

**NEW JASPER TOWNSHIP
GREENE COUNTY**

**REGULAR AUDIT
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**



GUEYE & ASSOCIATES, CPA, INC.

2246 S. Hamilton Rd.
Suite 102
Columbus, OH 43232

Tel: 614-342-0297
Fax: 614-423-6615
www.gueyecpa.com

OHIO AUDITOR OF STATE
KEITH FABER

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

Board of Trustees
New Jasper Township
3121 Jasper Rd.
Xenia, OH 45385

We have reviewed the *Independent Auditor's Report* of New Jasper Township, Greene County, prepared by Gueye & Associates, CPA, 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. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

Finding For Recovery 1

State ex. rel. McClure v. Hagerman, 155 Ohio St. 320 (1951), provides that expenditures made by a governmental unit should serve a proper public purpose. Typically the determination of what constitutes a "proper public purpose" rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable. Even if a purchase is reasonable, Ohio Attorney General Opinion 82-006 indicates that it must be memorialized by a duly enacted ordinance or resolution and may have a prospective effect only.

Ohio Rev. Code § 5739.02(B)(1) exempts sales to the state or any of its political subdivisions from sales tax.

Under Ohio law, public officials are strictly liable for all public money received or collected by them or their subordinates under color of law. Ohio Rev. Code § 9.39; *Cordray v. Internatl. Preparatory School*, 128 Ohio St.3d 50 (2010).

Due to deficiencies in the Township's internal controls over compliance, the Township's Fiscal Officers paid sales tax in 2022 and 2021, in the amounts of \$211 and \$230, respectively. Since the Township was not legally required to pay the sales tax on various purchases, these expenditures were not for a valid public purpose. Previous Township Fiscal Officers, Trent Licklider and Amy Test, and current Fiscal Officer Melissa Dodd received or controlled the public money used to make the expenditures.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against previous Fiscal Officer Trent Licklider, in the amount of \$142, previous Fiscal Officer Amy Test, in the amount of \$88, current Fiscal Officer Melissa Dodd, in the amount of \$211, and the Fiscal Officers' bonding company, The Ohio Township Association Risk Management Authority, jointly and severally, in the amount of \$441, and in favor of the New Jasper Township General Fund, Road and Bridge Fund, and Fire District Fund, in the amounts of \$313, \$92, and \$36, respectively.

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On November 29, 2023, the Ohio Township Association Risk Management Authority paid the Township the above finding amount in full, via deposit, as evidenced by receipt 159-2023. As a result, the finding is considered repaid under audit.

Finding for Recovery 2

State ex rel. McClure v. Hagerman, 155 Ohio St. 320 (1951), provides that expenditures made by a governmental unit should serve a public purpose. Typically the determination of what constitutes a "proper public purpose" rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable. Even if a purchase is reasonable, Ohio Attorney General Opinion 82-006 indicates that it must be memorialized by a duly enacted ordinance or resolution and may have a prospective effect only.

Under Ohio law, public officials are strictly liable for all public money received or collected by them or their subordinates under color of law. Ohio Rev. Code § 9.39; *Cordray v. Internatl. Preparatory School*, 128 Ohio St.3d 50 (2010).

The law requires that employers withhold income and wage taxes from employees' paychecks and remit those taxes to the government. The United States Internal Revenue Code, for example, requires employers to deduct from wages paid to employees the employees' share of FICA taxes and individual income taxes. See **26 U.S.C. §§ 3102(a) and 3402(a)**. Those withholdings are considered to be held in "a special fund in trust for the United States." **26 U.S.C. § 7501(a)**. The employer is liable for the withheld portion of the employee's wages and must pay over the full amount to the government each quarter. See **United States v. Farr, 536 F.3d 1174, 1176 (10th Circ. 2008)** (citing **26 U.S.C. § 3403**).

Ohio Rev. Code § 145.47 states, in part, that the fiscal officer of each local authority subject to this chapter shall transmit promptly to the public employees retirement system a report of contributions at such intervals and in such form as the system shall require, showing thereon all deductions for the system made from the earnable salary of each contributor employed, together with warrants or checks covering the total of such deductions within thirty days after the last day of such reporting period. A penalty shall be added when a report, together with warrants, checks, or electronic payments to cover the total amount due from the earnable salary of all amenable employees of such employer, are not timely filed.

