

HARTFORD TOWNSHIP
LICKING COUNTY, OHIO

REGULAR AUDIT

**FOR THE YEARS ENDED
DECEMBER 31, 2022 & 2021**

OHIO AUDITOR OF STATE
KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
IPAReport@ohioauditor.gov
(800) 282-0370

Board of Trustees
Hartford Township
P. O. Box 203
Croton, Ohio 43013

We have reviewed the *Independent Auditor's Report* of Hartford Township, Licking County, prepared by Julian & Grube, Inc., for the audit period January 1, 2021 through December 31, 2022. 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. Hartford 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

February 05, 2024

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**HARTFORD TOWNSHIP
LICKING COUNTY, OHIO**

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Independent Auditor's Report

Hartford Township
Licking County
P.O. Box 203
Croton, Ohio 43013

To the Members of the Board of Trustees:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the cash balances, receipts, and disbursements for each governmental fund type of Hartford Township, Licking County, Ohio, as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements.

Unmodified Opinions 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 of Hartford Township, as of and for the years ended December 31, 2022 and 2021 in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) as described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" section of our report, the accompanying financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Hartford Township, as of December 31, 2022 and 2021, or changes in net 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 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 Hartford 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 Hartford Township on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP), to meet the requirements of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C). 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.

Though Hartford Township does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Our opinions on this accounting basis are in the "Unmodified Opinions on Regulatory Basis of Accounting" paragraph above.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Hartford 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Hartford 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.

Hartford Township
Licking County
Independent Auditor's Report

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Hartford Township's ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2023 on our consideration of Hartford Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Hartford 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 Hartford Township's internal control over financial reporting and compliance.



Julian & Grube, Inc.
November 28, 2023

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

	General	Special Revenue	Combined Total
Cash Receipts			
Property and Other Local Taxes	\$ 55,190	\$ 819,400	\$ 874,590
Charges for Services	-	529,999	529,999
Licenses, Permits and Fees	1,883	107,261	109,144
Intergovernmental	31,709	230,558	262,267
Earnings on Investments	249	119	368
Miscellaneous	-	2,100	2,100
<i>Total Cash Receipts</i>	<u>89,031</u>	<u>1,689,437</u>	<u>1,778,468</u>
Cash Disbursements			
Current:			
General Government	88,367	40,944	129,311
Public Safety	-	1,166,899	1,166,899
Public Works	35,459	348,954	384,413
Health	-	4,835	4,835
Human Services	-	26,780	26,780
Debt Service:			
Principal Retirement	-	52,528	52,528
Interest and Fiscal Charges	-	17,910	17,910
<i>Total Cash Disbursements</i>	<u>123,826</u>	<u>1,658,850</u>	<u>1,782,676</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(34,795)</u>	<u>30,587</u>	<u>(4,208)</u>
Other Financing Receipts (Disbursements)			
Other Financing Sources	<u>2,716</u>	<u>-</u>	<u>2,716</u>
<i>Total Other Financing Receipts (Disbursements)</i>	<u>2,716</u>	<u>-</u>	<u>2,716</u>
<i>Net Change in Fund Cash Balances</i>	(32,079)	30,587	(1,492)
<i>Fund Cash Balances, January 1 - restated</i>	<u>56,990</u>	<u>472,051</u>	<u>529,041</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 24,911</u>	<u>\$ 502,638</u>	<u>\$ 527,549</u>

See accompanying notes to the basic financial statements

Hartford Township
Licking County, Ohio
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 Hartford Township, Licking County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services.

Public Entity Risk Pool

The Township participates in a public entity risk pool. Note 7 to the financial statement provide additional information for this entity. The Township’s management believes these financial statements present all activities for which the Township is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Township’s financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types which are all organized on a fund type basis. The Township did not have proprietary and fiduciary fund types.

Fund Accounting

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

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

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

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

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

Road and Bridge Fund The road and bridge fund receives property tax money levied for the funding of repairing and maintaining Township roads.

Cemetery Fund The cemetery fund accounts for money received for graves and opening and closing graves. It also accounts for costs and machinery and labor maintaining the cemeteries.

Fire District Fund The fire fund collects levy money and is the source of funds for maintaining the firehouse and paying for fire and EMS services.

