

**ST. ALBANS TOWNSHIP  
LICKING COUNTY**

*Financial Statements  
(Audited)*

For the Years Ended  
December 31, 2016 and 2015

**BRIDGETT REEVES, FISCAL OFFICER**





# Dave Yost • Auditor of State

Board of Trustees  
St. Albans Township  
2585 Johnstown-Alexandria  
Alexandria, Ohio 43001

We have reviewed the *Independent Auditor's Report* of St. Albans Township, Licking County, prepared by Julian & Grube, Inc., for the audit period January 1, 2015 through December 31, 2016. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

July 11, 2017

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**ST. ALBANS TOWNSHIP  
LICKING COUNTY**

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

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

**Independent Auditor's Report**

St. Albans Township  
Licking County  
2548 Johnstown-Alexandria Road  
Alexandria, Ohio 43001

To the Board of Trustees:

***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of St. Albans Township, Licking County, Ohio, as of and for the years ended December 31, 2016 and 2015.

***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 St. Albans 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 St. Albans 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, St. Albans 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 St. Albans 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 St. Albans Township as of December 31, 2016 and 2015, 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 St. Albans Township, Licking County, Ohio, as of December 31, 2016 and 2015, 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.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2017, on our consideration of St. Albans Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering St. Albans Township's internal control over financial reporting and compliance.



Julian & Grube, Inc.  
June 15, 2017

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

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (CASH BASIS) - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2016

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Cash Receipts:					
Property and Other Taxes	\$ 88,609	\$ 745,619	\$ 95,425	\$ -	\$ 929,653
Charges for Services	-	171,432	-	-	171,432
Licenses, Permits, and Fees	8,977	-	-	-	8,977
Intergovernmental	34,718	174,263	13,472	4,703	227,156
Earnings on Investments	515	344	-	-	859
Miscellaneous	265	52,047	-	-	52,312
Total Cash Receipts	<u>133,084</u>	<u>1,143,705</u>	<u>108,897</u>	<u>4,703</u>	<u>1,390,389</u>
Cash Disbursements:					
Current:					
General Government	126,383	27,390	-	-	153,773
Public Safety	7,200	654,704	-	-	661,904
Public Works	-	274,061	-	-	274,061
Other	-	-	1,623	-	1,623
Capital Outlay	-	127,259	-	-	127,259
Debt Service:					
Principal Retirement	-	9,702	48,915	-	58,617
Interest and Fiscal Charges	-	1,333	52,141	-	53,474
Total Cash Disbursements	<u>133,583</u>	<u>1,094,449</u>	<u>102,679</u>	<u>-</u>	<u>1,330,711</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(499)</u>	<u>49,256</u>	<u>6,218</u>	<u>4,703</u>	<u>59,678</u>
Other Financing Receipts (Disbursements)					
Sale of Bonds	-	100,000	-	-	100,000
Transfers In	-	4,703	-	-	4,703
Transfers Out	-	-	-	(4,703)	(4,703)
Other Financing Uses	-	-	(778)	-	(778)
Total Other Financing Receipts (Disbursements)	<u>-</u>	<u>104,703</u>	<u>(778)</u>	<u>(4,703)</u>	<u>99,222</u>
Net Change in Fund Cash Balances	(499)	153,959	5,440	-	158,900
Fund Cash Balances, January 1, 2016	<u>40,449</u>	<u>667,325</u>	<u>2,228</u>	<u>-</u>	<u>710,002</u>
Fund Cash Balances, December 31, 2016					
Restricted	-	821,284	7,668	-	828,952
Unassigned	39,950	-	-	-	39,950
Fund Cash Balances, December 31, 2016	<u>\$ 39,950</u>	<u>\$ 821,284</u>	<u>\$ 7,668</u>	<u>\$ -</u>	<u>\$ 868,902</u>

