

**WASHINGTON TOWNSHIP
HARRISON COUNTY**

AUDIT REPORT

JANUARY 1, 2018 - DECEMBER 31, 2019

OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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(800) 282-0370

Township Trustees
Washington Township
28585 Norris Road
Tippecanoe, Ohio 44699

We have reviewed the *Independent Auditor's Report* of Washington Township, Harrison County, prepared by Wilson, Phillips & Agin, CPA's, Inc., for the audit period January 1, 2018 through December 31, 2019. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads 'Keith Faber'.

Keith Faber
Auditor of State
Columbus, Ohio

July 7, 2020

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**WASHINGTON TOWNSHIP
HARRISON COUNTY
JANUARY 1, 2018 - DECEMBER 31, 2019**

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**WILSON, PHILLIPS & AGIN, CPA'S, INC.
1100 BRANDYWINE BLVD. BUILDING G
ZANESVILLE, OHIO 43701**

INDEPENDENT AUDITORS' REPORT

Washington Township
Harrison County
28585 Norris Road
Tippecanoe, Ohio 44699

To the Township Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type and related notes of the Washington Township, Harrison County, as of and for the years ended December 31, 2019 and 2018.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Though the Township does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis permitted 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 Washington Township, Harrison County as of December 31, 2019 and 2018, or changes in financial position thereof for the years then ended.

Basis for Adverse Opinion on Regulatory Basis of Accounting

Ohio Revised Code Section 505.24(C) and Ohio Attorney General Opinion No. 2004-036 requires trustees to document the proportionate amount of salaries chargeable to other Township funds based on the kinds of services rendered. Without this documentation, the Township must charge salaries to the General Fund. During 2009 and 2008, the Township charged Trustees' salaries as well as related taxes and fringe benefits to the Gasoline Tax and Motor Vehicle Licenses Tax Funds without the required supporting documentation. . In addition, during 2017 and 2016, payroll certifications for the Trustees indicated that 90% of the salaries were to be charged to the Road & Bridge Fund. The testing indicated that 90% of the salaries were improperly charged to the Gasoline Tax Fund. Findings for adjustment issued for noncompliance with these requirements have not been posted by the Township. Had the adjustments been posted, the result would have been a decrease in the fund balance of the General Fund in the amount of \$70,294 at January 1, 2016, December 31, 2016 and December 31, 2017, a decrease in the fund balance and increase in expenditures of the Road & Bridge Fund in the amount of \$23,305 at December 31, 2016 and a decrease in fund balance in the amount of \$43,777 and an increase in the expenditures in the amount of \$20,472 at December 31, 2017, an increase in the fund balance of the Gasoline Tax Fund in the amount of \$63,282 at January 1, 2016, an increase in the fund balance in the amount of \$85,587 and decrease in the expenditures in the amount of \$23,305 in the Gasoline Tax Fund at December 31, 2016, and an increase in the fund balance in the amount of \$107,059 and decrease in the expenditures in the amount of \$20,472 of the Gasoline Tax Fund at December 31, 2017 and an increase in the fund balance of the Motor Vehicle License Tax Fund, in the amount of \$7,012 at January 1, 2016, December 31, 2016 and December 31, 2017.

Adverse Opinion on Regulatory Basis of Accounting

In our opinion, because for the effects of the matter discussed in the *Basis for Adverse Opinion on Regulatory Basis of Accounting* paragraph, the financial statements referred to above do not present fairly, in all material respects, the combined cash balances of Washington Township, Harrison County as of December 31, 2019 and 2018 and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Emphasis of Matter

As discussed in Note 11 to the financial statements, the Township has suffered recurring losses and if the adjustments noted in the Basis for Adverse Opinion on Regulatory Basis of Accounting paragraph were made, the General Fund would have a negative \$55,386 fund balance at December 31, 2019 and a negative fund balance of \$63,181 at December 31, 2018. The financial statements do not include any adjustment that might result from the outcome of this uncertainty. This matter does not affect our opinion on the financial statements.

As discussed in Note 13 to the 2019 financial statements, during 2020, the impact of COVID-19 and the ensuing emergency measures will 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 a report dated April 27, 2020, on our consideration of Washington 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.