Ohio Rev. Code § 742.35 states, in part, that each employer shall pay its police officer employers' contribution and firefighter employers' contribution in monthly payments as provided in sections 742.33 and 742.34 of the Revised Code. The employer shall make each payment not later than the last day of the month after the month for which the police officer or firefighter employee contributions were withheld. If an employer fails to make the payment installment by the date it is due, a penalty determined under section 742.352 of the Revised Code shall be assessed against the employer. In addition, interest on past due accounts and penalties may be charged at a rate determined by the board from the date the payment is due to the date of payment.

Due to insufficient policies and procedures, during 2021 and 2022, the Township incurred Ohio Public Employees Retirement System (OPERS), Ohio Police and Fire Pension Fund (OPF), and Internal Revenue Service (IRS) untimely remittance penalties and interest charges in the amount of \$2,700 due to untimely report submissions from 2021 and 2022. During their time in office, Former Fiscal Officers Trent Licklider and Amy Test were each responsible for withholding and remitting the required income taxes from employee earnings. These incurred costs were unnecessary expenditures that did not serve a proper public purpose and could have been avoided had the submissions been remitted by the required due dates. Previous Township Fiscal Officers, Trent Licklider and Amy Test, received or controlled the public money used to make the expenditures.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against former Fiscal Officers Trent Lickliger, in the amount of \$87, and Amy Test, in the amount of \$2,613 and their bonding company, The Ohio Township Association Risk Management Authority, jointly and severally, in the amount of \$2,700, and in favor of the New Jasper Township General Fund, Gasoline Tax Fund, Fire District Fund, and Ambulance and Emergency Medical Services Fund, in the amounts of \$398, \$273, \$1,756, and \$273, respectively.

On November 29, 2023, the Ohio Township Association Risk Management Authority paid the Township the above finding amount in full, via deposit, as evidenced by receipt 159-2023. As a result, the finding is considered repaid under audit.

Finding for Recovery 3

State ex rel. McClure v. Hagerman, 155 Ohio St. 320 (1951), provides that expenditures made by a governmental unit should serve a public purpose. Typically the determination of what constitutes a “proper public purpose” rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable. Even if a purchase is reasonable, Ohio Attorney General Opinion 82-006 indicates that it must be memorialized by a duly enacted ordinance or resolution and may have a prospective effect only.

New Jasper Township’s Credit Card Policy, adopted via Resolution No. 06102019, states that original, itemized receipts must be submitted to the Fiscal Officer or the Fiscal Officer’s designee as soon as possible. The receipt should include the customer copy of the receipt, any invoice from the vendor, the cost of the goods or services purchased, and the date of the purchase. The Authorized User should also submit documentation verifying the purchase was made on behalf of the Township, if necessary, to describe the purchase. Failing to submit receipts, or submitting incomplete information, within a reasonable time after making a purchase also constitutes misuse.

Under Ohio law, public officials are strictly liable for all public money received or collected by them or their subordinates under color of law. Ohio Rev. Code § 9.39; *Cordray v. Internatl. Preparatory School*, 128 Ohio St.3d 50 (2010).

Due to insufficient policies and procedures, during 2021 and 2022, the Township paid credit card invoices without proper receipts supporting the allowable expenditure of funds in the amount of \$567. During their time in office, former Fiscal Officer Amy Test, Former Fiscal Officer Trent Lickliger, and Fiscal Officer Melissa Dodd were responsible for properly overseeing this process. Without detailed receipts, it cannot be determined if these are allowable expenditures; therefore, they are deemed not to serve a proper public purpose. Former Township Fiscal Officers, Amy Test and Trent Lickliger and Fiscal Officer Melissa Dodd, received or controlled the public money used to make the expenditures.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against former Fiscal Officer Amy Test in the amount of \$542, former Fiscal Officer Trent Lickliger in the amount of \$16, Fiscal Officer Melissa Dodd in the amount of \$9, and their bonding company, The Ohio Township Association Risk Management Authority, jointly and severally, in the amount of \$567, and in favor of the New Jasper Township Road and Bridge Fund, in the amount of \$567.

On November 29, 2023, the Ohio Township Association Risk Management Authority paid the Township the above finding amount in full, via deposit, as evidenced by receipt 159-2023. As a result, the finding is considered repaid under audit.

Board of Trustees
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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. New Jasper Township is responsible for compliance with these laws and regulations.



Keith Faber
Auditor of State
Columbus, Ohio

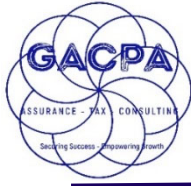
December 19, 2023

**NEW JASPER TOWNSHIP
GREENE COUNTY
DECEMBER 31, 2022 AND 2021**

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2246 S. Hamilton Rd
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Columbus, Ohio 43232

Tel: 614-342-0297
Fax: 614-423-6615
www.gueyecpa.com

INDEPENDENT AUDITOR'S REPORT

New Jasper Township
Greene County
3121 Jasper Road
Xenia, Ohio 45385

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 New Jasper Township, Greene 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, 2022, and December 31, 2021, 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 type combined total as of and for the years ended December 31, 2022 and December 31, 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township, as of December 31, 2022, and December 31, 2021, or the changes in financial position for the years then ended.

