



Dave Yost • Auditor of State



**GRANDVIEW TOWNSHIP  
WASHINGTON COUNTY  
DECEMBER 31, 2017 AND 2016**

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Grandview Township  
Washington County  
P.O. Box 475  
New Matamoras, Ohio 45767

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 the Grandview Township, Washington County, Ohio (the Township), as of and for the years ended December 31, 2017 and 2016.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

***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 § 117.38 and Ohio Administrative Code § 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

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

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2017 and 2016, 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 cash balances, receipts and disbursements by fund type, and related notes of the Grandview Township, Washington County, Ohio, as of December 31, 2017 and 2016, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit, described in Note 2.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 23, 2018, 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

April 23, 2018

**Grandview Township**  
**Washington County**

*Combined Statement of Receipts, Disbursements  
and Changes in Fund Balances (Regulatory Cash Basis)  
All Governmental Fund Types  
For the Year Ended December 31, 2017*

|  | General          | Special<br>Revenue | Permanent      | Totals<br>(Memorandum<br>Only) |
|--|------------------|--------------------|----------------|--------------------------------|
| <b>Cash Receipts</b>                                 |                  |                    |                |                                |
| Property and Other Local Taxes                       | \$12,864         | \$84,889           | \$0            | \$97,753                       |
| Charges for Services                                 | 0                | 500                |                | 500                            |
| Licenses, Permits and Fees                           | 1,811            | 6,700              | 0              | 8,511                          |
| Intergovernmental                                    | 28,845           | 238,776            | 0              | 267,621                        |
| Earnings on Investments                              | 162              | 37                 | 1              | 200                            |
| Miscellaneous  | 6,833            | 983                | 0              | 7,816                          |
|  | <u>50,515</u>    | <u>331,885</u>     | <u>1</u>       | <u>382,401</u>                 |
| <b>Cash Disbursements</b>                            |                  |                    |                |                                |
| Current:   |                  |                    |                |                                |
| General Government                                   | 32,606           | 29,709             | 0              | 62,315                         |
| Public Safety  | 0                | 29,503             | 0              | 29,503                         |
| Public Works   | 4,699            | 202,552            | 0              | 207,251                        |
| Health   | 3,563            | 7,270              | 0              | 10,833                         |
| Conservation-Recreation                              | 0                | 500                | 0              | 500                            |
| Debt Service:  |                  |                    |                |                                |
| Principal Retirement                                 | 0                | 9,137              | 0              | 9,137                          |
| Interest and Fiscal Charges                          | 0                | 779                | 0              | 779                            |
| <i>Total Cash Disbursements</i>                      | <u>40,868</u>    | <u>279,450</u>     | <u>0</u>       | <u>320,318</u>                 |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>9,647</u>     | <u>52,435</u>      | <u>1</u>       | <u>62,083</u>                  |
| <b>Other Financing Receipts</b>                      |                  |                    |                |                                |
| Other Financing Sources                              | 1,966            | 441                |                | 2,407                          |
| <i>Total Other Financing Receipts</i>                | <u>1,966</u>     | <u>441</u>         | <u>0</u>       | <u>2,407</u>                   |
| <i>Net Change in Fund Cash Balances</i>              | 11,613           | 52,876             | 1              | 64,490                         |
| <i>Fund Cash Balances, January 1</i>                 | <u>93,139</u>    | <u>267,533</u>     | <u>3,338</u>   | <u>364,010</u>                 |
| <b>Fund Cash Balances, December 31</b>               |                  |                    |                |                                |
| Nonspendable   | 0                | 0                  | 3,018          | 3,018                          |
| Restricted   | 0                | 287,252            | 0              | 287,252                        |
| Committed  | 0                | 33,157             | 321            | 33,478                         |
| Assigned   | 68,533           | 0                  | 0              | 68,533                         |
| Unassigned (Deficit)                                 | 36,219           | 0                  | 0              | 36,219                         |
| <i>Fund Cash Balances, December 31</i>               | <u>\$104,752</u> | <u>\$320,409</u>   | <u>\$3,339</u> | <u>\$428,500</u>               |

*See accompanying notes to the basic financial statements.*

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**GRANDVIEW TOWNSHIP  
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**Note 1 - Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Grandview Township, Washington 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 provides the equipment and the Grandview Volunteer Fire Department provides the man- power to provide fire services and contracts with the Matamoras Emergency Squad, to provide ambulance services. The Township appropriates fire levy money to support a volunteer fire department.

***Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations***

The Township participates in a 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

**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.

***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 accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

***Road and Bridge Fund*** This fund accounts for and reports that portion of property tax money for constructing, maintaining, and repairing Township roads and bridges.

***Permissive Sales Tax Fund*** This fund receives sales tax money from the County Commissioners restricted for maintenance and repair of roads within the Township.

**GRANDVIEW TOWNSHIP  
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017  
(Continued)**

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

**Permanent Funds** These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Township had the following significant Permanent Fund:

***Esther Baird Murdock Cemetery Endowment Fund*** This fund receives interest earned on the nonexpendable corpus from a trust agreement. These earnings are used for the general maintenance and upkeep of the Township's cemetery. During 2017, the Township pooled the cash of all six cemetery endowment funds, including this fund, into one certificate of deposit.

***Basis of Accounting***

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

***Budgetary Process***

The Ohio Revised Code requires that each fund (except certain agency funds) 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 Township 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 2017 budgetary activity appears in Note 3.

***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.

**GRANDVIEW TOWNSHIP  
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017  
(Continued)**

**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.

**GRANDVIEW TOWNSHIP  
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017  
(Continued)**

**Note 3 - Budgetary Activity**

Budgetary activity for the year ending December 31, 2017 follows:

| 2017 Budgeted vs. Actual Receipts |                      |                    |          |
|-----------------------------------|----------------------|--------------------|----------|
| Fund Type                         | Budgeted<br>Receipts | Actual<br>Receipts | Variance |
| General                           | \$52,463             | \$52,481           | \$18     |
| Special Revenue                   | 332,325              | 332,326            | 1        |
| Permanent                         | 1                    | 1                  | 0        |
| Total                             | \$384,789            | \$384,808          | \$19     |

| 2017 Budgeted vs. Actual Budgetary Basis Expenditures |                            |                           |           |
|---|----------------------------|---------------------------|-----------|
| Fund Type   | Appropriation<br>Authority | Budgetary<br>Expenditures | Variance  |
| General   | \$100,000                  | \$40,868                  | \$59,132  |
| Special Revenue                                       | 410,500                    | 279,450                   | 131,050   |
| Permanent   | 322                        | 0                         | 322       |
| Total   | \$510,822                  | \$320,318                 | \$190,504 |

**Note 4 - Deposits**

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

|                         |           |
|-------------------------|-----------|
|                         | 2017      |
| Demand deposits         | \$425,482 |
| Certificates of deposit | 3,018     |
| Total deposits          | \$428,500 |

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

**Note 5 - Taxes**

***Property Taxes***

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council 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.

**GRANDVIEW TOWNSHIP  
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017  
(Continued)**

**Note 6 - Risk Management**

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

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

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

Casualty and Property Coverage

The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2016, 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, 2016 (the latest information available).

|              |                  |
|--------------|------------------|
|              | <u>2016</u>      |
| Assets       | \$38,473,283     |
| Liabilities  | <u>8,244,140</u> |
| Net Position | \$30,229,143     |

At December 31, 2016 the liabilities above include approximately \$7.4 million of estimated incurred claims payable. The assets above also include approximately \$6.9 million of unpaid claims to be billed to approximately 1,010 member governments in the future, as of December 31, 2016. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2016, the Township's share of these unpaid claims collectible in future years is approximately \$4,000.

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.

**GRANDVIEW TOWNSHIP  
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017  
(Continued)**

**Note 6 - Risk Management (Continued)**

2017 Contributions to OTARMA

\$8,492

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.

**Note 7 - Defined Benefit Pension Plans**

Township 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, 2017.

