

JEFFERSON TOWNSHIP

RICHLAND COUNTY

Regular Audit

For the Years Ended December 31, 2023 and 2022





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Columbus, Ohio 43215
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Township Trustees
Jefferson Township
285 South Main Street
Bellville, Ohio 44903

We have reviewed the *Independent Auditor's Report* of Jefferson Township, Richland County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2022 through December 31, 2023. 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. Jefferson Township is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

May 22, 2025

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Jefferson Township
Richland County
Regular Audit
For the Years Ended December 31, 2023 and 2022

Table of Contents

| Title | Page |
|--|-------------|
| Independent Auditors' Report..... | 1 |
| Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2023 | 4 |
| Notes to the Financial Statements – For the Year Ended December 31, 2023 | 5 |
| Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2022 | 13 |
| Notes to the Financial Statements – For the Year Ended December 31, 2022 | 14 |
| Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> | 22 |
| Schedule of Findings..... | 24 |
| Schedule of Prior Audit Findings (Prepared by Management)..... | 27 |
| Corrective Action Plan (Prepared by Management) | 28 |

INDEPENDENT AUDITOR'S REPORT

Jefferson Township
Richland County
285 South Main Street
Bellville, Ohio 44903

To the Township Trustees:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of Jefferson Township, Richland County, Ohio (the Township), which comprises the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

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* section of our report, the accompanying financial statements 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, 2023 and 2022, or the changes in financial position for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Township, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 2 of the financial statements, the financial statements are prepared by Township on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we


- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2025, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's 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.



Charles E. Harris & Associates, Inc.

January 28, 2025

Jefferson Township
Richland County, Ohio
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2023

| | <u>General</u> | <u>Special Revenue</u> | <u>Debt Service</u> | <u>Combined Total</u> |
|---|------------------|----------------------------|-------------------------|---------------------------|
| Cash Receipts | | | | |
| Property and Other Local Taxes | \$59,378 | \$902,741 | \$98,965 | \$1,061,084 |
| Charges for Services | - | 132,894 | - | 132,894 |
| Intergovernmental | 59,722 | 256,904 | 13,972 | 330,598 |
| Earnings on Investments | 30,753 | 18,909 | - | 49,662 |
| Miscellaneous | - | 3,658 | - | 3,658 |
| <i>Total Cash Receipts</i> | <u>149,853</u> | <u>1,315,106</u> | <u>112,937</u> | <u>1,577,896</u> |
| Cash Disbursements | | | | |
| Current: | | | | |
| General Government | 74,587 | 69,880 | 2,176 | 146,643 |
| Public Safety | - | 458,834 | - | 458,834 |
| Public Works | - | 602,458 | - | 602,458 |
| Human Services | - | 56,000 | - | 56,000 |
| Capital Outlay | - | 175,422 | - | 175,422 |
| Debt Service: | | | | |
| Principal Retirement | - | - | 51,400 | 51,400 |
| Interest and Fiscal Charges | - | - | 35,516 | 35,516 |
| <i>Total Cash Disbursements</i> | <u>74,587</u> | <u>1,362,594</u> | <u>89,092</u> | <u>1,526,273</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>75,266</u> | <u>(47,488)</u> | <u>23,845</u> | <u>51,623</u> |
| Other Financing Receipts (Disbursements) | | | | |
| Sale of Capital Assets | - | 13,566 | - | 13,566 |
| <i>Total Other Financing Receipts (Disbursements)</i> | <u>-</u> | <u>13,566</u> | <u>-</u> | <u>13,566</u> |
| <i>Net Change in Fund Cash Balances</i> | 75,266 | (33,922) | 23,845 | 65,189 |
| <i>Fund Cash Balances, January 1</i> | <u>192,543</u> | <u>1,431,883</u> | <u>132,499</u> | <u>1,756,925</u> |
| <i>Fund Cash Balances, December 31</i> | <u>\$267,809</u> | <u>\$1,397,961</u> | <u>\$156,344</u> | <u>\$1,822,114</u> |

See accompanying notes to the financial statements

Jefferson Township
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Jefferson Township, Richland 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 the Jefferson Township-Bellville Fire Department, a legally separate non-profit corporation, to provide fire services and emergency medical service.

