

HANOVER TOWNSHIP

LICKING COUNTY, OHIO

REGULAR AUDIT

**FOR THE YEAR ENDED
DECEMBER 31, 2024**



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

Members of the Board of Trustees
Hanover Township
1525 Rockhaven Rd
Newark, OH 43055

We have reviewed the *Independent Auditor's Report* of the Hanover Township, Licking County, prepared by Julian & Grube, Inc., for the audit period January 1, 2024 through December 31, 2024. 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. The Hanover Township is responsible for compliance with these laws and regulations.

KEITH FABER
Ohio Auditor of State

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

January 13, 2026

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**HANOVER TOWNSHIP
LICKING COUNTY, OHIO**

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Independent Auditor's Report

Hanover Township
Licking County
1525 Rock Haven Rd.
Newark, Ohio 43055

To the Members of the Board of Trustees:

Report on the Audit of the Financial Statement***Opinions***

We have audited the accompanying financial statement of Hanover Township, Licking County, Ohio, which comprises the cash balances, receipts, and disbursements for each governmental fund type as of and for the year ended December 31, 2024, and the related notes to the financial statement.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the cash balances, receipts, and disbursements for each governmental fund type of Hanover Township as of and for the year ended December 31, 2024 and the related notes to the financial statements, in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) as 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 statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Hanover Township, as of December 31, 2024, or 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 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 Hanover 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 statement, the financial statement is prepared by Hanover 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 a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 2 and GAAP, 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 this financial statement in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C). 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 misstatements, whether due to fraud or error.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Hanover 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 statement as a whole is 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 generally accepted auditing standards 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 aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with generally accepted auditing standards 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 Hanover 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 statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Hanover Township's ability to continue as a going concern for a reasonable period of time.

Hanover Township
Licking County
Independent Auditor's Report

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 August 15, 2025 on our consideration of Hanover Township's internal control over financial reporting and on 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 Hanover 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 Hanover Township's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
August 15, 2025

Hanover Township
Licking 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	Permanent	Combined Total
Cash Receipts				
Property and Other Local Taxes	\$ 66,616	\$ 529,047	\$ -	\$ 595,663
Licenses, Permits and Fees	-	19,750	-	19,750
Intergovernmental	37,351	183,976	-	221,327
Earnings on Investments	13,168	7,579	89	20,836
Miscellaneous	8,424	22,390	-	30,814
<i>Total Cash Receipts</i>	<u>125,559</u>	<u>762,742</u>	<u>89</u>	<u>888,390</u>
Cash Disbursements				
Current:				
General Government	77,682	8,917	-	86,599
Public Safety	-	554,831	-	554,831
Public Works	9,429	240,739	-	250,168
Health	-	57,996	-	57,996
Capital Outlay	786	36,260	-	37,046
Debt Service:				
Principal Retirement	-	19,009	-	19,009
Interest and Fiscal Charges	-	3,852	-	3,852
<i>Total Cash Disbursements</i>	<u>87,897</u>	<u>921,604</u>	<u>-</u>	<u>1,009,501</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>37,662</u>	<u>(158,862)</u>	<u>89</u>	<u>(121,111)</u>
Other Financing Receipts (Disbursements)				
Transfers In	1,810	-	-	1,810
Transfers Out	-	(1,810)	-	(1,810)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>1,810</u>	<u>(1,810)</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	<u>39,472</u>	<u>(160,672)</u>	<u>89</u>	<u>(121,111)</u>
<i>Fund Cash Balances, January 1, restated</i>	<u>46,993</u>	<u>772,098</u>	<u>3,744</u>	<u>822,835</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 86,465</u>	<u>\$ 611,426</u>	<u>\$ 3,833</u>	<u>\$ 701,724</u>

See accompanying notes to the financial statement

**HANOVER TOWNSHIP
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2024**

1. REPORTING ENTITY

The constitution and laws of the State of Ohio establish the rights and privileges of Hanover Township, Licking County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides general government services, road and bridge maintenance and cemetery maintenance services. The Township contracts with the Hanover Township Volunteer Fire Department to provide fire services and ambulance services.

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

Public Entity Risk Pool

The Township belongs to the Ohio Plan Risk Management, Inc. a non-assessable unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments. Note 6 to the financial statement provides additional information for this entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The Township's financial statement consists 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.

B. Fund Accounting

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

General Fund

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

Special Revenue Funds

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

Road & Bridge Fund – The road and bridge fund receives property tax monies to pay for constructing, maintaining, and repairing Township roads.

Fire Levy Fund – The fire levy fund receives property tax monies to pay for fire protection and emergency medical services.

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.

**HANOVER TOWNSHIP
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2024**

Motor Vehicle License Tax Fund – The motor vehicle license tax fund accounts for and reports that portion of motor vehicle registration fees restricted for maintenance and repair of roads within the Township.

American Rescue Plan Act Fund – The American rescue plan act fund accounts for and reports ARPA monies granted to the Township. The fund balance was \$0.00 as of December 31, 2024.

