



OHIO AUDITOR OF STATE
KEITH FABER



LICK TOWNSHIP
JACKSON COUNTY

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Lick Township
Jackson County
11069 Chillicothe Pike
Jackson, Ohio 45640

To the Board of Trustees:

Report on the Audit of the Financial Statements

Qualified and Adverse Opinions

We have audited the financial statements of Lick Township, Jackson 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, 2024 and 2023, and the related notes to the financial statements.

Qualified Opinion on the Regulatory Basis of Accounting

In our opinion, except for the possible effects of the matter described in the *Basis for Additional Opinion Qualification* section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for the governmental fund types as for the years ended December 31, 2024 and 2023, and the related notes of Lick Township, Jackson County, in accordance with the financial reporting provisions the Ohio Revised Code § 117.38 and Ohio Administrative Code 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, 2024 and 2023, or the changes in financial position thereof for the year 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 Qualified Opinion on Regulatory Basis of Accounting

As described in Finding 2024-004 in the accompanying Schedule of Findings, the Township posted disbursements to incorrect funds in prior periods. Due to the impact these adjustments would have on the General Fund, the Township has declined to make these adjustments.

Had the Township agreed to the adjustments, the General Fund cash fund balance would have decreased \$165,740, the Gasoline Tax Fund cash fund balance would have increased \$14,801, Road and Bridge Fund cash fund balance would have increased \$30,714, and the Sales Tax Fund cash fund balance would have increased \$120,225.

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 the Township on the basis of the financial reporting provisions of Ohio Revised Code §117.38 and Ohio Administrative Code § 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 § 117.38 and Ohio Administrative Code 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 *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.

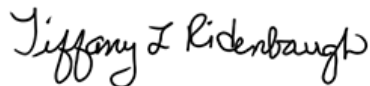
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- evaluate 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 November 25, 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.

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

November 25, 2025

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Lick Township*Jackson 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, 2024*

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$15,334	\$271,958	\$1,549	\$288,841
Intergovernmental	31,439	181,336	173,574	386,349
Earnings on Investments	40,902	5,846	0	46,748
Miscellaneous	1,872	2,695	0	4,567
<i>Total Cash Receipts</i>	<u>89,547</u>	<u>461,835</u>	<u>175,123</u>	<u>726,505</u>
Cash Disbursements				
Current:				
General Government	32,012	221,692	1,158	254,862
Public Safety	0	53,401	0	53,401
Public Works	0	109,912	275,423	385,335
Health	200	0	0	200
Debt Service:				
Principal Retirement	0	0	24,804	24,804
Interest and Fiscal Charges	0	0	1,547	1,547
<i>Total Cash Disbursements</i>	<u>32,212</u>	<u>385,005</u>	<u>302,932</u>	<u>720,149</u>
<i>Excess of Receipts (Under) Disbursements</i>	<u>57,335</u>	<u>76,830</u>	<u>(127,809)</u>	<u>6,356</u>
Other Financing (Disbursements)				
Other Financing Uses	<u>(55)</u>	<u>0</u>	<u>0</u>	<u>(55)</u>
<i>Total Other Financing Disbursements</i>	<u>(55)</u>	<u>0</u>	<u>0</u>	<u>(55)</u>
Extraordinary Item	<u>0</u>	<u>9,500</u>	<u>0</u>	<u>9,500</u>
<i>Net Change in Fund Cash Balances</i>	<u>57,280</u>	<u>86,330</u>	<u>(127,809)</u>	<u>15,801</u>
<i>Fund Cash Balances, January 1</i>	<u>62,876</u>	<u>650,065</u>	<u>843,430</u>	<u>1,556,371</u>
<i>Fund Cash Balances, December 31</i>	<u>\$120,156</u>	<u>\$736,395</u>	<u>\$715,621</u>	<u>\$1,572,172</u>

See accompanying notes to the basic financial statements

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Lick Township
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Lick Township, Jackson County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance and cemetery maintenance. The Township contracts with the City of Jackson to provide fire services. The Township has a special tax levy fund support the contractual services.

