



***DEERFIELD TOWNSHIP  
ROSS COUNTY***

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**Regular Audit**

**For the Years Ended  
December 31, 2023 and 2022**

**J.L. UHRIG**  
AND ASSOCIATES INC.

CERTIFIED PUBLIC ACCOUNTANT AND MANAGEMENT CONSULTANTS





OHIO AUDITOR OF STATE  
KEITH FABER



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

Board of Trustees  
Deerfield Township  
PO Box 177  
Clarksburg, Ohio 43115

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

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Deerfield Township is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

August 08, 2024

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**DEERFIELD TOWNSHIP, ROSS COUNTY**  
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For the Years Ended December 31, 2023 and 2022

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## Independent Auditor's Report

Board of Trustees  
Deerfield Township, Ross County  
PO Box 177  
Clarksburg, Ohio 43115

To the Board of Trustees:

### ***Report on the Audit of the Financial Statements***

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

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

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 1.

#### ***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 1 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 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

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

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

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

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

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



Board of Trustees  
Deerfield Township, Ross County  
Independent Auditor's Report

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.

**Emphasis of Matter**

As discussed in Note 8 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.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2024, 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.

*J. L. Uhrig and Associates, Inc.*

J. L. UHRIG AND ASSOCIATES, INC.  
Chillicothe, Ohio

June 20, 2024

**DEERFIELD TOWNSHIP, ROSS COUNTY**  
**Combined Statement of Cash Receipts, Cash Disbursements, and**  
**Changes in Fund Cash Balances**  
**All Governmental Fund Types**  
**For the Year Ended December 31, 2023**

	Governmental Fund Types				Totals
	General	Special Revenue	Capital Projects Fund	Permanent	
<b><u>Cash Receipts:</u></b>					
Local Taxes	\$25,581	\$137,359	\$0	\$0	162,940
Intergovernmental	38,677	203,533	0	0	242,210
Earnings on Investments	79	54	0	1	134
Licenses, Permits, and Fees	53	12,350	0	0	12,403
Other Revenue	1,029	15,728	0	0	16,757
<b>Total Cash Receipts</b>	<b>65,419</b>	<b>369,024</b>	<b>0</b>	<b>1</b>	<b>434,444</b>
<b><u>Cash Disbursements:</u></b>					
<i>Current:</i>					
General Government	44,979	75,534	0	0	120,513
Public Safety	0	45,888	0	0	45,888
Public Works	0	40,876	0	0	40,876
Health	9,800	27,170	0	0	36,970
Capital Outlay	7,124	158,841	0	0	165,965
<b>Total Cash Disbursements</b>	<b>61,903</b>	<b>348,309</b>	<b>0</b>	<b>0</b>	<b>410,212</b>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	<b>3,516</b>	<b>20,715</b>	<b>0</b>	<b>1</b>	<b>24,232</b>
<b><u>Other Financing Sources (Uses):</u></b>					
Transfers In	0	38,516	0	0	38,516
Transfers Out	(38,516)	0	0	0	(38,516)
<b>Total Other Financing Sources (Uses)</b>	<b>(38,516)</b>	<b>38,516</b>	<b>0</b>	<b>0</b>	<b>0</b>
Excess of Revenues and Other Financing Sources (Uses) Over (Under) Expenditures and Other Uses	(35,000)	59,231	0	1	24,232
Fund Cash Balances, January 1	239,831	1,137,803	88	9,636	1,387,358
<b>Fund Cash Balances, December 31</b>	<b>\$204,831</b>	<b>\$1,197,034</b>	<b>\$88</b>	<b>\$9,637</b>	<b>\$1,411,590</b>

See accompanying notes to the financial statements.

**Deerfield Township**  
*Ross County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Deerfield Township, Ross 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, fire protection and emergency medical services.

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA), a public entity risk pool. OTARMA is a risk-sharing pool available to Ohio Townships for insurance coverage.

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

**B. 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 receipts, disbursements and changes in fund-balances (regulatory cash basis) for all proprietary and fiduciary fund types which are organized on a fund type basis.

**C. Accounting Basis**

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(D). 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(D) permit.

**D. Deposits and Investments**

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively. The Township deposits all available funds in an interest bearing checking account at a local commercial bank.

**E. Fund Accounting**

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

**Deerfield Township**  
*Ross County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**1. General Fund**

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

**2. Special Revenue Funds**

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

Gasoline Tax Fund - This fund receives gasoline tax money to pay for constructing, maintaining, and repairing Township roads.

Special Levy Fire Fund – This fund receives tax monies for the purpose of providing fire and rescue services for the Township.

**3. 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 did not have any debt service for 2023.

**4. Permanent Funds**

These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizens). The Township had the following significant permanent fund: Dunfee Cemetery Bequest – This fund receives interest earned on nonexpendable corpus from a trust agreement. These earnings are used for the upkeep and/or improvement of the cemeteries within the township.