Basis for Opinions

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

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

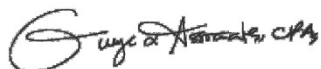
In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2023, 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.



Columbus, Ohio
September 29, 2023

NEW JASPER TOWNSHIP, GREENE COUNTY
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2022

	<u>General</u>	<u>Special Revenue</u>	<u>Permanent</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts				
Property and Other Local Taxes	\$ 117,774	\$ 684,883	\$ -	\$ 802,657
Charges for Services	-	49,290	-	49,290
Licenses, Permits and Fees	22,197	-	-	22,197
Intergovernmental	54,220	389,495	-	443,715
Earnings on Investments	2,127	76	20	2,223
Miscellaneous	13,930	33,322	-	47,252
	<u>210,248</u>	<u>1,157,066</u>	<u>20</u>	<u>1,367,334</u>
<i>Total Cash Receipts</i>				
Cash Disbursements				
Current:				
General Government	204,112	48,167	-	252,279
Public Safety	-	532,164	-	532,164
Public Works	-	286,185	-	286,185
Health	3,288	1,700	-	4,988
Other	2,438	-	-	2,438
Capital Outlay	-	262,942	-	262,942
Debt Service:				
Principal Retirement	-	90,265	-	90,265
Interest and Fiscal Charges	-	6,539	-	6,539
<i>Total Cash Disbursements</i>	<u>209,838</u>	<u>1,227,962</u>	<u>-</u>	<u>1,437,800</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>410</u>	<u>(70,896)</u>	<u>20</u>	<u>(70,466)</u>
<i>Net Change in Fund Cash Balances</i>	410	(70,896)	20	(70,466)
<i>Fund Cash Balances, January 1</i>	<u>279,332</u>	<u>770,271</u>	<u>330</u>	<u>1,049,933</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 279,742</u>	<u>\$ 699,375</u>	<u>\$ 350</u>	<u>\$ 979,467</u>

See accompanying notes to the financial statements

New Jasper Township
Greene County
Notes to the Financial Statement
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 the New Jasper Township, Greene 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. Police protection is provided by Greene County Sheriff's Department.

Public Entity Risk Pool

The Township participates in a public entity risk pool. Note 6 to the financial statement provides additional information for this entity. The Township's management believes this financial statement presents all activities for which the Township is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Township's financial statement consists of a combined statement of receipts, disbursements and changes in fund balances (cash basis) for all governmental fund types, which is organized on a fund type basis.

Fund Accounting

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

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

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

Road and Bridge Fund This fund receives property tax money for constructing, maintaining, and repairing Township roads and bridges.

Gasoline 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 This fund receives motor vehicle tax money to pay for constructing, maintaining, and repairing Township roads.

Fire District Fund This fund receives property tax money to provide fire and ambulance services to the Township.

Ambulance and Emergency Medical Fund This fund receives ambulance and emergency medical fund money for the transportation and maintenance of vehicles in the Township EMS Department.

New Jasper Township
Greene County
Notes to the Financial Statement
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (Continued)

Permissive Motor Vehicle License Tax Fund This fund receives motor vehicle registration money that is used for uniforms and maintenance of vehicles.

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

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

Basis of Accounting

This financial statement follows the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The 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).

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

Budgetary Process

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

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

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

Encumbrances The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over and need not be reappropriated.

A summary of 2022 budgetary activity appears in Note 3.

Deposits and Investments

The Township maintains a checking and money market savings account. The Township has no investments.

Capital Assets

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

New Jasper Township
Greene County
Notes to the Financial Statement
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (Continued)

Accumulated Leave

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

Fund Balance

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

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

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

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 11.

New Jasper Township
Greene County
Notes to the Financial Statement
For the Year Ended December 31, 2022

Note 3 – 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	\$150,670	\$210,248	\$59,578
Special Revenue	1,082,175	1,157,066	74,891
Permanent	0	20	20
Total	\$1,232,845	\$1,367,334	\$134,489

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$251,081	\$211,179	\$39,902
Special Revenue	1,497,534	1,232,982	264,552
Permanent	3	0	3
Total	\$1,748,618	\$1,444,161	\$304,457

Note 4 – Deposits

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

	2022
Cash Management Pool:	
Demand deposits	\$979,467
Total deposits	\$979,467

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflects net payroll plus all remitted payroll withholdings. At December 31, 2022, the Township is holding \$9,437 in unremitted employee payroll withholdings.

