



OHIO AUDITOR OF STATE  
**KEITH FABER**





**JACKSON TOWNSHIP  
GUERNSEY COUNTY**

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Jackson Township  
Guernsey County  
250 South Fifth Street  
Byesville, Ohio 43723

To the Board of Trustees:

### Report on the Audit of the Financial Statements

#### ***Unmodified and Adverse Opinions***

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

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

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

#### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township, as of December 31, 2023 and 2022, or the changes in financial position thereof for the years then ended.

#### ***Basis for Opinions***

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

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

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

***Responsibilities of Management for the Financial Statements***

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *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 May 23, 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.

A handwritten signature in black ink, appearing to read "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

May 23, 2025

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**Jackson Township**  
*Guernsey 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	Debt Service	Capital Projects	Permanent	Totals (Memorandum Only)
<b>Cash Receipts</b>						
Property and Other Local Taxes	\$127,937	\$451,539	\$28,562	\$0	\$0	\$608,038
Licenses, Permits and Fees	3,247	17,770	0	0	0	21,017
Intergovernmental	30,754	177,613	0	0	0	208,367
Earnings on Investments	17,650	5,888	0	0	0	23,538
Miscellaneous	1,139	7,366	0	0	0	8,505
<i>Total Cash Receipts</i>	<u>180,727</u>	<u>660,176</u>	<u>28,562</u>	<u>0</u>	<u>0</u>	<u>869,465</u>
<b>Cash Disbursements</b>						
Current:						
General Government	125,887	15,981	0	0	0	141,868
Public Safety	0	85,467	0	0	0	85,467
Public Works	14,463	476,866	0	0	0	491,329
Health	0	163,041	0	0	0	163,041
Conservation-Recreation	8,983	0	0	0	0	8,983
Capital Outlay	22,607	0	0	132,441	0	155,048
Debt Service:						
Principal Retirement	1,721	8,600	22,987	0	0	33,308
Interest and Fiscal Charges	48	606	5,575	0	0	6,229
<i>Total Cash Disbursements</i>	<u>173,709</u>	<u>750,561</u>	<u>28,562</u>	<u>132,441</u>	<u>0</u>	<u>1,085,273</u>
<i>Excess of Cash Receipts Over Cash Disbursements</i>	<u>7,018</u>	<u>(90,385)</u>	<u>0</u>	<u>(132,441)</u>	<u>0</u>	<u>(215,808)</u>
<b>Other Financing Receipts</b>						
Other Financing Sources	<u>1,021</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,021</u>
<i>Total Other Financing Receipts</i>	<u>1,021</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,021</u>
<i>Net Change in Fund Cash Balances</i>	<u>8,039</u>	<u>(90,385)</u>	<u>0</u>	<u>(132,441)</u>	<u>0</u>	<u>(214,787)</u>
<i>Fund Cash Balances, January 1</i>	<u>174,623</u>	<u>741,351</u>	<u>10</u>	<u>132,441</u>	<u>1,105</u>	<u>1,049,530</u>
<i>Fund Cash Balances, December 31</i>	<u>\$182,662</u>	<u>\$650,966</u>	<u>\$10</u>	<u>\$0</u>	<u>\$1,105</u>	<u>\$834,743</u>

*See accompanying notes to the basic financial statements*

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

	Private Purpose Trust
<i>Fund Cash Balances, January 1</i>	<u>\$6,000</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$6,000</u></u>

*See accompanying notes to the basic financial statements*

**JACKSON TOWNSHIP  
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**1. REPORTING ENTITY**

**Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Jackson Township, Guernsey County, (the Township) as a body corporate and politic. A publically-elected three-member Board of Trustees directs the Township. The Township provides general government services, road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the Village of Byesville to provide fire services and contracts with United Ambulance Services to provide emergency medical services.

The Township participates in a public entity risk pool. Notes 6 to the financial statements provides additional information for these entities.

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation**

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

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

**Road and Bridge Fund** – This fund receives property tax monies to pay for constructing, maintaining, and repairing township road and bridges.

**Cemetery Fund** – This fund receives property tax monies and charges for services to pay for maintaining the Township cemetery.

**JACKSON TOWNSHIP  
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

**Debt Service Funds**

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

**Note Retirement Fund** – This fund receives money for the principal and interest payments of outstanding general obligation notes.

