



Dave Yost • Auditor of State

**WARREN TOWNSHIP
BELMONT COUNTY
DECEMBER 31, 2017 AND 2016**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Warren Township
Belmont County
P.O. Box 2
400 Pultney Avenue
Barnesville, Ohio 43713

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2018, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



Dave Yost
Auditor of State
Columbus, Ohio

June 20, 2018

**WARREN TOWNSHIP
BELMONT COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	General	Special Revenue	Debt Service	Permanent	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$27,631	\$196,356	\$0	\$0	\$223,987
Intergovernmental	44,467	126,658	0	0	171,125
Earnings on Investments	54	27	0	0	81
Miscellaneous	7,481	1,940	0	0	9,421
<i>Total Cash Receipts</i>	<u>79,633</u>	<u>324,981</u>	<u>0</u>	<u>0</u>	<u>404,614</u>
Cash Disbursements					
Current:					
General Government	68,975	388	0	0	69,363
Public Safety	400	40,001	0	0	40,401
Public Works	5,331	259,227	0	0	264,558
Health	9	0	0	0	9
<i>Total Cash Disbursements</i>	<u>74,715</u>	<u>299,616</u>	<u>0</u>	<u>0</u>	<u>374,331</u>
<i>Excess of Cash Receipts Over Cash Disbursements</i>	4,918	25,365	0	0	30,283
<i>Fund Cash Balances, January 1</i>	<u>19,871</u>	<u>93,057</u>	<u>153</u>	<u>1,079</u>	<u>114,160</u>
Fund Cash Balances, December 31					
Nonspendable	0	0	0	1,064	1,064
Restricted	0	92,880	153	15	93,048
Committed	0	25,542	0	0	25,542
Assigned	24,789	0	0	0	24,789
<i>Fund Cash Balances, December 31</i>	<u>\$24,789</u>	<u>\$118,422</u>	<u>\$153</u>	<u>\$1,079</u>	<u>\$144,443</u>

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

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Warren Township
Belmont County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 1 – Reporting Entity

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

Public Entity Risk Pool

The Township participates in a public entity risk pool. Note 7 to the financial statements provide additional information for this entity. The Township’s management believes these financial statements present all activities for which the Township is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Township’s financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types.

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:

Gas Tax Fund The gas tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

Road and Bridge Fund The road and bridge fund receives Real Estate and Personal Property Taxes for constructing, maintaining and repairing Township roads.

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

Note Retirement Fund – The Note retirement fund accounts for and reports resources restricted for the retirement of debt issued.

Warren Township
Belmont County
Notes to the Financial Statements
For the Year Ended December 31, 2017
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

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

Cemetery Endowment Fund – The cemetery endowment fund accounts for and reports interest earned on the nonexpendable corpus from a trust agreement restricted for the general maintenance and upkeep of the Township's cemetery.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code 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. Unencumbered 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 2017 budgetary activity appears in Note 4.

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.

Warren Township
Belmont County
Notes to the Financial Statements
For the Year Ended December 31, 2017
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

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.

Fund Balance

Fund balance is divided into four 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.

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 Rev. Code § 5705.38(A), the Township did not pass an annual appropriations measure for 2017 which resulted in all Township fund expenditures exceeding appropriations in 2017 contrary to Ohio Rev. Code § 5705.41(B).

Warren Township
Belmont County
Notes to the Financial Statements
For the Year Ended December 31, 2017
(Continued)

Note 4 – Budgetary Activity

Budgetary activity for the year ending 2017 follows:

2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$76,017	\$79,633	\$3,616
Special Revenue	310,087	324,981	14,894
Permanent	3	0	(3)
Total	\$386,107	\$404,614	\$18,507

2017 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$79,516	(\$79,516)
Special Revenue	0	299,616	(299,616)
Total	\$0	\$379,132	(\$379,132)

Note 5 – Deposits

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

	2017
Demand deposits	\$144,443

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

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 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.

Warren Township
Belmont County
Notes to the Financial Statements
For the Year Ended December 31, 2017
(Continued)

Note 7 – Risk Management

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

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

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

Casualty and Property Coverage

The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2017, OTARMA retained \$350,000 for casualty claims and \$250,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge OTARMA’s primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

OTARMA’s financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2017.

