



OHIO AUDITOR OF STATE  
**KEITH FABER**





**SALINE TOWNSHIP  
JEFFERSON COUNTY**

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## INDEPENDENT AUDITOR'S REPORT

Saline Township  
Jefferson County  
P.O. Box 177  
Hammondsville, Ohio 43930

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 Saline Township, Jefferson County, Ohio (the Township) as of and for the years ended December 31, 2019 and 2018.

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

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

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

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

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Township's internal control. Accordingly, we express no 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 Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

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

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

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2019 and 2018, and the respective 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 Saline Township, Jefferson County as of December 31, 2019 and 2018, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

***Emphasis of Matter***

As discussed in Notes 11 and 10 to the 2019 and 2018 financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. We did not modify our opinion regarding this matter.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2020, 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.



Keith Faber  
Auditor of State

Columbus, Ohio

September 28, 2020

**Saline Township**  
*Jefferson County, Ohio*  
**Combined Statement of Receipts, Disbursements**  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
**All Governmental Fund Types**  
*For the Year Ended December 31, 2019*

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$445,604	\$558,701	\$1,004,305
Licenses, Permits and Fees	3,835	55,892	59,727
Fines and Forfeitures	35,766		35,766
Intergovernmental	136,284	128,099	264,383
Miscellaneous	138,486	280	138,766
<i>Total Cash Receipts</i>	<u>759,975</u>	<u>742,972</u>	<u>1,502,947</u>
<b>Cash Disbursements</b>			
Current:			
General Government	415,452		415,452
Public Safety	455,342	460,599	915,941
Public Works	1,000	150,745	151,745
Capital Outlay	13,700	219,544	233,244
Debt Service:			
Principal Retirement		18,975	18,975
Interest and Fiscal Charges		2,054	2,054
<i>Total Cash Disbursements</i>	<u>885,494</u>	<u>851,917</u>	<u>1,737,411</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(125,519)</u>	<u>(108,945)</u>	<u>(234,464)</u>
<b>Other Financing Receipts (Disbursements)</b>			
Other Debt Proceeds		156,343	156,343
Transfers In	2,070	14,291	16,361
Transfers Out		(16,361)	(16,361)
Advances In	8,000	8,000	16,000
Advances Out	(8,000)	(8,000)	(16,000)
Other Financing Sources	408		408
Other Financing Uses	(139)		(139)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>2,339</u>	<u>154,273</u>	<u>156,612</u>
<i>Net Change in Fund Cash Balances</i>	(123,180)	45,328	(77,852)
<i>Fund Cash Balances, January 1</i>	<u>196,010</u>	<u>354,744</u>	<u>550,754</u>
<b>Fund Cash Balances, December 31</b>			
Restricted		397,480	397,480
Committed		5,736	5,736
Assigned	10,138		10,138
Unassigned (Deficit)	62,692	(3,144)	59,548
<i>Fund Cash Balances, December 31</i>	<u>\$72,830</u>	<u>\$400,072</u>	<u>\$472,902</u>

*See accompanying notes to the basic financial statements*

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**Saline Township**  
*Jefferson County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Saline Township, Jefferson County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, police protection and emergency medical services. The Township contracts with the Village of Irondale and the Village of Stratton to provide fire services. The Township also provides van service for elderly and handicap persons.

***Public Entity Risk Pool***

The Township participates in Ohio Township Association Risk Management Authority (OTARMA) a public entity risk pool. The OTARMA provides Property and casualty coverage for its members. See Note 7.

The Township's management believes these 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.

***Fund Accounting***

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

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

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

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

***Motor Vehicle License Tax Fund*** The Motor Vehicle License Tax fund account for and reports the portion of motor vehicle registration fees restricted for the maintenance and report of roads within the Township.

***Road and Bridge Fund*** – This fund receives revenue for road and bridge maintenance.

**Saline Township**  
*Jefferson County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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***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 unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

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

A summary of 2019 budgetary activity appears in Note 4.

***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.

***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.

***Accumulated Leave***

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

**Saline Township**  
*Jefferson County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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***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**

Contrary to Ohio Revised § 5705.41(B), expenditures exceed appropriations in the General, Motor Vehicle License, Gasoline Tax, Road and Bridge, Fire, Emergency Medical Service, Permissive Motor Vehicle, and FEMA funds in the amounts of \$848,936, \$22,810, \$165,819, \$154,718, \$187,871, \$323,381, \$5,418, and \$16,361 respectively.