**Capital Projects Fund**

These funds account for receipts restricted to acquiring or constructing major capital projects. The Township had the following significant Capital Projects Fund:

**Public Works Fund** – This fund received public works money from the Ohio Department of Transportation to be used for road maintenance and construction.

**Permanent Funds**

These funds account for and report financial 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:

**Forbes Trust** – This fund receives interest from a certificate of deposit to maintain upkeep on the cemetery.

**Fiduciary Funds**

Fiduciary funds include private purpose trust funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

The Township's private purpose trust funds are for the benefit of certain individual family plots at the Township cemetery.

**C. Budgetary Process**

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

**Appropriations**

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

**JACKSON TOWNSHIP  
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

**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 appears in Note 3.

**D. Deposits and Investments**

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

Certificates of deposit are valued at cost.

**E. 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.

**F. Accumulated Leave**

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

**G. 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.

**JACKSON TOWNSHIP  
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

**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*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

**Unassigned**

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2023 follow:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 117,962	\$ 181,748	\$ 63,786
Special Revenue	600,178	660,176	59,998
Debt Service	28,562	28,562	-
Total	<u>\$ 746,702</u>	<u>\$ 870,486</u>	<u>\$ 123,784</u>

  

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 290,000	\$ 173,709	\$ 116,291
Special Revenue	1,337,580	750,561	587,019
Debt Service	28,562	28,562	-
Capital Projects	132,441	132,441	-
Total	<u>\$ 1,788,583</u>	<u>\$ 1,085,273</u>	<u>\$ 703,310</u>

**JACKSON TOWNSHIP  
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**4. DEPOSITS AND INVESTMENTS**

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

	2023
<i><b>Cash Management Pool</b></i>	
Demand deposits	\$ 840,743
Total Carrying Amount of Deposits and Investments held in Pool	<u>\$ 840,743</u>

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2023, the Township is holding \$0 in unremitted employee payroll withholdings.

**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 Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**5. PROPERTY TAX**

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

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

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

**6. RISK MANAGEMENT**

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

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

**JACKSON TOWNSHIP  
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**6. RISK MANAGEMENT (Continued)**

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

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

	2023
Assets	\$23,113,696
Liabilities	(16,078,587)
Retained Earnings	\$ 7,035,109

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

**7. DEFINED BENEFIT PENSION PLANS**

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

The Ohio Revised Code also prescribes contribution rates. For 2023, OPERS members contributed 10.0% of their gross wages and the Township contributed an amount equal to 14.0% of participant's gross salaries. The Township has paid all contributions required through December 31, 2023.

*Social Security*

Several Township employees contributed to social security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2023.

**8. POSTEMPLOYMENT BENEFITS**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2023, the portion of 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 2023, the portion of employer contributions 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.



**JACKSON TOWNSHIP  
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**9. PUBLIC ENTITY RISK POOL**

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

**10. DEBT**

Debt outstanding at December 31, 2023 was as follows:

	Principal	Interest rate
USDA Loan	33,800	3.25%
Peoples Bank	154,814	2.45%
Dodge Utility Truck Loan	15,117	3.25%
Total	<u>\$ 203,731</u>	

In 2017, the Township borrowed \$77,000 to purchase a 2018 International Truck. It will re-paid over 10 years with an interest rate of 3.25%

The Township entered into an agreement to purchase a 2020 Dodge Utility Truck for township road repairs. The amount borrowed was \$50,000 payable monthly over 60 months with an interest rate of 3.25%

In 2022, the Township entered into an agreement to buy a building for Township use. The loan was for \$170,000 and will be repaid over five years with an interest rate of 2.45%.

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

Year Ended December 31	USDA Loan	Dodge Loan	Peoples Bank
2024	\$ 9,198	\$ 10,933	\$ 19,410
2025	9,135	4,555	19,410
2026	9,066	-	19,410
2027	9,189	-	109,619
Total	<u>\$ 36,588</u>	<u>\$ 26,421</u>	<u>\$ 187,259</u>

**11. 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 expendable 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 facilities effective cash planning and control. At year end the balances of those amounts were as follows:

Fund Balances	General	Special Revenue	Debt Service	Permanent	Total
Nonspendable:					
Corpus	\$ -	\$ -	\$ -	\$ 300	\$ 300
Outstanding Encumb.	-	-	-	-	-
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 300</u>	<u>\$ 300</u>

**JACKSON TOWNSHIP  
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**11. FUND BALANCES (Continued)**

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.