Wilson, Phillips & Agin, CPA's, Inc.
Zanesville, Ohio
April 27, 2020

**WASHINGTON TOWNSHIP
HARRISON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property and Other Local Taxes	\$ 19,990	\$ 31,833	\$ 51,823
Intergovernmental	17,406	141,350	158,756
Earnings on Investments	8	2	10
Miscellaneous	-	448	448
Total Cash Receipts	<u>37,404</u>	<u>173,633</u>	<u>211,037</u>
Cash Disbursements:			
Current:			
General Government	24,484	-	24,484
Public Safety	-	25,963	25,963
Public Works	3,000	119,951	122,951
Health	2,744	-	2,744
Capital Outlay	-	12,000	12,000
Debt Service:			
Principal Retirement	-	27,041	27,041
Interest and Fiscal Charges	-	2,286	2,286
Total Cash Disbursements	<u>30,228</u>	<u>187,241</u>	<u>217,469</u>
Excess of Receipts Over (Under) Disbursements	7,176	(13,608)	(6,432)
Other Financing Receipts (Disbursements)			
Other Financing Sources	357	13,809	14,166
Total Other Financing Receipts (Disbursements)	<u>357</u>	<u>13,809</u>	<u>14,166</u>
Net Change in Fund Cash Balance	7,533	201	7,734
Fund Cash Balances, January 1, restated	<u>7,375</u>	<u>40,275</u>	<u>47,650</u>
Fund Cash Balances, December 31			
Restricted	-	40,476	40,476
Assigned	623	-	623
Unassigned (Deficit)	14,285	-	14,285
Fund Cash Balances, December 31	<u>\$ 14,908</u>	<u>\$ 40,476</u>	<u>\$ 55,384</u>

See notes to financial statements.

**WASHINGTON TOWNSHIP
HARRISON COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

1. REPORTING ENTITY

Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Washington Township, Harrison County, (the Township) as a body corporate and politic. A publically-elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance and fire protection. The Township contracts with the Washington Township Volunteer Fire Department to provide fire and ambulance services.

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA) public entity risk pool. 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

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

B. Fund Accounting

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

General Fund

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

Special Revenue Funds

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

Gasoline Tax Fund – This fund receives gasoline tax monies to pay for constructing, maintaining, and repairing Township roads.

**WASHINGTON TOWNSHIP
HARRISON COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code 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 Section 117.38 and Ohio Administrative Code 117-2-03(D) permit.

D. Budgetary Process

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

Appropriations

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

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.

Encumbrances

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

A summary of 2019 appear in Note 3.

E. Deposits and Investments

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

F. Capital Assets

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

**WASHINGTON TOWNSHIP
HARRISON COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

H. Fund Balance

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

Nonspendable

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

Restricted

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

Committed

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

Assigned

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

Unassigned

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

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

**WASHINGTON TOWNSHIP
HARRISON COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 26,600	\$ 37,761	\$ 11,161
Special Revenue	109,400	187,442	78,042
Total	\$ 136,000	\$ 225,203	\$ 89,203

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 36,595	\$ 30,851	\$ 5,744
Special Revenue	215,838	187,241	31,597
Total	\$ 252,433	\$ 218,092	\$ 37,341

Contrary to ORC 5705.39, the Township had funds where appropriations exceeded estimated resources.

Contrary to ORC 5705.41(D), the Township made expenditures prior to certification.

4. EQUITY IN POOLED CASH

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:

	2019
Demand deposits	\$ 55,384
Total Deposits	\$ 55,384

Deposits: Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

5. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Township Trustees. 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.

**WASHINGTON TOWNSHIP
HARRISON COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

6. RISK MANAGEMENT

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

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

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

	<u>2018</u>
Cash and investments	\$33,097,416
Actuarial liabilities	7,874,610

7. DEFINED BENEFIT PENSION PLANS

The Township’s full-time employees belong to the Public Employees Retirement System (OPERS) of Ohio. OPERS is a cost-sharing, multiple employer plan. The Ohio Revised Code prescribes the plan benefits, which include postretirement healthcare, and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2019, OPERS members contributed 10.0% of their gross wages and the Township contributed an amount equal to 14.0% of participant’s gross salaries. The Township has paid all contributions required through December 31, 2019.

8. POSTEMPLOYMENT BENEFITS

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2019.

**WASHINGTON TOWNSHIP
HARRISON COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

9. DEBT

Debt outstanding at December 31, 2019 was as follows:

	Principal	Interest rate
Promissory Note- Truck	\$ 26,758	4.25%
Total	\$ 26,758	

On December 7, 2015, the Township issued a promissory note to finance the purchase of a new truck for Township road maintenance. The truck collateralized the note.

