



OHIO AUDITOR OF STATE  
**KEITH FABER**





YORK TOWNSHIP WATER AUTHORITY  
BELMONT COUNTY

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

York Township Water Authority  
Belmont County  
P.O. Box 133  
Powhatan Point, Ohio 43942

To the Board of Trustees:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements, and related notes of the York Township Water Authority, Belmont County, Ohio (the Authority), as of and for the years ended December 31, 2018 and 2017.

### ***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 Authority'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 Authority'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 Authority 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 Authority 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 Authority as of December 31, 2018 and 2017, and the respective changes in financial position or cash flows 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, and related notes of the York Township Water Authority, Belmont County as of December 31, 2018 and 2017, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit, described in Note 2.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2019, on our consideration of the Authority'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 Authority's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

November 14, 2019

**YORK TOWNSHIP WATER AUTHORITY  
BELMONT COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN CASH BALANCE (CASH BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>2018</b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$134,094
<i>Total Operating Cash Receipts</i>	134,094
<b>Operating Cash Disbursements:</b>	
Personal Services	24,195
Water	55,293
Repairs and Maintenance	3,383
Meter Expense	2,494
Testing and Licenses	1,337
Utilities	524
Administrative/General	3,942
Insurance	1,347
Other Contractual Services	5,765
Captina Creek Project	166,820
<i>Total Operating Cash Disbursements</i>	265,100
<i>Operating (Loss)</i>	(131,006)
<b>Non-Operating Cash Receipts:</b>	
Loan Proceeds	179,911
Interest	117
<i>Total Non-Operating Cash Receipts</i>	180,028
<b>Non-Operating Cash Disbursements:</b>	
Debt Service	
Principal	2,846
Interest	717
<i>Total Non-Operating Cash Disbursements</i>	3,563
<i>Net Receipts Over Disbursements</i>	45,459
Cash Balances, January 1	48,121
<i>Cash Balances, December 31</i>	\$93,580

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

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**York Township Water Authority**  
*Belmont County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2018*

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**Note 1 – Reporting Entity**

The York Township Water Authority (the Authority), Belmont County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Authority is directed by a five member Board of Trustees appointed by the Belmont County Common Pleas Court Judge. The Authority provides water services to residents of York Township, Belmont County.

The Authority's management believes this financial statement presents all activities for which the Authority is financially accountable.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The Authority's financial statement consists of a statement of receipts, disbursements and changes in cash balance (regulatory cash basis).

***Basis of Accounting***

This financial statement follows the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board of Trustees 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).

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

***Budgetary Process***

The Ohio Revised Code requires the Board to budget annually.

***Appropriations*** Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the object level of control, and appropriations may not exceed estimated resources. The Authority 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.

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

A summary of 2018 budgetary activity appears in Note 4.

**York Township Water Authority**  
*Belmont County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2018*

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**Deposits and Investments**

The Authority'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 Authority had a non-interest bearing checking account, a savings account and a certificate of deposit during the audit period.

**Capital Assets**

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

**Note 3 – Compliance**

Contrary to Ohio law, expenditures exceeded appropriations by \$4,843.

**Note 4 – Budgetary Activity**

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

2018 Budgeted vs. Actual Receipts		
Budgeted Receipts	Actual Receipts	Variance
\$272,620	\$314,122	\$41,502

  

2018 Budgeted vs. Actual Budgetary Basis Expenditures		
Appropriation Authority	Budgetary Expenditures	Variance
\$263,820	\$268,663	(\$4,843)

**Note 5 – Deposits and Investments**

The Authority may invest in certificates of deposit. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

	2018
Demand deposits	\$42,182
Certificates of deposit	5,648
Other time deposits (savings and NOW accounts)	45,750
Total deposits	\$93,580

**Deposits**

Deposits are insured by the Federal Deposit Insurance Corporation.

**York Township Water Authority**  
*Belmont County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2018*

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**Note 6 – Risk Management**

***Commercial Insurance***

The Authority has obtained commercial insurance for the following risks:

- Comprehensive property and general liability.

The Authority is uninsured for the following risks:

- Errors and omissions.

**Note 7 – Defined Benefit Pension Plan**

***Ohio Public Employees Retirement System***

Authority 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 includes postretirement healthcare and survivor and disability benefits.

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

**Note 8 – Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, and 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 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 members in the member-directed plan was 4.0 percent during calendar year 2018.