**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.

**13. SUBSEQUENT EVENT**

On April 28, 2025, the Township entered into an agreement with Peoples Bank for the purchase of a backhoe in the amount of \$80,000.

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

	General	Special Revenue	Debt Service	Capital Projects	Permanent	Totals (Memorandum Only)
<b>Cash Receipts</b>						
Property and Other Local Taxes	\$118,735	\$432,273	\$9,096	\$0	\$0	\$560,104
Licenses, Permits and Fees	4,325	23,250	0	0	0	27,575
Intergovernmental	31,914	327,432	0	132,441	0	491,787
Earnings on Investments	7,610	1,612	0	0	0	9,222
Miscellaneous	917	13,536	0	0	0	14,453
<i>Total Cash Receipts</i>	<u>163,501</u>	<u>798,103</u>	<u>9,096</u>	<u>132,441</u>	<u>0</u>	<u>1,103,141</u>
<b>Cash Disbursements</b>						
Current:						
General Government	122,055	250,254	0	0	0	372,309
Public Safety	0	125,895	0	0	0	125,895
Public Works	13,006	529,369	0	0	0	542,375
Health	0	137,968	0	0	0	137,968
Conservation-Recreation	10,396	0	0	0	0	10,396
Debt Service:						
Principal Retirement	0	10,019	7,500	0	0	17,519
Interest and Fiscal Charges	0	914	1,596	0	0	2,510
<i>Total Cash Disbursements</i>	<u>145,457</u>	<u>1,054,419</u>	<u>9,096</u>	<u>0</u>	<u>0</u>	<u>1,208,972</u>
<i>Excess of Cash Receipts (Under) Cash Disbursements</i>	<u>18,044</u>	<u>(256,316)</u>	<u>0</u>	<u>132,441</u>	<u>0</u>	<u>(105,831)</u>
<b>Other Financing Receipts</b>						
Other Debt Proceeds	0	170,001	0	0	0	170,001
Other Financing Sources	1,601	0	0	0	0	1,601
<i>Total Other Financing Receipts</i>	<u>1,601</u>	<u>170,001</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>171,602</u>
<i>Net Change in Fund Cash Balances</i>	<u>19,645</u>	<u>(86,315)</u>	<u>0</u>	<u>132,441</u>	<u>0</u>	<u>65,771</u>
<i>Fund Cash Balances, January 1</i>	<u>154,978</u>	<u>827,666</u>	<u>10</u>	<u>0</u>	<u>1,105</u>	<u>983,759</u>
<i>Fund Cash Balances, December 31</i>	<u>\$174,623</u>	<u>\$741,351</u>	<u>\$10</u>	<u>\$132,441</u>	<u>\$1,105</u>	<u>\$1,049,530</u>

*See accompanying notes to the basic financial statements*

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

	Private Purpose Trust
<b>Additions</b>	
Earnings on Investments (trust funds only)	\$2
<i>Total Cash Receipts</i>	<u>2</u>
<i>Net Change in Fund Cash Balances</i>	2
<i>Fund Cash Balances, January 1</i>	<u>5,998</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$6,000</u></u>

*See accompanying notes to the basic financial statements*

**JACKSON TOWNSHIP  
GUERNSEY COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**1. REPORTING ENTITY**

**Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Jackson Township, Guernsey County, (the Township) as a body corporate and politic. A publically-elected three-member Board of Trustees directs the Township. The Township provides general government services, road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the Village of Byesville to provide fire services and contracts with United Ambulance Services to provide emergency medical services.

The Township participates in a public entity risk pool. Notes 6 to the financial statements provides additional information for these entities.

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation**

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

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

**Road and Bridge Fund** – This fund receives property tax monies to pay for constructing, maintaining, and repairing township road and bridges.

**Coronavirus Relief American Rescue Fund** – This fund received American Rescue Plan Act monies to be used in accordance with guidelines outlined by the U.S. Department of Treasury in response to the Coronavirus pandemic.

**JACKSON TOWNSHIP  
GUERNSEY COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

**Debt Service Funds**

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

**Note Retirement Fund** – This fund receives money for the principal and interest payments of outstanding general obligation notes.

**Permanent Funds**

These funds account for and report financial 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:

**Forbes Trust** – This fund receives interest from a certificate of deposit to maintain upkeep on the cemetery.

**Fiduciary Funds**

Fiduciary funds include private purpose trust funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

The Township's private purpose trust funds are for the benefit of certain individual family plots at the Township cemetery.