	2017
Assets	\$40,010,732
Liabilities	8,675,465
Net Position	\$31,335,267

At December 31, 2017 the liabilities above include approximately \$8.0 million of estimated incurred claims payable. The assets above also include approximately \$6.9 million of unpaid claims to be billed to approximately 1,016 member governments in the future, as of December 31, 2017. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2017, the Township’s share of these unpaid claims collectible in future years is approximately \$2,000.

Warren Township
Belmont County
Notes to the Financial Statements
For the Year Ended December 31, 2017
(Continued)

Note 7 – Risk Management (Continued)

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

<u>2017 Contributions to OTARMA</u>
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\$5,148

After one year of membership, a member may withdraw on the anniversary of the date of joining OTARMA, if the member notifies OTARMA in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

Note 8 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14%, of participants' gross salaries. The Township has paid all contributions required through December 31, 2017.

Note 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 1.0 percent during calendar year 2017.

Note 10 – Subsequent Events

In November 2017, voters of the Township approved an additional 1.5 mill levy for Emergency Medical Services. First collection will be paid in the 2018 First Half Real Estate Settlement. Also, in October 2017, the Township received an award from the United States Department of Agriculture (USDA) for \$50,000 in grant funds and \$89,000 in loan funds in order to purchase a new dump truck and related equipment. The final agreement was signed on May 30, 2018 and monies were received shortly thereafter.

**WARREN TOWNSHIP
BELMONT COUNTY**

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

	General	Special Revenue	Debt Service	Permanent	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$26,965	\$187,239	\$0	\$0	\$214,204
Intergovernmental	43,556	125,411	0	0	168,967
Earnings on Investments	67	23	0	2	92
Miscellaneous	4,927	0	0	0	4,927
<i>Total Cash Receipts</i>	<u>75,515</u>	<u>312,673</u>	<u>0</u>	<u>2</u>	<u>388,190</u>
Cash Disbursements					
Current:					
General Government	61,459	293	0	0	61,752
Public Safety	1,000	0	0	0	1,000
Public Works	12,937	319,227	0	0	332,164
Health	13,646	0	0	0	13,646
Debt Service:					
Principal Retirement	0	11,096	0	0	11,096
Interest and Fiscal Charges	0	172	0	0	172
<i>Total Cash Disbursements</i>	<u>89,042</u>	<u>330,788</u>	<u>0</u>	<u>0</u>	<u>419,830</u>
<i>Excess of Cash Receipts Over (Under) Cash Disbursements</i>	<u>(13,527)</u>	<u>(18,115)</u>	<u>0</u>	<u>2</u>	<u>(31,640)</u>
Other Financing Receipts					
Other Financing Sources	500	609	0	0	1,109
<i>Total Other Financing Receipts</i>	<u>500</u>	<u>609</u>	<u>0</u>	<u>0</u>	<u>1,109</u>
<i>Net Change in Fund Cash Balances</i>	<u>(13,027)</u>	<u>(17,506)</u>	<u>0</u>	<u>2</u>	<u>(30,531)</u>
<i>Fund Cash Balances, January 1</i>	<u>32,898</u>	<u>110,563</u>	<u>153</u>	<u>1,077</u>	<u>144,691</u>
Fund Cash Balances, December 31					
Nonspendable	0	0	0	1,064	1,064
Restricted	0	75,739	153	15	75,907
Committed	0	17,318	0	0	17,318
Assigned	6,451	0	0	0	6,451
Unassigned	13,420	0	0	0	13,420
<i>Fund Cash Balances, December 31</i>	<u>\$19,871</u>	<u>\$93,057</u>	<u>\$153</u>	<u>\$1,079</u>	<u>\$114,160</u>

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

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Warren Township
Belmont County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 1 – Reporting Entity

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

Public Entity Risk Pool

The Township participates in a public entity risk pool. Note 6 to the financial statements provide additional information for this entity. The Township’s management believes these financial statements present all activities for which the Township is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Township’s financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types.

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:

Gas Tax Fund The gas tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

Road and Bridge Fund The road and bridge fund receives Real Estate and Personal Property Taxes for constructing, maintaining and repairing Township roads.

