



**SMITH TOWNSHIP
MAHONING COUNTY**

REGULAR AUDIT

**FOR THE YEARS ENDED
DECEMBER 31, 2023 & 2022**



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Columbus, Ohio 43215
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800-282-0370

Board of Trustees
Smith Township
846 North Johnson Road
Sebring, Ohio 44672

We have reviewed the *Independent Auditor's Report* of Smith Township, Mahoning County, prepared by Canter & Associates, for the audit period January 1, 2022 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Smith 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

July 18, 2025

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**SMITH TOWNSHIP
MAHONING COUNTY**

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INDEPENDENT AUDITOR'S REPORT

Smith Township
Mahoning County
846 North Johnson Road
Sebring, Ohio 44672

To the Board of Trustees:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of Smith Township, Mahoning 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 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.

Emphasis of Matter

As discussed in Note 13 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township. We did not modify our opinion regarding this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks.

Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated 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.



Canter & Associates

Poland, Ohio

May 23, 2025

Smith Township
Mahoning 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

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash Receipts				
Property and Other Local Taxes	\$ 89,059	\$ 639,025	\$ -	\$ 728,084
Licenses, Permits, and Fees	18,753	385	-	19,138
Fines and Forfeitures	-	14,932	-	14,932
Intergovernmental	43,692	209,184	-	252,876
Earnings on Investments	21,595	22,705	6	44,306
Miscellaneous	3,771	43,438	-	47,209
<i>Total Cash Receipts</i>	<u>176,870</u>	<u>929,669</u>	<u>6</u>	<u>1,106,545</u>
Cash Disbursements				
Current:				
General Government	174,279	-	-	174,279
Public Safety	-	737,708	-	737,708
Public Works	-	239,153	-	239,153
Health	424	-	-	424
Human Services	-	24,198	-	24,198
Other	-	800	-	800
Capital Outlay	-	220,370	-	220,370
Debt Service:				-
Principal Retirement	-	37,669	-	37,669
Interest and Fiscal Charges	-	1,880	-	1,880
<i>Total Cash Disbursements</i>	<u>174,703</u>	<u>1,261,778</u>	<u>-</u>	<u>1,436,481</u>
<i>Excess of Receipts Over/(Under) Disbursements</i>	<u>2,167</u>	<u>(332,109)</u>	<u>6</u>	<u>(329,936)</u>
Other Financing Receipts/(Disbursements)				
Loans Issued	-	100,000	-	100,000
Other Financing Uses	(184)	-	-	(184)
<i>Net Change in Fund Cash Balances</i>	<u>1,983</u>	<u>(232,109)</u>	<u>6</u>	<u>(230,120)</u>
Fund Cash Balances, January 1	<u>140,210</u>	<u>788,130</u>	<u>124</u>	<u>928,464</u>
<i>Total Fund Cash Balances, December 31</i>	<u>\$ 142,193</u>	<u>\$ 556,021</u>	<u>\$ 130</u>	<u>\$ 698,344</u>

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

Smith Township
Mahoning County, Ohio

Statement of Additions, Deductions, and
Changes in Fund Balance (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2023

	<u>Custodial</u>
Additions	\$ -
Deductions	<u>-</u>
<i>Net Change in Fund Balance</i>	-
<i>Fund Cash Balance, January 1</i>	<u>600</u>
<i>Fund Cash Balance, December 31</i>	<u><u>\$ 600</u></u>

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

Smith Township
Mahoning County

Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Smith Township, Mahoning County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, police protection, fire protection and emergency medical services. The Township contracts with the Village of Sebring to provide fire services.

Public Entity Risk Pool

The Township participates in two public entity risk pools. Note 6 to the financial statements provides additional information for these entities, which are:

Ohio Township Association Risk Management Authority (OTARMA) – The risk sharing pool, available to Ohio Townships provides property and casualty insurance for its members. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements, and other expenses resulting from covered claims that exceed the members' deductibles.

Sedgewick Managed Care Ohio (MCO) – The management care organization, available to Ohio Townships, is focused on helping injured employees return to work safely and quickly.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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

Smith Township
Mahoning County

Notes to the Financial Statements
For the Year Ended December 31, 2023

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.