Permanent Funds

These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Township had the following significant permanent fund:

Cemetery Trust Fund – The cemetery trust fund accounts for and reports interest earned on the nonexpendable corpus from a trust agreement restricted for the general maintenance and upkeep of the Township's cemetery.

C. Basis of Accounting

The financial statement follows the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(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).

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

D. Budgetary Process

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

Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function 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 2024 budgetary activity appears in Note 3.

**HANOVER TOWNSHIP
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2024**

E. Deposits and Investments

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively. The Township had no investments at year end.

F. Capital Assets

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

G. Accumulated Leave

Township employees earn vacation time that can be used for time off. In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. The financial statement does not include a liability for unpaid leave.

H. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Non-spendable

The Township classifies assets as *non-spendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, non-spendable fund balance includes the non-spendable 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.

**HANOVER TOWNSHIP
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2024**

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.

3. BUDGETARY ACTIVITY

Budgetary activity for the year ended December 31, 2024 follows:

2024 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 87,634	\$ 127,369	\$ 39,735
Special Revenue	687,330	762,742	75,412
Permanent	-	89	89
Total	<u>\$ 774,964</u>	<u>\$ 890,200</u>	<u>\$ 115,236</u>

2024 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 139,781	\$ 88,116	\$ 51,665
Special Revenue	1,442,488	924,112	518,376
Permanent	-	-	-
Total	<u>\$ 1,582,269</u>	<u>\$ 1,012,228</u>	<u>\$ 570,041</u>

4. DEPOSITS

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

	2024
<i>Cash Management Pool:</i>	
Demand deposits	\$698,659
Certificates of deposit	<u>3,065</u>
Total deposits	<u>701,724</u>

The Township does not use a separate payroll clearing account. The disbursements included in the accompanying financial statement reflects net payroll plus all remitted payroll withholdings. At December 31, 2024, the Township is holding \$2,202 in unremitted employee payroll withholdings that are due January 31, 2025.

**HANOVER TOWNSHIP
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2024**

Deposits: Deposits are either insured by the Federal Depository 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 Treasury of State to secure the repayment of all public moneys deposited in the financial institution.

5. PROPERTY TAX

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 statement includes 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.

6. RISK MANAGEMENT

Risk Pool Membership

The Township belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), an unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management programs 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 remained the same through October 31, 2022. Effective November 1, 2022, the property loss corridor was eliminated. OPRM had 847 members as of December 31, 2024.

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, 2024. 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, 2024.

Assets	\$ 24,456,615
Liabilities	<u>(16,692,162)</u>
Members' Equity	<u>\$ 7,764,453</u>

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

**HANOVER TOWNSHIP
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2024**

7. DEFINED BENEFIT PENSION PLAN

Ohio Public Employees Retirement System

The 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, 2024.

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 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.

9. DEBT

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

	<u>Principal</u>	<u>Interest Rate</u>
Dump Truck Loan	\$41,724	6.33%
Total	<u><u>\$41,724</u></u>	

The Township issued a dump truck loan in 2023 to finance the purchase of a new dump truck and plowing equipment for Township road maintenance. The loan is paid out of the Road and Bridge Fund (Special Revenue Fund Type).

Amortization

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

<u>Year Ending December 31:</u>	<u>Dump Truck Loan</u>
2025	\$22,861
2026	22,861
Total	<u><u>\$45,722</u></u>

**HANOVER TOWNSHIP
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2024**

10. FUND BALANCES

Included in fund balance are amounts the Township cannot spend, including 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 year end the balances of these amounts were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Permanent</u>	<u>Total</u>
Nonspendable:				
Corpus	-	-	3,065	3,065
Outstanding Encumbrances	219	698	-	917
Total	<u>\$ 219</u>	<u>\$ 698</u>	<u>\$ 3,065</u>	<u>\$ 3,982</u>

The fund balance of special revenue funds is either restricted or committed. 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 and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

11. RESTATEMENT OF FUND CASH BALANCE

The Township increased their beginning fund cash position at January 1, 2024 in the general fund and special revenue fund types due to properly voiding old outstanding checks in a subsequent year. The effect of the adjustment on beginning fund cash balance is reflected in the chart below.

	<u>12/31/2023 As Previously Reported</u>	<u>Voided Old Outstanding Checks</u>	<u>1/1/2024 As Restated</u>
Governmental Funds			
General Fund	\$ 46,404	\$ 589	\$ 46,993
Special Revenue Funds	768,953	3,145	772,098
Permanent Funds	3,744	-	3,744
Total Governmental Funds	<u>\$ 819,101</u>	<u>\$ 3,734</u>	<u>\$ 822,835</u>

12. CONTINGENT LIABILITIES

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

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in Accordance With
*Government Auditing Standards***

Hanover Township
Licking County
1525 Rock Haven Rd.
Newark, Ohio 43055

To the Members of 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, the financial statement of the cash balances, receipts, and disbursements for each governmental fund type of Hanover Township, Licking County, Ohio, as of and for the year ended December 31, 2024 and the related notes to the financial statement and have issued our report thereon dated August 15, 2025, wherein we noted Hanover Township followed financial reporting provisions Ohio Revised Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered Hanover 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 statement, but not for the purpose of expressing an opinion on the effectiveness of Hanover Township's internal control. Accordingly, we do not express an opinion on the effectiveness of Hanover 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 Hanover Township's financial statement 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Hanover Township

Licking County

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hanover 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 statement. 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 Hanover 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 Hanover Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.

