



OHIO AUDITOR OF STATE
KEITH FABER



**BELPRE TOWNSHIP
WASHINGTON COUNTY
DECEMBER 31, 2019 AND 2018**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Combined Statement of Receipts, Disbursement and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types – For the Year Ended December 31, 2019	3
Notes to the Financial Statements – December 31, 2019.....	5
Combined Statement of Receipts, Disbursement and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types – For the Year Ended December 31, 2018	11
Notes to the Financial Statements – December 31, 2018.....	13
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	19
Schedule of Findings.....	21

This page intentionally left blank.

OHIO AUDITOR OF STATE KEITH FABER



PO Box 828
Athens, Ohio 45701
(740) 594-3300 or (800) 441-1389
SoutheastRegion@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT

Belpre Township
Washington County
2041 State Route 555
Little Hocking, Ohio 45742

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

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code § 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, 2019 and 2018, and the respective changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of Belpre Township, Washington County, Ohio, as of December 31, 2019 and 2018, 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.

Emphasis of Matter

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2020, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

November 2, 2020

**BELPRE TOWNSHIP
WASHINGTON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	General	Special Revenue	Permanent	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$112,274	\$215,910	\$0	\$328,184
Charges for Services	0	135,721	0	135,721
Licenses, Permits, and Fees	0	21,260	0	21,260
Intergovernmental	113,781	580,587	0	694,368
Earnings on Investments	4,855	1,571	30	6,456
Miscellaneous	1,470	10,024	0	11,494
<i>Total Cash Receipts</i>	<u>232,380</u>	<u>965,073</u>	<u>30</u>	<u>1,197,483</u>
Cash Disbursements				
Current:				
General Government	89,017	13,192	0	102,209
Public Safety	0	176,269	0	176,269
Public Works	72,869	436,493	0	509,362
Health	21,496	46,057	0	67,553
Conservation-Recreation	1,928	16,790	0	18,718
Capital Outlay	0	58,720	0	58,720
<i>Total Cash Disbursements</i>	<u>185,310</u>	<u>747,521</u>	<u>0</u>	<u>932,831</u>
<i>Excess of Cash Receipts (Under) Cash Disbursements</i>	<u>47,070</u>	<u>217,552</u>	<u>30</u>	<u>264,652</u>
Other Financing Receipts (Disbursements)				
Transfers In	0	38,063	0	38,063
Transfers Out	0	(38,063)	0	(38,063)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Special Item	0	0	0	0
Extraordinary Item	0	0	0	0
<i>Net Change in Fund Cash Balances</i>	<u>47,070</u>	<u>217,552</u>	<u>30</u>	<u>264,652</u>
<i>Fund Cash Balances, January 1</i>	<u>85,641</u>	<u>1,003,287</u>	<u>6,374</u>	<u>1,095,302</u>
Fund Cash Balances, December 31				
Nonspendable	0	7,979	1,604	9,583
Restricted	0	711,745	4,800	716,545
Committed	0	501,115	0	501,115
Unassigned	132,711	0	0	132,711
<i>Fund Cash Balances, December 31</i>	<u>\$132,711</u>	<u>\$1,220,839</u>	<u>\$6,404</u>	<u>\$1,359,954</u>

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

This page intentionally left blank.

Belpre Township
Washington County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Belpre Township, Washington County, Ohio (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 Decatur Township and Dunham Township Volunteer Fire Department to provide fire services and Marietta Memorial Hospital – Belpre Emergency Department to provide ambulance services.

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 which are organized on a fund type basis.

Fund Accounting

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

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

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

Fire and Rescue, Ambulance and EMS Services Fund The Fire and Rescue, Ambulance and EMS Services Fund receives monies restricted for the provision of emergency Services.

Road and Bridge Fund The Road and Bridge Fund accounts for and reports that portion of tax levies restricted for construction, maintenance, and repair of roads within the Township.