Public Entity Risk Pool

The Township participates in the Ohio Township Association Risk Management Association (OTARMA), 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 are all organized on a fund type basis.

Fund Accounting

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

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

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

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

Road and Bridge Fund The Road and Bridge Fund accounts for and reports tax levy money restricted for maintenance and repair of roads within the Township.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant capital project funds:

Sales Tax Fund This fund received a monthly sales tax distribution from the County restricted for capital improvements and assets.

Lick Township
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2024
(Continued)

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 § 117.38 and Ohio Administrative Code § 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 expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

Budgetary Process

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

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

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

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

A summary of 2024 budgetary activity appears in Note 3.

Deposits and Investments

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

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

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.

Lick Township
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2024
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Accumulated Leave

In certain circumstances, such upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Leases

The Township is the lessee in two leases (as defined by GASB 87) related to equipment under noncancelable leases. Lease revenue/disbursements are recognized when they are received/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 and the nonspendable portion of the corpus in permanent funds.

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. 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 10.

Lick Township
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2024
(Continued)

Note 3 – Budgetary Activity

Budgetary activity for the year ending 2024 follows:

2024 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$67,750	\$89,547	\$21,797
Special Revenue	409,550	471,335	61,785
Capital Projects	156,000	175,123	19,123
Total	<u>\$633,300</u>	<u>\$736,005</u>	<u>\$102,705</u>

2024 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$51,150	\$32,267	\$18,883
Special Revenue	714,930	385,005	329,925
Capital Projects	1,055,400	302,932	752,468
Total	<u>\$1,821,480</u>	<u>\$720,204</u>	<u>\$1,101,276</u>

Note 4 – Deposits and Investments

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

	2024
<i>Cash Management Pool:</i>	
Demand deposits	\$671,127
Total deposits	<u>671,127</u>
STAR Ohio	901,045
Total investments	<u>901,045</u>
<i>Total carrying amount of deposits and investments held in the Pool (ties to FS)</i>	<u><u>\$1,572,172</u></u>

Deposits

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

Investments

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

Lick Township
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2024
(Continued)

Note 5 – Property Taxes

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

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

Note 6 – Risk Management

Risk Pool Membership

The (local entity) is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the (local entity's) policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2024</u>
Cash and investments	\$ 32,822,076
Actuarial liabilities	\$ 12,568,762

Note 7 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

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

Lick Township
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2024
(Continued)

Note 7 – Defined Benefit Pension Plan (Continued)

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2024.

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.

Accounts that retirees use to be reimbursed for health care expenses. For calendar year 2024, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2024, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

Note 9 – Debt

Debt outstanding at December 31, 2024, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Compact Track Loader	\$14,441	2.989%
Mini Excavator	14,505	2.989%
Total	<u>\$28,946</u>	

The Township entered into two equipment lease purchase agreements on December 10, 2020 for the purchase of a backhoe and mini excavator. The mini excavator was issued for \$63,303 with a contract lease interest rate of 2.989%. Monthly repayment of \$1,137 began on February 19, 2021 and will be repaid over 5 years. The backhoe was issued for \$58,936 with a contract interest rate of 2.989%. Monthly repayment of \$1,059 began on February 19, 2021 and will be paid over 5 years.

Amortization

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

<u>Year Ending December 31:</u>	<u>Mini- Excavator</u>	<u>Compact Loader</u>
2025	13,646	12,705
2026	1,137	1,059
Total	<u>\$14,783</u>	<u>\$13,764</u>

Lick Township
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2024
(Continued)

Note 10 – Fund Balances

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. 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 December 31, 2024, there were no nonspendable balances.

