



Dave Yost • Auditor of State

ROSS TOWNSHIP
JEFFERSON COUNTY

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Ross Township
Jefferson County
3112 County Road 54
Richmond, Ohio 43944

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 Ross Township, Jefferson County, (the Township) as of and for the years ended December 31, 2015 and 2014.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

As described in Note 1 of the financial statements, the Township prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Qualified Opinion on Regulatory Basis of Accounting

During 2013 and 2012, the Township charged trustee salaries of \$33,960 to the Gasoline Tax Fund that were not substantiated by the prescribed certification forms or equivalent time records as required by Ohio Revised Code Section 505.24(C). The Township declined to record the adjustment due to financial constraints and the accompanying financial statements do not reflect them. Had the Township agreed to the adjustment the Gas Tax Fund Balance would have been \$156,211 and \$139,392 at December 31, 2015 and 2014, respectively. The General Fund would have had deficit balances of (\$19,626) and (\$17,301) at December 31, 2015 and 2014, respectively.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter discussed in the *Basis for Qualified Opinion on Regulatory Basis of Accounting* paragraph, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the General and Special Revenue funds of Ross Township, Jefferson County as of December 31, 2015 and 2014, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the Capital Project Fund type combined cash balances of Ross Township, Jefferson County, as of December 31, 2014, and its combined cash receipts and disbursements for the year then ended in accordance with the financial reporting provisions Ohio Revised Code section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 14, 2016, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

Dave Yost
Auditor of State
Columbus, Ohio

July 14, 2016

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**ROSS TOWNSHIP
JEFFERSON COUNTY**

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

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$12,347	\$48,072	\$60,419
Intergovernmental	19,260	95,460	114,720
Earnings on Investments	0	1	1
Miscellaneous	86	570	656
<i>Total Cash Receipts</i>	<u>31,693</u>	<u>144,103</u>	<u>175,796</u>
Cash Disbursements			
Current:			
General Government	28,272	6,006	34,278
Public Safety	0	29,571	29,571
Public Works	1,746	55,313	57,059
Health	0	9,936	9,936
Other	0	7,170	7,170
Debt Service:			
Principal Retirement	0	14,965	14,965
Interest and Fiscal Charges	0	1,190	1,190
<i>Total Cash Disbursements</i>	<u>30,018</u>	<u>124,151</u>	<u>154,169</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,675</u>	<u>19,952</u>	<u>21,627</u>
Other Financing Receipts (Disbursements)			
Transfers In	0	4,000	4,000
Transfers Out	(4,000)	0	(4,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(4,000)</u>	<u>4,000</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	(2,325)	23,952	21,627
<i>Fund Cash Balances, January 1</i>	<u>16,659</u>	<u>180,849</u>	<u>197,508</u>
Fund Cash Balances, December 31			
Restricted	0	204,801	204,801
Unassigned (Deficit)	14,334	0	14,334
<i>Fund Cash Balances, December 31</i>	<u>\$14,334</u>	<u>\$204,801</u>	<u>\$219,135</u>

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

**ROSS TOWNSHIP
JEFFERSON COUNTY**

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

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$13,856	\$53,791	\$0	\$67,647
Intergovernmental	18,745	90,898	73,521	183,164
Miscellaneous	157	2,971	0	3,128
<i>Total Cash Receipts</i>	<u>32,758</u>	<u>147,660</u>	<u>73,521</u>	<u>253,939</u>
Cash Disbursements				
Current:				
General Government	20,248	4,783	0	25,031
Public Safety	0	29,632	0	29,632
Public Works	1,713	86,266	0	87,979
Health	0	9,412	0	9,412
Other	0	175	0	175
Capital Outlay	0	14,395	73,521	87,916
Debt Service:				
Principal Retirement	0	28,413	0	28,413
Interest and Fiscal Charges	0	2,031	0	2,031
<i>Total Cash Disbursements</i>	<u>21,961</u>	<u>175,107</u>	<u>73,521</u>	<u>270,589</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>10,797</u>	<u>(27,447)</u>	<u>0</u>	<u>(16,650)</u>
 <i>Net Change in Fund Cash Balances</i>	 10,797	 (27,447)	 0	 (16,650)
<i>Fund Cash Balances, January 1</i>	<u>5,862</u>	<u>208,296</u>	<u>0</u>	<u>214,158</u>
Fund Cash Balances, December 31				
Restricted	0	180,849	0	180,849
Unassigned (Deficit)	<u>16,659</u>	<u>0</u>	<u>0</u>	<u>16,659</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$16,659</u></u>	<u><u>\$180,849</u></u>	<u><u>\$0</u></u>	<u><u>\$197,508</u></u>

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

**ROSS TOWNSHIP
JEFFERSON COUNTY**

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

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Ross 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 general government services, road and bridge maintenance and cemetery maintenance. The Township contracts with the Bergholz, Richmond and East Springfield Volunteer Fire Departments to provide fire protection and emergency medical services for the Township.