Police Fund The Police Fund accounts for and reports all revenues and expenditures of the Police Fund. The main source of revenue is derived from property tax levies.

Fire Fund The Fire Fund accounts for and reports all revenues and expenditures of the Fire Fund. The main source of revenue is derived from property tax levies.

ARPA Fund The township received a grant from the U. S. Department of Treasury to make payment to recipients from the Coronavirus State Fiscal Recovery Fund and the Local Fiscal Recovery Fund to be used in accordance with section 603(c) of the Social Act and guidance issued by the Department of Treasury.

ARPA First Responder Retention Grant Fund The township received a grant from the Ohio Department of Public Safety to make payment of 100% of receipts to recipients in accordance with the Grant Guidelines.

Recycling Fund The Recycling Fund accounts for and reports all revenues and expenditures of the Recycling Fund. The main source of revenue is derived from the site rental received from Mahoning County.

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

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Township's custodial fund account holds proceeds from a road bond project.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

Smith Township
Mahoning County

Notes to the Financial Statements
For the Year Ended December 31, 2023

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 2023 budgetary activity appears in Note 3.

Deposits and Investments

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

Capital Assets

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

Accumulated Leave

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

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.

Smith Township
Mahoning County

Notes to the Financial Statements
For the Year Ended December 31, 2023

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*.

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 last 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 12.

Note 3 – Budgetary Activity

Budgetary activity for the year ending 2023 follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$175,478	\$176,870	\$1,392
Special Revenue	1,027,599	1,029,669	2,070
Capital Projects	6	6	0
Total	<u>\$1,203,083</u>	<u>\$1,206,545</u>	<u>\$3,462</u>

2023 Budgeted vs. Actual Budgetary Based Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$175,597	(\$175,597)
Special Revenue	0	1,315,356	(1,315,356)
Capital Projects	0	0	0
Total	<u>\$0</u>	<u>\$1,490,953</u>	<u>(\$1,490,953)</u>

Note 4 – Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in all funds by \$1,490,953 for the year ended December 31, 2023.

Smith Township
Mahoning County

Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 5 – 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 deposit and investment accounts are as follows:

	<u>2023</u>
<i>Cash Management Pool:</i>	
Demand deposits	<u>\$49,293</u>
Total deposits	<u>49,293</u>
Repurchase agreement	<u>649,651</u>
Total investments	<u>649,651</u>
<i>Total carrying amount of deposits and investments held in the Pool</i>	<u><u>\$698,944</u></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. The Township has paid all employee payroll withholdings.

Deposits

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

At December 31, 2023, all of the Township's deposits were insured or collateralized.

Investments

The Township's financial institution transfers securities to the Township's agent to collateralize repurchase agreements. The securities are not in the Township's name.

Note 6 – Property Taxes

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

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.

Smith Township
Mahoning County

Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 7 – Risk Management

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

The Township participates in the managed care organization, Sedgwick, for worker's compensation. Sedgwick Managed Care Ohio (MCO) was formed when CareWorks of Ohio and Comp Management Health Systems merged on December 21, 2020. Sedgwick MCO is a workers' compensation managed care organization focused on helping injured employees return to work safely and quickly. Their leaders have an average tenure of over 20 years with Sedgwick MCO. Sedgwick MCO handles more than half of all Ohio Workers' Compensation claims annually. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

Risk Pool Membership

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

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

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

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

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Smith Township
Mahoning County

Notes to the Financial Statements
For the Year Ended December 31, 2023

Social Security

One Township employee 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.

Note 9 – Postemployment Benefits

Both OPERS and OP&F offer 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. OP&F uses a stipend-based health care model. A stipend funded by OP&F is placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses. For calendar year 2023, 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 2023, 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. OP&F contributes 0.5 percent to fund these benefits.

Note 10 – 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.

Note 11 – Debt

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

	Principal	Interest Rate
Dump Truck Lease	\$77,694	5.77%
Total	<u>\$77,694</u>	

Finance Purchase

During 2023, the Township entered into a Finance Purchase Agreement with FNB Equipment Finance for the purchase of a Volvo Wheel Loader in the amount of \$100,000 at 5.77% interest rate for five years, which will be paid from the Gas Tax Fund. Finance purchase costs for the year ended December 31, 2023, were \$22,306.