Deposits

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

Note 5 – 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 statement includes these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31.

New Jasper Township
Greene County
Notes to the Financial Statement
For the Year Ended December 31, 2022

The second half payment is due the following June 20. Under certain circumstances, State statute permits later payment dates to be established.

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

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

Note 6 – Risk Management

Workers' Compensation

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

Risk Pool Membership

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.

Risk Pool Membership

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the (local entity's) policy.

The Pool covers the following risks:

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

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

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

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

New Jasper Township
Greene County
Notes to the Financial Statement
For the Year Ended December 31, 2022

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

Ohio Police and Fire Retirement System

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 postretirement 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.

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 8 – 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 9 – Debt

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

	<u>Principal</u>	<u>Interest Rate</u>
Ohio MARCS System	6,382	0.00%
2019 Dump Truck Lease	96,313	3.27%
Total	<u>\$102,695</u>	

The Township has an LGIF loan through Beavercreek Township that was used for the purchase of new equipment for the transition to the Ohio MARCS System.

New Jasper Township
Greene County
Notes to the Financial Statement
For the Year Ended December 31, 2022

Financed Purchases

The Township has entered into financed purchases agreements for vehicles and other equipment where ownership of the underlying asset transfers to the Township by the end of the contract. The Township disbursed \$92,581 to pay these costs for the fiscal year ended December 31, 2022. The Township entered into a Master Purchase Agreement to finance one dump truck, Bobcat excavator, and Bobcat compact track loader with Republic First National Bank.

Amortization

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

Year Ending December 31:	Ohio MARCS System	Dump Truck Lease
2023	\$4,222	\$50,723
2024	2,160	50,723
Total	\$6,382	\$101,446

Note 10 – Contingent Liabilities

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

Note 11 – Fund Balances

Included in fund balance are amounts the Township cannot spend, including the unexpendable corpus of the permanent fund. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Permanent	Total
Nonspendable:				
Corpus	\$0	\$0	\$300	\$300
Outstanding Encumbrances	1,341	5,020	0	6,361
Total	\$1,341	\$5,020	\$300	\$6,661

The fund balance of special revenue funds is either restricted or committed. The fund balance of the permanent fund that is not part of the nonspendable corpus is restricted. These restricted, committed, and assigned amounts in the special revenue and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 12 – COVID-19

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

NEW JASPER TOWNSHIP, GREENE COUNTY
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis)
All Governmental Fund Type
For the Year Ended December 31, 2021

	General	Special Revenue	Permanent	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$ 115,251	\$ 523,356	\$ -	\$ 638,607
Charges for Services	-	60,458	-	60,458
Licenses, Permits and Fees	21,968	-	-	21,968
Intergovernmental	50,843	389,829	-	440,672
Earnings on Investments	128	100	24	252
Miscellaneous	16,931	44,075	-	61,006
	<u>205,121</u>	<u>1,017,818</u>	<u>24</u>	<u>1,222,963</u>
<i>Total Cash Receipts</i>				
Cash Disbursements				
Current:				
General Government	198,344	1,092	-	199,436
Public Safety	-	465,456	-	465,456
Public Works	-	255,150	-	255,150
Health	5,862	-	-	5,862
Human Services	-	20,775	-	20,775
Other	744	-	-	744
Capital Outlay	-	60,039	-	60,039
Debt Service:				
Principal Retirement	-	113,739	-	113,739
Interest and Fiscal Charges	-	6,893	-	6,893
<i>Total Cash Disbursements</i>	<u>204,950</u>	<u>923,144</u>	<u>-</u>	<u>1,128,094</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>171</u>	<u>94,674</u>	<u>24</u>	<u>94,869</u>
<i>Net Change in Fund Cash Balances</i>	171	94,674	24	94,869
<i>Fund Cash Balances, January 1</i>	<u>279,161</u>	<u>675,597</u>	<u>306</u>	<u>955,064</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 279,332</u>	<u>\$ 770,271</u>	<u>\$ 330</u>	<u>\$ 1,049,933</u>

See accompanying notes to the financial statements

New Jasper Township
Greene County
Notes to the Financial Statement
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 the New Jasper Township, Greene 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. Police protection is provided by the Greene County Sheriff's Department.