**Saline Township**  
*Jefferson County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

**Note 4 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$690,030	\$762,453	\$72,423
Special Revenue	388,912	913,606	524,694
Total	\$1,078,942	\$1,676,059	\$597,117

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$53,579	\$902,515	(\$848,936)
Special Revenue	3,743	873,434	(869,691)
Total	\$57,322	\$1,775,949	(\$1,718,627)

**Note 5 – Deposits and Investments**

The Township maintains a deposits 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:

	2019
Demand deposits	\$472,902

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**Note 6 – 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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Township.

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

**Saline Township**  
*Jefferson County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 7 – Risk Management**

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

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

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

	<u>2019</u>
Cash and investments	\$35,207,320
Actuarial liabilities	\$ 10,519,942

**Note 8 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

All 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 health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS Local members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. OPERS Public Safety members contributed 12 percent of their gross salaries and the Township contributed an amount equaling 18.10 percent. The Township has paid all contributions required through December 31, 2019.

**Note 9 – Postemployment Benefits**

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

**Saline Township**  
*Jefferson County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 10 – Debt**

Debt outstanding at December 31, 2019, was as follows:

	Principal	Interest Rate
Tractor Lease	\$78,784	3.35%
Track Hoe Loan	58,584	2.75%
Total	\$137,368	

The Township entered in a Master Tax-Exempt Lease/Purchase Agreement for the purchase of a tractor.

The Township entered into an installment loan for the purchase of track hoe.

***Amortization***

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

Year Ending December 31:	Tractor Lease	Track Hoe Loan
2020	\$33,983	\$12,754
2021	33,983	12,753
2022	16,992	12,754
2023		12,754
2024		11,690
Total	\$84,958	\$62,705

**Note 11 – Subsequent Events**

The United States and State of Ohio declared a state of emergency in March 2020 due to the COVID 19 pandemic. The financial impact of COVID 19 and the ensuing emergency measures will impact subsequent periods of the Township. In addition, the impact on the Township’s future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

**Saline Township**  
*Jefferson County, Ohio*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Governmental Fund Types*  
*For the Year Ended December 31, 2018*

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$433,573	\$380,716	\$814,289
Licenses, Permits and Fees	4,107	40,411	44,518
Fines and Forfeitures	44,842		44,842
Intergovernmental	148,685	160,873	309,558
Miscellaneous	103,330	173	103,503
<i>Total Cash Receipts</i>	<u>734,537</u>	<u>582,173</u>	<u>1,316,710</u>
<b>Cash Disbursements</b>			
Current:			
General Government	419,542		419,542
Public Safety	495,232	277,116	772,348
Public Works	543	101,224	101,767
Capital Outlay	20,100	1,873	21,973
<i>Total Cash Disbursements</i>	<u>935,417</u>	<u>380,213</u>	<u>1,315,630</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(200,880)</u>	<u>201,960</u>	<u>1,080</u>
<b>Other Financing Receipts (Disbursements)</b>			
Other Financing Sources	3,416		3,416
Other Financing Uses	(377)		(377)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>3,039</u>	<u>0</u>	<u>3,039</u>
<i>Net Change in Fund Cash Balances</i>	(197,841)	201,960	4,119
<i>Fund Cash Balances, January 1</i>	<u>393,851</u>	<u>152,784</u>	<u>546,635</u>
<b>Fund Cash Balances, December 31</b>			
Restricted		337,474	337,474
Committed		18,457	18,457
Unassigned (Deficit)	196,010	(1,187)	194,823
<i>Fund Cash Balances, December 31</i>	<u>\$196,010</u>	<u>\$354,744</u>	<u>\$550,754</u>

*See accompanying notes to the basic financial statements*

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**Saline Township**  
*Jefferson County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Saline Township, Jefferson County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, police protection and emergency medical services. The Township contracts with the Village of Irondale and the Village of Stratton to provide fire services.

***Public Entity Risk Pool***

The Township participates in Ohio Township Association Risk Management Authority (OTARMA) a public entity risk pool. The OTARMA provides Property and casualty coverage for its members. See Note 7.

The Township's management believes these 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.