Smith Township
Mahoning County

Notes to the Financial Statements
For the Year Ended December 31, 2023

The following is a schedule of the future minimum finance purchase payments required under the agreement.

Year Ended December 31,	2023 Wheel Loader
2024	22,306
2025	22,306
2026	22,306
2027	22,307
Total	<u>\$89,225</u>
Less: Amount Representing Interest	<u>(11,531)</u>
<i>Present Value of Minimum Lease</i>	<u>\$77,694</u>

Note 12 – Fund Balances

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end the balances there were no outstanding encumbrances.

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	\$ 710	\$ 53,578	\$ 54,288
Total	<u>\$ 710</u>	<u>\$ 53,578</u>	<u>\$ 54,288</u>

Note 13 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency continues. During 2023, the Township received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. The impact on the Township's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

The Township received \$14,173 on-behalf of the Ohio Department of Public Safety Ohio EMA ARPA First Responder Retention Incentives Grant.

Smith Township
Mahoning 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

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash Receipts				
Property and Other Local Taxes	\$ 84,661	\$ 604,930	\$ -	\$ 689,591
Licenses, Permits, and Fees	18,953	2,913	-	21,866
Fines and Forfeitures	-	18,901	-	18,901
Intergovernmental	45,023	381,614	-	426,637
Earnings on Investments	7,833	7,944	2	15,779
Miscellaneous	3,206	73,910	-	77,116
<i>Total Cash Receipts</i>	<u>159,676</u>	<u>1,090,212</u>	<u>2</u>	<u>1,249,890</u>
Cash Disbursements				
Current:				
General Government	163,366	2,299	-	165,665
Public Safety	-	666,401	-	666,401
Public Works	-	261,567	-	261,567
Health	1,282	-	-	1,282
Human Services	-	3,029	-	3,029
Conservation-Recreation	46	-	-	46
Other	-	-	-	-
Capital Outlay	-	98,228	-	98,228
Debt Service:				
Principal Retirement	-	14,666	-	14,666
Interest and Fiscal Charges	-	1,426	-	1,426
<i>Total Cash Disbursements</i>	<u>164,694</u>	<u>1,047,616</u>	<u>-</u>	<u>1,212,310</u>
<i>Excess of Receipts Over/(Under) Disbursements</i>	<u>(5,018)</u>	<u>42,596</u>	<u>2</u>	<u>37,580</u>
Other Financing Receipts/(Disbursements)				
Advances In	8,400	8,400	-	16,800
Advances Out	(8,400)	(8,400)	-	(16,800)
Other Financing Uses	(240)	-	-	(240)
<i>Total Other Financing Receipts/(Disbursements)</i>	<u>(240)</u>	<u>-</u>	<u>-</u>	<u>(240)</u>
<i>Net Change in Fund Cash Balances</i>	<u>(5,258)</u>	<u>42,596</u>	<u>2</u>	<u>37,340</u>
Fund Cash Balances, January 1	<u>145,468</u>	<u>745,534</u>	<u>122</u>	<u>891,124</u>
<i>Total Fund Cash Balances, December 31</i>	<u>\$ 140,210</u>	<u>\$ 788,130</u>	<u>\$ 124</u>	<u>\$ 928,464</u>

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

Smith Township
Mahoning County, Ohio

Statement of Additions, Deductions, and
Changes in Fund Balance (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2022

	<u>Custodial</u>
Additions	\$ -
Deductions	<u>-</u>
<i>Net Change in Fund Balance</i>	-
<i>Fund Cash Balance, January 1</i>	<u>600</u>
<i>Fund Cash Balance, December 31</i>	<u><u>\$ 600</u></u>

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

Smith Township
Mahoning County

Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Smith Township, Mahoning County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, police protection, fire protection and emergency medical services. The Township contracts with the Village of Sebring to provide fire services.

Public Entity Risk Pool

The Township participates in two public entity risk pools. Note 6 to the financial statements provides additional information for these entities, which are:

Ohio Township Association Risk Management Authority (OTARMA) – The risk sharing pool, available to Ohio Townships provides property and casualty insurance for its members. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements, and other expenses resulting from covered claims that exceed the members' deductibles.