Hartford Township
Licking County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (continued)

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code 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.

Budgetary Process

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

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

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus 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 can be carried over, and need not be reappropriated, or canceled and reappropriated in the subsequent year.

A summary of 2022 budgetary activity appears in Note 4.

Deposits and Investments

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

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

Capital Assets

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

Accumulated Leave

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

Hartford Township
Licking County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (continued)

Fund Balance

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

Nonspendable The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable portion of the corpus in permanent funds.

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

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

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 12.

Note 3 – Compliance

Contrary to Ohio Revised Code Section 5705.41(D), the Township had 62% of disbursements examined with an invoice dated before the purchase order.

Contrary to Ohio Revised Code Sections 5705.39 and 5705.36, appropriations exceeded estimated resources in the General, Fire District (a special revenue fund) and Coronavirus Relief (a special revenue fund) funds for the year ended December 31, 2022.

Hartford Township
Licking County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 87,197	\$ 91,747	\$ 4,550
Special Revenue	1,302,151	1,689,437	387,286
Total	\$ 1,389,348	\$ 1,781,184	\$ 391,836

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 145,832	\$ 123,826	\$ 22,006
Special Revenue	2,082,961	1,658,850	424,111
Total	\$ 2,228,793	\$ 1,782,676	\$ 446,117

Note 5 – Deposits and Investments

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

	2022
Demand deposits	\$ 513,898
STAR Ohio	13,651
<i>Total carrying amount of deposits and investments</i>	\$ 527,549

Deposits

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

Investments

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

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.

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

Hartford Township
Licking County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 7 – Risk Management

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

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

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

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

Assets	\$ 21,662,291
Liabilities	<u>(18,158,351)</u>
Members' Equity	<u>\$ 3,503,940</u>

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

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.

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some 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 postemployment 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, 2022.

Ohio Police and Fire Retirement System

Other Township certified Fire Fighters belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postemployment health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Township contributed to OP&F an amount equal to 24 percent of full-time fire fighters' wages. The Township has paid all contributions required through December 31, 2022.

Hartford Township
Licking County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 8 – Defined Benefit Pension Plans (continued)

Social Security

Some Township employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

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

Note 9 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2022. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

Note 10 – Debt

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

	Principal	Interest Rate
Fire Chief Truck Loan	\$ 31,814	2.99%
Fire Engine Loan	484,306	3.41%
Total	\$ 516,120	

The Township received a loan from Heartland Bank in May 2021 to finance the purchase of a new fire engine. The loan is collateralized by the fire engine.

The Township received a loan from Heartland Bank in July 2021 to finance the purchase of a truck for the fire chief. The loan is collateralized by the truck.

Hartford Township
Licking County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 10 – Debt (continued)

Amortization

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

Year Ending December 31:	Fire Chief Truck Loan	Fire Engine Loan
2023	\$ 61,786	\$ 8,652
2024	61,786	8,653
2025	61,786	8,652
2026	61,786	8,653
2027	61,786	-
2028-2031	247,145	-
Total	\$ 556,075	\$ 34,610

Note 11 – 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 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 facilitate effective cash planning and control. At year end the balances of these amounts were \$0 for all funds.

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

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 ended in April 2023. During 2022, the Township received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may 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.

Note 14 – Prior Period Restatement

During 2022, the Township identified outstanding checks that created twice by error due to a computer error and should be removed from the list of reconciling items. The determination had the following effect on the fund balances at December 31, 2021:

	General	Special Revenue
December 31, 2021	\$ 46,635	\$ 459,505
Checks removed from reconciling items	10,355	12,546
January 1, 2022 - restated	\$ 56,990	\$ 472,051

Hartford Township
Licking County, Ohio
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2021