***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:

***Fire District Fund*** - This fund receives property tax money for fire services for the Township.

***Emergency Medical Services Fund*** – This fund receives proper tax money to provide EMS services for the Township.

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

***Road and Bridge Fund*** – This fund receives revenue for road and bridge maintenance.

**Saline Township**  
*Jefferson County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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***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 unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

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

A summary of 2018 budgetary activity appears in Note 4.

***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.

***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.

***Accumulated Leave***

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

**Saline Township**  
*Jefferson County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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***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**

Contrary to Ohio Revised § 5705.41(B), expenditures exceed appropriations in the General, Emergency Medical Service, and Permissive Motor Vehicle License funds in the amounts of \$137,051, \$59,089, and \$1,424.

**Saline Township**  
*Jefferson County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

**Note 4 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2018 follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$735,911	\$737,953	\$2,042
Special Revenue	345,813	582,173	236,360
Total	\$1,081,724	\$1,320,126	\$238,402

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$852,322	\$989,373	(\$137,051)
Special Revenue	387,887	383,956	3,931
Total	\$1,240,209	\$1,373,329	(\$133,120)

**Note 5 – Deposits and Investments**

The Township maintains a deposits 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:

	2018
Demand deposits	\$550,754

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**Note 6 – 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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Township.

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

**Saline Township**  
*Jefferson County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**Note 7 – Risk Management**

Risk Pool Membership

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

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

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

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

**Note 8 – Defined Benefit Pension Plans**

*Ohio Public Employees Retirement System*

All 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 health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS Local members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. OPERS Public Safety members contributed 12 percent of their gross salaries and the Township contributed an amount equaling 18.10 percent. The Township has paid all contributions required through December 31, 2018.

**Note 9 – Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2018. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2018.

**Saline Township**  
*Jefferson County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**Note 10 – Subsequent Events**

The United States and State of Ohio declared a state of emergency in March 2020 due to the COVID 19 pandemic. The financial impact of COVID 19 and the ensuing emergency measures will impact subsequent periods of the Township. In addition, the impact on the Township's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

# OHIO AUDITOR OF STATE KEITH FABER



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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

Saline Township  
Jefferson County  
P.O. Box 177  
Hammondsville, Ohio 43930

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 Saline Township, Jefferson County, (the Township) as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, and have issued our report thereon dated September 28, 2020 wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township.

### ***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 2019-001, 2019-002, and 2019-005 through 2019-007 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 instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2019-001 through 2019-004.

**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 report is not suitable for any other purpose.



Keith Faber  
Auditor of State

Columbus, Ohio

September 28, 2020



**SALINE TOWNSHIP  
JEFFERSON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2019 AND 2018**

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

**FINDING NUMBER 2019-001**

**Noncompliance and Material Weakness – Expenditures Exceeding Appropriations**

**Ohio Rev. Code § 5705.41(B)** prohibits a subdivision or taxing authority unit from making any expenditure of money unless it has been appropriated in accordance with the Ohio Revised Code. Due to inadequate policies and procedures in approving and reviewing budget versus actual information, the Township had expenditures in excess of appropriations as of December 31, 2019 and 2018, respectively in the following funds:

<b>Fund</b>	<b>Appropriation</b>	<b>Expenditures Plus Encumbrances</b>	<b>Variance</b>	<b>Percent of Variance</b>
General	\$53,579	\$848,936	\$795,357	94%
<b>Special Revenue:</b>				
Motor Vehicle License	0	22,810	22,810	100%
Gasoline Tax	141	165,719	165,578	99%
Road and Bridge	2,867	154,718	151,851	98%
Fire	0	187,871	187,871	100%
Emergency Medical Service	735	323,381	322,646	99%
Permissive Motor Vehicle License	0	5,418	5,418	100%
FEMA	0	16,361	16,361	100%

<b>Fund</b>	<b>Appropriation</b>	<b>Expenditures Plus Encumbrances</b>	<b>Variance</b>	<b>Percent of Variance</b>
General	\$852,322	\$989,373	\$137,051	14%
<b>Special Revenue:</b>				
Emergency Medical Service	166,976	226,065	59,089	26
Permissive Motor Vehicle License	7,574	8,997	1,424	16

Failure to have adequate appropriations in place at the time expenditures are made could cause expenditures to exceed available resources, further resulting in deficit spending practices.