Sedgewick Managed Care Ohio (MCO) – The management care organization, available to Ohio Townships, is focused on helping injured employees return to work safely and quickly.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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

Smith Township
Mahoning County

Notes to the Financial Statements
For the Year Ended December 31, 2022

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.

Police Fund The Police Fund accounts for and reports all revenues and expenditures of the Police Fund. The main source of revenue is derived from property tax levies.

Fire Fund The Fire Fund accounts for and reports all revenues and expenditures of the Fire Fund. The main source of revenue is derived from property tax levies.

Coronavirus Relief Fund The township received a grant from the U. S. Department of Treasury to make payment to recipients from the Coronavirus State Fiscal Recovery Fund and the Local Fiscal Recovery Fund to be used in accordance with section 603(c) of the Social Act and guidance issued by the Department of Treasury.

Recycling Fund The Recycling Fund accounts for and reports all revenues and expenditures of the Recycling Fund. The main source of revenue is derived from the site rental received from Mahoning County.

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

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Township's custodial fund account holds proceeds from a road bond project.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

Smith Township
Mahoning County

Notes to the Financial Statements
For the Year Ended December 31, 2022

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 2022 budgetary activity appears in Note 3.

Deposits and Investments

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

Capital Assets

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

Accumulated Leave

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

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.

Smith Township
Mahoning County

Notes to the Financial Statements
For the Year Ended December 31, 2022

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*.

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 last 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 12.

Note 3 – Budgetary Activity

Budgetary activity for the year ending 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$166,740	\$159,676	(\$7,064)
Special Revenue	1,093,883	1,090,212	(3,671)
Capital Projects	2	2	0
Total	<u>\$1,260,625</u>	<u>\$1,249,890</u>	<u>(\$10,735)</u>

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$176,856	\$164,934	\$11,922
Special Revenue	986,396	1,047,616	(61,220)
Total	<u>\$1,163,252</u>	<u>\$1,212,550</u>	<u>(\$49,298)</u>

Note 4 – Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Road and Bridge and Fire District funds by \$58,326 and \$4,042, respectively for the year ended December 31, 2022.

Smith Township
Mahoning County

Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 5 – 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 deposit and investment accounts are as follows:

	<u>2022</u>
<i>Cash Management Pool:</i>	
Demand deposits	<u>\$73,061</u>
Total deposits	<u>73,061</u>
Repurchase agreement	<u>856,003</u>
Total investments	<u>856,003</u>
<i>Total carrying amount of deposits and investments held in the Pool</i>	<u><u>\$929,064</u></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. The Township has paid all employee payroll withholdings.

Deposits

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

At December 31, 2022, all of the Township's deposits were insured or collateralized.

Investments

The Township's financial institution transfers securities to the Township's agent to collateralize repurchase agreements. The securities are not in the Township's name.

Note 6 – Property Taxes

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

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.

Smith Township
Mahoning County

Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 7 – Risk Management

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

The Township participates in the managed care organization, Sedgwick, for worker's compensation. Sedgwick Managed Care Ohio (MCO) was formed when CareWorks of Ohio and Comp Management Health Systems merged on December 21, 2020. Sedgwick MCO is a workers' compensation managed care organization focused on helping injured employees return to work safely and quickly. Their leaders have an average tenure of over 20 years with Sedgwick MCO. Sedgwick MCO handles more than half of all Ohio Workers' Compensation claims annually. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

Risk Pool Membership

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

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

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

	<u>2022</u>
Cash and Investments	\$32,288,098
Actuarial liabilities	9,146,434

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

Smith Township
Mahoning County

Notes to the Financial Statements
For the Year Ended December 31, 2022

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, 2022.

Social Security

One Township employee 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.

Note 9 – Postemployment Benefits

Both OPERS and OP&F offer 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. OP&F uses a stipend-based health care model. A stipend funded by OP&F is placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses. For calendar year 2022, 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 2022, 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. OP&F contributes 0.5 percent to fund these benefits.

Note 10 – 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.