The Township participates in a public entity risk pool. Note 6 to the financial statements provide additional information for these entities. This organization is:

Public Entity Risk Pool:

The Township belongs to the Ohio Plan Risk Management, a risk sharing pool available to other local governments. The Pool provides property, liability, fleet and casualty coverage for its members.

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

B. Accounting Basis

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

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

C. Deposits

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

D. Fund Accounting

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

**ROSS TOWNSHIP
JEFFERSON COUNTY**

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

1. Summary of Significant Accounting Policies - (Continued)

1. General Fund

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

2. Special Revenue Funds

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

Gasoline Tax Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Township streets.

3. Capital Project Funds

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.. The Township had the following significant capital project fund in 2014.

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

E. Budgetary Process

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

1. Appropriations

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

2. 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.

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

**ROSS TOWNSHIP
JEFFERSON COUNTY**

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

1. Summary of Significant Accounting Policies - (Continued)

F. Fund Balance

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

1. Nonspendable

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

2. Restricted

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

3. Committed

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

4. Assigned

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

5. Unassigned

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

**ROSS TOWNSHIP
JEFFERSON COUNTY**

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

1. Summary of Significant Accounting Policies - (Continued)

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

G. Property, Plant, and Equipment

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

2. Equity in Pooled Deposits and Investments

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

	2015	2014
Demand deposits	\$219,135	\$197,508
Total deposits	219,135	197,508

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

3. Budgetary Activity

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

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$16,659	\$31,693	\$15,034
Special Revenue	146,510	148,103	1,593
Total	\$163,169	\$179,796	\$16,627

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$40,375	\$34,018	\$6,357
Special Revenue	322,860	124,151	198,709
Total	\$363,235	\$158,169	\$205,066

**ROSS TOWNSHIP
JEFFERSON COUNTY**

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

3. Budgetary Activity (Continued)

2014 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$23,535	\$32,758	\$9,223
Special Revenue	138,529	147,660	9,131
Capital Projects	73,521	73,521	0
Total	\$235,585	\$253,939	\$18,354

2014 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$29,327	\$21,961	\$7,366
Special Revenue	346,565	175,107	171,458
Capital Projects	75,000	73,521	1,479
Total	\$450,892	\$270,589	\$180,303

4. Property Tax

Real property taxes become a lien on January 1 preceding the October 1 date for which the Board adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

5. Retirement System

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

The Ohio Revised Code also prescribes contribution rates. For 2015 and 2014 all employees contributed 10%, respectively, of their gross salaries and the Township contributed an amount equaling 14%, respectively, of participants' gross salaries. The Township has paid all contributions required through December 31, 2015.

**ROSS TOWNSHIP
JEFFERSON COUNTY**

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

6. Risk Management

The Government belongs to the Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Government Risk Management Plan, (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss, except OPRM retains 41.5% (effective November 1, 2011) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Effective November 1, 2012 (and through October 2014) the plan increased its retention to 50% of the first \$250,000 casualty treaty. The Plan's property retention remained unchanged from prior years. This change was made to balance the reinsurance market conditions. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 774 and 783 members as of December 31, 2013 and 2014 respectively.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2013 and 2014 (the latest information available).

	<u>2013</u>	<u>2014</u>
Assets	\$13,774,304	\$14,830,185
Liabilities	(7,968,395)	(8,942,504)
Members' Equity	<u>\$5,805,909</u>	<u>\$5,887,681</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.



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*

Ross Township
Jefferson County
3112 County Road 54
Richmond, Ohio 43944

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 Ross Township, Jefferson County, (the Township) as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, and have issued our report thereon dated July 14, 2016 wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also qualified our opinion on the General and Special Revenue Funds combined cash balances due to the Township not recording a prior period audit adjustment.

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 2015-001 and 2015-002 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 2015-001.

