

**GERMAN TOWNSHIP  
HARRISON COUNTY**

**AUDIT REPORT**

**JANUARY 1, 2018 - DECEMBER 31, 2019**

**Wilson, Phillips & Agin, CPA's, Inc.  
1100 Brandywine Blvd. Building G  
Zanesville, Ohio 43701**



OHIO AUDITOR OF STATE  
KEITH FABER



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Board of Township Trustees  
German Township  
90670 Mill Road  
Jewett, Ohio 43986

We have reviewed the *Independent Auditor's Report* of German Township, Harrison County, prepared by Wilson, Phillips & Agin, CPA's, Inc., for the audit period January 1, 2018 through December 31, 2019. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. German Township is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

June 23, 2020

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**GERMAN TOWNSHIP  
HARRISON COUNTY  
JANUARY 1, 2018 - DECEMBER 31, 2019**

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**WILSON, PHILLIPS & AGIN, CPA'S, INC.  
1100 BRANDYWINE BLVD. BUILDING G  
ZANESVILLE, OHIO 43701**

**INDEPENDENT AUDITORS' REPORT**

German Township  
Harrison County  
90670 Mill Road  
Jewett, Ohio 43986

To the Township 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 German Township, Harrison County, as of and for the years ended December 31, 2019 and 2018.

**Management's Responsibility For the Financial Statements**

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

**Auditor's Responsibility**

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

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

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

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

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

Though the Township does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis permitted 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 German Township, Harrison County as of December 31, 2019 and 2018, or changes in financial position thereof for the years then ended.

#### **Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of German Township, Harrison County as of December 31, 2019 and 2018, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

#### **Emphasis of Matter**

As discussed in Note 11 to the 2019 financial statements, during 2020, the impact of COVID-19 and the ensuing emergency measures will 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 a report dated May 4, 2020, on our consideration of German 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.

***Wilson, Phillips & Agin, CPA's, Inc.***  
Zanesville, Ohio  
May 4, 2020



**GERMAN TOWNSHIP  
HARRISON COUNTY**

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

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Permanent</u>	
<b>Cash Receipts:</b>				
Property and Other Local Taxes	\$ 39,439	\$ 113,460	\$ -	\$ 152,899
Licenses, Permits and Fees	18,600	1,500	-	20,100
Intergovernmental	19,799	128,679	-	148,478
Special Assessments	-	1,547	-	1,547
Earnings on Investments	1,432	-	18	1,450
Miscellaneous	5,124	4,704	-	9,828
<b>Total Cash Receipts</b>	<u>84,394</u>	<u>249,890</u>	<u>18</u>	<u>334,302</u>
<b>Cash Disbursements:</b>				
Current:				
General Government	35,063	17,138	-	52,201
Public Safety	-	28,000	-	28,000
Public Works	-	237,477	-	237,477
Health	-	12,465	-	12,465
Capital Outlay	201	15,733	-	15,934
Debt Service:				
Principal Retirement	-	9,473	-	9,473
Interest and Fiscal Charges	-	398	-	398
<b>Total Cash Disbursements</b>	<u>35,264</u>	<u>320,684</u>	<u>-</u>	<u>355,948</u>
<b>Excess of Receipts Over/(Under) Disbursements</b>	49,130	(70,794)	18	(21,646)
<b>Other Financing Receipts (Disbursements)</b>				
Sale of Capital Assets	-	2,001	-	2,001
Transfers In	-	70,000	-	70,000
Transfers Out	(70,000)	-	-	(70,000)
Other Financing Uses	(1,405)	-	-	(1,405)
<b>Total Other Financing Receipts (Disbursements)</b>	<u>(71,405)</u>	<u>72,001</u>	<u>-</u>	<u>596</u>
<b>Special Item</b>	188	-	-	188
<b>Extraordinary Item</b>	<u>95</u>	<u>-</u>	<u>-</u>	<u>95</u>
<b>Net Change in Fund Cash Balance</b>	(21,992)	1,207	18	(20,955)
<b>Fund Cash Balances, January 1</b>	<u>184,953</u>	<u>127,317</u>	<u>731</u>	<u>313,001</u>
<b>Fund Cash Balances, December 31</b>				
Nonspendable	-	-	749	749
Restricted	-	128,524	-	128,524
Assigned	130	-	-	130
Unassigned (Deficit)	162,831	-	-	162,831
<b>Fund Cash Balances, December 31</b>	<u>\$ 162,961</u>	<u>\$ 128,524</u>	<u>\$ 749</u>	<u>\$ 292,046</u>

See notes to financial statements.

