



Dave Yost • Auditor of State

MOUNT PLEASANT TOWNSHIP
JEFFERSON COUNTY

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Mount Pleasant Township
Jefferson County
518 Pinewood Drive
Adena, Ohio 43901

To the Board 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 Mount Pleasant Township, Jefferson County, (the Township) as of and for the years ended December 31, 2015 and 2014.

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 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 Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2015 and 2014, 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 Mount Pleasant Township, Jefferson County as of December 31, 2015 and 2014, 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 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 4, 2016, 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

October 4, 2016

**MOUNT PLEASANT TOWNSHIP
JEFFERSON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$20,020	\$140,620		\$160,640
Licenses, Permits and Fees	10,144			10,144
Intergovernmental	24,273	98,838	\$71,955	195,066
Special Assessments		2,476		2,476
Earnings on Investments	21	36		57
Miscellaneous	378	1,932		2,310
<i>Total Cash Receipts</i>	<u>54,836</u>	<u>243,902</u>	<u>71,955</u>	<u>370,693</u>
Cash Disbursements				
Current:				
General Government	44,838	5,207		50,045
Public Safety	373	71,014		71,387
Public Works	3,376	143,839		147,215
Conservation-Recreation		2,000		2,000
Other		2,387		2,387
Capital Outlay	1,752	25,949	71,955	99,656
Debt Service:				
Principal Retirement		11,804		11,804
Interest and Fiscal Charges		360		360
<i>Total Cash Disbursements</i>	<u>50,339</u>	<u>262,560</u>	<u>71,955</u>	<u>384,854</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>4,497</u>	<u>(18,658)</u>	<u>0</u>	<u>(14,161)</u>
<i>Fund Cash Balances, January 1</i>	<u>7,320</u>	<u>68,105</u>	<u>0</u>	<u>75,425</u>
Fund Cash Balances, December 31				
Restricted		49,447		49,447
Unassigned (Deficit)	11,817			11,817
<i>Fund Cash Balances, December 31</i>	<u>\$11,817</u>	<u>\$49,447</u>	<u>\$0</u>	<u>\$61,264</u>

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

**MOUNT PLEASANT TOWNSHIP
JEFFERSON COUNTY**

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

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$19,897	\$136,207	\$156,104
Licenses, Permits and Fees	9,928		9,928
Intergovernmental	18,356	120,724	139,080
Special Assessments		2,323	2,323
Earnings on Investments	21	44	65
<i>Total Cash Receipts</i>	<u>48,202</u>	<u>259,298</u>	<u>307,500</u>
Cash Disbursements			
Current:			
General Government	49,954		49,954
Public Safety	340	75,652	75,992
Public Works	4,158	164,907	169,065
Conservation-Recreation		2,000	2,000
Other		10,329	10,329
Capital Outlay	3,350		3,350
Debt Service:			
Principal Retirement		11,314	11,314
Interest and Fiscal Charges		850	850
<i>Total Cash Disbursements</i>	<u>57,802</u>	<u>265,052</u>	<u>322,854</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(9,600)</u>	<u>(5,754)</u>	<u>(15,354)</u>
 <i>Fund Cash Balances, January 1</i>	 <u>16,920</u>	 <u>73,859</u>	 <u>90,779</u>
Fund Cash Balances, December 31			
Restricted		68,105	68,105
Unassigned (Deficit)	7,320		7,320
<i>Fund Cash Balances, December 31</i>	<u><u>\$7,320</u></u>	<u><u>\$68,105</u></u>	<u><u>\$75,425</u></u>

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

**MOUNT PLEASANT TOWNSHIP
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

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 the Mount Pleasant Township, Jefferson County, (the Township) as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the Dillonvale, Mount Pleasant, Adena and Harrisville Volunteer Fire Departments to provide fire services and ambulance services.

The Township participates in a public entity risk pool. Note 7 to the financial statements provides additional information for this entity. This organization is:

Public Entity Risk Pool:

Ohio Township Association Risk Management Authority (OTARMA) is a risk sharing pool available to Ohio Townships. OTARMA provides property and casualty coverage for its members.

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

B. Accounting Basis

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

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

C. Deposits and Investments

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

D. Fund Accounting

The Township uses fund accounting to segregate cash and investments that are 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.

**MOUNT PLEASANT TOWNSHIP
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 to pay for constructing, maintaining, and repairing Township roads.

Emergency Medical Services Fund – This fund receives property tax money for providing emergency services for the township.

3. Capital Project Funds

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant capital project fund:

Issue II Fund - The Township received a grant from the State of Ohio to pave Township Roads.

E. 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 2015 and 2014 budgetary activity appears in Note 3.

**MOUNT PLEASANT TOWNSHIP
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. 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:

1. Nonspendable

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

2. 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.

3. 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.

4. 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.

5. 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.