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

July 14, 2016

**ROSS TOWNSHIP
JEFFERSON COUNTY**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2015-001

Trustee Salaries

Noncompliance and Material Weakness

In 2013 and 2012 the Township approved a Resolution stating the Trustees will be paid 75% from Gasoline Tax Fund (8 pays) and 25% from General Fund (4 pays) each year. However, the Township did not maintain prescribed certification forms or equivalent time records. Per Ohio Revised Code § 505.24 (C), if trustees use the salary method and are compensated from funds other than the general fund, they must certify the percentage of the time spent working on matters that are to be paid from funds other than the general fund. Trustees must complete a certification prior to receiving his/her pay for that pay period. The certification must be done individually, but is not required to be notarized. The certification is not required to be a time log. Rather, all that is required is a statement detailing the percentage of time that the trustee spent during that pay period providing services related to each fund to be charged. We found:

- Trustee Charles Henry was paid from the gas tax fund in 2013 and 2012 \$5,660 and \$5,660 respectively.
- Trustee David Ramsey was paid from the gas tax fund in 2013 and 2012 \$5,660 and \$5,660 respectively.
- Trustee Phillip Jordan was paid from the gas tax fund in 2013 and 2012 \$5,660 and \$5,660 respectively.

No certification or equivalent time records were maintained to substantiate the payments. The Township has yet to repay the Gas Tax Fund. Township officials approved payment of \$500 per quarter from the General Fund beginning in 2015 until paid in full; however, payment of \$2,000 was incorrectly made to the Road and Bridge Fund rather than the Gas Tax Fund in 2015.

Had the Township repaid the salaries, the Gas Tax Fund Balance would have been \$156,211 and \$139,392 at December 31, 2015 and 2014, respectively. In addition, had the Township not incorrectly repaid the Road and Bridge Fund, the Road and Bridge and General Funds would have balances of \$41,938 and (\$17,627), respectively, at December 31, 2015.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 505.24(C) a Finding for adjustment is made in favor of the Gas Tax Fund and against the General Fund in the amount of \$33,960. In addition, a Finding for Adjustment in the amount of \$2,000 is made against the Road and Bridge Fund in favor of the General Fund.

FINDING NUMBER 2015-002

Posting Receipts and Expenditures

Material Weakness

The Fiscal Officer did not correctly code and classify certain receipts and expenditures in 2014 and 2015, which resulted in audit reclassifications and adjustments to the financial statements.

The Township Fiscal Officer has agreed to the reclassifications and adjustments, and the corrected amounts are reflected in the accompanying financial statements.

2014 Reclassifications:

Fund	Adjusted to	Amount	Adjusted from
General	Intergovernmental Revenue	\$2,000	Miscellaneous
Gasoline Tax	Principal Disbursement	15,059	Public Works
Gasoline Tax	Interest Disbursement	529	Public Works
Gasoline Tax	Interest Disbursement	1,502	Principal
Gasoline Tax	Public Works Disbursement	3,889	General Government

2014 Adjustments:

Fund	Adjusted to	Amount	Adjusted from
Moore Monument	Special Revenue - Miscellaneous Revenue	\$ 500	Fiduciary fund/miscellaneous
Moore Monument	Special Revenue -Other Expense	175	Fiduciary fund/purchased services
Moore Monument	Special Revenue Fund Balance	3,618	Fiduciary Fund Balance

2015 Reclassifications:

Fund	Adjusted to	Amount	Adjusted from
Gasoline Tax	Debt Principal Disbursement	\$3,823	Public Works Disbursement
Gasoline Tax	Debt Interest Disbursement	1,190	Public Works Disbursement

2015 Adjustments:

Fund	Adjusted to	Amount	Adjusted from
Moore Monument	Special Revenue - Miscellaneous Revenue	\$ 570	Fiduciary Fund-miscellaneous revenue due to fund type misclassification
Moore Monument	Special Revenue - Other Expenses	7,170	Fiduciary Fund -Other expense
Moore Monument	Special Revenue - Intergovernmental Revenue	2,000	Fiduciary Fund -Intergovernmental Revenue
Moore Monument	Special Revenue -Transfer In	2,000	Fiduciary Fund -Transfer In

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

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

The Fiscal Officer should maintain the accounting system to help 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 the financial activity of the Township is accurately recorded and reported.

Officials Response: No responses received from officials.

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Dave Yost • Auditor of State

ROSS TOWNSHIP

JEFFERSON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 2, 2016**