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 Township's programs (for the benefit of the Township or its citizenry). The Township had the following significant permanent funds:

Parker Permanent Fund This fund accounts for and reports interest earned on the nonexpendable corpus from a trust agreement. These earnings are used for the general maintenance and upkeep of the Township's cemetery.

Lewis Permanent Fund This fund accounts for and reports interest earned on the nonexpendable corpus from a trust agreement. These earnings are used for the general maintenance and upkeep of the Township's cemetery.

Botte Permanent Fund This fund accounts for and reports interest earned on the nonexpendable corpus from a trust agreement. These earnings are used for the general maintenance and upkeep of the Township's cemetery.

Belpre Township
Washington County
Notes to the Financial Statements
For the Year Ended December 31, 2019
(Continued)

Williams Permanent Fund This fund accounts for and reports interest earned on the nonexpendable corpus from a trust agreement. These earnings are used for the general maintenance and upkeep of the Township's cemetery.

Lockwood Permanent Fund This fund accounts for and reports interest earned on the nonexpendable corpus from a trust agreement. These earnings are used for the general maintenance and upkeep of the Township's cemetery.

Basis of Accounting

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

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

Budgetary Process

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

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

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

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

A summary of 2018 budgetary activity appears in Note 3.

Deposits and Investments

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

The Township had one primary, interest bearing checking account.

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.

Belpre Township
 Washington County
 Notes to the Financial Statements
 For the Year Ended December 31, 2019
 (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.

Note 3 – Budgetary Activity

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

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$218,465	\$232,380	\$13,915
Special Revenue	965,436	1,003,136	37,700
Permanent	22	30	8
Total	\$1,183,923	\$1,235,546	\$51,623

Belpre Township
Washington County
Notes to the Financial Statements
For the Year Ended December 31, 2019
(Continued)

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$198,116	\$185,310	\$12,806
Special Revenue	1,394,899	785,584	609,315
Permanent	0	0	0
Total	\$1,593,015	\$970,894	\$622,121

Note 4 – Deposits

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

	2019
Demand Deposits	\$1,359,954

Deposits

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

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

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

Note 6 – Risk Management

Workers' Compensation

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

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

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

Belpre Township
Washington County
Notes to the Financial Statements
For the Year Ended December 31, 2019
(Continued)

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Note 8 – Postemployment Benefits

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

Note 9 – Contingent Liabilities

Amounts grantor agencies pay to the township are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 10 – Subsequent Event

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. The impact on the Township's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

This page intentionally left blank.

**BELPRE TOWNSHIP
WASHINGTON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	General	Special Revenue	Permanent	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$103,503	\$228,372	\$0	\$331,875
Charges for Services	0	129,651	0	129,651
Licenses, Permits, and Fees	0	22,441	0	22,441
Intergovernmental	113,994	376,509	0	490,503
Earnings on Investments	2,661	799	19	3,479
Miscellaneous	888	44,014	0	44,902
<i>Total Cash Receipts</i>	<u>221,046</u>	<u>801,786</u>	<u>19</u>	<u>1,022,851</u>
Cash Disbursements				
Current:				
General Government	87,930	9,810	0	97,740
Public Safety	0	182,083	0	182,083
Public Works	79,960	426,267	0	506,227
Health	21,281	39,433	0	60,714
Conservation-Recreation	5,000	9,857	0	14,857
Capital Outlay	0	205,224	0	205,224
<i>Total Cash Disbursements</i>	<u>194,171</u>	<u>872,674</u>	<u>0</u>	<u>1,066,845</u>
<i>Excess of Cash Receipts (Under) Cash Disbursements</i>	<u>26,875</u>	<u>(70,888)</u>	<u>19</u>	<u>(43,994)</u>
Other Financing Receipts (Disbursements)				
Sale of Capital Assets	0	25,000	0	25,000
<i>Total Other Financing Receipts (Disbursements)</i>	<u>0</u>	<u>25,000</u>	<u>0</u>	<u>25,000</u>
<i>Net Change in Fund Cash Balances</i>	26,875	(45,888)	19	(18,994)
<i>Fund Cash Balances, January 1</i>	<u>58,766</u>	<u>1,049,175</u>	<u>6,355</u>	<u>1,114,296</u>
Fund Cash Balances, December 31				
Nonspendable	0	7,941	1,604	9,545
Restricted	0	641,027	4,770	645,797
Committed	0	354,319	0	354,319
Unassigned	85,641	0	0	85,641
<i>Fund Cash Balances, December 31</i>	<u>\$85,641</u>	<u>\$1,003,287</u>	<u>\$6,374</u>	<u>\$1,095,302</u>