Public Entity Risk Pool

The Township participates in a 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.

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 is 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 Fund:

Fire District Fund The fire district fund accounts for and reports the receipt of property taxes, intergovernmental receipts, and other miscellaneous monies restricted for the purpose of providing fire protection and emergency medical services.

Jefferson Township
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies (continued)

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

Fire Station Debt Service Fund The fire station debt service fund accounts for and reports the receipts of property taxes and intergovernmental receipts restricted for the purpose of retiring debt related to the construction of the Township's firehouse.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). 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 disbursements when a commitment is made (i.e., when an encumbrance is approved).

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

Budgetary Process

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

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

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

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

A summary of 2023 budgetary activity appears in Note 3.

Deposits

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

Jefferson Township
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies (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.

SBITAs

The Township has entered into noncancelable Subscription-Based Information Technology Arrangements (SBITA) contracts (as defined by GASB 96) for several types of software including contracts related to financial systems. Subscription disbursements are recognized when they are paid.

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. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township.

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 The 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. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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.

Jefferson Township
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies (continued)

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 11.

Note 3 – Budgetary Activity

Budgetary activity for the year ended December 31, 2023 follows:

| 2023 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|--------------------|-----------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$ 73,650 | \$ 149,853 | \$ 76,203 |
| Special Revenue | 895,500 | 1,328,672 | 433,172 |
| Debt Service | 100,000 | 112,937 | 12,937 |

| 2023 Budgeted vs. Actual Budgetary Basis Disbursements | | | |
|--|----------------------------|----------------------------|-------------|
| Fund Type | Appropriation Authority | Budgetary Disbursements | Variance |
| General | \$ - | \$ 75,211 | \$ (75,211) |
| Special Revenue | - | 1,371,796 | (1,371,796) |
| Debt Service | | 89,092 | (89,092) |

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority for all funds for the year ended December 31, 2023 because the Township did not submit required budgetary documents to the County Auditor. In addition, the Township did not make the proper certification of funds for 31% of the disbursements tested for 2023.

Note 4 – Deposits

To improve cash management, cash received by the Township is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Township's deposit accounts are as follows:

| | 2023 |
|-----------------|-------------|
| Demand deposits | \$1,822,114 |

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2023, the Township does not have any unremitted employee payroll withholdings.

Jefferson Township
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 4 – Deposits (continued)

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; collateralized by securities specifically pledged by the financial institution to the Township; 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 March and July.

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.

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.

Risk Pool Membership

The Township belongs to the Ohio Plan Risk Management, Inc. (OPRM) (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.

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and has remain unchanged. OPRM had 801 members as of December 31, 2023.

Jefferson Township
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 6 - Risk Management (continued)

The Pool's audited financial statements conform with accounting principles generally accepted in the United States of America, with the exception of a qualified opinion related to recording premiums and membership fees earned in full as of December 31, 2023. Those premiums and fees should be earned pro-rata over the individual coverage and membership periods of each policy. The financial statements reported the following assets, liabilities and equity at December 31, 2023.

| | |
|-----------------|---------------------|
| Assets | \$ 23,113,696 |
| Liabilities | <u>(16,078,587)</u> |
| Members' Equity | <u>\$ 7,035,109</u> |

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

Note 7 - Defined Benefit Pension Plan

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2023.

Note 8 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0% for members in the traditional pension plan and 2% for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4%; however, a portion of the health care rate was funded with reserves.