**GERMAN TOWNSHIP  
HARRISON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<b>Fiduciary Fund Type</b>
	<b>Road Bond</b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$ -
Licenses, Permits and Fees	-
Fine and Forfeitures	-
Miscellaneous	-
<b>Total Operating Cash Receipts</b>	<b>-</b>
<b>Operating Cash Disbursements:</b>	
Salaries	-
Employee Fringe Benefits	-
Purchased Services	-
Supplies and Materials	-
Other	-
<b>Total Operating Cash Disbursements</b>	<b>-</b>
Operating Income (Loss)	-
<b>Non-Operating Receipts (Disbursements)</b>	
Other Financing Uses	(3,000)
<b>Total Non-Operating Receipts (Disbursements)</b>	<b>(3,000)</b>
<b>Special Item</b>	<b>5,000</b>
<b>Net Change in Fund Cash Balance</b>	<b>2,000</b>
<b>Fund Cash Balances, January 1</b>	<b>50,119</b>
<b>Fund Cash Balances, December 31</b>	<b>\$ 52,119</b>

See notes to financial statements.

**GERMAN TOWNSHIP  
HARRISON COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**1. REPORTING ENTITY**

**Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of German Township, Harrison County, (the Township) as a body corporate and politic. A publically-elected three-member Board of Trustees directs the Township. The Township provides general government services, road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the Hopedale, Unionport, Jewett and East Springfield Volunteer Fire Departments to provide fire services.

The Township participates in the Ohio Plan Risk Management, Inc. (OPRM) public entity risk pool. Note 6 to the financial statements provides additional information for this entity.

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation**

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary fund types which are organized on a fund type basis.

**B. 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 Fund:

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

**Road and Bridge Fund** – This fund receives property tax money for constructing, maintaining, and repairing Township roads and bridges.

**GERMAN TOWNSHIP  
HARRISON COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Fund Accounting (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** – This fund receives interest earned on the nonspendable corpus from a trust agreement. These earnings are used for the general maintenance and upkeep of the Township's cemetery.

**Fiduciary Funds**

Agency funds are purely custodial in nature and are used to hold resources for individuals, organization or other governments. The Township disburses these funds as directed by the individual, organization or other government. The Township's Agency fund accounts for road bonds received to cover damages that may potentially effect the Township's roads

**C. 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 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Township 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 117-2-03(D) permit.

**D. 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 and object level of control and appropriations may not exceed estimated resources. The 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.

**GERMAN TOWNSHIP  
HARRISON COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Budgetary Process (Continued)**

**Encumbrances**

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

A summary of 2019 budgetary activity appears in Note 3.

**E. Deposits and Investments**

The Township's accounting basis includes investment 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. Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report.

**F. 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.

**G. 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.

**H. 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.

**GERMAN TOWNSHIP  
HARRISON COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**H. Fund Balance (Continued)**

**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.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the year ended December 31, 2019 is as follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 84,675	\$ 84,677	\$ 2
Special Revenue	251,891	321,891	70,000
Permanent	17	18	1
Total	<u>\$ 336,583</u>	<u>\$ 406,586</u>	<u>\$ 70,003</u>

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 170,000	\$ 106,799	\$ 63,201
Special Revenue	438,675	321,233	117,442
Permanent	-	-	-
Total	<u>\$ 608,675</u>	<u>\$ 428,032</u>	<u>\$ 180,643</u>

Contrary to ORC 5705.41(D), the Township made disbursements prior to certification.

Contrary to ORC 5705.39, the Township had appropriations greater than estimated resources in the MVL Tax Fund by \$145, the Road and Bridge Fund by \$82,573, and the Cemetery Fund by \$3,157.

**GERMAN TOWNSHIP  
HARRISON COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**4. EQUITY IN POOLED CASH**

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:

	2019
Demand Deposits	\$ 304,720
STAR Ohio	39,445
Total Deposits	<u>\$ 344,165</u>

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

**Investments:** Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

**5. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Township Trustees. 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.

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

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

**6. RISK MANAGEMENT**

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

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

OPRM coverage programs are developed specific to each member’s risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member’s exposure to loss. Effective November 1, 2016, the OPRM retained 50% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 774 members as of December 31, 2018.