August 15, 2025

**HANOVER TOWNSHIP
LICKING COUNTY, OHIO**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2024**

Finding Number	Year Initially Occurred	Finding Summary	Status	Additional Information
2023-001	2016	<u>Significant Deficiency – Board Monitoring</u> – Strong monitoring practices of financial activities are the responsibility of the Township’s Board and are essential to ensure proper financial reporting. The Township Board did not monitor all financial information to ensure accuracy.	Corrective Action Taken and Finding is Fully Corrected	N/A
2023-002	2014	<u>Material Weakness/Noncompliance – Budgetary Requirements</u> – Ohio Revised Code Sections 5705.41(B), 5705.40, 5705.36(A)(1), 5705.36(A)(3) and Ohio Administrative Code Section 117-2-02(C)(1) all require various items that relate to appropriations, estimated resources, financial accounting system data and beginning unencumbered fund balances. The Township did not certify the proper unencumbered balances to the county auditor the total amount from all sources available for expenditures, nor did the Township include accurate budgetary estimates in their financial accounting system, and as a result, the Township had budgetary expenditures exceeding appropriations.	Corrective Action Taken and Finding is Fully Corrected	N/A
2023-003	2018	<u>Material Weakness – Maintenance of Supporting Documentation</u> – Maintaining organized documentation and support for financial transactions is essential in assuring the Township’s financial statements are accurately presented and that all receipts and disbursements are made for a proper public purpose. The Township did not maintain underlying documentation and support for various fiscal transactions.	Corrective Action Taken and Finding is Fully Corrected	N/A
2023-004	2018	<u>Noncompliance – Public Records Policy and Training</u> – Ohio Revised Code Sections 109.43(B), 149.43(B), 149.43(E)(1), 149.43(E)(2), and 149.42 require the Township's elected officials to attend public records training, display the public records policy, distribute the public records policy to the records custodian, have a records retention schedule and have a records commission meeting once a year. The Township’s elected officials did not attend the required public records training. The Township did not conspicuously display the public records policy in the Township Hall. In addition, the Township was unable to provide evidence the records commission met as required or that there was a current record retention schedule approved by the Auditor of State and the Ohio History Connection office.	Partially Corrected	Moved to a management letter comment as the Township was unable to provide a current record retention schedule approved by the Auditor of State and the Ohio History Connection office as required.

**HANOVER TOWNSHIP
LICKING COUNTY, OHIO**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2024**

Finding Number	Year Initially Occurred	Finding Summary	Status	Additional Information
2023-005	2018	<u>Noncompliance – Fraud Reporting System</u> – Ohio Revised Code Sections 117.103(B) states the requirements related to the fraud reporting system and educating employees on it. The Township neither made its current employees aware of the fraud reporting system nor made new employees confirm receipt of this information.	Corrective Action Taken and Finding is Fully Corrected	N/A
2023-006	2018	<u>Significant Deficiency – Payroll Vacation Leave Policies and Procedures</u> – A Township should have a resolution, policy, or collective bargaining agreement outlining who is eligible to earn vacation leave, how vacation leave is earned/accrued and how leave is to be requested for use. The Township did not have any policies or procedures regarding vacation leave.	Corrective Action Taken and Finding is Fully Corrected	N/A
2023-007	2018	<u>Significant Deficiency – Township Policies and Procedures</u> – A policy manual is essential to help ensure key areas of operations are fully documented (in written form) and understood by employees, management, and elected officials. The Township was operating without certain key policies in place.	Partially Corrected	Moved to a management letter comment as the Township was unable to provide a current record retention schedule approved by the Auditor of State and the Ohio History Connection office as required.
2023-008	2023	<u>Noncompliance – Competitive bidding and prevailing wages</u> – Ohio Revised Code § 5575.01 requires competitive bidding for contracts for the maintenance or repair of roads, where the amount involved exceeds \$105,000. Ohio Revised Code § 4115.05 requires entities to obtain the prevailing wages in their area for the types of labor required to complete the project, prior to bidding and again when the contract is awarded, if the award is made more than 90 days after the original prevailing wage is determined. Additionally, entities need to make sure that the contractors who are awarded the contracts agree, in the contract, to pay the prevailing wage. The Township had a road improvement project for which the Township was unable to provide the competitive bidding documents including the prevailing wage requirements.	N/A	Finding No Longer Valid
N/A	2022	Finding for recovery against John Osborn and Jennifer Nethers in the amounts of \$1,988.19 and \$9,306.57, respectively.	Partially Corrected as of August 15, 2025	Finding for recovery against Jennifer Nethers has been fully repaid; Finding for recovery against John Osborn has not been repaid as of August 15, 2025.

OHIO AUDITOR OF STATE KEITH FABER



HANOVER TOWNSHIP

LICKING 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 1/27/2026

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