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue, debt service, capital projects, and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

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Lick Township*Jackson 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*

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$19,385	\$264,443	\$0	\$283,828
Intergovernmental	21,001	149,655	150,792	321,448
Earnings on Investments	39,123	7,145	0	46,268
Miscellaneous	1,327	9,225	0	10,552
<i>Total Cash Receipts</i>	<u>80,836</u>	<u>430,468</u>	<u>150,792</u>	<u>662,096</u>
Cash Disbursements				
Current:				
General Government	40,833	217,214	3,129	261,176
Public Safety	0	51,023	0	51,023
Public Works	195	424,690	83,233	508,118
Health	1,342	0	0	1,342
Debt Service:				
Principal Retirement	0	0	24,328	24,328
Interest and Fiscal Charges	0	0	2,022	2,022
<i>Total Cash Disbursements</i>	<u>42,370</u>	<u>692,927</u>	<u>112,712</u>	<u>848,009</u>
<i>Excess of Receipts Over Disbursements</i>	<u>38,466</u>	<u>(262,459)</u>	<u>38,080</u>	<u>(185,913)</u>
Other Financing Receipts (Disbursements)				
Transfers In	0	0	482,000	482,000
Transfers Out	0	(482,000)	0	(482,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>0</u>	<u>(482,000)</u>	<u>482,000</u>	<u>0</u>
Extraordinary Item	0	2,348	0	2,348
<i>Net Change in Fund Cash Balances</i>	<u>38,466</u>	<u>(742,111)</u>	<u>520,080</u>	<u>(183,565)</u>
<i>Fund Cash Balances, January 1</i>	<u>24,410</u>	<u>1,392,176</u>	<u>323,350</u>	<u>1,739,936</u>
<i>Fund Cash Balances, December 31</i>	<u>\$62,876</u>	<u>\$650,065</u>	<u>\$843,430</u>	<u>\$1,556,371</u>

See accompanying notes to the basic financial statements

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Lick Township
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 – Reporting Entity

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Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

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

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

Road and Bridge Fund The Road and Bridge Fund accounts for and reports tax levy money restricted for maintenance and repair of roads within the Township.

American Rescue Fund The American Rescue Fund accounts for and reports grant monies for ARP funding from COVID-19.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant capital project fund:

Lick Township
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2023
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Sales Tax Fund This fund received a monthly sales tax distribution from the County restricted for capital improvements and assets.

Basis of Accounting

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

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

Budgetary Process

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

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

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

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

A summary of 2023 budgetary activity appears in Note 3.

Deposits and Investments

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

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Lick Township
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2023
(Continued)

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 upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Leases

The Township is the lessee in two leases (as defined by GASB 87) related to equipment under noncancelable leases. Lease revenue/disbursements are recognized when they are received/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 and the nonspendable portion of the corpus in permanent funds.

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. 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.

Lick Township
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2023
(Continued)

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 10.

Note 3 – Budgetary Activity

Budgetary activity for the year ending 2023 follows:

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$30,650	\$80,836	\$50,186
Special Revenue	325,850	914,816	588,966
Capital Projects	210,000	150,792	(59,208)
Total	<u>\$566,500</u>	<u>\$1,146,444</u>	<u>\$579,944</u>

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$59,563	\$42,370	\$17,193
Special Revenue	1,723,141	1,174,927	548,214
Capital Projects	313,733	112,712	201,021
Total	<u>\$2,096,437</u>	<u>\$1,330,009</u>	<u>\$766,428</u>

Note 4 – Deposits and Investments

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

Demand deposits	\$698,407
Total deposits	<u>698,407</u>
STAR Ohio	857,964
Total investments	<u>857,964</u>
Total carrying amount of deposits and investments held in the Pool (ties to FS)	<u>\$1,556,371</u>

Lick Township
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2023
(Continued)

Note 4 – Deposits and Investments (Continued)

Deposits

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

Investments

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

Note 5 – Property Taxes

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

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

Note 6 – Risk Management

Risk Pool Membership

The (local entity) is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the (local entity's) policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

Lick Township
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2023
(Continued)

Note 6 – Risk Management (Continued)

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2023</u>
Cash and investments	\$ 33,494,457
Actuarial liabilities	\$ 10,885,549

Note 7 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

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

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

Accounts that retirees use to be reimbursed for health care expenses. For calendar year 2024, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2024, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