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



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

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

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Cash Receipts:					
Property and Other Taxes	\$ 89,703	\$ 611,355	\$ 87,629	\$ -	\$ 788,687
Charges for Services	-	195,140	-	-	195,140
Licenses, Permits, and Fees	4,201	-	-	-	4,201
Intergovernmental	38,584	184,583	13,406	233,402	469,975
Earnings on Investments	526	350	-	-	876
Miscellaneous	879	24,431	-	-	25,310
Total Cash Receipts	<u>133,893</u>	<u>1,015,859</u>	<u>101,035</u>	<u>233,402</u>	<u>1,484,189</u>
Cash Disbursements:					
Current:					
General Government	125,827	13,128	-	-	138,955
Public Safety	7,200	784,766	-	-	791,966
Public Works	-	310,711	-	-	310,711
Other	-	-	1,383	-	1,383
Capital Outlay	-	47,817	-	-	47,817
Debt Service:					
Principal Retirement	-	-	46,608	-	46,608
Interest and Fiscal Charges	-	-	54,383	-	54,383
Total Cash Disbursements	<u>133,027</u>	<u>1,156,422</u>	<u>102,374</u>	<u>-</u>	<u>1,391,823</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>866</u>	<u>(140,563)</u>	<u>(1,339)</u>	<u>233,402</u>	<u>92,366</u>
Other Financing Receipts (Disbursements)					
Transfers In	-	233,402	-	-	233,402
Transfers Out	-	-	-	(233,402)	(233,402)
Other Financing Uses	-	-	(27,825)	-	(27,825)
Total Other Financing Receipts (Disbursements)	<u>-</u>	<u>233,402</u>	<u>(27,825)</u>	<u>(233,402)</u>	<u>(27,825)</u>
Net Change in Fund Cash Balances	866	92,839	(29,164)	-	64,541
Fund Cash Balances, January 1, 2015	<u>39,583</u>	<u>574,486</u>	<u>31,392</u>	<u>-</u>	<u>645,461</u>
Fund Cash Balances, December 31, 2015					
Restricted	-	667,325	2,228	-	669,553
Unassigned	40,449	-	-	-	40,449
Fund Cash Balances, December 31, 2015	<u>\$ 40,449</u>	<u>\$ 667,325</u>	<u>\$ 2,228</u>	<u>\$ -</u>	<u>\$ 710,002</u>

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

**St. Albans Township**  
*Licking County*  
*Notes to the Financial Statements*  
*For the Years Ended December 31, 2016 and 2015*

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**Note 1 - Reporting Entity**

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

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

***Basis of Presentation***

The Township's financial 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. The Township had no proprietary or fiduciary fund types.

***Fund Accounting***

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

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

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

***Road and Bridge Fund*** The road and bridge fund accounts for all expenditures for repairing and maintain Township roads.

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

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

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

**St. Albans Township**  
*Licking County*  
*Notes to the Financial Statements*  
*For the Years Ended December 31, 2016 and 2015*

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

**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 Capital Projects Fund:

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

***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 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.

***Budgetary Process***

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

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

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

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

A summary of 2016 and 2015 budgetary activity appears in Note 4.

***Deposits and Investments***

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

**St. Albans Township**  
*Licking County*  
*Notes to the Financial Statements*  
*For the Years Ended December 31, 2016 and 2015*

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

***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.

***Fund Balance***

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

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

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

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

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

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

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

**Note 3 - Compliance**

The Township was in noncompliance with Ohio Administrative Code Section 117-2-02(C)(1) for not properly and timely integrating appropriation measures, as approved by the Board, into the Township's UAN software.

**St. Albans Township**  
*Licking County*  
*Notes to the Financial Statements*  
*For the Years Ended December 31, 2016 and 2015*

**Note 4 - Budgetary Activity**

Budgetary activity for the years ending December 31, 2016 and 2015 was as follows:

2016 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$133,084	\$133,084	\$0
Special Revenue	1,248,406	1,248,408	2
Debt Service	108,897	108,897	0
Capital Projects	4,703	4,703	0
Total	\$1,495,090	\$1,495,092	\$2

2016 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$166,080	\$133,583	\$32,497
Special Revenue	1,800,912	1,094,449	706,463
Debt Service	103,457	103,457	0
Capital Projects	4,703	4,703	0
Total	\$2,075,152	\$1,336,192	\$738,960

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$133,894	\$133,893	(\$1)
Special Revenue	1,249,262	1,249,261	(1)
Debt Service	103,442	101,035	(2,407)
Capital Projects	233,402	233,402	0
Total	\$1,720,000	\$1,717,591	(\$2,409)

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$145,636	\$133,027	\$12,609
Special Revenue	1,573,403	1,156,422	416,981
Debt Service	134,834	130,199	4,635
Capital Projects	233,402	233,402	0
Total	\$2,087,275	\$1,653,050	\$434,225

**St. Albans Township**  
*Licking County*  
*Notes to the Financial Statements*  
*For the Years Ended December 31, 2016 and 2015*

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**Note 5 – Deposits**

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

	2016	2015
Demand deposits	\$868,902	\$710,002

*Deposits*

Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by the financial institution’s public entity deposit pool

**Note 6 – Taxes**

*Property Taxes*

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable 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.

**Note 7 - Risk Management**

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

*Commercial Insurance*

The Township has obtained commercial insurance for the following risks:

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

**St. Albans Township**  
*Licking County*  
*Notes to the Financial Statements*  
*For the Years Ended December 31, 2016 and 2015*

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**Note 8 – Insurance Benefits**

The Township pays for the following insurances for Public Employees and full-time Township employees:

- Health Insurance – Aetna (2016)
- Health Insurance – United Healthcare (2015)
- Dental Insurance – Delta Dental

**Note 9 - Defined Benefit Pension Plans**

*Ohio Public Employees Retirement System*

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, 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, 2016.