**Note 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.

**Note 9 - Debt**

Debt outstanding at December 31, 2017 was as follows:

|                                 | Principal | Interest Rate |
|---------------------------------|-----------|---------------|
| 2015 Capital Lease - Ford Truck | \$19,040  | 2.73%         |

In 2015, the Township entered into a 5 year capital lease of a new Ford Pickup truck through U.S. Bank in the amount \$46,985 and at an interest rate of 2.73% for township road maintenance. Annual payments of \$9,916 will be made from the Permissive Sales Tax Fund.

***Amortization***

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

| Year ending<br>December 31: | Capital Lease |
|-----------------------------|---------------|
| 2018                        | \$9,916       |
| 2019                        | 9,916         |
| Total                       | \$19,832      |

**Grandview Township**  
**Washington County**

*Combined Statement of Receipts, Disbursements  
and Changes in Fund Balances (Regulatory Cash Basis)  
All Governmental Fund Types  
For the Year Ended December 31, 2016*

|   | General         | Special<br>Revenue | Permanent      | Totals<br>(Memorandum<br>Only) |
|---|-----------------|--------------------|----------------|--------------------------------|
| <b>Cash Receipts</b>                                  |                 |                    |                |                                |
| Property and Other Local Taxes                        | \$9,981         | \$65,658           | \$0            | \$75,639                       |
| Charges for Services                                  | 0               | 500                |                | 500                            |
| Licenses, Permits and Fees                            | 0               | 6,225              | 0              | 6,225                          |
| Intergovernmental                                     | 29,342          | 254,203            | 0              | 283,545                        |
| Earnings on Investments                               | 155             | 28                 | 6              | 189                            |
| Miscellaneous   | 4,270           | 3,918              | 0              | 8,188                          |
|   | <u>43,748</u>   | <u>330,532</u>     | <u>6</u>       | <u>374,286</u>                 |
| <b>Cash Disbursements</b>                             |                 |                    |                |                                |
| Current:  |                 |                    |                |                                |
| General Government                                    | 35,624          | 29,635             | 0              | 65,259                         |
| Public Safety   | 0               | 39,994             | 0              | 39,994                         |
| Public Works  | 4,750           | 206,826            | 0              | 211,576                        |
| Health  | 3,533           | 5,912              | 0              | 9,445                          |
| Conservation-Recreation                               | 0               | 15,500             | 0              | 15,500                         |
| Debt Service:   |                 |                    |                |                                |
| Principal Retirement                                  | 0               | 8,892              | 0              | 8,892                          |
| Interest and Fiscal Charges                           | 0               | 1,025              | 0              | 1,025                          |
| <i>Total Cash Disbursements</i>                       | <u>43,907</u>   | <u>307,784</u>     | <u>0</u>       | <u>351,691</u>                 |
| <i>Excess of Receipts Over (Under) Disbursements</i>  | <u>(159)</u>    | <u>22,748</u>      | <u>6</u>       | <u>22,595</u>                  |
| <b>Other Financing Receipts (Disbursements)</b>       |                 |                    |                |                                |
| Transfers In  | 0               | 1,314              |                | 1,314                          |
| Transfers Out   | 0               | (1,314)            |                | (1,314)                        |
| Other Financing Sources                               | 606             | 0                  |                | 606                            |
| Other Financing Uses                                  | (25)            | 0                  |                | (25)                           |
| <i>Total Other Financing Receipts (Disbursements)</i> | <u>581</u>      | <u>0</u>           | <u>0</u>       | <u>581</u>                     |
| <i>Net Change in Fund Cash Balances</i>               | 422             | 22,748             | 6              | 23,176                         |
| <i>Fund Cash Balances, January 1</i>                  | <u>92,717</u>   | <u>244,785</u>     | <u>3,332</u>   | <u>340,834</u>                 |
| <b>Fund Cash Balances, December 31</b>                |                 |                    |                |                                |
| Nonspendable  | 0               | 0                  | 3,018          | 3,018                          |
| Restricted  | 0               | 249,887            | 0              | 249,887                        |
| Committed   | 0               | 17,646             | 320            | 17,966                         |
| Assigned  | 47,537          | 0                  | 0              | 47,537                         |
| Unassigned (Deficit)                                  | 45,602          | 0                  | 0              | 45,602                         |
| <i>Fund Cash Balances, December 31</i>                | <u>\$93,139</u> | <u>\$267,533</u>   | <u>\$3,338</u> | <u>\$364,010</u>               |

See accompanying notes to the basic financial statements.