**F. Budgetary Process**

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

**1. Appropriations**

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

**Deerfield Township**  
*Ross County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2. 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.

**3. Encumbrances**

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

A summary of budgetary activity for 2023 appears in Note 3.

**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:

**1. Non-spendable**

The Township classifies assets as non-spendable when legally or contractually required to maintain the amounts intact.

**2. 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.

**3. 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.

**4. 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.

**Deerfield Township**  
*Ross County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**5. 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.

**H. Property, Plant, and Equipment**

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

**2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS**

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

	<u>2023</u>
Demand deposits	<u>\$1,411,590</u>
Total deposits and investments	<u><u>\$1,411,590</u></u>

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation and collateralized by the financial institution's public entity deposit pool.

**Deerfield Township**  
*Ross County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**3. BUDGETARY ACTIVITY**

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$63,894	\$65,419	\$1,525
Special Revenue	320,503	407,540	87,037
Permanent	0	1	1
Total	\$384,397	\$472,960	\$88,563

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$234,034	\$100,419	\$133,615
Special Revenue	1,221,171	348,309	872,862
Total	\$1,455,205	\$448,728	\$1,006,477

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable 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<sup>st</sup>. If the property owner elects to pay semiannually, the first half is due December 31<sup>st</sup> and the second half payment is due the following June 20<sup>th</sup>.

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

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

**5. DEFINED BENEFIT PENSION PLANS**

Seven 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 healthcare and survivor and disability benefits.

**Deerfield Township**  
*Ross County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**5. DEFINED BENEFIT PENSION PLANS (CONTINUED)**

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

<b>Retirement Rates</b>	<b>Year</b>	<b>Member Rate</b>	<b>Employer Rate</b>
OPERS - Local	2022-2023	10%	14%

Two of the Township's employees contributed to social security. This plan provides retirement benefits, including survivor and disability to participant.

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.

**6. POSTEMPLOYMENT BENEFITS**

Both 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 2.0 percent during calendar year 2022, and 1.0% during calendar year 2023.

**7. RISK MANAGEMENT**

The Township is exposed to various risks of property and casualty losses injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio Townships. OTARMA provides property and casualty coverage for its members. York Risk Pooling Services, Inc. (formally known as American Risk Pooling Consultants, Inc.) York or Management, functions as the administrator of the Pool and provides underwriting claims, loss control, risk management, and reinsurance services for the Pool. Member governments pay annual covered claims that exceed the member's deductibles.

- General liability and casualty
- Public official's liability
- Cyber
- Law Enforcement liability
- Automobile liability
- Vehicles



**Deerfield Township**  
*Ross County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**7. RISK MANAGEMENT (CONTINUED)**

- 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	\$33,413,132
Actuarial Liabilities	\$10,308,742

**9. 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 ended in April 2023. During 2023, the Township did not receive 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 funding, either federal or state, cannot be estimated.

**DEERFIELD TOWNSHIP, ROSS COUNTY**  
**Combined Statement of Cash Receipts, Cash Disbursements, and**  
**Changes in Fund Cash Balances**  
**All Governmental Fund Types**  
**For the Year Ended December 31, 2022**

	Governmental Fund Types				Totals
	General	Special Revenue	Capital Projects Fund	Permanent	
<b><u>Cash Receipts:</u></b>					
Local Taxes	\$19,463	\$127,351	\$0	\$0	146,814
Intergovernmental	69,443	166,286	0	0	235,729
Earnings on Investments	73	55	0	1	129
Licenses, Permits, and Fees	76	13,850	0	0	13,926
Other Revenue	4	6,875	0	0	6,879
<b>Total Cash Receipts</b>	<b>89,059</b>	<b>314,417</b>	<b>0</b>	<b>1</b>	<b>403,477</b>
<b><u>Cash Disbursements:</u></b>					
<i>Current:</i>					
General Government	47,404	37,125	0	0	84,529
Public Safety	24,250	45,338	0	0	69,588
Public Works	0	102,321	0	0	102,321
Health	255	43,834	0	0	44,089
Capital Outlay	4,481	94,163	0	0	98,644
<b>Total Cash Disbursements</b>	<b>76,390</b>	<b>322,781</b>	<b>0</b>	<b>0</b>	<b>399,171</b>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	<b>12,669</b>	<b>(8,364)</b>	<b>0</b>	<b>1</b>	<b>4,306</b>
<b>Fund Cash Balances, January 1</b>	<b>227,162</b>	<b>1,146,167</b>	<b>88</b>	<b>9,635</b>	<b>1,383,052</b>
<b><i>Fund Cash Balances, December 31</i></b>	<b><u>\$239,831</u></b>	<b><u>\$1,137,803</u></b>	<b><u>\$88</u></b>	<b><u>\$9,636</u></b>	<b><u>\$1,387,358</u></b>

See accompanying notes to the financial statements.