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

Year Ended December 31	Promissory Note- Truck
2020	28,896
Total	\$ 28,896

10. CONTINGENT LIABILITIES

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

11. FINANCIAL DIFFICULTIES

At December 31, 2019, the Township's General Fund had a fund cash balance of \$14,908. However, the Township has unposted findings for adjustment from prior audits totaling \$70,294 against the General Fund and in favor of restricted funds. Additionally, the Township's Gasoline Tax Fund had a fund cash balance of \$16,386 at December 31, 2019. The Township has unposted findings for adjustment from the prior audit of \$44,169 against the Gasoline Tax Fund and in favor of the Road and Bridge Fund. If the Township posted the findings for adjustment, the General and Gasoline Tax Funds would have deficit fund cash balances of \$55,386 and \$27,783, respectively. Township management currently does not have a plan in place to address this matter.

12. RESTATEMENT OF FUND BALANCE

Fund balances in the General Fund have been restated for the year beginning January 1, 2019 for voided checks being added back:

	General	Special Revenue
Fund Balance at December 31, 2018	\$ 7,113	\$ 37,176
Adjustments	262	3,099
Fund Balance at January 1, 2019	\$ 7,375	\$ 40,275

13. SUBSEQUENT EVENTS

The United State 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 ensuing emergency measures will impact subsequent periods of the Township. The impact on the Township's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

**WASHINGTON TOWNSHIP
HARRISON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property and Other Local Taxes	\$ 20,741	\$ 38,451	\$ 59,192
Intergovernmental	11,239	173,870	185,109
Earnings on Investments	5	9	14
Miscellaneous	-	2,294	2,294
Total Cash Receipts	<u>31,985</u>	<u>214,624</u>	<u>246,609</u>
Cash Disbursements:			
Current:			
General Government	30,061	-	30,061
Public Safety	120	61,683	61,803
Public Works	1,269	131,078	132,347
Health	2,980	-	2,980
Capital Outlay	278	9,189	9,467
Debt Service:			
Principal Retirement	7,500	28,466	35,966
Interest and Fiscal Charges	-	3,819	3,819
Total Cash Disbursements	<u>42,208</u>	<u>234,235</u>	<u>276,443</u>
Excess of Receipts Over (Under) Disbursements	(10,223)	(19,611)	(29,834)
Other Financing Receipts (Disbursements)			
Other Financing Sources	6,110	2,156	8,266
Total Other Financing Receipts (Disbursements)	<u>6,110</u>	<u>2,156</u>	<u>8,266</u>
Net Change in Fund Cash Balance	(4,113)	(17,455)	(21,568)
Fund Cash Balances, January 1, restated	<u>11,226</u>	<u>54,631</u>	<u>65,857</u>
Fund Cash Balances, December 31			
Restricted	-	37,176	37,176
Assigned	1,169	-	1,169
Unassigned (Deficit)	5,944	-	5,944
Fund Cash Balances, December 31	<u>\$ 7,113</u>	<u>\$ 37,176</u>	<u>\$ 44,289</u>

See notes to financial statements.

**WASHINGTON TOWNSHIP
HARRISON COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

1. REPORTING ENTITY

Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Washington Township, Harrison County, (the Township) as a body corporate and politic. A publically-elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance and fire protection. The Township contracts with the Washington Township Volunteer Fire Department to provide fire and ambulance services.

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA) public entity risk pool. 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

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

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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:

Gasoline Tax Fund – This fund receives gasoline tax monies to pay for constructing, maintaining, and repairing Township roads.

**WASHINGTON TOWNSHIP
HARRISON COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code 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 Section 117.38 and Ohio Administrative Code 117-2-03(D) permit.

D. Budgetary Process

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

Appropriations

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

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.

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 2018 appear in Note 3.

E. Deposits and Investments

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

F. Capital Assets

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

**WASHINGTON TOWNSHIP
HARRISON COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

H. Fund Balance

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

Nonspendable

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

Restricted

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

Committed

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

Assigned

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

Unassigned

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

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

**WASHINGTON TOWNSHIP
HARRISON COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2018 follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 25,600	\$ 38,095	\$ 12,495
Special Revenue	108,000	216,780	108,780
Total	\$ 133,600	\$ 254,875	\$ 121,275

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 48,418	\$ 43,377	\$ 5,041
Special Revenue	263,416	234,235	29,181
Total	\$ 311,834	\$ 277,612	\$ 34,222

Contrary to ORC 5705.39, the Township had funds where appropriations exceeded estimated resources.