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

This page intentionally left blank.

Belpre Township
Washington County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Belpre Township, Washington County, Ohio (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 Decatur Township and Dunham Township Volunteer Fire Department to provide fire services and Marietta Memorial Hospital – Belpre Emergency Department to provide ambulance services.

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 which are organized on a fund type basis.

Fund Accounting

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

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

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

Fire and Rescue, Ambulance and EMS Services Fund The Fire and Rescue, Ambulance and EMS Services Fund receives monies restricted for the provision of emergency Services.

Road and Bridge Fund The Road and Bridge Fund accounts for and reports that portion of tax levies restricted for construction, maintenance, and repair of roads within the Township.

Permissive Sales Tax Fund The Permissive Sales Tax accounts for and reports that portion of fees received from the County which are restricted for maintenance and repair of roads within the Township.

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 Township's programs (for the benefit of the Township or its citizenry). The Township had the following significant permanent funds:

Parker Permanent Fund This fund accounts for and reports interest earned on the nonexpendable corpus from a trust agreement. These earnings are used for the general maintenance and upkeep of the Township's cemetery.

Lewis Permanent Fund This fund accounts for and reports interest earned on the nonexpendable corpus from a trust agreement. These earnings are used for the general maintenance and upkeep of the Township's cemetery.

Belpre Township
Washington County
Notes to the Financial Statements
For the Year Ended December 31, 2018
(Continued)

Botte Permanent Fund This fund accounts for and reports interest earned on the nonexpendable corpus from a trust agreement. These earnings are used for the general maintenance and upkeep of the Township's cemetery.

Williams Permanent Fund This fund accounts for and reports interest earned on the nonexpendable corpus from a trust agreement. These earnings are used for the general maintenance and upkeep of the Township's cemetery.

Lockwood Permanent Fund This fund accounts for and reports interest earned on the nonexpendable corpus from a trust agreement. These earnings are used for the general maintenance and upkeep of the Township's cemetery.

Basis of Accounting

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

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

Budgetary Process

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

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

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

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

A summary of 2018 budgetary activity appears in Note 3.

Deposits and Investments

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

The Township had one primary, interest bearing checking account.

Belpre Township
Washington County
Notes to the Financial Statements
For the Year Ended December 31, 2018
(Continued)

Capital Assets

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

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.

Belpre Township
Washington County
Notes to the Financial Statements
For the Year Ended December 31, 2018
(Continued)

Note 3 – Budgetary Activity

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

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$215,867	\$221,047	\$5,180
Special Revenue	815,100	826,786	11,686
Permanent	9	19	10
Total	\$1,030,976	\$1,047,852	\$16,876

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$198,071	\$194,171	\$3,900
Special Revenue	1,163,550	872,674	290,876
Permanent	0	0	0
Total	\$1,361,621	\$1,066,845	\$294,776

Note 4 – Deposits

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

	2018
Demand Deposits	\$1,095,302

Deposits

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

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

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

Belpre Township
Washington County
Notes to the Financial Statements
For the Year Ended December 31, 2018
(Continued)

Note 6 – Risk Management

Workers' Compensation

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

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

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

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Note 8 – Postemployment Benefits

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

Note 9 – Contingent Liabilities

Amounts grantor agencies pay to the township are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 10 – Subsequent Event

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. The impact on the Township's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

This page intentionally left blank.