Jefferson Township
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 9 – Debt

Debt outstanding as at December 31, 2023, was as follows:

| | <u>Principal</u> | <u>Interest Rate</u> |
|-------------------------------|------------------|----------------------|
| General Obligation Bonds 2005 | \$ 809,600 | 4.13% |

The Township issued general obligation bonds in 2005 to repay the USDA for the federal loan issued for the construction and furnishing of a new fire house. The Township's taxing authority collateralized the bonds.

Amortization

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

| Year Ending December 31: | General Obligation Bonds |
|-----------------------------|--------------------------------|
| 2024 | \$ 86,796 |
| 2025 | 86,993 |
| 2026 | 86,892 |
| 2027 | 86,899 |
| 2028 | 86,908 |
| 2028-2032 | 434,420 |
| 2033-2037 | 173,792 |
| Total | <u><u>\$ 1,042,700</u></u> |

Note 10 – Contingent Liabilities

The Township may be a defendant in lawsuits. Although management cannot presently determine the outcome of any suits, management believes that the resolution of any matters will not materially adversely affect the Township's financial condition.

Note 11 – Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the balances of these amounts were as follows:

| <u>Fund Balances</u> | <u>General</u> | <u>Special Revenue</u> | <u>Total</u> |
|--------------------------|----------------|----------------------------|--------------|
| Outstanding Encumbrances | \$ 624 | \$ 9,202 | \$ 9,826 |

Jefferson Township
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 11 – Fund Balances (continued)

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds are restricted, committed, or assigned. These restricted, committed and assigned amounts in the special revenue fund and debt service funds include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 12 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During 2023, the Township did not receive any COVID-19 funding. The Township will continue to spend any available COVID-19 funding consistent with the applicable program guidelines.

Jefferson Township
Richland County, Ohio
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2022

| | General | Special Revenue | Debt Service | Combined Total |
|---|------------------|--------------------|------------------|--------------------|
| Cash Receipts | | | | |
| Property and Other Local Taxes | \$58,274 | \$821,076 | \$97,122 | \$976,472 |
| Charges for Services | - | 123,890 | - | 123,890 |
| Intergovernmental | 46,339 | 395,568 | 13,814 | 455,721 |
| Earnings on Investments | 6,951 | 5,711 | - | 12,662 |
| Miscellaneous | - | 22,249 | - | 22,249 |
| <i>Total Cash Receipts</i> | <u>111,564</u> | <u>1,368,494</u> | <u>110,936</u> | <u>1,590,994</u> |
| Cash Disbursements | | | | |
| Current: | | | | |
| General Government | 84,514 | 47,518 | 1,915 | 133,947 |
| Public Safety | - | 429,527 | - | 429,527 |
| Public Works | - | 604,825 | - | 604,825 |
| Human Services | - | 55,563 | - | 55,563 |
| Capital Outlay | - | 97,925 | - | 97,925 |
| Debt Service: | | | | |
| Principal Retirement | - | 29,454 | 49,300 | 78,754 |
| Interest and Fiscal Charges | - | 2,281 | 37,550 | 39,831 |
| <i>Total Cash Disbursements</i> | <u>84,514</u> | <u>1,267,093</u> | <u>88,765</u> | <u>1,440,372</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>27,050</u> | <u>101,401</u> | <u>22,171</u> | <u>150,622</u> |
| Other Financing Receipts (Disbursements) | | | | |
| Sale of Capital Assets | - | 12,654 | - | 12,654 |
| <i>Total Other Financing Receipts (Disbursements)</i> | <u>-</u> | <u>12,654</u> | <u>-</u> | <u>12,654</u> |
| <i>Net Change in Fund Cash Balances</i> | 27,050 | 114,055 | 22,171 | 163,276 |
| <i>Fund Cash Balances, January 1</i> | <u>165,493</u> | <u>1,317,828</u> | <u>110,328</u> | <u>1,593,649</u> |
| <i>Fund Cash Balances, December 31</i> | <u>\$192,543</u> | <u>\$1,431,883</u> | <u>\$132,499</u> | <u>\$1,756,925</u> |
| <i>See accompanying notes to the financial statements</i> | | | | |

Jefferson Township
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Jefferson Township, Richland 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 the Jefferson Township-Bellville Fire Department, a legally separate non-profit corporation, to provide fire services and emergency medical service.