Note 9 – Debt

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

	<u>Principal</u>	<u>Interest Rate</u>
Compact Track Loader	\$26,526	2.99%
Mini Excavator	27,486	2.99%
Total	<u>\$54,012</u>	

Lick Township
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2023
(Continued)

Note 9 – Debt (Continued)

The Township entered into two equipment lease purchase agreements on December 10, 2020 for the purchase of a backhoe and mini excavator. The mini excavator was issued for \$63,303 with a contract lease interest rate of 2.989%. Monthly repayment of \$1,137 began on February 19, 2021 and will be repaid over 5 years. The backhoe was issued for \$58,936 with a contract interest rate of 2.989%. Monthly repayment of \$1,059 began on February 19, 2021 and will be paid over 5 years.

Amortization

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

Year Ending December 31:	Mini- Excavator	Compact Loader
2024	\$13,646	\$12,705
2025	13,646	12,705
2026	1,137	1,059
Total	<u>\$28,429</u>	<u>\$26,469</u>

Note 10 – Fund Balances

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. 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 December 31, 2023, there were no nonspendable balances.

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue, debt service, capital projects, and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

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OHIO AUDITOR OF STATE KEITH FABER



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Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

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

Lick Township
Jackson County
11069 Chillicothe Pike
Jackson, Ohio 45640

To the Board of Trustees:

We have audited, in accordance with the 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 (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental fund type of Lick Township, Jackson County, Ohio (the Township), as of and for the year ended December 31, 2024 and 2023, and the related notes to the financial statements, and have issued our report thereon dated November 25, 2025, wherein we noted the Township followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We also qualified our opinion on the financial statements because the Township charged disbursements during 2022, 2021 and 2020 to the Gasoline Tax Fund, Road and Bridge Fund and Sales Tax Fund that were required to be paid from the General Fund.

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 purpose 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings as items 2024-002 through 2024-004 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings as item 2024-001.


Township's Response 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 Schedule of Findings. 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.

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

November 25, 2025

**LICK TOWNSHIP
JACKSON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2024 AND 2023**

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

FINDING NUMBER 2024-001

Noncompliance

Ohio Rev. Code § 5705.41(D)(1) provides that no orders or contracts involving the expenditure of money are to be made unless there is attached thereto a certificate of the fiscal officer certifying that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. Every such contract made without such a certificate shall be void and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the standard requirement stated above that treasurer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money.

The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in §§ 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Rev. Code.

1. "Then and Now" certificate – If the chief fiscal officer can certify both at the time the contract or order was made ("then"), and at the time the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collections, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Board of Trustees can authorize the drawing of a warrant for the payment of the amount due.

The Board of Trustees has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution. Amounts less than \$100 in counties and less than \$3,000 in all other subdivisions may be paid by the fiscal officer without a resolution or ordinance 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 Certificate – The auditor or fiscal officer may prepare "blanket" certificates for a certain sum of money, not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority, against any specific line-item account 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 Certificate – The Board of Trustees may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel oil, gasoline, food items, roadway materials, utilities, and any other specific recurring and reasonably predictable operating expense. This certification may, but need not, be limited to a specific vendor. This certification is not to extend beyond the current fiscal year. More than one super blanket certificate may be outstanding at a particular time for any line-item appropriation.

Due to deficiencies in internal controls, forty and sixty percent of transactions tested during 2024 and 2023, respectively, were not certified by the Fiscal Officer at the time the commitment was incurred, and there was no evidence that the Township followed the aforementioned exceptions. In addition, twenty percent of disbursements tested at year end 2024 were not certified by the Fiscal Officer at the time the commitment was incurred, and there was no evidence the Township followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

**LICK TOWNSHIP
JACKSON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2024 AND 2023
(Continued)**

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

FINDING NUMBER 2024-001 (Continued)

Noncompliance - Ohio Rev. Code § 5705.41(D)(1) (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 help ensure purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Township's funds exceeding budgetary spending limitations, the Fiscal Officer should certify the funds are or will be available prior to obligation by the Township. When prior certification is not possible, "then and now" certification should be used.