**GERMAN TOWNSHIP  
HARRISON COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**6. RISK MANAGEMENT (Continued)**

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2018 (the latest information available).

	2018
Assets	\$15,065,412
Liabilities	(10,734,623)
Retained Earnings	\$ 4,330,789

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

**7. DEFINED BENEFIT PENSION PLANS**

*Ohio Public Employees Retirement System*

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

The Ohio Revised Code also prescribes contribution rates. For 2019, OPERS members contributed 10.0% of their gross wages and the Township contributed an amount equal to 14.0% of participant's gross salaries. The Township has paid all contributions required through December 31, 2019.

**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.

**9. DEBT**

Debt outstanding at December 31, 2019 was as follows:

	Principal	Interest rate
Government Equipment Lease-Purchase Agreement	\$ 9,134	2.79%
Total	\$ 9,134	

The Township entered into a lease-purchase agreement to finance the purchase of a new backhoe loader for Township road and cemetery maintenance. The equipment collateralized the lease. This is paid from the Road and Bridge Fund and Cemetery Fund.

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

Year Ended December 31	Truck
2020	\$ 9,264
Total	\$ 9,264



**GERMAN TOWNSHIP  
HARRISON COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**10. PUBLIC ENTITY RISK POOL**

The Township belongs to the Ohio Government Risk Management Plan (the Plan) an unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management plan. Member governments pay annual premiums to fund the Plan. The Plan pays judgments, settlements and other expenses resulting from covered claims exceeding the member's deductible.

**11. SUBSEQUENT EVENTS**

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

**12. EXTRAORDINARY ITEM**

In 2019, the Village was reimbursement in the amount of \$95 for flags.

GERMAN TOWNSHIP  
HARRISON COUNTY

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

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Permanent</u>	
<b>Cash Receipts:</b>				
Property and Other Local Taxes	\$ 43,221	\$ 125,657	\$ -	\$ 168,878
Licenses, Permits and Fees	21,732	1,825	-	23,557
Intergovernmental	20,625	109,674	-	130,299
Special Assessments	-	1,482	-	1,482
Earnings on Investments	809	-	6	815
Miscellaneous	4,564	41,559	-	46,123
<b>Total Cash Receipts</b>	<u>90,951</u>	<u>280,197</u>	<u>6</u>	<u>371,154</u>
<b>Cash Disbursements:</b>				
Current:				
General Government	43,966	16,750	-	60,716
Public Safety	-	8,000	-	8,000
Public Works	-	256,476	-	256,476
Health	465	10,582	-	11,047
Capital Outlay	28,183	23,336	-	51,519
Debt Service:				
Principal Retirement	249	8,963	-	9,212
Interest and Fiscal Charges	24	635	-	659
<b>Total Cash Disbursements</b>	<u>72,887</u>	<u>324,742</u>	<u>-</u>	<u>397,629</u>
<b>Excess of Receipts Over/(Under) Disbursements</b>	18,064	(44,545)	6	(26,475)
<b>Other Financing Receipts (Disbursements)</b>				
Transfers In	-	8,000	-	8,000
Transfers Out	(8,000)	-	-	(8,000)
Advances In	24,000	24,000	-	48,000
Advances Out	(24,000)	(24,000)	-	(48,000)
Other Financing Uses	(496)	-	-	(496)
<b>Total Other Financing Receipts (Disbursements)</b>	<u>(8,496)</u>	<u>8,000</u>	<u>-</u>	<u>(496)</u>
<b>Extraordinary Item</b>	<u>64</u>	<u>-</u>	<u>-</u>	<u>64</u>
<b>Net Change in Fund Cash Balance</b>	9,632	(36,545)	6	(26,907)
<b>Fund Cash Balances, January 1</b>	<u>175,321</u>	<u>163,862</u>	<u>725</u>	<u>339,908</u>
<b>Fund Cash Balances, December 31</b>				
Nonspendable	-	-	731	731
Restricted	-	127,317	-	127,317
Unassigned (Deficit)	184,953	-	-	184,953
<b>Fund Cash Balances, December 31</b>	<u>\$ 184,953</u>	<u>\$ 127,317</u>	<u>\$ 731</u>	<u>\$ 313,001</u>

See notes to financial statements.