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

Note Retirement Fund – The Note retirement fund accounts for and reports resources restricted for the retirement of debt issued.

Warren Township
Belmont County
Notes to the Financial Statements
For the Year Ended December 31, 2016
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

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

Cemetery Endowment Fund – The cemetery endowment fund accounts for and reports interest earned on the nonexpendable corpus from a trust agreement restricted for the general maintenance and upkeep of the Township's cemetery.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code 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. Unencumbered 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 2016 budgetary activity appears in Note 3.

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.

Warren Township
Belmont County
Notes to the Financial Statements
For the Year Ended December 31, 2016
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

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.

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.

Warren Township
Belmont County
Notes to the Financial Statements
For the Year Ended December 31, 2016
(Continued)

Note 3 – Budgetary Activity

Budgetary activity for the year ending 2016 follows:

2016 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$74,064	\$76,015	\$1,951
Special Revenue	336,600	313,282	(23,318)
Permanent	1	2	1
Total	\$410,665	\$389,299	(\$21,366)

2016 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$97,967	\$95,493	\$2,474
Special Revenue	391,283	338,386	52,897
Total	\$489,250	\$433,879	\$55,371

Note 4 – Deposits

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

	2016
Demand deposits	\$114,160

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

Note 5 – Property Taxes

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

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

Warren Township
Belmont County
Notes to the Financial Statements
For the Year Ended December 31, 2016
(Continued)

Note 6 – Risk Management

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

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

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

Casualty and Property Coverage

The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2016, OTARMA retained \$350,000 for casualty claims and \$250,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge OTARMA’s primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

OTARMA’s financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2016.

	2016
Assets	\$38,473,283
Liabilities	8,244,140
Net Position	\$30,229,143

At December 31, 2016 the liabilities above include approximately \$7.4 million of estimated incurred claims payable. The assets above also include approximately \$6.9 million of unpaid claims to be billed to approximately 1,010 member governments in the future, as of December 31, 2016. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2016, the Township’s share of these unpaid claims collectible in future years is approximately \$2,000.

Warren Township
Belmont County
Notes to the Financial Statements
For the Year Ended December 31, 2016
(Continued)

Note 6 – Risk Management (Continued)

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

<u>2016 Contributions to OTARMA</u>
--

\$5,148

After one year of membership, a member may withdraw on the anniversary of the date of joining OTARMA, if the member notifies OTARMA in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

Note 7 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14%, of participants' gross salaries. The Township has paid all contributions required through December 31, 2016.

Note 8 – Postemployment Benefits

OPERS offers 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 2.0 percent during calendar year 2016.



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

Warren Township
Belmont County
P.O. Box 2
400 Pultney Avenue
Barnesville, Ohio 43713

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 Warren Township, Belmont County, Ohio (the Township), as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements and have issued our report thereon dated June 20, 2018, wherein we noted the Township followed financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings that we consider material weaknesses. We consider Findings 2017-004 and 2017-005 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 2017-001 through 2017-003.

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

June 20, 2018

WARREN TOWNSHIP
BELMONT COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2017 AND 2016

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

FINDING NUMBER 2017-001

Finding for Recovery - Resolved

Ohio Rev. Code § 124.39(B) states, in part, that an employee of a political subdivision covered by § 124.38 or 3319.141 of the Revised Code may elect, at the time of retirement from active service with the political subdivision, and with ten or more years of service with the state, any political subdivisions, or any combination thereof, to be paid in cash for one-fourth the value of the employee's accrued but unused sick leave credit. The payment shall be based on the employee's rate of pay at the time of retirement and eliminates all sick leave credit accrued but unused by the employee at the time payment is made.

Ohio Rev. Code § 124.39(C) states that a political subdivision may adopt a policy allowing an employee to receive payment for more than one-fourth the value of the employee's unused sick leave or for more than the aggregate value of thirty days of the employee's unused sick leave, or allowing the number of years of service to be less than ten. The political subdivision may also adopt a policy permitting an employee to receive payment upon a termination of employment other than retirement or permitting more than one payment to any employee.

Warren Township's sick leave policy states that all employees earn sick leave at a rate of 4.6 hours for each 80 hours of service. Employees who are paid from state funds shall accumulate sick leave credit to a maximum of 180 days. At retirement, any unused sick leave, to a maximum of 120 days, will be paid at 25%.