**C. Budgetary Process**

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

**Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function and object level of control and appropriations may not exceed estimated resources. The Trustees must annually approve appropriation measures and subsequent amendments. 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 2022 appears in Note 3.

**JACKSON TOWNSHIP  
GUERNSEY COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

**D. Deposits and Investments**

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

Certificates of deposit are valued at cost.

**E. 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.

**F. Accumulated Leave**

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

**G. Fund Balance**

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

**Nonspendable**

The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**Restricted**

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

**Committed**

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

**Assigned**

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

**JACKSON TOWNSHIP  
GUERNSEY COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

**G. Fund Balance (Continued)**

**Unassigned**

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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

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

**3. BUDGETARY ACTIVITY**

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

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 107,036	\$ 165,101	\$ 58,065
Special Revenue	913,537	968,101	54,564
Debt Service	9,096	9,096	-
Capital Projects	132,441	132,441	-
Permanent	-	2	2
Total	<u>\$ 1,162,110</u>	<u>\$ 1,274,741</u>	<u>\$ 112,631</u>

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 262,000	\$ 145,457	\$ 116,543
Special Revenue	1,736,811	1,054,415	682,396
Debt Service	9,106	9,096	10
Total	<u>\$ 2,007,917</u>	<u>\$ 1,208,968</u>	<u>\$ 798,949</u>

**4. DEPOSITS AND INVESTMENTS**

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

	2022
<b><i>Cash Management Pool</i></b>	
Demand deposits	\$ 1,055,530
Total Carrying Amount of Deposits and Investments held in Pool	<u>\$ 1,055,530</u>



**JACKSON TOWNSHIP  
GUERNSEY COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**5. DEPOSITS AND INVESTMENTS (Continued)**

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2022, the Township is holding \$0 in unremitted employee payroll withholdings.

**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 Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**5. PROPERTY TAX**

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

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

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

**6. RISK MANAGEMENT**

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

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

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

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

	<u>2022</u>
Assets	\$21,662,291
Liabilities	<u>(18,158,351)</u>
Retained Earnings	<u>\$ 3,503,940</u>

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

**JACKSON TOWNSHIP  
GUERNSEY COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**7. DEFINED BENEFIT PENSION PLANS**

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

The Ohio Revised Code also prescribes contribution rates. For 2022, OPERS members contributed 10.0% of their gross wages and the Township contributed an amount equal to 14.0% of participant's gross salaries. The Township has paid all contributions required through December 31, 2022.

*Social Security*

Several Township employees contributed to social security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2022.

**8. POSTEMPLOYMENT BENEFITS**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2022.

**9. PUBLIC ENTITY RISK POOL**

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

**10. DEBT**

Debt outstanding at December 31, 2022 was as follows:

	Principal	Interest rate
USDA Loan	41,600	3.25%
Peoples Bank	170,000	2.45%
Dodge Utility Truck Loan	25,377	3.25%
Total	<u>\$ 236,977</u>	

In 2017, the Township borrowed \$77,000 to purchase a 2018 International Truck. It will re-paid over 10 years with an interest rate of 3.25%

The Township entered into an agreement to purchase a 2020 Dodge Utility Truck for township road repairs. The amount borrowed was \$50,000 payable monthly over 60 months with an interest rate of 3.25%

**JACKSON TOWNSHIP  
GUERNSEY COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**10. DEBT (Continued)**

In 2022, the Township entered into an agreement to buy a building for Township use. The loan was for \$170,000 and will be repaid over five years with an interest rate of 2.45%.

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

Year Ended December 31	USDA Loan	Dodge Loan	Peoples Bank
2023	\$ 9,152	\$ 10,933	\$ 19,410
2024	9,198	10,933	19,410
2025	9,135	4,555	19,410
2026	9,066	-	19,410
2027	9,189	-	109,619
Total	<u>\$ 45,740</u>	<u>\$ 26,421</u>	<u>\$ 187,259</u>

**11. 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 expendable 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 facilities effective cash planning and control. At year end the balances of those amounts were as follows:

Fund Balances	General	Special Revenue	Debt Service	Permanent	Total
Nonspendable:					
Corpus	\$ -	\$ -	\$ -	\$ 300	\$ 300
Outstanding Encumb.	-	-	-	-	-
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 300</u>	<u>\$ 300</u>

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.