Contrary to ORC 5705.41(D), the Township made expenditures prior to certification.

4. EQUITY IN POOLED CASH

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:

	2018
Demand deposits	\$ 44,289
Total Deposits	\$ 44,289

Deposits: Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

5. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Township Trustees. 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.

**WASHINGTON TOWNSHIP
HARRISON COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

6. RISK MANAGEMENT

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

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

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

	<u>2018</u>
Cash and investments	\$33,097,416
Actuarial liabilities	7,874,610

7. DEFINED BENEFIT PENSION PLANS

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

The Ohio Revised Code also prescribes contribution rates. For 2018, OPERS members contributed 10.0% of their gross wages and the Township contributed an amount equal to 14.0% of participant's gross salaries. The Township has paid all contributions required through December 31, 2018.

8. POSTEMPLOYMENT BENEFITS

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. OPERS contributes 2 percent of the employer contribution to fund these benefits.

**WASHINGTON TOWNSHIP
HARRISON COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

9. DEBT

Debt outstanding at December 31, 2018 was as follows:

	Principal	Interest rate
Promissory Note- Truck	\$ 53,799	4.25%
Total	\$ 53,799	

On December 7, 2015, the Township issued a promissory note to finance the purchase of a new truck for Township road maintenance. The truck collateralized the note.

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

Year Ended December 31	Promissory Note- Truck
2019	29,327
2020	28,896
Total	\$ 58,223

10. CONTINGENT LIABILITIES

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

11. FINANCIAL DIFFICULTIES

At December 31, 2018, the Township's General Fund had a fund cash balance of \$7,113. However, the Township has unposted findings for adjustment from prior audits totaling \$70,294 against the General Fund and in favor of restricted funds. Additionally, the Township's Gasoline Tax Fund had a fund cash balance of \$18,218 at December 31, 2018. The Township has unposted findings for adjustment from the prior audit of \$44,169 against the Gasoline Tax Fund and in favor of the Road and Bridge Fund. If the Township posted the findings for adjustment, the General and Gasoline Tax Funds would have deficit fund cash balances of \$63,181 and \$25,951, respectively. Township management currently does not have a plan in place to address this matter.

12. RESTATEMENT OF FUND BALANCE

Fund balances in the General Fund have been restated for the year beginning January 1, 2018 for voided checks being added back:

	General
Fund Balance at December 31, 2017	\$ 11,105
Adjustments	121
Fund Balance at January 1, 2018	\$ 11,226

**WILSON, PHILLIPS & AGIN, CPA'S, INC.
1100 BRANDYWINE BLVD. BUILDING G
ZANESVILLE, OHIO 43701**

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS.**

Washington Township
Harrison County
28585 Norris Road
Tippecanoe, Ohio 44699

To the Township Trustees:

We have audited, in accordance with auditing standards general accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of Washington Township, Harrison County as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements and have issued our report thereon dated April 27, 2020, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or 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. 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 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider to be material weaknesses. We consider Findings 2019-001, 2019-002, 2019-004 and 2019-005 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Washington 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 was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed three instances of noncompliance or other matters we must report under *Government Auditing Standards* described in the accompanying Schedule of Findings as item 2019-001, 2019-003 and 2019-006.

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.

Wilson, Phillips & Agin, CPA's, Inc.
Zanesville, Ohio
April 27, 2020

**WASHINGTON 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 and Noncompliance

Ohio Revised Code Section 5705.10(C) states all revenue derived from a special levy shall be credited to a special fund for the purpose for which the levy was made. Further, Ohio Revised Code Section 5705.10(D) states all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose.

The following adjustment has not been made by management and is not reflected in the financial statements.

- The second half real estate homestead and rollback, in the amounts of \$1,096, \$908 and \$1,128 for the General Fund, Road & Bridge Fund and Fire District Fund, respectively, were deposited with the Township's financial institution, however were not posted to the Township's ledgers.

The Township did not have control procedures in place to ensure that receipts are posted to the correct funds. Not having procedures in place to ensure proper posting of receipts could result in material errors to the financial statements, which may go undetected.

The Township should have procedures in place so that all monies deposited to the financial institutions are recorded in the accounting records.