On November 27, 2017, the Warren Township Board of Trustees approved to pay Jay Lucas, former Township road worker, for 65 hours of sick leave at the rate of \$19.56/hour upon separation of employment for a total amount of \$1,271. Mr. Lucas did not retire nor have 10 years of service with the Township; therefore, he was not entitled to be paid out for his unused sick leave.

In accordance with the foregoing facts and pursuant to Ohio Revised Code § 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Jay Lucas in the amount of \$1,271 and in favor of Warren Township, Belmont County's Gasoline Tax Fund.

Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which an illegal expenditure is discovered, is strictly liable for the amount of the expenditure. *Seward v. National Surety Corp.*, 120 Ohio St. 47 (1929); 1980 Op. Att'y Gen. No. 80-074; Ohio Rev. Code § 9.39; *State ex. rel. Village of Linndale v. Masten*, 18 Ohio St.3d 228 (1985). Public officials controlling public funds or property are liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen.

The Township Trustees signed the warrants resulting in improper payments. Warren Township Trustees Russell Barker, Jim Gear, and Martin David Hissom, and their bonding company, Ohio Township Association Risk Management Authority, are jointly and severally liable in the amount of \$1,271 and in favor of Warren Township, Belmont County's Gasoline Tax Fund.

On June 25, 2018, the Township Trustees have entered into a settlement agreement and payment plan with Jay Lucas. Mr. Lucas will make 12 monthly payments in the amount of \$105.92. The first payment is due on August 1, 2018 and continuing on the 1st day of each month through July 1, 2019.

WARREN TOWNSHIP
BELMONT COUNTY

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

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

FINDING NUMBER 2017-002

Finding for Recovery - Resolved

Ohio Rev. Code § 124.39(B) states, in part, that an employee of a political subdivision covered by § 124.38 or 3319.141 of the Revised Code may elect, at the time of retirement from active service with the political subdivision, and with ten or more years of service with the state, any political subdivisions, or any combination thereof, to be paid in cash for one-fourth the value of the employee's accrued but unused sick leave credit. The payment shall be based on the employee's rate of pay at the time of retirement and eliminates all sick leave credit accrued but unused by the employee at the time payment is made.

Ohio Rev. Code § 124.39(C) states that a political subdivision may adopt a policy allowing an employee to receive payment for more than one-fourth the value of the employee's unused sick leave or for more than the aggregate value of thirty days of the employee's unused sick leave, or allowing the number of years of service to be less than ten. The political subdivision may also adopt a policy permitting an employee to receive payment upon a termination of employment other than retirement or permitting more than one payment to any employee.

Warren Township's sick leave policy states that all employees earn sick leave at a rate of 4.6 hours for each 80 hours of service. Employees who are paid from state funds shall accumulate sick leave credit to a maximum of 180 days. At retirement, any unused sick leave, to a maximum of 120 days, will be paid at 25%.

On November 27, 2017, the Warren Township Board of Trustees approved to pay Timothy Rockwell, former Township road worker, for 109 hours of sick leave at the rate of \$20.06/hour upon separation of employment for a total amount of \$2,186. Mr. Rockwell did not retire nor have 10 years of service with the Township; therefore, he was not entitled to be paid out for his unused sick leave.

In accordance with the foregoing facts and pursuant to Ohio Revised Code Section § 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Timothy Rockwell in the amount of \$2,186 and in favor of Warren Township, Belmont County's Gasoline Tax Fund.

Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which an illegal expenditure is discovered, is strictly liable for the amount of the expenditure. *Seward v. National Surety Corp.*, 120 Ohio St. 47 (1929); 1980 Op. Att'y Gen. No. 80-074; Ohio Rev. Code § 9.39; *State ex. rel. Village of Linndale v. Masten*, 18 Ohio St.3d 228 (1985). Public officials controlling public funds or property are liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen.

The Township Trustees signed the warrants resulting in improper payments. Warren Township Trustees Russell Barker, Jim Grear, and Martin David Hissom, and their bonding company, Ohio Township Association Risk Management Authority, are jointly and severally liable in the amount of \$2,186 and in favor of Warren Township, Belmont County's Gasoline Tax Fund.