The Board of Trustees should closely monitor expenditures and appropriations and make the necessary appropriation amendments, if possible, to reduce the likelihood of expenditures exceeding appropriations. Additionally, the Fiscal Officer should deny payment requests exceeding appropriations when appropriations are inadequate to cover the expenditure.

**FINDING NUMBER 2019-002**

**Noncompliance and Material Weakness – Payment of Withholdings**

**Section 278, Public Law 97-248, H. R. 4961** states that Medicare should be deducted from employees' compensation for all employees hired after March 31, 1986. Furthermore, employers are liable for reporting and remitting these taxes.

**26 U.S.C. § 3402(a)(1)** states in general, except as otherwise provided in this section, every employer making payment of wages shall deduct and withhold upon such wages a tax determined in accordance with tables or computational procedures prescribed by the Secretary.

**26 U.S.C. § 3403** states that the employer shall be liable for the payment of the tax required to be deducted and withheld under this chapter, and shall not be liable to any person for the amount of any such payment.

**Ohio Rev. Code § 5747.06** requires the employing government to withhold state income taxes. It also requires the government to report and remit those tax matters to the appropriate tax authorities and to the recipients.

**Ohio Rev. Code § 145.01** outline the requirements for withholding Ohio Public Employees Retirement (OPERS) amounts from a public employees payroll check. The Township has not implemented policies over withholdings to assure they are paid in a timely manner.

The Township properly withheld federal, state income taxes, and OPERS amounts, however, did not remit and record amounts properly in the accounting system. Testing identified the following:

- The Township overpaid the Internal Revenue Service by \$41,215 and \$7,363 in 2019 and 2018, respectively. In addition, the amounts recorded in the accounting system exceeded the amounts that cleared the bank by \$2,922 and \$3,223 in 2019 and 2018, respectively;
- The Township overpaid the State by \$8,554 and underpaid the State by \$1,381 in 2019 and 2018, respectively; In addition, the amounts recorded in the accounting system exceeded the amounts that cleared the bank by \$6,327 in 2019, and amounts that cleared the bank exceeded amounts recorded in the accounting system by \$1,215 in 2018; and
- The Township overpaid the OPERS by \$6,729 and underpaid the OPERS by \$1,000 in 2019 and 2018, respectively. In addition, the amounts that cleared the bank exceeded amounts recorded in the accounting system by \$9,387 and \$38,738 in 2019 and 2018, respectively.

Due to a lack of supporting documentation for payments, it was not possible to tell if all of the amounts overpaid were related to interest and penalties. We did identify interest and penalties paid to the State of \$5 and \$6 in 2019 and 2018, respectively.

Failure to file and pay the required taxes could result in penalties and interest levied against the Township and possible findings for recovery.

The Fiscal Officer should remit withholdings in accordance with the payroll reports. This will help avoid interest and penalties.

This matter will be referred to the Internal Revenue Service, Ohio Department of Taxation, and the OPERS.

**FINDING NUMBER 2019-003**

**Noncompliance – Installment Debt Without Statutory Authority**

**Ohio Rev. Code Chapter 133** authorizes certain methods by which subdivisions may incur debt.

**Ohio Rev. Code § 133.22**, a subdivision may issue anticipatory-securities if it meets the requirements outlined in the statute.

**Ohio Rev. Code § 133.10** permits a subdivision to issue anticipation securities in anticipation of current property tax revenues or in anticipation of current revenues in and for any fiscal year from any source or combination of sources, including distributions of any federal or state monies, other than the proceeds of property taxes levied by the subdivision.

**Ohio Rev. Code § 133.15**, a subdivision is authorized to issue securities for the purpose of paying all or any portion of the costs of any permanent improvement that the subdivision is authorized, alone or in cooperation with other persons, to acquire, improve, or construct.

**Ohio Rev. Code § 133.18**, the taxing authority of a subdivision, may by legislation submit to the electors of the subdivision the question of issuing any general obligation bonds, for one purpose, that the subdivision has power or authority to issue.

**Ohio Rev. Code § 505.262(A)** mandates that a promissory note be offered for sale on the open market or, if no sale is made, given to the vendor.

On October 23, 2019 the Township signed a commercial security agreement with First National Bank of Pennsylvania in the amount of \$59,477 to finance the purchase of a Track Hoe for a period of five years and made principal payments on the outstanding promissory note in the amount of \$1,064.