Public Entity Risk Pool

The Township participates in a 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.

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 is 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 Fund:

Fire District Fund The fire district fund accounts for and reports the receipt of property taxes, intergovernmental receipts, and other miscellaneous monies restricted for the purpose of providing fire protection and emergency medical services.

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

Fire Station Debt Service Fund The fire station debt service fund accounts for and reports the receipts of property taxes and intergovernmental receipts restricted for the purpose of retiring debt related to the construction of the Township's firehouse.

Jefferson Township
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (continued)

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). 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 disbursements when a commitment is made (i.e., when an encumbrance is approved).

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

Budgetary Process

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

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

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

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

A summary of 2022 budgetary activity appears in Note 3.

Deposits

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

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.

Jefferson Township
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (continued)

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. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township.

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 The 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. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 11.

Jefferson Township
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 3 – Budgetary Activity

Budgetary activity for the year ended December 31, 2022 follows:

| 2022 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|-------------------|-----------------|-----------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$ 79,200 | \$ 111,564 | \$ 32,364 |
| Special Revenue | 1,022,500 | 1,381,148 | 358,648 |
| Debt Service | 97,000 | 110,936 | 13,936 |

| 2022 Budgeted vs. Actual Budgetary Basis Disbursements | | | |
|--|-------------------------|-------------------------|-------------|
| Fund Type | Appropriation Authority | Budgetary Disbursements | Variance |
| General | \$ - | \$ 84,779 | \$ (84,779) |
| Special Revenue | - | 1,270,975 | (1,270,975) |
| Debt Service | - | 88,765 | (88,765) |

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority for all funds for the year ended December 31, 2022 because the Township did not submit required budgetary documents to the County Auditor. In addition, the Township did not make the proper certification of funds for 20% of the disbursements tested for 2022.

Note 4 – Deposits

To improve cash management, cash received by the Township is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Township's deposit accounts are as follows:

| | 2022 |
|-----------------|-------------|
| Demand deposits | \$1,756,925 |

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2022, the Township does not have any unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; collateralized by securities specifically pledged by the financial institution to the Township; 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.

Jefferson Township
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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 by March and July.

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.

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.

Risk Pool Membership

The Township belongs to the Ohio Plan Risk Management, Inc. (OPRM) (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.

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and has remain unchanged. OPRM had 773 members as of December 31, 2022.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2022.

| | |
|-----------------|---------------------|
| Assets | \$21,662,291 |
| Liabilities | (18,158,351) |
| Members' Equity | <u>\$ 3,503,940</u> |

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

Jefferson Township
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 7 - Defined Benefit Pension Plan

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2022.

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% during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0% during calendar year 2022.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

Note 9 – Debt

Debt outstanding as at December 31, 2022, was as follows:

| | <u>Principal</u> | <u>Interest Rate</u> |
|-------------------------------|------------------|----------------------|
| General Obligation Bonds 2005 | \$ 861,000 | 4.13% |

The Township issued general obligation bonds in 2005 to repay the USDA for the federal loan issued for the construction and furnishing of a new fire house. The Township's taxing authority collateralized the bonds.

Jefferson Township
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 9 – Debt (continued)

Amortization

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

| Year Ending December 31: | General Obligation Bonds |
|-----------------------------|--------------------------------|
| 2023 | \$ 86,916 |
| 2024 | 86,796 |
| 2025 | 86,993 |
| 2026 | 86,892 |
| 2027 | 86,899 |
| 2028-2032 | 434,403 |
| 2033-2037 | 260,717 |
| Total | <u>\$1,129,616</u> |

Note 10 – Contingent Liabilities

The Township may be a defendant in lawsuits. Although management cannot presently determine the outcome of any suits, management believes that the resolution of any matters will not materially adversely affect the Township's financial condition.