Client Response: We have not yet received a response from the client.

FINDING NUMBER 2019-002

Material Weakness – Reclassifications

All local offices should 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 provides suggested account classifications. These accounts classify receipts by fund and source (taxes or charges for services, for example) and classify disbursements by fund, program (general government, for example) or object (personal services, for example). Using these classifications 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.

**WASHINGTON 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 2019-002 (Continued)

As a result of audit procedures, errors were noted that required reclassification to the financial statements as follows which have been made to the financial statements and accounting records:

The following relates to 2019:

- A reclassification was made in the amount of \$6,318 from Property and Other Local Taxes to Intergovernmental Revenue in the General Fund for Local Government monies.
- A reclassification was made in the amount of \$1,680 from Other Financing Sources to Intergovernmental Revenue in the General Fund for a grant.
- A reclassification was made in the amount of \$10,000 from Other Financing Sources to Intergovernmental Revenue in the Miscellaneous Special Revenue Fund for a grant.
- A reclassification in the amount of \$77 from Public Safety to Interest and Other Fiscal Charges in the MVL Tax Fund, \$20,000 from Capital Outlay to Principal Retirement in the Gasoline Tax Fund and \$9,250 from Public Safety to Principal Retirement in the amount of \$7,041 and \$2,209 to Interest and Other Fiscal Charges in the Cemetery Fund to properly show debt paid.
- A reclassification of \$623 from Unassigned Fund Balance in the General Fund to Assigned Fund Balance in the General Fund for encumbrances outstanding at year-end.

The following relates to 2018:

- A reclassification was made in the amount of \$2,291 from Property and Other Local Taxes to Intergovernmental Revenue in the General Fund for Rollbacks.
- A reclassification was made in the amount of \$37,833 from Other Financing Sources to Intergovernmental Revenue in the Miscellaneous Special Revenue Fund for a FEMA monies.
- A reclassification in the amount of \$7,500 from General Government to Principal Retirement in the General Fund, \$32,285 from Capital Outlay to Principal Retirement in the amount of \$28,466 and \$3,819 to Interest and Other Fiscal Charges in the Gasoline Tax Fund to properly show debt paid.
- A reclassification of \$1,169 from Unassigned Fund Balance in the General Fund to Assigned Fund Balance in the General Fund for encumbrances outstanding at year-end.

Sound financial reporting is the responsibility of the Township and is essential to help ensure the information provided to the readers of financial statements is complete and accurate. To help ensure the Township's financial statements and notes to the financial statements are complete and accurate, the Township should adopt policies and procedures to identify and correct errors and omissions. In addition, the Township should review the financial statements and notes prior to submission for audit. The financial statements and accounting records were adjusted accordingly.

Client Response: We have not yet received a response from the client.

**WASHINGTON 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 2019-003

Noncompliance

Ohio Revised Code Section 5705.39 provides, in part, that total appropriations from each fund shall not exceed the total estimated resources.

Fund	Year	Estimated Resources	Appropriations	Variance
General	2019	\$ 33,713	\$ 35,426	\$ (1,713)
MVL Tax	2019	13,385	13,806	(421)
Gasoline Tax	2019	78,218	132,063	(53,845)
Road & Bridge	2019	25,264	26,208	(944)
Miscellaneous SR	2019	1,198	13,809	(12,611)
General	2018	39,353	47,213	(7,860)
Gasoline Tax	2018	67,946	124,298	(56,352)
Miscellaneous SR	2018	1,198	49,372	(48,174)

Failure to limit appropriations to the amount certified by the budget commission could result in overspending and negative fund balances.

The Township should regularly monitor appropriations and estimated resources to ensure that appropriations do not exceed the total estimated resources available for expenditure in each fund. This will help to reduce the risk of overspending within the Township and will add a measure of control over the Township’s budgetary process.

Client Response: We have not yet received a response from the client.

FINDING NUMBER 2019-004

Material Weakness

Sound accounting practice require that when designing the public office’s system of internal control and the specific control activities, management should ensure adequate security of assets and records, and verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records.

Township receipts should be posted and deposited timely to ensure the accuracy of the Township’s accounting records and prevent the loss of Township revenue. Our testing disclosed that some deposits were not made in a timely manner. We also noted that monthly reconciliations reflected “Other Adjusting Factors”, due in part, to deposits not being made timely. Therefore true and accurate monthly financial position cannot be accurately reflected. We recommend that all deposits be made on a timely basis.