This type of debt is not authorized in Ohio Rev. Code Chapter 133. Without a statutory provision authorizing this method for incurring debt, the Township was not permitted to use such a method. The Township had no statutory authority to incur debt through either installment loans or promissory notes with any banking institutions. Inadequate policies and procedures related to debt issuance can result in illegal expenditures by the Township.

The Township should consult with legal counsel before incurring debt to determine if the debt is authorized by statute.

**FINDING NUMBER 2019-004**

**Noncompliance – Annual Appropriation Measure**

**Ohio Rev. Code § 5705.38(A)** requires that on or about the first day of each fiscal year, an appropriation measure is to be passed. If the taxing authority wants to postpone the passage of the annual appropriation measure until an amended certificate is received from the county budget commission based upon the actual year end balances, it may pass a temporary appropriation measure for meeting the ordinary expenses until no later than April 1.

The Township did not adopt an annual appropriation measure for 2019. As a result, disbursements made during 2019 have the potential to be considered not legally expended.

**FINDING NUMBER 2019-004**  
 (Continued)

Failure to approve appropriations could also result in overspending and negative cash fund balances. This is the result of the Township not reviewing the above Revised Code Section.

The Township should adopt a permanent appropriation measure by January 1 each year if a temporary appropriation measure is not adopted. If a temporary appropriation measure is adopted, the Township has until April 1 to adopt permanent appropriations.

**FINDING NUMBER 2019-005**

**Material Weakness – Budgetary Amounts Not Recorded in Accounting System**

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

The Appropriation resolution and subsequent amendments establish the legal spending authority of the Township and the appropriation ledger provides the process by which the Township controls spending, it is therefore necessary the amounts appropriated by the Board are precisely stated and accurately posted to the appropriation ledger.

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

The following variances were identified:

2019:

<b>Fund</b>	<b>Amount per Amended Certificate</b>	<b>Estimated Revenue per accounting system</b>	<b>Variance</b>
General	\$690,030	\$1,023,004	\$332,974
<b>Special Revenue:</b>			
Motor Vehicle License	13,097	29,824	16,727
Gasoline Tax	88,526	170,869	82,343
Road and Bridge	38,922	54,511	15,589
Fire	92,551	103,048	10,497
EMS	149,096	349,884	200,788
Cemetery	0	870	870
Permissive Motor Vehicle License	6,720	7,723	1,003
FEMA	0	16,361	16,361

**FINDING NUMBER 2019-005**  
 (Continued)

<b>Fund</b>	<b>Appropriations per Resolution</b>	<b>Appropriations per accounting system</b>	<b>Variance</b>
General	\$0	\$1,010,311	\$1,010,311
<b>Special Revenue:</b>			
Motor Vehicle License	0	29,824	29,824
Gasoline Tax	0	188,234	188,234
Road and Bridge	0	49,511	49,511
Fire	0	295,181	295,181
Emergency Management Service	0	349,884	349,884
Cemetery	0	870	870
Permissive Motor Vehicle License	0	7,223	7,223
FEMA	0	16,361	16,361

2018:

<b>Fund</b>	<b>Amount per Amended Certificate</b>	<b>Estimated Revenue per accounting system</b>	<b>Variance</b>
General	\$735,911	\$805,474	\$69,563
<b>Special Revenue:</b>			
Motor Vehicle License	7,155	11,144	3,989
Gasoline Tax	83,683	84,297	614
Road & Bridge	36,684	41,651	4,967
Fire	52,564	59,455	6,891
Emergency Medical Service	158,727	188,853	30,126
Permissive Motor Vehicle License	6,500	10,098	3,598

<b>Fund</b>	<b>Appropriations per resolution</b>	<b>Appropriations per accounting system</b>	<b>Variance</b>
General	\$852,322	\$1,057,048	\$204,726
<b>Special Revenue:</b>			
Fire	59,455	65,455	6,000
Emergency Medical Service	166,850	238,222	71,372

The Township did not have procedures in place to accurately post authorized budgetary measures to the accounting system. The appropriations (and/or amendments thereof) approved by the Board were not properly posted to the accounting system. Additionally, the approved Certificate of Estimated Resources (and/or amendments thereof) was not posted to the accounting system.