Note 11 – Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the balances of these amounts were as follows:

| Fund Balances | General | Special Revenue | Total |
|--------------------------|---------|--------------------|----------|
| Outstanding Encumbrances | \$ 265 | \$ 3,882 | \$ 4,147 |

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds are restricted, committed, or assigned. These restricted, committed and assigned amounts in the special revenue fund and debt service funds include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Jefferson Township
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 12 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency ended in April 2023. During 2022, the Township received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township.

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

Jefferson Township
Richland County
285 South Main Street
Bellville, Ohio 44813

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type of Jefferson Township, Richland County, (the Township) as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, and have issued our report thereon dated January 28, 2025, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and corrected, on a timely basis. 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 deficiencies in internal control 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 as item 2023-001, that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which are described in the accompanying Schedule of Findings as items 2023-002 and 2023-003.

We also noted certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated January 28, 2025.

Township's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Township's responses to the findings identified in our audit and described in the accompanying Corrective Action Plan. The Township's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Charles E. Harris & Associates, Inc.
January 28, 2025

JEFFERSON TOWNSHIP
RICHLAND COUNTY

SCHEDULE OF FINDINGS
December 31, 2023 and 2022

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

Finding Number 2023-001 – Material Weakness

Audit Adjustments and Reclassifications

During 2023 and 2022, errors were noted in the Township's financial statements that required audit adjustments and reclassifications, the most significant of which are as follows:

- In 2023 and 2022, receipts of \$132,894 and \$123,890 for EMS Services were classified as Other Financing Sources instead of Charges for Services in the Special Revenue Fund.
- In 2023 and 2022, receipts of \$36,627 and \$31,455 for county shared revenues received from the County were posted to Fines, Licenses, and Permits instead of Intergovernmental in the Special Revenue Fund.
- In 2023 and 2022, the Township presented activity for a Special Revenue Fund in a Custodial Fund.
- In 2022, payments of \$31,735 for Principal Retirement and Interest were incorrectly classified as Public Safety in the Special Revenue Fund.
- In 2022, payments of \$36,028 made for interest were incorrectly classified as Principal Retirement in the Debt Service Fund.
- In 2023 and 2022, disbursements of \$2,176 and \$1,915 were classified as Conservation- Recreation instead of General Government in the Debt Service Fund.
- In 2022, payments of \$2,000 for Principal Retirement and Interest were incorrectly classified as Interest and Other Fiscal Charges in the Debt Service Fund.
- In 2023 and 2022, the Notes to the Financial Statements contained errors, such as the absence of a Deposits and Investments note and an outdated amortization schedule.
- In 2023 and 2022, the Township recorded \$34,950 and \$50,000, respectively, as transfers when they should have been recorded as reduction of expenses in the special revenue fund.

The accompanying financial statements and the Township's records have been adjusted to properly reflect these transactions.

Sound financial reporting is the responsibility of the Township and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. We recommend the Township adopt policies and procedures to identify and correct errors and omissions in a timely manner. Management can use the Uniform Accounting Network manual, the Ohio Township Handbook and other Auditor of State guidance to aid in properly identifying account classifications and preparing annual financial statements. We also recommend management to use Auditor of State Bulletin 2021-004 as guidance for COVID-19 expenditures.

Management's Response: See Corrective Action Plan.