**Note 9 – Debt**

Debt outstanding at December 31, 2018 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority Loan	<u>\$177,731</u>	0.75%

On October 26, 2017, the Authority obtained an Ohio Water Development Authority (OWDA) loan for a waterline replacement project on Captina Creek. The OWDA approved a loan in the amount of \$191,088 to the Authority for this project. The Authority will repay the loans in semiannual installments (January 1 and July 1) over a total of 30 years, maturity date July 1, 2048. Water receipts collateralize the loan. The Authority has agreed to set utility rates sufficient to cover OWDA debt service requirements. This loan does not have an amortization schedules yet as OWDA will adjust the scheduled payments to reflect any revisions in amounts the Authority actually borrows.

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**YORK TOWNSHIP WATER AUTHORITY  
BELMONT COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN CASH BALANCE (CASH BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>2017</u>
<b>Operating Cash Receipts:</b>	
Charges for Services	<u>\$112,669</u>
<i>Total Operating Cash Receipts</i>	<u>112,669</u>
<b>Operating Cash Disbursements:</b>	
Personal Services	23,839
Water	61,944
Repairs and Maintenance	9,423
Testing and Licenses	2,470
Utilities	325
Administrative/General	2,953
Insurance	1,347
Other Contractual Services	28,541
Captina Creek Project	<u>13,091</u>
<i>Total Operating Cash Disbursements</i>	<u>143,933</u>
<i>Operating (Loss)</i>	<u>(31,264)</u>
<b>Non-Operating Cash Receipts:</b>	
Interest	<u>148</u>
<i>Total Non-Operating Cash Receipts</i>	<u>148</u>
<i>Net Receipts (Under) Disbursements</i>	<u>(31,116)</u>
Cash Balances, January 1	<u>79,237</u>
<i>Cash Balances, December 31</i>	<u><u>\$48,121</u></u>

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

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**York Township Water Authority**  
*Belmont County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2017*

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**Note 1 – Reporting Entity**

The York Township Water Authority (the Authority), Belmont County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Authority is directed by a five member Board of Trustees appointed by the Belmont County Common Pleas Court Judge. The Authority provides water services to residents of York Township, Belmont County.

The Authority's management believes this financial statement presents all activities for which the Authority is financially accountable.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The Authority's financial statement consists of a statement of receipts, disbursements and changes in cash balance (regulatory cash basis).

***Basis of Accounting***

This financial statement follows the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board of Trustees 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).

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

***Budgetary Process***

The Ohio Revised Code requires the Board to budget annually.

***Appropriations*** Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the object level of control, and appropriations may not exceed estimated resources. The Authority 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.

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

A summary of 2017 budgetary activity appears in Note 4.

**York Township Water Authority**  
*Belmont County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2017*

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**Deposits and Investments**

The Authority'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 Authority had a non-interest bearing checking account, a savings account and a certificate of deposit during the audit period.

**Capital Assets**

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

**Note 3 – Compliance**

Contrary to Ohio law, expenditures exceeded appropriations by \$13,865.

**Note 4 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2017 follows:

2017 Budgeted vs. Actual Receipts		
Budgeted	Actual	
Receipts	Receipts	Variance
\$120,000	\$112,817	(\$7,183)

2017 Budgeted vs. Actual Budgetary Basis Expenditures		
Appropriation	Budgetary	
Authority	Expenditures	Variance
\$130,068	\$143,933	(\$13,865)

**Note 5 – Deposits and Investments**

The Authority may invest in certificates of deposit. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

	2017
Demand deposits	\$9,340
Certificates of deposit	5,631
Other time deposits (savings and NOW accounts)	33,150
Total deposits	\$48,121

**Deposits**

Deposits are insured by the Federal Deposit Insurance Corporation.

**York Township Water Authority**  
*Belmont County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2017*

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**Note 6 – Risk Management**

***Commercial Insurance***

The Authority has obtained commercial insurance for the following risks:

- Comprehensive property and general liability.

The Authority is uninsured for the following risks:

- Errors and omissions.

**Note 7 – Defined Benefit Pension Plan**

***Ohio Public Employees Retirement System***

Authority 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 includes postretirement healthcare and survivor and disability benefits.

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

**Note 8 – Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 1.0 percent during calendar year 2017.

**Note 9 – Debt**

Debt outstanding at December 31, 2017, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority Loan	<u>\$665</u>	0.75%

On October 26, 2017, the Authority obtained an Ohio Water Development Authority (OWDA) loan for a waterline replacement project on Captina Creek. The OWDA approved a loan in the amount of \$191,088 to the Authority for this project. The Authority will repay the loans in semiannual installments (January 1 and July 1) over a total of 30 years, maturity date July 1, 2048. Water receipts collateralize the loan. The Authority has agreed to set utility rates sufficient to cover OWDA debt service requirements. This loan does not have an amortization schedules yet as OWDA will adjust the scheduled payments to reflect any revisions in amounts the Authority actually borrows.