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

**FINDING NUMBER 2019-005**  
(Continued)

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

**FINDING NUMBER 2019-006**

**Material Weakness – Cash Reconciliation Process Errors**

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

The reconciliation of cash (bank) balances to accounting system records (book) to the accounting system is the most basic and primary control process performed. Lack of completing an accurate and timely reconciliation may allow for accounting errors, theft and fraud to occur without timely detection.

The Fiscal Officer is responsible for reconciling the book (fund) balance to the total bank balance on a monthly basis, and the Board and/or other administrator are responsible for reviewing the reconciliations and related support.

Accurate monthly bank to book reconciliations were not prepared or reviewed each month of 2019 and 2018. Failure to reconcile monthly increases the possibility that the Township will not be able to identify, assemble, analyze, classify, and record its transactions correctly or to document compliance with finance related legal and contractual requirements. Further, the lack of accurate monthly reconciliations increases the risk of theft/fraud over the cash cycle and could lead to inaccurate reporting in the annual financial statements.

A review of the monthly reconciliations identified the former Fiscal Officer was improperly recording MBI Healthcare payments, remittances and other items, as several amounts were not posted or posted at the incorrect amount. The current Fiscal Officer was made aware of the reconciliation variances and used the services of a visiting Clerk to reconcile the Township.

The net effect of these errors in 2019 and 2018 was \$174 and \$10,377, respectively. The Township has corrected this matter in July 2020.

The Fiscal Officer should record all transactions and prepare monthly bank to book cash reconciliations, which include all bank accounts and all fund balances. Variances should be investigated, documented and corrected. In addition, the Council should review the monthly cash reconciliations including the related support (such as reconciling items) and document the reviews.

**FINDING NUMBER 2019-007**

**Material Weakness – Financial Reporting**

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their 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 Section 210 paragraphs .A14 & .A16.

The Fiscal Officer did not abide by the adopted chart of account in coding and classifying various transactions in 2019 and 2018. This resulted in adjustments and reclassifications to the financial statements. The Township Fiscal Officer and management have agreed to and posted the adjustments to the Township's accounting records and the corrected amounts are reflected in the accompanying financial statements.

2019 Adjustments:

<b>Fund Adjusted From:</b>	<b>Fund Adjusted To:</b>	<b>Amount</b>	<b>Explanation</b>
General	Road & Bridge Special Revenue	\$1,939	To adjust for a Homestead and Rollback receipt not properly allocated.
General	Fire Special Revenue	718	To adjust for a Homestead and Rollback receipt not properly allocated.
General	Emergency Medical Service Special Revenue	1,006	To adjust for a Homestead and Rollback receipt not properly allocated.
Road and Bridge and Gasoline Tax Special Revenue	Other Debt Proceeds and Capital Outlay Disbursements	96,866 and 59,477	To adjust for debt proceeds not posted to the accounting system.
Road and Bridge Special Revenue	Principal, Interest, Fiscal Charges and Capital Outlay Disbursements	18,082, 1,742, 142, and 2,832	To adjust for debt activity not properly posted to the accounting system.
Gasoline Tax Special Revenue	Principal, Interest and Capital Outlay Disbursements	14,472, 170, and 2,832	To adjust for debt activity not properly posted to the accounting system.
Motor Vehicle License Special Revenue	Permissive Motor Vehicle License Special Revenue	1,422	To adjust for a tax receipt posted to the improper fund.
Permissive Motor Vehicle License Special Revenue	Motor Vehicle License Special Revenue	2,488	To adjust for Township Mileage posted to the improper fund.

**FINDING NUMBER 2019-007**  
 (Continued)

2019 Reclassifications:

<b>Fund</b>	<b>Reclassified To:</b>	<b>Amount</b>	<b>Reclassified From:</b>
General	Intergovernmental Revenue	\$ 46,798 and \$3,519	Property and Other Local Taxes Revenue
General	Miscellaneous Revenue	137,251	Intergovernmental Revenue
Road and Bridge	Committed Fund Balance	5,736	Restricted Fund Balance
Permissive Motor Vehicle License and Motor Vehicle License Special Revenue	Unassigned Fund Balance	3,144	Restricted Fund Balance
General	Beginning Fund Balance	10,550	General Government Disbursements
Gasoline Tax Special Revenue	Beginning Fund Balance	1,887	Public Works Disbursements
Road & Bridge Special Revenue	Beginning Fund Balance	420	Public Works Disbursements
Emergency Medical Service Special Revenue	Beginning Fund Balance	35	General Government Disbursements
General	Unassigned Fund Balance	72,830	Restricted Fund Balance
General	Advance In	8,000	Transfer In
EMS Special Revenue	Advance Out	8,000	Transfer Out
Road and Bridge, Fire, and EMS Special Revenue	Public Works and Public Safety Disbursements	450, 4,231, and 272,763	General Government Disbursements
General	Assigned Fund Balance	10,138	Unassigned Fund Balance