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**GRANDVIEW TOWNSHIP  
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

**Note 1 - Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Grandview Township, Washington 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 provides the equipment and the Grandview Volunteer Fire Department provides the man- power to provide fire services and contracts with the Matamoras Emergency Squad, to provide ambulance services. The Township appropriates fire levy money to support a volunteer fire department.

***Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations***

The Township participates in a 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

**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.

***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 accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

***Road and Bridge Fund*** This fund accounts for and reports that portion of property tax money for constructing, maintaining, and repairing Township roads and bridges.

***Permissive Sales Tax Fund*** This fund receives sales tax money from the County Commissioners restricted for maintenance and repair of roads within the Township.

**GRANDVIEW TOWNSHIP  
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016  
(Continued)**

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

**Permanent Funds** These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Township had the following significant Permanent Fund:

**Esther Baird Murdock Cemetery Endowment Fund** This fund receives interest earned on the nonexpendable corpus from a trust agreement. These earnings are used for the general maintenance and upkeep of the Township's cemetery.

***Basis of Accounting***

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

***Budgetary Process***

The Ohio Revised Code requires that each fund (except certain agency funds) 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 Township 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 budgetary activity appears in Note 3.

***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.

**GRANDVIEW TOWNSHIP  
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016  
(Continued)**

**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.

**GRANDVIEW TOWNSHIP  
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016  
(Continued)**

**Note 3 - Budgetary Activity**

Budgetary activity for the year ending December 31, 2016 follows:

| 2016 Budgeted vs. Actual Receipts |                      |                    |          |
|-----------------------------------|----------------------|--------------------|----------|
| Fund Type                         | Budgeted<br>Receipts | Actual<br>Receipts | Variance |
| General                           | \$30,709             | \$44,354           | \$13,645 |
| Special Revenue                   | 334,607              | 331,846            | (2,761)  |
| Permanent                         | 0                    | 6                  | 6        |
| Total                             | \$365,316            | \$376,206          | \$10,890 |

| 2016 Budgeted vs. Actual Budgetary Basis Expenditures |                            |                           |           |
|---|----------------------------|---------------------------|-----------|
| Fund Type   | Appropriation<br>Authority | Budgetary<br>Expenditures | Variance  |
| General   | \$132,942                  | \$43,932                  | \$89,010  |
| Special Revenue                                       | 567,587                    | 309,098                   | 258,489   |
| Permanent   | 0                          | 0                         | 0         |
| Total   | \$700,529                  | \$353,030                 | \$347,499 |

**Note 4 - Deposits**

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

|                         |           |
|-------------------------|-----------|
|                         | 2016      |
| Demand deposits         | \$360,992 |
| Certificates of deposit | 3,018     |
| Total deposits          | \$364,010 |

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

**Note 5 - Taxes**

***Property Taxes***

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council 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.

**GRANDVIEW TOWNSHIP  
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016  
(Continued)**

**Note 6 - Risk Management**

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

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

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

Casualty and Property Coverage

The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2016, 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, 2016 (the latest information available).

|              |                  |
|--------------|------------------|
|              | <u>2016</u>      |
| Assets       | \$38,473,283     |
| Liabilities  | <u>8,244,140</u> |
| Net Position | \$30,229,143     |

At December 31, 2016 the liabilities above include approximately \$7.4 million of estimated incurred claims payable. The assets above also include approximately \$6.9 million of unpaid claims to be billed to approximately 1,010 member governments in the future, as of December 31, 2016. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2016, the Township's share of these unpaid claims collectible in future years is approximately \$4,000.

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.

**GRANDVIEW TOWNSHIP  
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016  
(Continued)**

**Note 6 - Risk Management (Continued)**

2017 Contributions to OTARMA  
\$8,543

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.