Officials' Response: The Township will work to use the correct method of utilizing the procedure for the use of purchase orders to make purchases for the Township. Fiscal Officer will certify available funds.

FINDING NUMBER 2024-002

Material Weakness

Sound accounting practices require accurately posting estimated receipts and appropriations to the ledgers to provide information for budget versus actual comparison and to allow the Board to make informed decisions regarding budgetary matters.

The appropriation resolution and subsequent amendments establish the legal spending authority of the Township and the appropriation ledger provides the process by which the Township controls spending, it is therefore necessary the amounts appropriated by the Board are precisely stated and accurately posted to the appropriation ledger.

On December 31, 2023, Board approved appropriations did not agree to the Township's accounting system for the following funds:

Fund	Approved	UAN System	Variance
General	\$ 59,563	\$ 55,149	\$ 4,414
Gasoline Tax	372,777	364,227	8,550
Sales Tax Capital Projects	313,733	822,312	(508,579)

Special Revenue and Capital Projects estimated receipts were understated \$340,761 and \$210,000, respectively, in the December 31, 2023 Notes to the Financial Statements.

General Fund and Capital Projects appropriations were understated by \$4,414 and \$313,733, respectively, and Special Revenue appropriations were overstated \$482,000 in the December 31, 2023 Notes to the Financial Statements. Special Revenue appropriations were overstated \$482,000 and Capital Projects appropriations were understated \$482,000 in the December 31, 2024 Notes to the Financial Statements.

The Township did not have procedures in place to accurately post authorized budgetary measures to the accounting system. The appropriations (and/or amendments thereof) approved by Board were not properly posted to the accounting system.

Failure to accurately post the appropriations to the ledgers could result in overspending and negative cash balances. In addition, this could lead to inaccurate reporting of the budgetary information in the financial statements.

**LICK TOWNSHIP
JACKSON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2024 AND 2023
(Continued)**

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

FINDING NUMBER 2024-002 (Continued)

Material Weakness (Continued)

To effectively control the budgetary cycle and to maintain accountability over receipts and expenditures, the Township should post to the ledgers, on a timely basis, estimated resources as certified by the budget commission and appropriations approved by the Board/Council. The Township should then monitor budget versus actual reports to help ensure amended certificates of resources and appropriations have been properly posted to the ledgers.

Officials' Response: The Township will post estimated resources certified by the budget commission and use amended certificates to post receipts and appropriations will be posted properly in the UAN ledger.

FINDING NUMBER 2024-003

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.

The following errors were noted in the financial statements that required audit adjustments or reclassification:

In 2024:

- General Fund interest receipts of \$12,821 were incorrectly recorded as interest receipts in the Sales Tax Fund;
- General Fund intergovernmental receipts of \$3,612 were incorrectly recorded as taxes and intergovernmental receipts in the Sales Tax Fund in the amount of \$1,204 and \$2,408, respectively;
- Fire Fund tax receipts of \$71,610 were incorrectly recorded as intergovernmental receipts;
- Road and Bridge Fund intergovernmental receipts of \$5,048 were incorrectly recorded as tax receipts in the Sales Tax Fund;
- Road and Bridge intergovernmental receipts of \$4,769 were incorrectly recorded as tax receipts in the General Fund;
- Road and Bridge and Fire Fund miscellaneous receipts of \$1,306 and \$1,305, respectively, were incorrectly recorded as miscellaneous receipts in the General Fund; and
- Sales Tax Fund intergovernmental receipts of \$38,215 were incorrectly recorded as tax receipts.