**Deerfield Township**  
*Ross County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

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**B. 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 receipts, disbursements and changes in fund-balances (regulatory cash basis) for all proprietary and fiduciary fund types which are organized on a fund type basis.

**C. Accounting Basis**

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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(D) permit.

**D. Deposits and Investments**

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively. The Township deposits all available funds in an interest bearing checking account at a local commercial bank.

**E. Fund Accounting**

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

**Deerfield Township**  
*Ross County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**1. General Fund**

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

**2. Special Revenue Funds**

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

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**3. 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 did not have any debt service for 2022.

**4. Permanent Funds**

These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizens). The Township had the following significant permanent fund: Dunfee Cemetery Bequest – This fund receives interest earned on nonexpendable corpus from a trust agreement. These earnings are used for the upkeep and/or improvement of the cemeteries within the township.

**F. Budgetary Process**

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

**1. Appropriations**

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

**Deerfield Township**  
*Ross County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2. 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.

**3. Encumbrances**

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

A summary of budgetary activity for 2022 appears in Note 3.

**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:

**1. Non-spendable**

The Township classifies assets as non-spendable when legally or contractually required to maintain the amounts intact.

**2. 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.

**3. 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.

**4. 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.

**Deerfield Township**  
*Ross County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**5. 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.

**H. Property, Plant, and Equipment**

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

**2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS**

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

	<u>2022</u>
Demand deposits	<u>\$1,387,358</u>
Total deposits and investments	<u><u>\$1,387,358</u></u>

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation and collateralized by the financial institution's public entity deposit pool.

**Deerfield Township**  
*Ross County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

**3. BUDGETARY ACTIVITY**

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$54,406	\$89,059	\$34,653
Special Revenue	282,023	314,417	32,394
Permanent	0	1	1
Total	\$336,429	\$403,477	\$67,048

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$240,927	\$76,390	\$164,537
Special Revenue	1,212,833	322,781	890,052
Total	\$1,453,760	\$399,171	\$1,054,589

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable 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<sup>st</sup>. If the property owner elects to pay semiannually, the first half is due December 31<sup>st</sup> and the second half payment is due the following June 20<sup>th</sup>.

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

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

**5. DEFINED BENEFIT PENSION PLANS**

Seven 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 healthcare and survivor and disability benefits.

**Deerfield Township**  
*Ross County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**5. DEFINED BENEFIT PENSION PLANS (CONTINUED)**

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

<b>Retirement Rates</b>	<b>Year</b>	<b>Member Rate</b>	<b>Employer Rate</b>
OPERS - Local	2021-2022	10%	14%

Two of the Township's employees contributed to social security. This plan provides retirement benefits, including survivor and disability to participant.

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.

**6. POSTEMPLOYMENT BENEFITS**

Both 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 2.0 percent during calendar year 2022.

**7. RISK MANAGEMENT**

The Township is exposed to various risks of property and casualty losses injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio Townships. OTARMA provides property and casualty coverage for its members. York Risk Pooling Services, Inc. (formally known as American Risk Pooling Consultants, Inc.) York or Management, functions as the administrator of the Pool and provides underwriting claims, loss control, risk management, and reinsurance services for the Pool. Member governments pay annual covered claims that exceed the member's deductibles.

- General liability and casualty
- Public official's liability
- Cyber
- Law Enforcement liability
- Automobile liability
- Vehicles



**Deerfield Township**  
*Ross County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**7. RISK MANAGEMENT (CONTINUED)**

- 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	\$34,880,599
Actuarial Liabilities	\$10,601,444

**8. 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 ended in April 2023. During 2022, the Township did receive 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 funding, either federal or state, cannot be estimated.

**Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required By *Government Auditing Standards***

Board of Trustees  
Kendra Miller, Fiscal Officer  
Deerfield Township, Ross County  
PO Box 177  
Clarksburg, Ohio 43115

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts and disbursements by fund type of the Deerfield Township, Ross County, Ohio (the Township), as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements and have issued our report thereon dated June 20, 2024, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permit. We also noted the financial impact of COVID-19 and the ensuing emergency measures that will impact subsequent periods of the Township.

**Internal Control over Financial Reporting**

As part of our financial statement audit, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Township's internal control. Accordingly, we have not opined on it.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Board of Trustees  
Deerfield Township, Ross County  
Independent Auditor's Report on Internal Control over  
Financial Reporting and on Compliance and Other Matters  
Required By *Government Auditing Standards*

### **Compliance and Other Matters**

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

*J. L. Uhrig and Associates, Inc.*

J. L. UHRIG AND ASSOCIATES, INC.  
Chillicothe, Ohio

June 20, 2024

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# OHIO AUDITOR OF STATE KEITH FABER



**DEERFIELD TOWNSHIP**

**ROSS 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 8/20/2024**

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)