**Note 7 - Defined Benefit Pension Plans**

Township 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.

**Note 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.

**Note 9 - Debt**

Debt outstanding at December 31, 2016 was as follows:

|                                 | <u>Principal</u> | <u>Interest Rate</u> |
|---------------------------------|------------------|----------------------|
| 2015 Capital Lease - Ford Truck | \$28,177         | 2.73%                |

In 2015, the Township entered into a 5 year capital lease of a new Ford Pickup truck through U.S. Bank in the amount \$46,985 and at an interest rate of 2.73% for township road maintenance. Annual payments of \$9,916 will be made from the Permissive Sales Tax Fund.

***Amortization***

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

| Year ending<br>December 31: | Capital Lease |
|-----------------------------|---------------|
| 2017                        | \$9,916       |
| 2018                        | \$9,916       |
| 2019                        | 9,916         |
| Total                       | \$29,748      |



# 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*

Grandview Township  
Washington County  
P.O. Box 475  
New Matamoras, Ohio 45767

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 Grandview Township, Washington County, Ohio (the Township), as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements, and have issued our report thereon dated April 23, 2018, wherein we noted the Township followed financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our 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. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings that we consider material weaknesses. We consider findings 2017-002 and 2017-003 to be material weaknesses.

***Compliance and Other Matters***

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards*, which is described in the accompanying Schedule of Findings as item 2017-001.

***Entity's Responses 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

April 23, 2018



**GRANDVIEW TOWNSHIP  
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2017 AND 2016**

|  |
|--|
| <b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS<br/>REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b> |
|--|

**FINDING NUMBER 2017-001**

**Noncompliance**

Ohio Rev. Code § 507.09(E) sets forth the method by which a township fiscal officer's compensation shall be allocated. The Auditor of State issued Bulletin 2013-002 on June 7, 2013 explaining that the allocation of 100 percent of an official's compensation to funds other than the general fund is not permitted under Ohio law. A township fiscal officer may be compensated from the township general fund or from other township funds based on the proportion of time the township fiscal officer spends providing services related to each fund. A township fiscal officer must document the amount of time the township fiscal officer spends providing services related to each fund by certification specifying the percentage of time spent working on matters to be paid from the township general fund or from other township funds in such proportions as the kinds of services performed.

During 2016, a portion of the Fiscal Officer's salary and related payroll withholdings were paid from restricted funds (Gasoline Tax Fund) without the Fiscal Officer certifying hours spent providing these services to the Township. Further, the Fiscal Officer provided no other documentation showing the hours spent providing services to the Township to support compensation from restricted funds.

As a result of the foregoing facts, an adjustment was proposed to reduce expenditures in the Gasoline Tax Fund and increase expenditures in the General Fund by \$2,358. This adjustment, with which management agreed, was posted to the Township records and is reflected in the accompanying financial statements.

The Township management should adopt formal administrative procedures for elected official compensation including requiring certification of time spent by Fiscal Officer on activities chargeable to restricted funds. Once these administrative procedures are established, the Fiscal Officer should charge her salaries and related benefits to the applicable funds in accordance with the certifications. A sample certification is attached to Auditor of State Bulletin 2011-007.

**Official's Response:** The Township management will try to correct the issues in the future.

**FINDING NUMBER 2017-002**

**Material Weakness**

In our audit engagement letter, as required by AU-C § 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of its financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C § 210 paragraphs .A14 & .A16.

The Fiscal Officer made certain posting errors resulting in audit adjustments as follows:

- Contrary to the GASB 54 fund balance definitions listed in the Bulletin 2011-004, the Fiscal Officer classified the Road and Bridge Fund balances as restricted rather than as committed for 2016. The tax levy funding the Road and Bridge Fund is within the ten mil limitation, which is an internal restriction. As a result, the ending fund balance of the Road and Bridge Fund of \$17,646 was reclassified as Committed at December 31, 2016.