In 2023:

- General Fund tax receipts of \$8,134 were incorrectly recorded as intergovernmental receipts;
- General Fund interest receipts of \$4,422 were incorrectly recorded as interest receipts in the Sales Tax Fund;
- Fire Fund tax receipts of \$60,289 were incorrectly recorded as intergovernmental receipts;
- Road and Bridge Fund tax receipts of \$56,941 were incorrectly recorded as intergovernmental receipts;

**LICK TOWNSHIP
JACKSON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2024 AND 2023
(Continued)**

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

FINDING NUMBER 2024-003 (Continued)

Material Weakness (Continued)

- Gasoline Tax Fund intergovernmental receipts of \$11,714 were incorrectly recorded as intergovernmental receipts in the Sales Tax Fund;
- Fire Fund tax receipts of \$71,677 were incorrectly recorded as intergovernmental receipts in the Sales Tax Fund; and
- Sales Tax Fund debt service principal retirement disbursements of \$2,055 were incorrectly recorded as public works disbursements.

The Fiscal Officer made classification errors in posting receipts and disbursements due to a lack of understanding account classifications. This resulted in the classification errors noted above.

The audited financial statements and the Township's UAN accounting system have been adjusted for the issues noted above.

The Fiscal Officer should review the Township handbook for guidance on posting classifications for receipts and disbursements to ensure financial statements are complete and accurate.

Officials' Response: The Township will work to make the proper classification postings of receipts and disbursements.

FINDING NUMBER 2024-004

Material Weakness/Finding for Adjustment

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.

As a result of the audit procedures performed in prior audits that were not previously adjusted, the financial statements had the following errors that require adjustment:

For the years ended December 31, 2020 and 2019:

- Township Officials' salaries, fringe benefits, insurance premiums, and insurance reimbursements were paid from the Sales Tax Capital Projects Fund of \$120,225 that should have been paid from the General Fund due to lack of payroll certifications.

For the years ended December 31, 2022 and 2021:

- Township Officials' salaries, fringe benefits, insurance premiums, and insurance reimbursements were paid from the Gasoline Tax and Road and Bridge Special Revenue Funds in the amount of \$14,801 and \$30,714, respectively, that should have been paid from the General Fund due to lack of payroll certifications.

The Fiscal Officer has not posted these prior year audit adjustments to the Township's records, and therefore, they are not reflected in the accompanying financial statement beginning balances.

**LICK TOWNSHIP
JACKSON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2024 AND 2023
(Continued)**

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

FINDING NUMBER 2024-004 (Continued)

Material Weakness/Finding for Adjustment (Continued)

In accordance with the foregoing facts, a Finding for Adjustment is hereby issued against the Township's General Fund in the amount of \$165,740 and in favor of the Gasoline Tax Fund in the amount of \$14,801, Road and Bridge Fund in the amount of \$30,714, and the Sales Tax Fund in the amount of \$120,225.

The Fiscal Officer should work to remedy the outstanding audit adjustments not reflected in the Township's UAN system when funds become available.

Officials' Response: The Township will work to repay the funds as money becomes available.

2. OTHER – FINDINGS FOR RECOVERY

In addition, we identified the following other issue related to Findings for Recovery. This issue did not impact our GAGAS report.

FINDING NUMBER 2024-005

Noncompliance/Finding for Recovery - Repaid Under Audit

Ohio Rev. Code § 117.24 requires the Auditor of State to determine whether “public money has been illegally expended, any public money collected has not been accounted for, any public money due has not been collected, or any public property has been converted or misappropriated. . .” Those determinations in an audit report constitute “findings for recovery.” Ohio Rev. Code § 9.24(H)(3).

Ohio Rev. Code 507.14 states that a township fiscal officer or deputy fiscal officer shall not be held liable for a loss of public funds when the township fiscal officer or deputy fiscal officer has performed all official duties required of the township fiscal officer or deputy fiscal officer with reasonable care, but shall be liable only when a loss of public funds results from the township fiscal officer's or deputy fiscal officer's negligence or other wrongful act.

In 2023, employee Steve Gilliland was paid an hourly rate of \$15. During testing of payroll, it was noted that employee Steve Gilliland received one hour of pay identified as "non-retirement" on each of his paychecks in excess of his hours worked per his timesheets. This resulted in an overpayment to Mr. Gilliland of \$390 that was paid from the Gasoline Tax Fund.