**12. COVID-19**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021, while the national state of emergency continues. During 2022, the Township did receive COVID-19 funding. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township. The impact on the Township's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated. The Township received \$142,015 in 2022 from the American Rescue Plan.

**13. 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.

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# OHIO AUDITOR OF STATE KEITH FABER



65 East State Street  
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

Jackson Township  
Guernsey County  
250 South Fifth Street  
Byesville, Ohio 43723

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 and the fiduciary fund type combined total as of and for the years ended December 31, 2023 and 2022 and the related notes to the financial statements of Jackson Township, Guernsey County, Ohio (the Township) and have issued our report thereon dated May 23, 2025, wherein we noted the Township followed financial reporting provisions Ohio Rev. 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 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 opinion 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 a certain deficiency in internal control, described in the accompanying Schedule of Findings as item 2023-001 that we consider to be a material weakness.

***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 2023-002.

***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  
Auditor of State  
Columbus, Ohio

May 23, 2025

**JACKSON TOWNSHIP  
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2023 AND 2022**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2023-001**

**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.

We noted the following errors for the year ended December 31, 2023:

- Cable Franchise Fees were improperly classified as Miscellaneous rather than Licenses, Permits and Fees in the General Fund totaling \$2,894;
- Homestead and Rollback receipts were improperly classified as Property and Other Local Taxes rather than Intergovernmental in the General Fund, Road and Bridge Fund, Fire Fund and Cemetery Fund totaling \$6,813, \$9,858, \$1,024 and \$1,480, respectively;
- Principal and Interest debt payments were improperly classified as General Government in the General Fund totaling \$1,721 and \$48, respectively;
- A Property Tax Refund from the County Auditor was improperly classified as Miscellaneous rather than Property and Other Local Taxes in the General Fund totaling \$5,373;
- The Township had several funds presented as a permanent fund, however based on the supporting documentation, such as the last will and testament, they should be presented as a private purpose trust fiduciary fund in the amount of \$5,325;
- Revisions were necessary to the notes to the financial statements for the information included to be in agreement with Township records and the accompanying financial statements.

We noted the following errors for the year ended December 31, 2022:

- Cable Franchise Fees were improperly classified as Miscellaneous rather than Licenses, Permits and Fees in the General Fund totaling \$3,885;
- Homestead and Rollback receipts were improperly classified as Property and Other Local Taxes rather than Intergovernmental in the General Fund, Road and Bridge Fund, Fire Fund and Cemetery Fund totaling \$3,425, \$9,873, \$1,034 and \$1,481, respectively;
- Personal Property Tax receipts were improperly classified as Intergovernmental rather than Property and Other Local Taxes in the General Fund, Road and Bridge Fund, Fire Fund, EMS Fund and Cemetery Fund in the amount of \$16,130, \$60,033, \$11,650, \$18,192 and \$9,094, respectively;
- The Township had several funds presented as a permanent fund, however based on the supporting documentation, such as the last will and testament, they should be presented as a private purpose trust fiduciary fund in the amount of \$5,325;
- Revisions were necessary to the notes to the financial statements for the information included to be in agreement with Township records and the accompanying financial statements.

The reclassifications, adjustments and revisions noted above were agreed to by management, and the financial statements and notes to the financial statements have been adjusted accordingly. Sound financial reporting is the responsibility of the Township and is essential to ensure the information provided to the readers of the financial statements is completed and accurate.

**JACKSON TOWNSHIP  
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2023 AND 2022  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2023-001 (Continued)**

**Material Weakness (Continued)**

To help ensure the Township's financial statements and the notes to the financial statements are complete and accurate, the Township should adopt policies and procedures to identify and correct errors and omissions. In addition, the Township should review the financial statements and notes to the financial statements prior to submission for audit.

**Officials' Response:** We did not receive a response from Officials to this finding.

**FINDING NUMBER 2023-002**

**Noncompliance**

**Ohio Rev. Code § 5575.01** provides that when the Board of Township Trustees proceeds by contract, the contract shall, if the amount involved exceeds one-hundred and five thousand dollars, be let by the board to the lowest responsible bidder after advertisement for bids once, not later than two weeks, prior to the date fixed for the letting of the contract, in a newspaper of general circulation within the township. If the amount involved is one-hundred and five thousand dollars or less, a contract may be let without competitive bidding, or the work may be done by force account. Such a contract shall be performed under the supervision of a member of the board or the township road superintendent.