JEFFERSON TOWNSHIP
RICHLAND COUNTY

SCHEDULE OF FINDINGS – (continued)
December 31, 2023 and 2022

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|--|
| FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (continued) |
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Finding Number: 2023-002 – Noncompliance

Certification of Expenditures

Ohio Rev. Code Section 5705.41(D)(1) prohibits a subdivision or taxing entity from making a contract or ordering any expenditure of money unless a certificate signed by a fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. "Then and Now Certificates" – If the fiscal officer can certify that both at the time that contract or order was made ("then") and at the time that the fiscal officer was completing the certification ("now"), that sufficient funds were available or in the process of collection, to credit of a proper fund, properly appropriated and free from any previous encumbrance, the Township can authorize the drawing of a warrant for payment of the amount due. The Township has thirty days from the receipt of the "then and now" certificate to approve payment by resolution.

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Township.

2. Blanket Certificates - Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution adopted by a majority of members of the legislative authority against any specific line item amount over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. Super Blanket Certificates – The Township may also make expenditures and contracts for any amount for a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most profession services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

During 2023 and 2022, 31% and 20%, respectively of purchase orders tested were not certified by the Township Fiscal Officer prior to incurring the obligation respectively. The transactions had no evidence of the above-mentioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balance.

JEFFERSON TOWNSHIP
RICHLAND COUNTY

SCHEDULE OF FINDINGS – (continued)
December 31, 2023 and 2022

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

Finding Number: 2023-002 – Noncompliance (continued)

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Township's expenditures exceeding budgetary spending limitations, we recommend that the Township certify expenditures prior to incurring the liability. The Township may use then and now certificates, blanket certificates or super blanket certificates to assist with compliance with the above requirements.

Management Response: See Corrective Action Plan.

Finding Number: 2023-003 – Noncompliance

Budgetary Law Violations

Ohio Revised Code Section 5705.39 states, in part, that "... The total appropriations from each fund shall not exceed the total of the estimated resources available for expenditures therefrom, as certified by the budget commission..." It further states that "... no appropriation is official unless filed with the County Budget Commission and certified by the County Auditor." The Township Trustees approved appropriations for 2022 and 2023 but those resolutions were not filed with the County Budget Commission.

As a result of violations of the budgetary law referenced in the preceding paragraph, the Township expended monies in excess of appropriation authority for all funds in both 2022 and 2023, in violation of Ohio Revised Code 5705.41(B).

We recommend that the Township Trustees and Fiscal Officer establish procedures to ensure that required budgetary documents are not only approved by the Trustees but filed with the County Budget Commission and certified by the County Auditor.

Management Response: See Corrective Action Plan.

JEFFERSON TOWNSHIP
RICHLAND COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
For the Years Ended December 31, 2023 and 2022
Prepared by Management

| Finding Number | Finding Summary | Status | Additional Information |
|---------------------------|---|------------------|-------------------------------|
| 2021-001 | Material Weakness – Audit Adjustments and Reclassifications | Not Corrected | |
| 2021-002 | Noncompliance– Certification of Expenditures | Not Corrected | |

JEFFERSON TOWNSHIP
RICHLAND COUNTY

CORRECTIVE ACTION PLAN
For the Years Ended December 31, 2023 and 2022
Prepared by Management

| Finding Number | Planned Corrective Action | Anticipated Completion Date | Responsible Contact Person |
|-----------------------|---|------------------------------------|-----------------------------------|
| 2023-001 | The Township will implement procedures to ensure all transactions are properly posted in order to report accurate financial statements. The Township will also utilize the template provided by the Auditor of State to ensure all necessary elements of the note disclosures are included in the financial report. | Immediately | Adrianne Edwards, Fiscal Officer |
| 2023-002 | The Township will implement procedures to ensure all transactions are properly certified and approved by the Fiscal Officer prior to purchases being made. | Immediately | Adrianne Edwards, Fiscal Officer |
| 2023-003 | The Township will ensure required budgetary documents are not only approved by the Trustees but filed with the County Budget Commission and certified by the County Auditor. | Immediately | Adrianne Edwards, Fiscal Officer |

OHIO AUDITOR OF STATE KEITH FABER



JEFFERSON TOWNSHIP

RICHLAND 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 6/3/2025

65 East State 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