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# OHIO AUDITOR OF STATE KEITH FABER



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

York Township Water Authority  
Belmont County  
P.O. Box 133  
Powhatan Point, Ohio 43942

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 of the York Township Water Authority, Belmont County, Ohio (the Authority), as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, and have issued our report thereon dated November 14, 2019, wherein we noted the Authority followed financial reporting provisions of the Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Authority'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 Authority'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 Authority'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 a certain deficiency in internal control, described in the accompanying Schedule of Findings that we consider a material weakness. We consider finding 2018-002 to be a material weakness.

***Compliance and Other Matters***

As part of reasonably assuring whether the Authority'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 2018-001.

***Authority's Response to Findings***

The Authority's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. We did not subject the Authority'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 Authority's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

November 14, 2019

YORK TOWNSHIP WATER AUTHORITY  
BELMONT COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2018 AND 2017

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

FINDING NUMBER 2018-001

**Noncompliance**

**Ohio Rev. Code § 5705.28(B)(2)** requires entities that do not levy taxes to follow Ohio Rev. Code § 5705.41(B). **Ohio Rev. Code § 5705.41(B)** prohibits subdivisions or taxing authorities from expending money unless it has been appropriated as provided in such chapter.

The Authority's expenditures exceeded appropriations in the following amounts:

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
At December 31, 2018	\$263,820	\$268,663	(\$4,843)
At December 31, 2017	130,068	143,933	(13,865)

The Treasurer should not certify the availability of funds and should deny payment requests exceeding appropriations. If appropriations in addition to those already adopted will be needed, the Board should take the necessary steps to adopt additional appropriations, if possible, to prevent expenditures from exceeding appropriations or reduce spending.

**Officials' Response:** Guidance from our accounting firm (Felton & Felton) was requested and we followed their recommendations.

FINDING NUMBER 2018-002

**Material Weakness**

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

Auditor of State (AOS) Bulletin 2000-008 provides guidance for cash basis accounting for on-behalf funding. In short, the Bulletin indicates that when a local government enters into an on-behalf-of program agreement with another local government or the State (or the federal government, if applicable), whereby the local government or its residents are the beneficiaries under the agreement, the cash value benefit of the program received under the agreement should be recorded as memorandum receipts and disbursements in the year on-behalf-of disbursements are made. In addition, the applicable budgetary legal requirements should be followed for the program the same as if the moneys were received and expended by the local government.

YORK TOWNSHIP WATER AUTHORITY  
BELMONT COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2018 AND 2017  
(Continued)

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

FINDING NUMBER 2018-002 (Continued)

**Material Weakness (Continued)**

We noted the following errors in 2018:

- The Authority did not record Ohio Water Development Authority (OWDA) on-behalf-of activity in the amount of \$143,280 to Captina Creek Project - capital outlay and Loan Proceeds.
- The Authority recorded OWDA technical services in the amount of \$36,091 as Non-Operating Cash Receipts - Grant and should have been recorded as Loan Proceeds.
- The Authority recorded OWDA loan payment in the amount of \$3,563; however should have been recorded as Debt Service - Principal and Interest in the amounts of \$2,846 and \$717, respectively.

The adjustments noted above, with which management agrees, are reflected in the accompanying financial statements.

We noted the following error in 2017:

- The Authority did not record the OWDA fee in the amount of \$665 to Captina Creek Project - capital outlay and Loan Proceeds.

This error is not significant to the enterprise fund in 2017, and therefore, the adjustment noted above was agreed to by management but will not be posted to the financial statement.

The Authority did not have internal control procedures in place to determine amounts were posted to the accurate classification or have a process in place to ensure on-behalf of funding is recorded in the accounting records.

The Authority should utilize available authoritative resources to ensure the financial statements accurately classify and record all receipt and expenditure transactions at year-end. The Authority should refer to Auditor of State Bulletin 2000-008 and follow the recommended accounting treatment for on-behalf-of funding.

**Officials' Response:** The Board sends quarterly reports to the accounting firm for review.

York Township Water Authority  
Belmont County  
P.O. Box 133  
Powhatan Point, Ohio 43942

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**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2018 and 2017**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2016-001	Ohio Rev. Code § 5705.28(B)(2)(a) – Budgetary not integrated into Authority’s ledgers	Partially Corrected	Every December now the Board approves a new budget for the upcoming year.
2016-002	Material Weakness issued for not having adequate segregation of duties and presenting financial information to the Board.	Corrected	
2016-003	Material Weakness issued for disbursements not supported by proper documentation.	Corrected	

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# OHIO AUDITOR OF STATE KEITH FABER



**YORK TOWNSHIP WATER AUTHORITY**

**BELMONT COUNTY**

## **CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
DECEMBER 3, 2019**