Additionally, **Ohio Rev. Code § 4115.04(A)(1)** provides that, every public authority authorized to contract for or construct with its own forces a public improvement, before advertising for bids or undertaking such construction with its own forces, shall have the director of commerce determine the prevailing rates of wages of mechanics and laborers in accordance with section 4115.05 of the Revised Code for the class of work called for by the public improvement, in the locality where the work is to be performed. Except as provided in division (A)(2) of this section, that schedule of wages shall be attached to and made part of the specifications for the work and shall be printed on the bidding blanks where the work is done by contract. A copy of the bidding blank shall be filed with the director before the contract is awarded. A minimum rate of wages for common laborers, on work coming under the jurisdiction of the department of transportation, shall be fixed in each county of the state by the department of transportation, in accordance with section 4115.05 of the Revised Code.

During 2023, the Township paid Dreams Excavating and Paving, LLC for road repair/improvement projects totaling \$184,400 without following the required competitive bidding process. Rather, the Township called and emailed contractors to solicit bids. Additionally, the Township did not enter into a contract with the vendor that included the required prevailing wage language.

The failure to competitively bid such a project may lead to unnecessary cost to the Township. The Board of Trustees should competitively bid all projects requiring this action.

**Officials' Response:** We did not receive a response from Officials to this finding.



**JACKSON TOWNSHIP  
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2023 AND 2022  
(Continued)**

<b>OTHER – FINDINGS FOR RECOVERY</b>
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In addition, we identified the following other issues related to Findings for Recovery. These issues did not impact our GAGAS report.

**FINDING NUMBER 2023-003**

**Finding for Recovery – Repaid Under Audit**

**Ohio Rev. Code § 505.06(A)** permits the board of township trustees of any township to procure and pay all or any part of the cost of insurance policies that may provide benefits for hospitalization, surgical care, major medical care, disability, dental care, eye care, medical care, hearing aids, prescription drugs, or sickness and accident insurance, or a combination of any of the foregoing types of insurance for township officers and employees.

**Ohio Rev. Code § 505.06(D)** permits any township officer or employee denied coverage under a health care plan procured under this section or if any township officer or employee elects not to participate in the township's health care plan, the township may reimburse the officer or employee for each out-of-pocket premium attributable to the coverage provided for the officer or employee and their immediate dependents for insurance benefits described in division (A) of this section that the officer or employee otherwise obtains, but not to exceed an amount equal to the average premium paid by the township for its officers and employees under any health care plan it procures under this section.

**Ohio Rev. Code § 505.06(G)(4)** clarifies premium does not include any deductible or health care costs paid directly by a township officer or employee.

Township Fiscal Officer Donna Hurd elected not to participate in the Township's health care plan, therefore the Township reimbursed the officers for each out-of-pocket premium in accordance with Ohio Rev. Code § 505.06(D). However, the Township also reimbursed the Fiscal Officer for out-of-pocket expenses relating to prescription co-payments, which is not in accordance with Ohio Rev. Code § 505.06.

Fiscal Officer Donna Hurd was reimbursed a total of \$636 in 2023 and a total of \$598 in 2022.

Payment for such an expenditure constitutes an illegal expenditure of public monies and is a result of a lack of controls related to the Township's payment of health insurance costs.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code § 117.28, a finding for recovery for public monies illegally expended is hereby issued against Donna Hurd, Fiscal Officer, in the amount of \$1,234, and in favor of the Township's General Fund. Repayment was made via check on April 24, 2025, in the amount of \$1,234. This amount was deposited and recorded to the Township's General Fund on April 24, 2025.

The Township should establish and implement procedures to verify that all insurance coverage payments and reimbursements are appropriate and allowable.

**Officials' Response:** We did not receive a response from Officials to this finding.

**JACKSON TOWNSHIP  
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2023 AND 2022  
(Continued)**

<b>OTHER – FINDINGS FOR RECOVERY (Continued)</b>
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**FINDING NUMBER 2023-004**

**Finding for Recovery – Repaid Under Audit**

**Ohio Rev. Code § 505.06(A)** permits the board of township trustees of any township to procure and pay all or any part of the cost of insurance policies that may provide benefits for hospitalization, surgical care, major medical care, disability, dental care, eye care, medical care, hearing aids, prescription drugs, or sickness and accident insurance, or a combination of any of the foregoing types of insurance for township officers and employees.