<i>Retirement Rates</i>	<i>Year</i>	<i>Member Rate</i>	<i>Employer Rate</i>
<i>OPERS – Local</i>	<i>2012-2016</i>	<i>10%</i>	<i>14%</i>

*Social Security*

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

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants’ gross salaries. The Township has paid all contributions required through December 31, 2016.

**Note 10 – 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.

**St. Albans Township**  
*Licking County*  
*Notes to the Financial Statements*  
*For the Years Ended December 31, 2016 and 2015*

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**Note 11 – Debt**

Debt outstanding at December 31, 2016 was as follows:

	Principal	Interest Rate
General Obligation Bonds	\$1,002,632	4.95%
General Obligation Notes	\$90,298	3.84%
Total	\$1,092,930	

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

***Amortization***

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

	Genral Obligation Bonds	General Obligation Notes
Year ending December 31:		
2017	100,688	22,070
2018	99,316	22,070
2019	97,910	22,070
2020	96,470	22,070
2021	94,993	11,035
2022 - 2026	451,508	0
2027 - 2030	330,651	0
Total	\$1,271,536	\$99,315

**Note 12 – Transfers**

Transfers in 2015 and 2016 were to Transfer the FEMA grant funds (Capital Projects Fund Type) to the Fire District fund (Special Revenue Fund Type), where the disbursements were initially made.

**Note 13 – Other Financing Uses**

Other financing uses in the Debt Service Fund Type in 2015 were used for Capital Outlay, as approved by the Licking County Prosecutor’s Office.





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

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

St. Albans Township  
Licking County  
2548 Johnstown-Alexandria Road  
Alexandria, Ohio 43001

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of the St. Albans Township, Licking County, Ohio, as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, and have issued our report thereon dated June 15, 2017, wherein we noted the St. Albans Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

***Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider material weaknesses. We consider findings 2016-001 and 2016-002 to be material weaknesses.

Board of Trustees  
St. Albans Township

***Compliance and Other Matters***

As part of reasonably assuring whether the St. Albans Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings and responses as item 2016-002.

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

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



Julian & Grube, Inc.  
June 15, 2017

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

**SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>	
Finding Number	2016-001

Material Weakness - Financial Statement Presentation

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

The following audit adjustments were made to correct misstatements identified in the audit of the St. Albans Township's financial statements:

- i.* In the Special Revenue Fund Type, \$100,000 was reclassified from Miscellaneous Receipts to Sale of Bonds on the Combined Statement of Receipts, Disbursements, and Change in Fund Balances (Cash Basis) for the year ended December 31, 2016.
- ii.* In the Special Revenue Fund Type, \$100,000 was reclassified from Public Works Disbursements to Capital Outlay on the Combined Statement of Receipts, Disbursements, and Change in Fund Balances (Cash Basis) for the year ended December 31, 2016.
- iii.* In the Special Revenue Fund Type, \$11,035 was reclassified from Public Works Disbursements to Principal Retirement and Interest and Fiscal Charges, in the amounts of \$9,702 and \$1,333, respectively, on the Combined Statement of Receipts, Disbursements, and Change in Fund Balances (Cash Basis) for the year ended December 31, 2016.
- iv.* In the Special Revenue Fund Type, \$20 was reclassified from Transfers In to Charges for Services Receipts on the Combined Statement of Receipts, Disbursements, and Change in Fund Balances (Cash Basis) for the year ended December 31, 2016.
- v.* Certain modifications were made to the notes to the financial statements.

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

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

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

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

**SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (Continued)</b>	
Finding Number	2016-002

Noncompliance/Material Weakness

Ohio Administrative Code Section 117-2-02(C)(1) requires local public offices to integrate the budgetary accounts, at the legal level of control or lower, into the financial accounting system. This means designing an accounting system to provide ongoing and timely information on unrealized budgetary receipts and remaining uncommitted balances of appropriations.

The Township's UAN system included appropriations that were not legal since they were not approved timely by the Board of Trustees for the year ended December 31, 2016.

Lack of approved appropriations within the Township's accounting system hinders the Township's ability to effectively budget and monitor disbursements related to the budget.

We recommend that Township adopt procedures for accurately tracking and integrating their County Budget Commission approved appropriations within their UAN system to effectively monitor their budget throughout the year.

Client Response: The Township will properly track their budgetary measures during the year as required.



# Dave Yost • Auditor of State

**ST ALBANS TOWNSHIP**

**LICKING COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
AUGUST 22, 2017**