	General	Special Revenue	Combined Total
Cash Receipts			
Property and Other Local Taxes	\$ 54,071	\$ 736,233	\$ 790,304
Charges for Services	-	359,935	359,935
Licenses, Permits and Fees	10,887	9,185	20,072
Intergovernmental	37,703	241,579	279,282
Earnings on Investments	57	12	69
Miscellaneous	-	14,502	14,502
<i>Total Cash Receipts</i>	<u>102,718</u>	<u>1,361,446</u>	<u>1,464,164</u>
Cash Disbursements			
Current:			
General Government	86,992	14,279	101,271
Public Safety	-	916,783	916,783
Public Works	22,037	336,002	358,039
Health	3,824	10,845	14,669
Human Services	-	23,612	23,612
Capital Outlay	-	568,649	568,649
Debt Service:			
Principal Retirement	91	3,301	3,392
Interest and Fiscal Charges	-	91	91
<i>Total Cash Disbursements</i>	<u>112,944</u>	<u>1,873,562</u>	<u>1,986,506</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(10,226)</u>	<u>(512,116)</u>	<u>(522,342)</u>
Other Financing Receipts (Disbursements)			
Loans Issued	-	568,649	568,649
Other Financing Sources	3,235	-	3,235
<i>Total Other Financing Receipts (Disbursements)</i>	<u>3,235</u>	<u>568,649</u>	<u>571,884</u>
<i>Net Change in Fund Cash Balances</i>	(6,991)	56,533	49,542
<i>Fund Cash Balances, January 1 - restated</i>	<u>53,626</u>	<u>402,972</u>	<u>456,598</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 46,635</u>	<u>\$ 459,505</u>	<u>\$ 506,140</u>

See accompanying notes to the basic financial statements

Hartford Township
Licking County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Hartford Township, Licking County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracted with the Hartford Volunteer Fire Department to provide fire and EMS services until April 2021. At that time, a Township Fire Department was created.

Public Entity Risk Pool and Jointly Governed Organization

The Township participates in a public entity risk pool. Note 7 to the financial statement provide additional information for this entity. The Township also participates in a jointly governed organization. Note 14 to the financial statement provides additional information for this entity. The Township’s management believes these financial statements present all activities for which the Township is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Township’s financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types which are all organized on a fund type basis. The Township did not have proprietary and fiduciary fund types.

Fund Accounting

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

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

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

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

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

Road and Bridge Fund The road and bridge fund receives property tax money levied for the funding of repairing and maintaining Township roads.

CARES Fund The CARES Fund was established to receive and distribute grant funding related to the COVID-19 pandemic.

Fire District Fund The fire fund collects levy money and is the source of funds for maintaining the firehouse and paying for fire and EMS services.

Hartford Township
Licking County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies (continued)

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code 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.

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, or canceled and reappropriated in the subsequent year.

A summary of 2021 budgetary activity appears in Note 4.

Deposits and Investments

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

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

Capital Assets

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

Accumulated Leave

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

Hartford Township
Licking County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies (continued)

Fund Balance

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

Nonspendable The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable portion of the corpus in permanent funds.

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

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

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 12.

Note 3 – Compliance

Contrary to Ohio Revised Code Section 5705.41(D), the Township had 60% of disbursements examined with an invoice dated before the purchase order.

Hartford Township
Licking County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 106,711	\$ 105,953	\$ (758)
Special Revenue	1,870,942	1,930,095	59,153
Total	\$ 1,977,653	\$ 2,036,048	\$ 58,395

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 158,650	\$ 112,944	\$ 45,706
Special Revenue	2,273,913	1,876,389	397,524
Total	\$ 2,432,563	\$ 1,989,333	\$ 443,230

Note 5 – Deposits and Investments

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

	2021
Demand deposits	\$ 485,803
STAR Ohio	20,337
<i>Total carrying amount of deposits and investments</i>	\$ 506,140

Deposits

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

Investments

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

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.

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

Hartford Township
Licking County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 7 – Risk Management

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

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

Effective November 1, 2010 (through October 31, 2017), the corridor is for losses paid is between 60% and 70% of casualty premiums earned in the first \$250,000. Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and remain unchanged effective November 1, 2021 and November 1, 2020. OPRM had 769 members as of December 31, 2021.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2021.

Assets	\$ 21,777,439
Liabilities	<u>(15,037,383)</u>
Members' Equity	<u>\$ 6,740,056</u>

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

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.

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some 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 postemployment 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, 2021.

Ohio Police and Fire Retirement System

Other Township certified Fire Fighters belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postemployment health care and survivor and disability benefits.