**GERMAN TOWNSHIP  
HARRISON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Fiduciary Fund Type</b>
	<b>Road Bond</b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$ -
Licenses, Permits and Fees	-
Fine and Forfeitures	-
Miscellaneous	-
<b>Total Operating Cash Receipts</b>	<b>-</b>
<b>Operating Cash Disbursements:</b>	
Salaries	-
Employee Fringe Benefits	-
Purchased Services	-
Supplies and Materials	-
Other	-
<b>Total Operating Cash Disbursements</b>	<b>-</b>
Operating Income (Loss)	-
<b>Non-Operating Receipts (Disbursements)</b>	
Other Financing Uses	(30,000)
<b>Total Non-Operating Receipts (Disbursements)</b>	<b>(30,000)</b>
<b>Special Item</b>	<b>40,000</b>
<b>Net Change in Fund Cash Balance</b>	<b>10,000</b>
<b>Fund Cash Balances, January 1</b>	<b>40,119</b>
<b>Fund Cash Balances, December 31</b>	<b>\$ 50,119</b>

See notes to financial statements.

**GERMAN TOWNSHIP  
HARRISON COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**1. REPORTING ENTITY**

**Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of German Township, Harrison County, (the Township) as a body corporate and politic. A publically-elected three-member Board of Trustees directs the Township. The Township provides general government services, road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the Hopedale, Unionport, Jewett and East Springfield Volunteer Fire Departments to provide fire services.

The Township participates in the Ohio Plan Risk Management, Inc. (OPRM) public entity risk pool. Note 6 to the financial statements provides additional information for this entity.

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation**

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary fund types which are organized on a fund type basis.

**B. 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 Fund:

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

**Road and Bridge Fund** – This fund receives property tax money for constructing, maintaining, and repairing Township roads and bridges.

**GERMAN TOWNSHIP  
HARRISON COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Fund Accounting (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** – This fund receives interest earned on the nonspendable corpus from a trust agreement. These earnings are used for the general maintenance and upkeep of the Township's cemetery.

**Fiduciary Funds**

Agency funds are purely custodial in nature and are used to hold resources for individuals, organization or other governments. The Township disburses these funds as directed by the individual, organization or other government. The Township's Agency fund accounts for road bonds received to cover damages that may potentially effect the Township's roads

**C. 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 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Township 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 117-2-03(D) permit.

**D. 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 and object level of control and appropriations may not exceed estimated resources. The 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.

**GERMAN TOWNSHIP  
HARRISON COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Budgetary Process (Continued)**

**Encumbrances**

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

A summary of 2018 budgetary activity appears in Note 3.

**E. Deposits and Investments**

The Township's accounting basis includes investment 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. Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report.

**F. 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.

**G. 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.

**H. 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.

**GERMAN TOWNSHIP  
HARRISON COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**H. Fund Balance (Continued)**

**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.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the year ended December 31, 2018 is as follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 91,720	\$ 91,015	\$ (705)
Special Revenue	288,496	288,197	(299)
Permanent	8	6	(2)
Total	<u>\$ 380,224</u>	<u>\$ 379,218</u>	<u>\$ (1,006)</u>

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 103,500	\$ 81,383	\$ 22,117
Special Revenue	380,300	324,742	55,558
Permanent	-	-	-
Total	<u>\$ 483,800</u>	<u>\$ 406,125</u>	<u>\$ 77,675</u>

Contrary to ORC 5705.41(D), the Township made disbursements prior to certification.

**GERMAN TOWNSHIP  
HARRISON COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**4. EQUITY IN POOLED CASH**

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:

	2018
Demand Deposits	\$ 324,578
STAR Ohio	38,542
Total Deposits	<u>\$ 363,120</u>

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

**Investments:** Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

**5. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Township Trustees. 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.

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

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

**6. RISK MANAGEMENT**

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

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

OPRM coverage programs are developed specific to each member’s risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member’s exposure to loss. Effective November 1, 2016, the OPRM retained 50% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 774 members as of December 31, 2018.



**GERMAN TOWNSHIP  
HARRISON COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**6. RISK MANAGEMENT (Continued)**

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2018.

	2018
Assets	\$15,065,412
Liabilities	(10,734,623)
Retained Earnings	\$ 4,330,789

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

**7. DEFINED BENEFIT PENSION PLANS**

*Ohio Public Employees Retirement System*

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

The Ohio Revised Code also prescribes contribution rates. For 2018, OPERS members contributed 10.0% of their gross wages and the Township contributed an amount equal to 14.0% of participant's gross salaries. The Township has paid all contributions required through December 31, 2018.