OHIO AUDITOR OF STATE KEITH FABER



PO Box 828
Athens, Ohio 45701
(740) 594-3300 or (800) 441-1389
SoutheastRegion@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Belpre Township
Washington County
2041 State Route 555
Little Hocking, Ohio 45742

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

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings that we consider material weaknesses. We consider Findings 2019-002 through 2019-003 to be material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matter we must report under *Government Auditing Standards* which is described in the accompanying Schedule of Findings as item 2019-001.

Township's Responses to Findings

The Township's responses to the Findings identified in our audit are described in the accompanying Schedule of Findings. We did not subject the Township's responses to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

November 2, 2020

**BELPRE TOWNSHIP
WASHINGTON COUNTY**

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

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

FINDING NUMBER 2019-001

Noncompliance

Ohio Rev. Code § 5575.01 provides that when the Board of Township Trustees proceeds by contract, the contract shall, if the amount involved exceeds forty-five thousand dollars, be let by the board to the lowest responsible bidder after advertisement for bids once, not later than two weeks, prior to the date fixed for the letting of the contract, in a newspaper of general circulation within the township. If the amount involved is forty-five thousand dollars or less, a contract may be let without competitive bidding, or the work may be done by force account. Such a contract shall be performed under the supervision of a member of the board or the township road superintendent.

During 2018, the Township entered into a contract with Shelly and Sands for a road repair/improvement project totaling \$65,940 without going through the required competitive bidding process due to some confusion over the statutory bid limits. The failure to competitively bid such a project may lead to unnecessary cost to the Township.

The Board of Trustees should competitively bid all projects requiring this action.

Official's Response: Since I have been a Fiscal Officer for the past 10 years, the information for competitive bidding was always explained to me and the other Trustees, that it would not be bid out unless the amount was over \$50,000. In this particular case, the Township paving by Shelly & Sands was only \$49,950. But, AEP had road paving done due to damage due to cuts of the Township roads by their contractor. With this additional paving, AEP hired Shelly & Sands to pave the area. Shelly & Sands added the additional paving for AEP onto our invoice, then AEP reimbursed the township for these extra costs. After reading the ORC 5575.01, Belpre Township now understands that any contract over \$45,000 must be competitively bid out to get the lowest cost.

FINDING NUMBER 2019-002

Material Weakness- Financial Reporting

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.

Additionally, Auditor of State Bulletin 2011-004 mandated Governmental Accounting Standard Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions for financial statements for periods beginning after June 15, 2010.

The Fiscal Officer posted certain revenue and expenditures transactions incorrectly resulting in material audit adjustments.

For the year ended December 31, 2019 the following items were noted:

- Tangible Personal Property receipts were misclassified resulting in:
 - General Fund- a decrease in Property and Other Local Taxes and an increase in Intergovernmental receipts of \$70,471.

**BELPRE TOWNSHIP
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2019 AND 2018
(Continued)**

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

FINDING NUMBER 2019-002 (Continued)

Material Weakness- Financial Reporting (Continued)

- Road and Bridge Fund- a decrease in Property and Other Local Taxes and an increase in Intergovernmental receipts of \$115,573.
- Fire District Fund- a decrease in Property and Other Local Taxes and an increase in Intergovernmental receipts of \$28,189.
- The Fiscal Officer did not properly classify fund balances in accordance with GASB 54 as outlined in AOS Bulletin 2011-004. In the Permanent Funds, the corpus amount of the bequest should be classified as Nonspendable and the remaining fund balance should be classified as Restricted. This resulted in a decrease in Nonspendable Fund Cash Balances, December 31 and an increase in Restricted Fund Cash Balances, December 31 of \$4,800.
- Grant funding was missposted as Miscellaneous receipts resulting in a decrease in Miscellaneous receipts and an increase in Intergovernmental receipts of \$49,047 in the Fire and Rescue, Ambulance, and EMS fund.
- Accounting for Federal Emergency Management Administration projects was not in accordance with Auditor of State Bulletin 98-013 resulting in:
 - Motor Vehicle License Tax Fund- an increase in Transfers In of \$76.
 - Gasoline Tax Fund – an increase in Transfers In of \$6,536.
 - Road and Bridge Fund- a decrease in Intergovernmental receipts of \$28,241, an increase in Public Works of \$9,822, and an increase in Transfers in of \$31,391.
 - Miscellaneous Special Levy Fund - FEMA – an increase in Intergovernmental receipts of \$28,241, a decrease of Public works of \$9,822, and an increase of Transfers Out of \$38,063.