On June 25, 2018, the Township Trustees have entered into a settlement agreement and payment plan with Timothy Rockwell. Mr. Rockwell will make 24 monthly payments in the amount of \$91.08. The first payment is due on August 1, 2018 and continuing on the 1st day of each month through July 1, 2020.

**WARREN TOWNSHIP
BELMONT COUNTY**

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

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

FINDING NUMBER 2017-003

Noncompliance

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.

Ohio Rev. Code § 5705.41(B) requires that no subdivision or taxing unit shall make any expenditure of money unless it has been appropriated.

Ohio Rev. Code § 5705.40 states, in part, that any appropriation ordinance or measure may be amended or supplemented if the entity complies with the same laws used in making the original appropriation. However, no appropriation may be reduced below an amount sufficient to cover all unliquidated and outstanding contracts or obligations against them. "Transfers" may be made by resolution or ordinance from one appropriation item to another.

For the year 2017, the Board of Trustees passed temporary appropriations on January 9, 2017; however, it did not pass a permanent appropriation measure. As a result, all expenditures made between April 1, 2017 through December 31, 2017 lacked legal appropriation authority. Consequently, expenditures exceeded appropriations in all funds during that time period. In addition, supplemental appropriations were posted to funds in 2017 and 2016 without approval from the Board of Trustees.

The practice of allowing expenditures to exceed appropriations could result in negative fund balances for the Township.

The Township should pass an appropriation measure on or about the first day of each fiscal year. If the Township adopts a temporary measure, they must adopt a permanent measure no later than April 1. In addition, the Fiscal Officer should compare expenditures to appropriations on a monthly basis. If appropriations in addition to those already adopted will be needed, the Board of Trustees should take the necessary steps to adopt additional appropriations, if possible, to prevent expenditures from exceeding appropriations or reduce spending. The Fiscal Officer should deny requests for payment when appropriations are not available. In addition, the Board of Trustees should approve all supplemental appropriations.

**WARREN TOWNSHIP
BELMONT COUNTY**

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

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

FINDING NUMBER 2017-004

Material Weakness

The Township should have internal controls in place to reasonably assure that budgetary accounts are integrated into the financial accounting system. This means designing an accounting system to provide ongoing and timely information on remaining uncommitted appropriation balances.

The Fiscal Officer did not accurately post appropriations, and amendments made to them, to the accounting system. Variances existed between the appropriation resolution/amendments and the amounts posted to the accounting system.

The following variances were noted for 2017:

Fund	Amount per Final Appropriation Resolution	Amount Posted to the Accounting System	Variance
General	\$0	\$90,463	(\$90,463)
Motor Vehicle License Tax	0	16,400	(16,400)
Gasoline Tax	0	86,500	(86,500)
Road & Bridge	0	211,693	(211,693)
Fire Levy	0	40,421	(40,421)
Permissive Motor Vehicle License Tax	0	17,319	(17,319)

The variances above were a result of the Township Trustees not passing a permanent appropriation measure in 2017.

The following variance was noted for 2016:

Fund	Amount per Final Appropriation Resolution	Amount Posted to the Accounting System	Variance
General	\$96,864	\$99,899	(\$3,035)

Because the information entered into the accounting system was inaccurate, Township management was unable to effectively monitor budgetary activity throughout the year. Adjustments were made to the budgetary activity reported in the notes to the financial statements in order to accurately present appropriations as approved by the Township Trustees.

The Fiscal Officer should record appropriations per the Appropriation Resolution, as well as all amendments. In addition, the Fiscal Officer should periodically present budget versus actual results to the Board of Trustees. As part of their monitoring responsibilities, the Board of Trustees should review this information and inquire to the Fiscal Officer if they note apparent errors in the budget or actual data and should also use this information to determine if they should amend estimated revenues or appropriations.

WARREN TOWNSHIP
BELMONT COUNTY

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

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

FINDING NUMBER 2017-005

Material Weakness

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

The Ohio Township Handbook (revised March 2018) provides suggested account classifications. These accounts classify receipts by fund and source (property taxes or intergovernmental revenue, for example) and classify disbursements by fund, program (general government, for example) or object (personal services, for example). Using these classifications and the aforementioned accounting records will provide the Township with information required to monitor compliance with the budget, and prepare annual reports in the format required by the Auditor of State.