**8. POSTEMPLOYMENT BENEFITS**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. OPERS contributes 1 percent of the employer contribution to fund these benefits.

**9. DEBT**

Debt outstanding at December 31, 2018 was as follows:

	Principal	Interest rate
Government Equipment Lease-Purchase Agreement	\$ 18,607	2.79%
Total	\$ 18,607	

The Township entered into a lease-purchase agreement to finance the purchase of a new backhoe loader for Township road and cemetery maintenance. The equipment collateralized the lease. This is paid from the General Fund, Road & Bridge Fund and Cemetery Fund.

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

Year Ended December 31	Truck
2019	\$ 9,871
2020	9,264
Total	\$ 19,135

**GERMAN TOWNSHIP  
HARRISON COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**10. PUBLIC ENTITY RISK POOL**

The Township belongs to the Ohio Government Risk Management Plan (the Plan) an unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management plan. Member governments pay annual premiums to fund the Plan. The Plan pays judgments, settlements and other expenses resulting from covered claims exceeding the member's deductible.

**11. EXTRAORDINARY ITEM**

In 2018 the Township received a refund in the amount of \$64 for returned merchandise.

**WILSON, PHILLIPS & AGIN, CPA'S, INC.  
1100 BRANDYWINE BLVD. BUILDING G  
ZANESVILLE, OHIO 43701**

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
REQUIRED BY GOVERNMENT AUDITING STANDARDS.**

German Township  
Harrison County  
90670 Mill Road  
Jewett, Ohio 43986

To the Township Trustees:

We have audited, in accordance with auditing standards general accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of German Township, Harrison County 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 May 4, 2020, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered German 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 a 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 and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over financial reporting, that we consider to be material weaknesses. We consider Finding 2019-002 and 2019-003 described in the accompanying schedule of findings to be material weaknesses.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether German 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 was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed one instances of noncompliance or other matters we must report under *Government Auditing Standards* described in the accompanying Schedule of Findings as item 2019-001.

***Purpose of this Report***

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

***Wilson, Phillips & Agin, CPA's, Inc.***  
Zanesville, Ohio  
May 4, 2020

**GERMAN TOWNSHIP  
HARRISON 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 – Appropriations Exceeding Estimated Resources**

Ohio Revised Code Section 5705.39 provides that total appropriations from each fund shall not exceed the total of the estimated revenues available for expenditure as certified by the budget commission. In addition, no appropriation measure is to become effective until the County Auditor files a certificate that the total appropriations from each fund do not exceed the total estimate or amended official estimate.

Fund	Year	Estimated Resources	Appropriations	Variance
MVL Tax	2019	\$ 16,355	\$ 16,500	\$ (145)
Road and Bridge	2019	150,127	232,700	(82,573)
Cemetery	2019	34,043	37,200	(3,157)

We recommend Trustees review estimated resources versus appropriations throughout the year. Also, Trustees should not approve appropriations greater than estimated resources. This could result in the Township spending more money than it receives and could cause possible negative fund balances.

Client Response: We have not received a response from the client.

**FINDING NUMBER 2019-002**

**Material Weakness – Financial Reporting**

Sound financial reporting is the responsibility of the Fiscal Officer and the Board of Trustees and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

The following reclassifications and adjustments were made to the December 31, 2019 financial statements and the Township's records where applicable:

The following is related to 2019;

- Special Items were reclassified to Miscellaneous Receipts in the amount of \$1,270 in the General Fund;
- Property and Other Local Taxes Receipts were reclassified to Intergovernmental in the amounts of \$1,573, \$2,337, \$625 and \$625 for the General Fund, Road and Bridge Fund, Cemetery Fund, and Fire District Fund, respectively, for Rollbacks received from the Auditor of State;
- Miscellaneous Receipts were reclassified to Sale of Capital Assets in the amount of \$2,001 in the Road and Bridge Fund for the sale of a dump truck;
- Public Works Disbursements were reclassified to Capital Outlay in the amount of \$10,500 in the Road and Bridge Fund for the purchase of a brush cutter;