Hartford Township
Licking County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 8 – Defined Benefit Pension Plans (continued)

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Township contributed to OP&F an amount equal to 24 percent of full-time fire fighters’ wages. The Township has paid all contributions required through December 31, 2021.

Social Security

Some Township employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants’ gross salaries. The Township has paid all contributions required through December 31, 2021.

Note 9 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2021. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2021. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

Note 10 – Debt

Debt outstanding at December 31, 2021, was as follows:

	Principal	Interest Rate
Fire Chief Truck Loan	\$ 39,114	2.99%
Fire Engine Loan	529,535	3.41%
Total	\$ 568,649	

The Township issued general obligation bonds in 2016 to finance the purchase of a dump truck and related road equipment for Township road maintenance. Final payment on the bonds were made in 2021. The bonds are collateralized by the Township’s full faith and credit.

The Township received a loan from Heartland Bank in May 2021 to finance the purchase of a new fire engine. The loan is collateralized by the fire engine.

The Township received a loan from Heartland Bank in July 2021 to finance the purchase of a truck for the fire chief. The loan is collateralized by the truck.

Hartford Township
Licking County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 10 – Debt (continued)

Amortization

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

Year Ending December 31:	Fire Chief Truck Loan	Fire Engine Loan
2022	\$ 61,786	\$ 8,653
2023	61,786	8,652
2024	61,786	8,653
2025	61,786	8,652
2026	61,786	8,653
2027-2031	308,931	-
Total	\$ 617,861	\$ 43,263

Note 11 – 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 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 facilitate effective cash planning and control. At year end the balances of these amounts were \$2,827 in outstanding encumbrances for the Special Revenue Funds and \$0 for all others.

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

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 ended in April 2023. During 2021, the Township received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may 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.

Note 14 – Jointly Governed Organizations

The Hartford Volunteer Fire Department is a private entity formed under Ohio Revised Code Section 1702.01. Hartford Township had contracted services with the Hartford Volunteer Fire Department for fire and emergency services. Revenues are generated from operating levies established by member organization contracts with the Hartford Volunteer Fire Department. In April 2021, the Township created a Township Fire Department and took over the operations of the department.

Hartford Township
Licking County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 15 – Prior Period Restatement

During 2021, the Township identified outstanding checks that were created twice by error and should be removed from the list of reconciling items. The determination had the following effect on the fund balance at December 31, 2020:

	General
December 31, 2020	\$ 51,939
Checks removed from reconciling items	1,687
January 1, 2021 - restated	\$ 53,626

**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***

Hartford Township
Licking County
P.O. Box 203
Croton, Ohio 43013

To the Members of the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type of Hartford Township, Licking County, Ohio, as of and for the years ended December 31, 2022, and 2021 and the related notes to the financial statements and have issued our report thereon dated November 28, 2023, wherein we noted as described in Note 2 to the financial statements, Hartford Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Hartford Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Hartford Township's internal control. Accordingly, we do not express an opinion on the effectiveness of Hartford 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 Hartford Township's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2022-001 through 2022-003 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hartford Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2022-002 and 2022-003.

Hartford Township

Licking County

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

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

Hartford Township's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Hartford Township's responses to the findings identified in our audit and described in the accompanying schedule of findings and responses. Hartford Township's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Hartford 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 Hartford Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Julian & Grube, Inc.

Julian & Grube, Inc.

November 28, 2023

**HARTFORD TOWNSHIP
LICKING COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2022 AND 2021**

FINDINGS RELATED TO THE FINANCIAL STATEMENT REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2022-001

Material Weakness - Financial Statement Presentation

Management is responsible for preparing complete and accurate financial statements in accordance with the applicable financial reporting framework. Control and monitoring activities typically associated with the period-end financial reporting process include reviewing and approving manual journal entries, consolidating entries, and any entries that are recorded directly to the financial statement. For the Township, this could also include reviewing the fiscal year-end system reports to ensure activity is reported in the correct line items.

The following adjustments were made to properly state the financial statements and notes:

For the year ended December 31, 2022:

- \$45,228 was reclassified from General Government Disbursements to Principal Retirement and \$16,558 from General Government Disbursements to Interest and Fiscal Charges in the Coronavirus Relief Fund (Special Revenue Fund) and \$7,300 from Public Safety Disbursements to Principal Retirement and \$1,352 from Public Safety Disbursements to Interest and Fiscal Charges in the Fire Fund (Special Revenue Fund) to properly present debt payments made during the year.