2018 Adjustments:

<b>Fund Adjusted From:</b>	<b>Fund Adjusted To:</b>	<b>Amount</b>	<b>Explanation</b>
General and Motor Vehicle License, Road and Bridge, Fire District, EMS, and Permissive Motor Vehicle License Special Revenue	General and Motor Vehicle License, Road and Bridge, Fire District, EMS, and Permissive Motor Vehicle License Special Revenue	\$6,429, and \$2,763, \$1,489, \$249, \$167, and \$1,497	To restate beginning fund balance due to prior year adjustments posted twice to the accounting system.
Permissive Motor Vehicle License Special Revenue	Motor Vehicle License Special Revenue	1,012	Township Mileage Revenue posted to the incorrect fund.
Motor Vehicle License Special Revenue	Gasoline Tax Special Revenue	6,215	Gasoline Excise Tax posted to the incorrect fund.



**FINDING NUMBER 2019-007**  
 (Continued)

2018 Reclassifications:

<b>Fund</b>	<b>Reclassified To:</b>	<b>Amount</b>	<b>Reclassified From:</b>
General	Intergovernmental Revenue	\$100,656	Property and Other Local Taxes Revenue
General	Miscellaneous Revenue	96,139	Intergovernmental Revenue
General	Unassigned Fund Balance	196,010	Restricted Fund Balance
Emergency Medical Service Special Revenue	Intergovernmental Revenue	8,734	Miscellaneous Revenue
Road and Bridge Special Revenue	Committed Ending Balance	18,457	Restricted Ending Balance
Permissive Motor Vehicle Special Revenue	Unassigned Fund Balance	1,187	Restricted Fund Balance
Road and Bridge, Fire, and EMS Special Revenue	Public Works and Public Safety Disbursements	1,218, 2,913 and 224,124	General Government Disbursements

Other mispostings were identified, however were not material and the Township decided not to make the adjustments.

Adjustments to the 2019 Financial Statement Notes include:

- The Compliance Note was not presented for disbursements plus encumbrances exceeding appropriations;
- The Budgetary Activity Note did not include accurate figures;
- The Risk Management Note did not reflect the proper information;
- Social Security information was included, however, none of the Township's employees contribute to this; and
- The Debt Note was not accurate.

Adjustments to the 2018 Financial Statement Notes include:

- The most recent shell was not used, so information filed in the Summary of Significant Accounting Policies Note was not current and accurate as filed;
- The Compliance Note was not presented for disbursements plus encumbrances exceeding appropriations;
- The total demand deposits within the Deposits and Investments Note did not agree to the ending fund balance within the financial statements;
- The Budgetary Activity Note did not include accurate figures;
- The Risk Management Note did not reflect the proper information; and
- The Defined Benefit Pension Plan and Postemployment Benefit Notes were not reflective of the most current shell.

**FINDING NUMBER 2019-007**  
(Continued)

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

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

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

# SALINE TOWNSHIP

P.O. BOX 177  
Hammondsville, OH 43930  
Phone: (330) 532-2195 or 2196  
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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS December 31, 2019 and 2018

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2017-001	<b>Noncompliance – Proper Payment of Withholdings</b>	Not Corrected	Re-Issued as Finding 2019-002
2017-002	<b>Material Weakness – Cash Reconciliation Process</b>	Not Corrected	Re-Issued as Finding 2019-006
2017-003	<b>Material Weakness – Accurate Posting of Transactions</b>	Not Corrected	Re-Issued as Finding 2019-007
2017-004	<b>Material Weakness – Posting of Authorized Budgetary Measures</b>	Not Corrected	Re-Issued as Finding 2019-005

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# OHIO AUDITOR OF STATE KEITH FABER



**SALINE TOWNSHIP**

**JEFFERSON COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 10/20/2020**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)