

Township management has agreed to the reclassifications above and are reflected in the accompanying financial statements.

The Fiscal Officer should appropriately classify and record all receipt and fund balance transactions based on the source of the receipt and upon the constraints placed upon the use of the resources.

FINDING NUMBER 2014-002

Significant Deficiency

The Township should have internal controls in place to reasonably assure that budgetary accounts are integrated into the financial accounting system. This means designing an accounting system to provide ongoing and timely information on unrealized budgetary receipts.

In 2014, the Fiscal Officer did not properly post General Fund budgeted receipts as reflected on the last amended certificate to the accounting system. A variance of \$16,699 existed between the certificate of estimated resources which was \$60,430 compared to the amount posted to the accounting system which was \$43,731.

**WHEELING TOWNSHIP
BELMONT COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2014 AND 2013
(Continued)**

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

**FINDING NUMBER 2014-002
(Continued)**

Significant Deficiency (Continued)

The Fiscal Officer should record estimated receipts per the Official Certificate of Estimated Resources to the accounting system.

FINDING NUMBER 2014-003

Noncompliance

Ohio Rev. Code § 5705.39 provides in part that total appropriations from each fund shall not exceed the total estimated resources. No appropriation measure is effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.

As of December 31, 2013, General Fund appropriations in the amount of \$115,394 exceeded total estimated resources in the amount of \$98,814 by \$16,580.

The Board of Trustees and Fiscal Officer should monitor appropriations and estimated resources and if necessary, file amendments, with the County Auditor to ensure that the total appropriations from each fund do not exceed the total official estimate or amended official estimate. This will help to reduce the risk of disbursements exceeding actual revenues available and will add a measure of control over the Township's budgetary process.

Officials' Response: We did not receive a response from Officials to the findings reported above.

**WHEELING TOWNSHIP
BELMONT COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2014 AND 2013**

| Finding Number | Finding Summary | Fully Corrected? | Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i> |
|----------------|--|------------------|--|
| 2012-01 | Ohio Rev. Code § 5705.41(B): expenditures exceeded appropriations in the Truck and Building Capital Projects Fund to properly account for a debt payoff payment and a note rollover. Also in the General Fund due to an audit adjustment. | Yes | N/A. |
| 2012-02 | Ohio Rev. Code § 505.24(C): time and effort logs were not presented for audit for three trustees to support charges to funds other than the General Fund. | Yes | N/A. |
| 2012-03 | Ohio Admin. Code § 117-2-02, Ohio Rev. Code § 5705.36(A)(3), Ohio Rev. Code § 5705.40 regarding no recording of note proceeds and also not obtaining an amended certificate for the proceeds of new note and not amending appropriations for debt service and interest payments of old note. | Yes | N/A. |
| 2012-04 | Material Weakness – not recording various receipts into proper account classifications. | No | Not Corrected; Repeated as Finding No. 2014-001. |
| 2012-05 | Significant Deficiency – not properly posting budgeted receipts into the accounting system. | No | Not Corrected; Repeated as Finding No. 2014-002. |



Dave Yost • Auditor of State

WHEELING TOWNSHIP

BELMONT COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 19, 2016**