Client Response: We have not yet received a response from the client.

**WASHINGTON 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 2019-005

Material Weakness

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

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

At December 31, 2019, estimated receipts in the Township’s ledgers did not agree to the amounts approved by the Budget Commission for the following funds:

	Estimated Receipts	Estimated Receipts	
	Approved by the	Per Township’s	
Fund	Budget Commission	Accounting System	Variance
General	\$ 26,600	\$ 29,400	\$ (2,800)
Gasoline Tax	60,000	114,000	(54,000)
Miscellaneous SR	-	12,611	(12,611)

At December 31, 2018, estimated receipts in the Township’s ledgers did not agree to the amounts approved by the Budget Commission for the following funds:

	Estimated Receipts	Estimated Receipts	
	Approved by the	Per Township’s	
Fund	Budget Commission	Accounting System	Variance
General	\$ 25,600	\$ 34,600	\$ (9,000)
Gasoline Tax	60,000	118,733	(58,733)
Miscellaneous SR	-	50,443	(50,443)

The Township did not have procedures in place to accurately post authorized budgetary measures to the accounting system. Additionally, the approved Certificate of Estimated Resources and amendments thereof was not accurately posted to the accounting system.

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

To effectively control the budgetary cycle and to maintain accountability over receipts, the Township should post to the ledgers, on a timely basis, estimated receipts as certified by the budget commission. The Township should then monitor budget versus actual reports to help ensure amended certificates of resources have been properly posted to the ledgers.

Client Response: We have not yet received a response from the client.

**WASHINGTON 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 2019-006

Noncompliance

Ohio Rev. Code § 5705.41 (D) (1) prohibits a subdivision or taxing authority from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in §§ 5705.41 (D) (1) and 5705.41 (D) (3), respectively, of the Ohio Revised Code.

1. "Then and Now" Certificate – If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Township can authorize the drawing of a warrant for the payment of the amount due. The Township has thirty days from receipt of the "then and now" certificate to approve payment by ordinance or resolution.
2. Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Township.
3. Blanket Certificate – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
4. Super Blanket Certificate – The Township may also make expenditures and contracts for any amount from a specific line item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to exceed beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

The Fiscal Officer did not certify the availability of funds prior to purchase commitments for 56% of the expenditures tested in 2019 and 2018, and there was no evidence the Township followed the aforementioned exceptions.

**WASHINGTON 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 2019-006 (Continued)

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Township's funds exceeding budgetary spending limitations, we recommend the Fiscal Officer certify that the funds are or will be available prior to an obligation being incurred by the Township. When prior certification is not possible, "then and now" certification should be used.

We recommend the Fiscal Officer certify purchases to which § 5705.41 (D) applies. The Fiscal Officer should sign the certification at the time the Township incurs a commitment, and only when the requirements of Ohio Revised Code § 5705.41 (D) are satisfied. The Fiscal Officer should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

Client Response: We have not yet received a response from the client.

**WASHINGTON TOWNSHIP
HARRISON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2019**

Finding Number	Finding Summary	Fully Corrected	Not Corrected, Partially Corrected Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2017-001 2017-002 2017-003	Finding for Recovery Repaid under Audit	Yes	Finding No Longer Valid
2017-004	ORC 505.24(D) Payroll Certifications and posting with adjustment finding	Yes	Finding No Longer Valid
2017-005	ORC 5705.10 (C) and (D) Posting of Revenue	No	Not Corrected - Refer to Findng 2019-001
2017-006	ORC Chapter 133 for allowable debt	Yes	Finding No Longer Valid
2017-007	ORC 5705.39 appropriations exceeding estimated resources	No	Not Corrected - Refer to Finding 2019-003
2017-008	ORC 5705.41 (B) Expenditures exceeding appropriations	Yes	Finding No Longer Valid
2017-009	Material Weakness Financial Reporting	No	Not Corrected - Refer to Findng 2019-002
2017-010	Material Weakness Timely deposits and postings	No	Not Corrected - Refer to Findng 2019-004
2017-011	Material Weakness Budgetary amounts don't agree with certified amounts	No	Not Corrected - Refer to Findng 2019-005
2017-012	Significant Deficiency Segregation of duties	Yes	Finding No Longer Valid

OHIO AUDITOR OF STATE KEITH FABER



WASHINGTON TOWNSHIP

HARRISON 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
JULY 21, 2020**