**GRANDVIEW TOWNSHIP  
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2017 AND 2016  
(Continued)**

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

**FINDING NUMBER 2017-002 (Continued)**

**Material Weakness (Continued)**

- Also, contrary to the GASB 54 fund balance definitions listed in the Bulletin 2011-004, the Fiscal Officer misclassified that portion of the General Fund which was included as part of the subsequent year's appropriations. As a result, \$47,537 of the December 31, 2016 General Fund balance was misclassified as unassigned rather than as assigned, and \$21,951 of the December 31, 2017 General Fund balance was misclassified as unassigned rather than as assigned.
- The Fiscal Officer's salary posted to the Gasoline Tax Fund instead of the General Fund during 2016. As a result, an adjustment was proposed to reduce expenditures in the Gasoline Tax Fund and increase expenditures in the General Fund by \$2,358.
- At both December 31, 2017 and 2016, the corpus, or principal balance of the Permanent Fund was incorrectly classified as restricted rather than as nonspendable according to GASB 54. As a result, that portion of the December 31 fund cash balance (\$3,018) was reclassified from Restricted to Nonspendable and, for the year ended December 31, 2016, the Restricted portion was increased \$5 to reflect interest earned on the certificated of deposit to reconcile with the bank confirmation.

These misstatements were caused by a lack of management oversight. As a result, significant reclassifications, with which the Township's management agrees, were made to the financial statements and ledgers and are reflected in the accompanying financial statements.

To ensure the Township's financial statements and notes to the financial statements are complete and accurate, the Fiscal Officer should review the audit adjustments, the Ohio Township Handbook and Auditor of State Bulletin 2011-004 for guidance on the correct line items to post various receipts and expenditures as well as fund balance classifications in future audit periods.

**Official's Response:** The Township management will try to correct the issues in the future.

**FINDING NUMBER 2017-003**

**Material Weakness**

All local public offices should 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.

At December 31, 2016, appropriations as approved by the Trustees did not agree to the Township's ledgers as follows:

| Fund                 | Appropriations,<br>as Adopted | Appropriations,<br>as Posted | Variance |
|----------------------|-------------------------------|------------------------------|----------|
| Emergency Levy       | \$38,643                      | \$29,224                     | \$9,419  |
| Permissive Sales Tax | 188,020                       | 187,550                      | 470      |

**GRANDVIEW TOWNSHIP  
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2017 AND 2016  
(Continued)**

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

**FINDING NUMBER 2017-003 (Continued)**

**Material Weakness (Continued)**

At December 31, 2016, budgetary receipts as approved by the Trustees did not agree to the Township's ledgers for the following funds. The variances are as follows:

| Fund                      | Estmaited<br>Receipts, as<br>Adopted | Estmaited<br>Receipts, as<br>Posted | Variance  |
|---------------------------|--------------------------------------|-------------------------------------|-----------|
| General                   | \$30,709                             | 40,264                              | (\$9,555) |
| Motor Vehicle License Tax | 30,516                               | 22,809                              | 7,707     |

Due to budgetary information being improperly entered into the system, the management of the Township was not able to effectively monitor and report its budget vs. actual status throughout the year.

The Fiscal Officer should post appropriations and budgetary receipts as approved by the Trustees to the accounting system. This will help ensure more useful comparisons of budget vs. actual activity, as well as provide management with an accurate monitoring tool throughout the year.

**Official's Response:** The Township management will try to correct the issues in the future.

# GRANDVIEW TOWNSHIP

## WASHINGTON COUNTY

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### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS DECEMBER 31, 2017 AND 2016

| <b>Finding Number</b> | <b>Finding Summary</b>  | <b>Status</b>       | <b>Additional Information</b>  |
|-----------------------|---|---------------------|--|
| 2015-001              | Material Weakness for misposting of various receipts and disbursements. | Not Corrected       | The Fiscal Officer will continue to consult the Township Handbook to correct this issue going forward.                                 |
| 2015-002              | Noncompliance over various budgetary requirements                       | Partially Corrected | The Fiscal Officer corrected three of the four items listed in the prior report and will continue to correct this issue going forward. |



# Dave Yost • Auditor of State

**GRANDVIEW TOWNSHIP**

**WASHINGTON 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  
MAY 10, 2018**