For the year ended December 31, 2018, the following items were noted:

- Tangible Personal Property receipts were misclassified resulting in:
 - General Fund- a decrease in Property and Other Local Taxes and an increase in Intergovernmental receipts of \$74,506.
 - Road and Bridge Fund- a decrease in Property and Other Local Taxes and an increase in Intergovernmental receipts of \$121,905.
- The Fiscal Officer did not properly classify fund balances in accordance with GASB 54 as outlined in AOS Bulletin 2011-004. In the Permanent Funds, the corpus amount of the bequest should be classified as Nonspendable and the remaining fund balance should be classified as Restricted. This resulted in a decrease in Nonspendable Fund Cash Balances, December 31 and an increase in Restricted Fund Cash Balances, December 31 of \$4,770.

The footnotes to the financial statements also required adjustment for 2018 and 2019. These misstatements were caused by confusion over proper posting. As a result, these reclassifications, with which the Township's management agrees, were made to the financial statements and ledgers, and are reflected in the accompanying financial statements. The net effect of these adjustments, along with any other immaterial adjustments agreed to by the Township, are reflected in the following chart:

**BELPRE TOWNSHIP
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2019 AND 2018
(Continued)**

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

FINDING NUMBER 2019-002 (Continued)

Material Weakness- Financial Reporting (Continued)

Fund #	Fund	Unaudited Balance 12/31/19	Audit Adjustment	Audited Balance 12/31/19
1000	General Fund	132,711	0	132,711
2011	Motor Vehicle License Tax	99,374	76	99,450
2021	Gasoline Tax Fund	245,533	6,596	252,129
2031	Road and Bridge Fund	507,787	(6,672)	501,115
2041	Cemetery Fund	86,828	0	86,828
2111	Fire District Fund	82,994	0	82,994
2241	Permissive Sales Tax Fund	6,869	0	6,869
2281	Fire and Rescue, Ambulance, and EMS Fund	183,385	0	183,385
2902	Miscellaneous Special Revenue Fund- Mary Brown	7,979	0	7,979
2903	Miscellaneous Special Revenue Fund- LHRFP	89	0	89
4951	Permanent Fund- Parker	1,264	0	1,264
4952	Permanent Fund- Lewis	1,350	0	1,350
4953	Permanent Fund- Botte	255	0	255
4954	Permanent Fund- Williams	1,086	0	1,086
4955	Permanent Fund- Lockwood	2,450	0	2,450
		\$1,359,954	\$0	\$1,359,954

The Fiscal Officer should refer to the Township Handbook and AOS Bulletin 2011-004 for proper classification and take additional care in posting transactions to the Township's ledgers in order to ensure the financial statements reflect the appropriate classifications.

Official's Response: During my years as a Fiscal Officer, the Tangible Personal Property Tax has been distributed to the General Fund, Road & Bridge, and Fire District Fund Tangible Personal Property Tax 102. I went through various audits over the past 10 years and not one time did they tell me to change this to "Intergovernmental" receipts. Also, every year the Fiscal Officer and the Trustees met with the Washington County Budget Commission. Not once did the County Auditor make a point to have me move the funds from the TPP tax revenue. But, now that I understand this was a tax, but now it's a State reimbursement, I understand where to budget the revenue for the upcoming years. As far as the FEMA funds, this was very complicated as the person who we had helping with our FEMA paperwork did not explain that the fund paying for the expenditure before the disaster should be reimbursed exactly where it was spent. As far as the bequest funds, it has always been understood by the fiscal officer that only money received for interest on the funds can be spent. No money has been spent from the bequest funds due to the history paperwork not being available to note the original balance of these funds. The Mary Brown fund has no complete records showing what the original balance of the fund was prior to any audit. Therefore, it was not classified as nonspendable. Again, these findings have not been explained and reclassified in the last 10 years the fiscal officer has been going through audits.