In 2024, employee Steve Gilliland was paid an hourly rate of \$16. During testing of payroll, it was noted that employee Steve Gilliland received one hour of pay identified as "non-retirement" on 20 of his pay checks in excess of his hours worked per his timesheets. This resulted in an overpayment to Mr. Gilliland of \$320 which was paid from the Gasoline Tax Fund.

Of the \$710 overpaid to Steve Gilliland, Fiscal Officer Claudia McGinnis was responsible for processing payroll for 2023 and until March 31, 2024 resulting in an overpayment of \$454. Fiscal Officer Melody Walker was responsible for processing payroll beginning on April 1, 2024 resulting in an overpayment for the remainder of 2024 of \$256 to Steve Gilliland. Neither Fiscal Officer took steps to stop the overpayment.

**LICK TOWNSHIP
JACKSON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2024 AND 2023
(Continued)**

2. OTHER – FINDINGS FOR RECOVERY (Continued)

FINDING NUMBER 2024-005 (Continued)

Noncompliance/Finding for Recovery – Repaid Under Audit (Continued)

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code §§ 117.24 and 117.28, a Finding for Recovery for public money illegally expended is hereby issued against Steve Gilliland, employee, and Fiscal Officer Claudia McGinnis, and her bonding company, Traveler's Casualty & Surety Company of America, jointly and severally, in the amount of \$454 and in favor of Lick Township's Gasoline Tax Fund.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code §§ 117.24 and 117.28, a Finding for Recovery for public money illegally expended is hereby issued against Steve Gilliland, employee, and Fiscal Officer Melody Walker, and her bonding company, Traveler's Casualty & Surety Company of America, jointly and severally, in the amount of \$256 and in favor of Lick Township's Gasoline Tax Fund.

Mr. Gilliland repaid the \$710 finding referenced above on November 13, 2025 check number 3902. This amount was posted to the Township's Gasoline Tax Fund in the amount of \$710 on receipt number 48-2025 on November 18, 2025.

Officials' Response: The Township has acknowledged this error and Mr. Gilliland has paid \$710 for the 2023-2024 audit period. He has also paid for the 2025 error in the amount of \$96 for a total repayment of \$806.

LICK TOWNSHIP, JACKSON COUNTY

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS DECEMBER 31, 2024 and 2023

Finding Number	Finding Summary	Status	Additional Information
2022-001	Noncompliance/Material Weakness/Finding for Adjustment – Ohio Rev. Code § 505.24(C) Trustee salary/fringe benefit allocation not agreeing to payroll certificates.	Corrected	Corrected for completion of payroll certificates. Resulting Finding For Adjustment still uncorrected but included in MW for PY errors comment moving forward
2022-002	Noncompliance/Material Weakness/Finding for Adjustment – Ohio Rev. Code § 507.09 Fiscal Officer salary/fringe benefit allocation not agreeing to payroll certificates.	Corrected	Corrected for completion of payroll certificates. Resulting Finding For Adjustment still uncorrected but included in MW for PY errors comment moving forward
2022-003	Noncompliance- Ohio Rev. Code § 5705.39 appropriations exceeding estimated resources.	Corrected.	
2022-004	Noncompliance- Ohio Rev. Code § 5705.41(D)(1) relating to certification of expenditures	Not Corrected	Township will correct this by using the proper method of using purchase orders or then and now certificates
2022-005	Noncompliance- Ohio Rev. Code § 5575.01(A) – failure to bid paving project.	Corrected.	
2022-006	Material Weakness - relating to several incorrect postings.	Not Corrected.	Township will work towards posting correct entries in UAN and will use guidelines set.
2022-007	Material Weakness / Finding for Adjusted for uncorrected prior year errors.	Not Corrected.	Township will make adjustments that were not corrected in earlier audit
2022-008	Material Weakness on budgetary amounts as approved by Board not agreeing to system or in the notes to the financial statements.	Not Corrected.	Township will adopt plan to ensure that the budgetary amounts agree to the financial statement.

OHIO AUDITOR OF STATE KEITH FABER



LICK TOWNSHIP

JACKSON 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 12/11/2025

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