G. 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.

**MOUNT PLEASANT TOWNSHIP
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. 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 AND INVESTMENTS

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

	2015	2014
Demand deposits	\$61,264	\$75,425
Total deposits	61,264	75,425

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2015 and 2014 follows:

2015 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$55,139	\$54,836	(\$303)
Special Revenue	265,510	243,902	(21,608)
Capital Projects		71,955	71,955
Total	\$320,649	\$370,693	\$50,044

2015 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$64,850	\$50,339	\$14,511
Special Revenue	305,807	262,560	43,247
Capital Projects	71,955	71,955	0
Total	\$442,612	\$384,854	\$57,758

2014 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$53,558	\$48,202	(\$5,356)
Special Revenue	263,438	259,298	(4,140)
Total	\$316,996	\$307,500	(\$9,496)

**MOUNT PLEASANT TOWNSHIP
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2014 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$72,194	\$57,802	\$14,392
Special Revenue	333,398	265,052	68,346
Total	\$405,592	\$322,854	\$82,738

Contrary to Ohio law, appropriations exceeded actual revenue available in several funds in both 2015 and 2014. In addition, appropriations exceeded estimated resources in several funds in December 31, 2015 and 2014.

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.

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

5. DEBT

Debt outstanding at December 31, 2015 was as follows:

	Principal	Interest Rate
General Obligation Note	\$2,030	4.25%
Total	\$2,030	

The Township entered into a general obligation note to finance the purchase of a dump truck for Township road maintenance. The Township's taxing authority collateralized the note.

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

	General Obligation Note
Year ending December 31:	
2016	\$2,041
Total	\$2,041

6. RETIREMENT SYSTEMS

The Township's employees 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 include postretirement healthcare and survivor and disability benefits.

**MOUNT PLEASANT TOWNSHIP
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

6. RETIREMENT SYSTEMS (Continued)

The Ohio Revised Code also prescribes contribution rates. For 2015 and 2014, 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, 2015.

7. RISK MANAGEMENT

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

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

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

Casualty and Property Coverage

The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2015, 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, 2015 and 2014.

	<u>2015</u>	<u>2014</u>
Assets	\$37,313,311	\$35,970,263
Liabilities	8,418,518	8,912,432
Net Position	\$28,894,793	\$27,057,831

**MOUNT PLEASANT TOWNSHIP
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

7. RISK MANAGEMENT (Continued)

At December 31, 2015 and 2014, respectively, the liabilities above include approximately \$7.8 and \$8.2 million of estimated incurred claims payable. The assets above also include approximately \$7.7 and \$7.2 million of unpaid claims to be billed to approximately 989 members and 957 member governments in the future, as of December 31, 2015 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, 2015, the Township's share of these unpaid claims collectible in future years is approximately \$2,000.

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>2015</u>	<u>2014</u>
\$3,447	3,412

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.

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Dave Yost • Auditor of State

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

Mount Pleasant Township
Jefferson County
518 Pinewood Drive
Adena, Ohio 43901

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 Mount Pleasant Township, Jefferson County, (the Township) as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements and have issued our report thereon dated October 4, 2016 wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a significant deficiency. We consider finding 2015-001 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 instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2015-002 and 2015-003.

Entity's Response to Findings

The Township's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Township's responses and, accordingly, we express no opinion on them.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dave Yost
Auditor of State
Columbus, Ohio

October 4, 2016

**MOUNT PLEASANT TOWNSHIP
JEFFERSON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2015 AND 2014**

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

FINDING NUMBER 2015-001

Significant Deficiency

Sound financial reporting is the responsibility of the Fiscal Officer and the Township Trustees and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. The Fiscal Officer did not correctly classify all receipts and disbursements in 2014 and 2015, resulting in several reclassifications below which are reflected in the accompanying financial statements.

2014:

Fund Name	Reclassified to	Amount	Reclassified from:
Gasoline Tax Fund	Principal Retirement Disbursement	\$11,314	Public Works Disbursement.
Gasoline Tax Fund	Interest and Fiscal Charges Disbursement	849	Public Works Disbursement.
General Fund	Intergovernmental Receipt	3,802	Property Tax Receipt
Road and Bridge Fund	Intergovernmental Receipt	7,536	Property Tax Receipt
Fire Apparatus Fund	Intergovernmental Receipt	676	Property Tax Receipt
Fire Levy Fund	Intergovernmental Receipt	1,674	Property Tax Receipt
Road Levy Fund	Intergovernmental Receipt	3,391	Property Tax Receipt
Emergency Medical Services Fund	Intergovernmental Receipt	714	Property Tax Receipt
Mount Pleasant Emergency Medical Service Fund	Intergovernmental Receipt	10,135	Property Tax receipt
Gasoline Tax Fund	Public Works Disbursement	14,730	General Government Disbursement
Recreation Grant Fund	Intergovernmental Receipt	2,000	Special Item

**FINDING NUMBER 2015-001
 (Continued)**

2015:

Fund Name	Reclassified to:	Amount	Reclassified from:
Motor Vehicle License Fund	Principal Retirement Disbursement	\$1,974	Public Works Disbursement
Motor Vehicle License Fund	Interest and Fiscal Charges Disbursement	53	Public Works Disbursement
Gasoline Tax Fund	Principal Retirement Disbursement	6,832	Public Works Disbursement
Gasoline Tax Fund	Interest and Fiscal Charges Disbursement	264	Public Works Disbursement.
Road and Bridge Fund	Principal Retirement Disbursement	1,995	Public Works Disbursement
Road and Bridge Fund	Interest and Fiscal Charges Disbursement	32	Public Works Disbursement
Special Road and Bridge Fund	Principal Retirement Disbursements	1,003	Public Works Disbursement
Special Road and Bridge Fund	Interest and Fiscal Charges Disbursement	11	Public Works Disbursement
Gasoline Tax Fund	Public Works Disbursement	17,399	General Government Disbursement
Recreation Grant Fund	Intergovernmental Receipt	2,000	Special Item

The township did not have procedures in place to properly record the above items. Failure to consistently follow a uniform chart of accounts increases the possibility the Township will not be able to identify, assemble, classify, record, and report its transactions correctly or to document compliance with finance-related legal and contractual requirements.

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

Officials Response: The Fiscal Officer will exercise more care in the classification of receipts and disbursements to ensure transactions are properly coded and classified according to the UAN chart of accounts.

FINDING NUMBER 2015-002

Material Non Compliance

Ohio Rev. Code § 5705.36(A)(4) states that upon determination by the fiscal officer of a subdivision that the revenue to be collected by the subdivision will be less than the amount included in an official certificate and that the amount of the deficiency will reduce available resources below the level of current appropriations, the fiscal officer shall certify the amount of the deficiency to the commission, and the commission shall certify an amended certificate reflecting the deficiency.

**FINDING NUMBER 2015-002
 (Continued)**

Total appropriations exceeded the amount of actual resources available (actual revenue plus the prior year unencumbered balance) at year end as follows:

2014:

Fund	Appropriations	Actual Resource	Variance	% of Variance
General	\$72,194	\$66,181	\$6,013	9%
Motor Vehicle License	18,145	16,029	2,076	13%
Gasoline Tax	107,501	104,120	3,381	3%
Newton Lighting	6,450	5,895	555	9%

2015:

Fund	Appropriations	Actual Resource	Variance	% of Variance
Motor Vehicle License	\$24,302	\$19,474	\$4,828	25%
Road and Bridge	67,178	45,308	21,870	48%
Fire Apparatus	6,085	5,348	737	14%
Fire Levy	11,860	10,441	1,419	14%
Special Road	40,208	28,197	12,111	43%
EMS 2194	5,365	4,614	751	16%
EMS 2195	66,400	58,068	8,332	14%

Failure to limit appropriations to the amount of available revenue could result in overspending and negative cash fund balances. The Fiscal Officer should compare appropriations to actual resources to help gain assurance that adequate resources are available. If the resources are not available to cover the appropriations, an amendment to the appropriation resolution should be passed by Board of Trustees to reduce the appropriations.

Officials Response: Fiscal Officer will use more care in limiting the amount of appropriations to the amount of resources available. In the event the resources are not available to cover the appropriations, an amendment to the appropriations will be passed by the Board of Trustees.

FINDING NUMBER 2015-003

Material Non Compliance

Ohio Rev. Code § 5705.39 prohibits a political subdivision from making a fund appropriation in excess of the total estimated revenue available for expenditure from that fund as certified by the budget commission on the Amended Official Certificates of Estimated Resources. Total appropriations exceeded estimated resources at year end as follows:

2014:

Fund	Appropriations	Estimated Resources	Variance	% of Variance
Newton Lighting	\$6,450	\$5,572	\$877	16%

**FINDING NUMBER 2015-003
 (Continued)**

2015:

Fund	Appropriation	Estimated Resource	Variance	% of Variance
MVL	\$24,302	\$17,763	\$6,539	37%
Road and Bridge	67,178	52,632	14,546	28%
Special Road	40,208	31,492	8,716	28%

Failure to limit appropriations to the amount certified by the budget commission could result in overspending and negative cash balances. The Fiscal Officer should compare appropriations to estimated resources and if adequate resources are available for additional appropriations, the Township should submit an amended certificate of estimated resources to the budget commission for certification. If the resources are not available to cover the appropriations, an amendment to the appropriation resolution should be passed by the Township Board of Trustees to reduce the appropriations.

Officials Response: Mt. Pleasant Township will make all efforts to comply and monitor appropriations and estimated receipts.

**MOUNT PLEASANT TOWNSHIP
JEFFERSON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2015 AND 2014**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2013-001	Ohio Revised Code § 5705.41(D) – expenditures not properly certified	Yes	Finding no longer valid
2013-002	Posting Receipts and Expenditures	No	Reissued as Finding 2015-001

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Dave Yost • Auditor of State

MOUNT PLEASANT TOWNSHIP

JEFFERSON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 10, 2016**