Note 11 – Debt

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

	Principal	Interest Rate
Dump Truck Finance Purchase	\$15,363	4.65%
Total	<u>\$15,363</u>	

Lease

During 2019, the Township entered into a Finance Purchase Agreement with FNB Equipment Finance for the purchase of a dump truck in the amount of \$73,488 at 4.65% interest rate for five years. Finance purchase costs for the year ended December 31, 2022, were \$16,092.

Smith Township
Mahoning County

Notes to the Financial Statements
For the Year Ended December 31, 2022

The following is a schedule of the future minimum finance purchase payments required under the agreement:

Year Ended December 31,	2019 Dump Truck
2023	16,092
Total	<u>\$16,092</u>
Less: Amount Representing Interest	<u>(729)</u>
<i>Present Value of Minimum Lease</i>	<u>\$15,363</u>

Note 12 – Fund Balances

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end there were no outstanding encumbrances.

Note 13 – COVID-19

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

The Township received \$174,906 in funding and earned interest of \$3,371 for that in in 2022.



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CERTIFIED PUBLIC ACCOUNTANTS

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**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***

Smith Township
Mahoning County
846 North Johnson Road
Sebring, Ohio 44672

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, 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 Smith Township, Mahoning County (the Township), and have issued our report thereon dated May 23, 2025, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township.

Report 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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiencies in internal control, described in the accompanying schedule of findings as items 2023-001 and 2023-002 that we consider to be material weaknesses.

Report 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 determination of financial statement amounts. 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 matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2023-002.

Township's Response to Findings

The Township's response to the findings identified in our audit is described in the accompanying schedule of findings. The Township's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.



CANTER & ASSOCIATES

Poland, Ohio

May 23, 2025

**SMITH TOWNSHIP
MAHONING COUNTY**

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

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

FINDING NUMBER 2023-001

MATERIAL WEAKNESS

Financial Reporting

Financial reporting is the responsibility of management, and it is essential that financial statements are presented fairly and free of material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs A14 & A16. The Governmental Accounting Standards Board (GASB) states that a governmental accounting system is required to make it possible for the funds and activities of the governmental unit to be presented fairly and with full disclosure in conformity with generally accepted accounting principles as well as to be able to determine and demonstrate compliance with finance-related legal and contractual provisions.

The following errors were noted:

2022:

- Homestead and rollback receipts of \$25,756 were incorrectly posted to tax revenue and should be posted to intergovernmental revenue in the General Fund of \$4,769, Road Fund of \$3,497, Police Fund of \$15,654 and the Fire Fund of \$1,836.
- Homestead and rollback receipts of \$720 were incorrectly posted to taxes and should be posted to intergovernmental receipts in the General Fund of \$194, Road Fund of \$79, Police Fund of \$397, and the Fire Fund of \$50.
- Township levied Motor Vehicle License tax receipts of \$14,493 were incorrectly posted to intergovernmental receipts and should be posted to tax receipts.
- Employees withholdings of \$5,400 for their share of insurance were posted as a miscellaneous revenue in the Police Fund and should have been recorded as a reductions to the insurance expenditure.
- Various receipts were posted to intergovernmental revenue when they should have been recorded as miscellaneous revenue and licenses. The following mispostings occurred:

Fund	Amount	Original Account	Correct Account
General	\$939	Intergovernmental Revenue	License and Permits
General	\$394	Intergovernmental Revenue	Miscellaneous Revenue
Road	\$1,783	Intergovernmental Revenue	Miscellaneous Revenue
Police	\$3,969	Intergovernmental Revenue	Miscellaneous Revenue
Recycling	\$3,000	Intergovernmental Revenue	Miscellaneous Revenue

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

FINDING NUMBER 2023-001 (continued)

2023:

- Homestead and rollback receipts of \$2,245 were incorrectly posted at the net amount and should be recorded as a memo receipt to record the gross revenue and expenses associated with each.
- Homestead and rollback receipts of \$435 were incorrectly posted to taxes and should be posted to intergovernmental receipts in the General Fund of \$107, Road Fund of \$55, Police Fund of \$244, and the Fire Fund of \$29.
- Township levied Motor Vehicle License tax receipts of \$14,256 were incorrectly posted to intergovernmental receipts and should be posted to tax receipts.
- Various receipts were posted to intergovernmental revenue when they should have been recorded as miscellaneous revenue and licenses. In addition, miscellaneous revenue was posted to the road fund of \$539 and should have been posted to the police fund. The following mispostings occurred:

Fund	Amount	Original Account	Correct Account
General	\$1,105	Intergovernmental Revenue	License and Permits
General	\$200	Intergovernmental Revenue	Miscellaneous Revenue
Road	\$1,340	Intergovernmental Revenue	Miscellaneous Revenue
Police	\$4,324	Intergovernmental Revenue	Miscellaneous Revenue
Recycling	\$3,000	Intergovernmental Revenue	Miscellaneous Revenue

- The fiscal officer posted ARPA funds of \$174,905 to the Coronavirus Fund instead of creating an SLRF Fund.

The above adjustments have been reflected in the financial statements.

We recommend the Township ensure recording of financial transactions reporting to help ensure the information accurately reflects the activity of the Township and thereby increasing the reliability of the financial data throughout the year. The Fiscal Officer should reference applicable guidance from the Auditor of State, such as UAN manuals of the Ohio Township Manual when posting receipts and processing unusual transactions.

Official's Response:

We did not receive a response from Officials to this finding.

<p align="center">FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (continued)</p>
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FINDING NUMBER 2023-002

MATERIAL WEAKNESS AND NONCOMPLIANCE

Ohio Revised Code Section 5705.39 requires that total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure therefrom, as certified by the budget commission, or in case of appeal, by the board of tax appeals. No appropriation measure shall become effective until the county auditor files with the appropriating authority a certificate that the total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed such official estimate or amended official estimate. When the appropriation does not exceed such official estimate, the county auditor shall give such certificate forthwith upon receiving from the appropriating authority a certified copy of the appropriation measure. Appropriations shall be made from each fund only for the purposes for which such fund is established.

Ohio Rev. Code Section 5705.41(B) requires that no subdivision or taxing unit is to expend money unless it has been appropriated.

In 2023, the fiscal officer did not submit a total appropriations measure to the county auditor, therefore, there was no appropriation authority for expenditures for 2023 and total expenditures exceeded appropriation authority at year end as follows:

<u>Fund</u>	<u>Appropriation Authority</u>	<u>Expenditures</u>	<u>Amount Expenditures Exceed Appropriations</u>
General	-	175,500	(175,500)
Motor Vehicle License Tax (2011)	-	21,220	(21,220)
Gasoline Tax (2021)	-	314,710	(314,710)
Road and Bridge (2031)	-	91,030	(91,030)
Police District (2081)	-	601,118	(601,118)
Police Training (2082)	-	574	(574)
Fire District (2111)	-	80,032	(80,032)
Drug Law Enforcement (2221)	-	2,802	(2,802)
Permissive Motor Vehicle (2231)	-	48,520	(48,520)
Law Enforcement Trust (2261)	-	350	(350)
Enforcement and Education (2271)	-	177	(177)
Coronavirus Relief Fund (2272)	-	138,219	(138,219)
ARPA (2273)	-	14,173	(14,173)
Recycling Fund (2901)	-	1,239	(1,239)
Recyclables Fund (2905)	-	800	(800)

At December 31, 2022, object level expenditures plus outstanding encumbrances exceeded appropriations within the following funds:

Road and Bridge Fund	\$58,326
Fire District Fund	\$ 4,042
Permissive Motor Vehicle	\$ 100

<p style="text-align: center;">FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (continued)</p>

FINDING NUMBER 2023-002 (continued)

In addition, estimated resources and appropriations posted to the Townships UAN system did not agree to the Townships actual Appropriation Measure plus supplemental appropriations. The fiscal officer should compare actual expenditures plus outstanding encumbrances to appropriations at the object level to avoid overspending and update the UAN when amended estimated resources are filed with the county auditor.

Official's Response:

We did not receive a response from Officials to this finding.

Smith Township
County of Mahoning, State of Ohio
www.smithtownship.net

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

Finding Number	Finding Summary	Status	Additional Information
2021-001	Financial Reporting	Not corrected	Repeated as 2023-001

OHIO AUDITOR OF STATE KEITH FABER



SMITH TOWNSHIP

MAHONING 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 7/31/2025

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