For the year ended December 31 2021:

- Loans Issued and Capital Outlay were both increased by \$568,649 in the Fire Fund (Special Revenue Fund) to properly present loans issued for the purchase of a truck for the fire chief and a new fire engine.
- \$91 was reclassified from General Government Disbursements to Principal Retirement in the General Fund, \$3,301 from Public Works Disbursements to Principal Retirement in the Gasoline Tax Fund (Special Revenue Fund) and \$91 from Public Works Disbursements to Interest and Fiscal Charges in the Gasoline Tax Fund (Special Revenue Fund) to properly present debt payments made during the year.

A lack of proper policies and procedures for control and monitoring activities associated with the period-end financial reporting process could lead to financial statement and note disclosure adjustments, which if uncorrected, could lead to a misrepresentation of the Township’s activity.

We recommend the Township design and implement additional procedures to facilitate more accurate and detailed financial reporting. The Township should consider having an outside third-party, or board member with financial experience, perform a second review of the financial report prior to filing in the Hinkle System. Further, the Township should reach out to its auditor throughout the year if questions arise on how to properly account for receipts or disbursements.

Client Response: The Township will closely monitor all transactions to ensure accurate financial reporting in the future.

**HARTFORD TOWNSHIP
LICKING COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2022 AND 2021**

FINDINGS RELATED TO THE FINANCIAL STATEMENT REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)	
Finding Number	2022-002

Material Weakness/Noncompliance

Ohio Revised Code Section 5705.41(D) requires that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the Fiscal Officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

The Township had 62% of expenditures that were not timely certified in 2022 and 60% in 2021.

The present system does not consistently follow the Township’s purchasing process, which requires a purchase order to be in place prior to receiving an invoice and making payment. Township departments commonly enter into commitments prior to requesting a purchase order to be created. Also, the present system does not consistently utilize “Then and Now” certificates.

Without timely certification, the Township may expend more funds than available in the Treasury, in the process of collection or in the funds appropriated. It may also result in unnecessary purchases.

We recommend all orders or contracts involving the expenditure of money be timely certified to ensure all monies expended are lawfully appropriated and available in the treasury or in the process of collection. A policy and procedure statement adopted by the Board of Trustees and distributed at least annually may be beneficial. The Township should consider using “Then and Now” certificates where applicable.

Client Response: The Township is continually trying to improve its ordering and purchasing processes to decrease its noncompliance percentage and help ensure all purchased items are timely approved.

Finding Number	2022-003
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Material Weakness/Noncompliance

Ohio Revised Code Section 5705.39 and 5705.36, in part, require that a subdivision’s total appropriations from each fund should not exceed total estimated resources and that subdivisions request increased or reduced amended certificates of estimated resources upon determination that revenue to be collected will be greater or less than the amount in the last certified amended certificate.

The Township had total appropriations exceeding total estimated resources during the year ended December 31, 2022 and thus did not request timely amended certificates throughout the year upon notice of increased or decreased resources or reduce appropriations in the following funds: General Fund, Fire District Fund (Special Revenue Fund) and Coronavirus Relief Fund (Special Revenue Fund).

The Township did not properly monitor its more current appropriations in comparison to its most current certificate of estimated resources, and thus causing appropriations to exceed estimated resources, throughout the year and at year-end.

**HARTFORD TOWNSHIP
LICKING COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2022 AND 2021**

FINDINGS RELATED TO THE FINANCIAL STATEMENT REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)	
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Finding Number	2022-003 (continued)
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We recommend the Township review its available resources versus its appropriations throughout the year and file amended certificates when necessary. This will facilitate the Township's appropriation process. The Township may also want to review the applicable Ohio Revised Code Sections. If it is determined that resources will be different than initially anticipated, the Township should amend its estimated resources and also amend the appropriations as necessary; however, appropriations should not exceed estimated resources.

Client Response: The Township will more closely monitor their budgetary numbers.

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OHIO AUDITOR OF STATE KEITH FABER



HARTFORD TOWNSHIP

LICKING COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 2/15/2024

88 East Broad 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