The Township did not always record receipts and disbursements into accurate classifications, or record all such transactions, based upon the source of the receipt or the nature of the disbursement.

Also, the Township did not properly classify its December 31, 2017 and 2016 governmental fund cash balances in accordance with Governmental Accounting Standards Board (GASB) *Statement Number 54 - Fund Balance Reporting and Governmental Fund Type Definitions*, effective for fiscal years beginning after June 15, 2010.

The following was noted in 2017:

- State homestead and rollback was posted as Taxes instead of Intergovernmental in the General, Road & Bridge, and Fire Levy Funds in the amounts of \$3,834, \$19,933 and \$2,145, respectively.
- The General Fund amount appropriated over estimated receipts in the next fiscal year was classified as unassigned rather than assigned in the amount of \$24,789.
- The Road & Bridge Fund cash fund balance for the portion of the property taxes-inside millage was classified as restricted rather than committed in the amount of \$25,542.
- The Motor Vehicle License Tax and Permissive Motor Vehicle License Tax cash fund balances were classified as committed rather than restricted in the amounts of \$9,753 and \$2,245, respectively.
- The Cemetery Bequest cash fund balance for the corpus amount of the bequest was classified as restricted rather than nonspendable in the amount of \$1,064.

The following was noted in 2016:

- State homestead and rollback was posted as Taxes instead of Intergovernmental in the General, Road & Bridge, and Fire Levy Funds in the amounts of \$1,915, \$9,827 and \$1,055, respectively.
- Oil and gas royalties were posted to Intergovernmental instead of Miscellaneous Revenue in the General Fund in the amount of \$4,584.
- Debt payments were posted to Public Works instead of Principal in the amount of \$11,096 and Interest in the amount of \$172 in the Permissive Motor Vehicle License Tax Fund.
- The General Fund amount for encumbrances at year-end was classified as unassigned rather than assigned in the amount of \$6,451.

WARREN TOWNSHIP
BELMONT COUNTY

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

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

FINDING NUMBER 2017-005 (Continued)

Material Weakness (Continued)

- The Road & Bridge Fund cash fund balance for the portion of the property taxes-inside millage was classified as restricted rather than committed in the amount of \$17,318.
- The Motor Vehicle License Tax and Permissive Motor Vehicle License Tax cash fund balances were classified as committed rather than restricted in the amounts of \$4,779 and \$4,319, respectively.
- The Cemetery Bequest cash fund balance for the corpus amount of the bequest was classified as restricted rather than nonspendable in the amount of \$1,064.

The adjustments, with which the Township officials' agree, are reflected within the accompanying financial statements.

Not properly reporting financial activity could result in material misstatements occurring and remaining undetected and increases the risk that management would not be provided an accurate picture of the Township's financial position and operations.

The Township Fiscal Officer should utilize available authoritative resources to appropriately classify and record all receipt and expenditure transactions. This guidance will help ensure the Fiscal Officer makes proper postings to receipt and expenditure account classifications based on the source of the receipt and nature of the expenditure. Also, the Township Fiscal Officer may refer to Auditor of State Bulletin 2011-004 for additional guidance regarding fund balance classifications.

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

**Warren Township
Belmont County, Ohio
P. O. Box 2
400 Pultney Ave
Barnesville, OH 43713-0002**

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

Finding Number	Finding Summary	Status	Additional Information
2015-001	Ohio Rev. Code § 5705.10(I) regarding posting to funds	Fully Corrected	
2015-002	Ohio Rev. Code § 133 regarding improper debt	Finding No Longer Valid	
2015-003	Ohio Rev. Code § 5705.39 regarding appropriations exceeding estimated resources	Fully Corrected	
2015-004	Ohio Rev. Code § 5705.41(B) regarding expenditures exceeding appropriations	Not Corrected	Expenditures will not exceed appropriations
2015-005	Material Weakness for improper classification of fund balance.	Not Corrected	Previous Fiscal Officer
2015-006	Material Weakness for improper posting of receipts and expenditures.	Not Corrected	Previous Fiscal Officer

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WARREN TOWNSHIP

BELMONT 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
JULY 10, 2018**