**GERMAN TOWNSHIP  
HARRISON 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 2019-002 (Continued)**

- Public Works Disbursements were reclassified to Principal Retirement and Interest and Fiscal Charges in the amounts of \$6,252 and \$269, respectively, in the Road and Bridge Fund to properly show debt payments;
- Public Works Disbursements were reclassified to Principal Retirement and Interest and Fiscal Charges in the amounts of \$3,221 and \$129, respectively, in the Cemetery Fund to properly show debt payments;
- Unassigned Cash Balance was adjusted to Assigned Cash Balance in the amount of \$130 in the General Fund;
- Restricted Cash Balance was adjusted to Nonspendable Cash Balance in the amount of \$749 in the Cemetery Endowment Fund;

The following is related to 2018;

- General Government Disbursements were reclassified to Principal Retirement and Interest and Fiscal Charges in the amounts of \$249 and \$24, respectively, in the General Fund to properly show debt payments;
- Public Works Disbursements were reclassified to Principal Retirement and Interest and Fiscal Charges in the amounts of \$5,896 and \$426, respectively, in the Road and Bridge Fund to properly show debt payments;
- Public Works Disbursements were reclassified to Principal Retirement and Interest and Fiscal Charges in the amounts of \$3,067 and \$209, respectively, in the Cemetery Fund to properly show debt payments;
- Restricted Cash Balance was adjusted to Nonspendable Cash Balance in the amount of \$731 in the Cemetery Endowment Fund;

Sound financial reporting is the responsibility of the Township and is essential to help ensure the information provided to the readers of financial statements is complete and accurate. To help ensure the Township's financial statements and notes to the financial statements are complete and accurate, the Township should adopt policies and procedures to identify and correct errors and omissions. In addition, the Township should review the financial statements and notes prior to submission for audit.

Client Response: We have not received a response from the client.

**FINDING NUMBER 2019-003**

**Material Weakness**

All local public offices should integrate the budgetary accounts, at the legal level of control or lower, into the UAN system. The UAN system should be utilized to provide ongoing and timely information on unrealized budgetary receipts.

At December 31, 2019, estimated receipts as certified by the County Budget Commission did not agree to the Township's ledgers for the following funds:

**GERMAN TOWNSHIP  
HARRISON 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 2019-003 (Continued)**

Fund	Estimated Receipts per Budget Commission	Estimated Receipts per UAN Revenue Status Report	Variance
General	\$ 84,675	\$ 88,028	\$ (3,353)
MVL Tax	12,190	12,500	(310)
Gasoline Tax	109,325	91,000	18,325
Road and Bridge	82,535	165,250	(82,715)
Cemetery	23,347	26,600	(3,253)
Cemetery Lot Fund	1,110	800	310
Fire District	21,847	25,000	(3,153)
Street Assessment	1,547	1,500	47
Permanent	17	-	17

At December 31, 2018, estimated receipts as certified by the County Budget Commission did not agree to the Township's ledgers for the following funds:

Fund	Estimated Receipts per Budget Commission	Estimated Receipts per UAN Revenue Status Report	Variance
General	\$ 91,720	\$ 71,350	\$ 20,370
MVL Tax	12,774	12,500	274
Gasoline Tax	97,727	95,000	2,727
Road and Bridge	126,010	79,000	47,010
Cemetery	25,964	20,100	5,864
Cemetery Lot Fund	300	800	(500)
Fire District	24,239	17,000	7,239
Street Assessment	1,482	1,500	(18)
Permanent	8	-	8

Without information properly entered into the system, the management of the Township lost some degree of budgetary control. This also resulted in audit adjustments to the budgetary note disclosure.

We recommend the Fiscal Officer accurately post estimated receipts as approved by the County Budget Commission into the computer system. This procedure will help ensure more useful comparisons of budget versus actual activity, as well as provide management with an accurate monitoring tool throughout the year.

Client Response: We have not received a response from the client.

**GERMAN TOWNSHIP  
HARRISON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2019**

Finding Number	Finding Summary	Fully Corrected	Not Corrected, Partially Corrected Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b>Explain:</b>
2017-001	Noncompliance ORC 5705.39 Expenditures exceeding appropriations	No	Not Corrected - Refer to Findng 2019-001
2017-002	Material Weakness Financial Statement presentation	No	Not Corrected - Refer to Findng 2019-002
2017-003	Material Weakness Posting budget to accounting system	No	Not Corrected - Refer to Findng 2019-003



# OHIO AUDITOR OF STATE KEITH FABER



**GERMAN TOWNSHIP**

**HARRISON 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 7, 2020**