**BELPRE TOWNSHIP
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2019 AND 2018
(Continued)**

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

FINDING NUMBER 2019-003

Material Weakness- Financial Monitoring

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

The reconciliation of cash (bank) balances to accounting system records (book) to the accounting system is the most basic and primary control process performed. Lack of completing an accurate and timely reconciliation may allow for accounting errors, theft and fraud to occur without timely detection. In addition, segregation of duties provides two significant benefits: (1) a deliberate fraud is more difficult because it requires collusion of two or more persons and (2) it is more likely an error will be detected.

The small size of the Township does not allow for an adequate segregation of duties. The Fiscal Officer must perform all accounting functions. Proper segregation of duties is not possible when only one or two people handle all four aspects of the internal control cycle, (record keeping, authorization, custody and reconciliation.)

In an attempt to provide compensating monitoring controls, the Fiscal Officer provided the Board with a list of disbursements and monthly financial reports. However, we could not properly verify that monthly financial reports were being verified due to lack of documentation. In addition, the Fiscal Officer is responsible for reconciling the book (fund) balance to the total bank balance on a monthly basis, and the Board is responsible for reviewing the reconciliations and related support. Monthly bank to book reconciliations were not prepared or reviewed timely for September through November 2019. Failure to timely reconcile monthly increases the possibility that the Township will not be able to identify, assemble, analyze, classify, and record its transactions correctly or to document compliance with finance related legal and contractual requirements. Further, the lack of accurate monthly reconciliations increases the risk of theft/fraud over the cash cycle and could lead to inaccurate reporting in the annual financial statements.

Due to the size of the Township, segregating every function may not be financially feasible, however, careful consideration of which functions needs to be separated should be completed. The Board should review their procedures and where possible take steps to include involvement of employees from another department handling one of the functions, levels of approval and review of the record keeping, authorization, custody, and reconciliation of accounts. In addition, for those cycles for which segregation of duties is not possible, the Board should enact additional monitoring controls. The Board should take an active role in the operations of the Township, including, review of monthly reconciliations, budget versus actual reports, and review of receipt and disbursement ledgers. Implementation of these procedures may help strengthen internal control over the entire financial reporting cycle and help create a culture of accountability and assist in protecting the Township from unnecessary loss and errors.

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

**BELPRE TOWNSHIP
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2019 AND 2018
(Continued)**

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

FINDING NUMBER 2019-003(Continued)

Material Weakness- Financial Monitoring (Continued)

Official's Response: At every meeting, the Fiscal Officer lists every check written that month on the Minutes for the previous month. The Trustees review the minutes and review the month's checks written, then sign the minutes. The meeting falls on the first Monday of each month. The bank reconciliation is not completed due to monthly deposit paperwork for Fire and Rescue Insurance direct deposits. The Fiscal Officer has to wait until third party billing sends the deposits for insurance payments before each deposit can be added to the UAN system. Sometimes, this paperwork is not sent to Belpre Township for at least one-two weeks after the meeting. Therefore, the deposits and bank reconciliation cannot be completed before the meeting on the first Monday of the month, at the regular scheduled meeting. Without the backup paperwork from the third party billing, the deposits cannot be added based solely on the bank reconciliation or it would not be actual. As of 2020, the fiscal officer is printing the cash summary, appropriation report, and revenue reports, to have each trustee sign and acknowledge receipt of such reports.

This page intentionally left blank.

OHIO AUDITOR OF STATE KEITH FABER



BELPRE TOWNSHIP

WASHINGTON COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 11/17/2020

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

This report is a matter of public record and is available online at
www.ohioauditor.gov