**Ohio Rev. Code § 505.06(D)** permits any township officer or employee denied coverage under a health care plan procured under this section or if any township officer or employee elects not to participate in the township's health care plan, the township may reimburse the officer or employee for each out-of-pocket premium attributable to the coverage provided for the officer or employee and their immediate dependents for insurance benefits described in division (A) of this section that the officer or employee otherwise obtains, but not to exceed an amount equal to the average premium paid by the township for its officers and employees under any health care plan it procures under this section.

**Ohio Rev. Code § 505.06(G)(4)** clarifies premium does not include any deductible or health care costs paid directly by a township officer or employee.

Township Trustee Charles Mallett elected not to participate in the Township's health care plan, therefore the Township reimbursed the officers for each out-of-pocket premium in accordance with Ohio Rev. Code § 505.06(D). However, the Township also reimbursed the Trustee for out-of-pocket expenses relating to prescription co-payments, which is not in accordance with Ohio Rev. Code § 505.06.

Trustee Charles Mallett was reimbursed a total of \$391 in 2023 and a total of \$407 in 2022.

Payment for such an expenditure constitutes an illegal expenditure of public monies and is a result of a lack of controls related to the Township's payment of health insurance costs.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code § 117.28, a finding for recovery for public monies illegally expended is hereby issued against Charles Mallett, Trustee, in the amount of \$798, and in favor of the Township's General Fund. Repayment was made via check on April 24, 2025, in the amount of \$798. This amount was deposited and recorded to the Township's General Fund on April 24, 2025.

The Township should establish and implement procedures to verify that all insurance coverage payments and reimbursements are appropriate and allowable.

**Officials' Response:** We did not receive a response from Officials to this finding.

**JACKSON TOWNSHIP  
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2023 AND 2022  
(Continued)**

<b>OTHER – FINDINGS FOR RECOVERY (Continued)</b>
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**FINDING NUMBER 2023-005**

**Finding for Recovery – Repaid Under Audit**

**Ohio Rev. Code § 505.06(A)** permits the board of township trustees of any township to procure and pay all or any part of the cost of insurance policies that may provide benefits for hospitalization, surgical care, major medical care, disability, dental care, eye care, medical care, hearing aids, prescription drugs, or sickness and accident insurance, or a combination of any of the foregoing types of insurance for township officers and employees.

**Ohio Rev. Code § 505.06(D)** permits any township officer or employee denied coverage under a health care plan procured under this section or if any township officer or employee elects not to participate in the township's health care plan, the township may reimburse the officer or employee for each out-of-pocket premium attributable to the coverage provided for the officer or employee and their immediate dependents for insurance benefits described in division (A) of this section that the officer or employee otherwise obtains, but not to exceed an amount equal to the average premium paid by the township for its officers and employees under any health care plan it procures under this section.

**Ohio Rev. Code § 505.06(G)(4)** clarifies premium does not include any deductible or health care costs paid directly by a township officer or employee.

Township Trustee Rusty Winland elected not to participate in the Township's health care plan, therefore the Township reimbursed the officers for each out-of-pocket premium in accordance with Ohio Rev. Code § 505.06(D). However, the Township also reimbursed the Trustee for out-of-pocket expenses relating to prescription co-payments, which is not in accordance with Ohio Rev. Code § 505.06.

Trustee Rusty Winland was reimbursed a total of \$547 in 2023 and a total of \$482 in 2022.

Payment for such an expenditure constitutes an illegal expenditure of public monies and is a result of a lack of controls related to the Township's payment of health insurance costs.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code § 117.28, a finding for recovery for public monies illegally expended is hereby issued against Rusty Winland, Trustee, in the amount of \$1,029, and in favor of the Township's General Fund. Repayment was made via check on April 24, 2025, in the amount of \$1,029. This amount was deposited and recorded to the Township's General Fund on April 24, 2025.

The Township should establish and implement procedures to verify that all insurance coverage payments and reimbursements are appropriate and allowable.

**Officials' Response:** We did not receive a response from Officials to this finding.

# OHIO AUDITOR OF STATE KEITH FABER



**JACKSON TOWNSHIP**

**GUERNSEY COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 6/10/2025**

65 East State Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)