Public Entity Risk Pool

The Township participates in a public entity risk pool. Note 6 to the financial statement provides additional information for this entity. The Township's management believes this financial statement presents all activities for which the Township is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Township's financial statement consists of a combined statement of receipts, disbursements and changes in fund balances (cash basis) for all governmental fund types, which is organized on a fund type basis.

Fund Accounting

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

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

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

Road and Bridge Fund This fund receives property tax money for constructing, maintaining, and repairing Township roads and bridges.

Gasoline 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 This fund receives motor vehicle tax money to pay for constructing, maintaining, and repairing Township roads.

Fire District Fund This fund receives property tax money to provide fire and ambulance services to the Township.

Ambulance and Emergency Medical Fund This fund receives ambulance and emergency medical fund money for the transportation and maintenance of vehicles in the Township EMS Department.

Permissive Motor Vehicle License Tax Fund This fund receives motor vehicle registration money that is used for uniforms and maintenance of vehicles.

New Jasper Township
Greene County
Notes to the Financial Statement
For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies (Continued)

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

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

Basis of Accounting

This financial statement follows the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The 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).

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

Budgetary Process

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

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

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

Encumbrances The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over and need not be reappropriated.

A summary of 2021 budgetary activity appears in Note 3.

Deposits and Investments

The Township maintains a checking and money market savings account. The Township has no investments.

Capital Assets

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

New Jasper Township
Greene County
Notes to the Financial Statement
For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies (Continued)

Accumulated Leave

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

Fund Balance

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

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

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

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.

Note 2 – Summary of Significant Accounting Policies (Continued)

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

New Jasper Township
Greene County
Notes to the Financial Statement
For the Year Ended December 31, 2021

Note 3 – 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	\$153,020	\$205,122	\$52,102
Special Revenue	742,944	1,017,818	274,874
Private Purpose Trust	2	24	22
Total	\$895,966	\$1,222,964	\$326,998

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$246,800	\$209,231	\$37,569
Special Revenue	1,243,980	951,916	292,064
Private Purpose Trust	0	0	0
Total	\$1,490,780	\$1,161,147	\$329,633

Note 4 – Deposits

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

	2021
Cash Management Pool:	
Demand deposits	\$1,049,933
Total deposits	\$1,049,933

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflects net payroll plus all remitted payroll withholdings. At December 31, 2021, the Township is holding \$43,481 in unremitted employee payroll withholdings.

Deposits

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

Note 5 – 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 statement includes these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31.

New Jasper Township
Greene County
Notes to the Financial Statement
For the Year Ended December 31, 2021

The second half payment is due the following June 20. Under certain circumstances, State statute permits later payment dates to be established.

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

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

Note 6 – Risk Management

Workers' Compensation

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

Risk Pool Membership

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.

Risk Pool Membership

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the (local entity's) policy.

The Pool covers the following risks:

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

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

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

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

New Jasper Township
Greene County
Notes to the Financial Statement
For the Year Ended December 31, 2021

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

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 postretirement 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, 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 8 – 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.

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 9 – Debt

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

	Principal	Interest Rate
Pumper Fire Truck Lease	\$40,336	6.20%
Ohio MARCS System	\$10,604	0.00%
2019 Dump Truck Lease	142,020	3.67%
Total	\$192,960	

New Jasper Township
Greene County
Notes to the Financial Statement
For the Year Ended December 31, 2021

The Township has an LGIF loan through Beaver Creek Township that was used for the purchase of new equipment for the transition to the Ohio MARCS System.

Financed Purchases

The Township has entered into financed purchases agreements for vehicles and other equipment where ownership of the underlying asset transfers to the Township by the end of the contract. The Township disbursed \$112,054 to pay these costs for the fiscal year ended December 31, 2021.

The Township entered into a Master Purchase Agreement to finance one dump truck, Bobcat excavator, and Bobcat compact track loader with Republic First National Bank.

The Township entered into a Master Equipment Lease Purchase Agreement with Wells Fargo Equipment Finance, Inc. (formerly Community First National Bank) for the purchase of a Rosenbauer Pumper Fire Truck to support Fire Services.

Amortization

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

Year Ending December 31:	Pumper Fire Truck Lease	Ohio MARCS System	Dump Truck Lease
2022	\$41,544	\$4,222	\$50,723
2023	0	4,222	50,723
2024		2,160	50,723
Total	<u>\$41,544</u>	<u>\$10,604</u>	<u>\$152,169</u>

Note 10 – Contingent Liabilities

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

Note 11 – Fund Balances

Included in fund balance are amounts the Township cannot spend, including the unexpendable corpus of the permanent fund. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Permanent	Total
Nonspendable:				
Corpus			\$ 300	\$ 300
Outstanding Encumbrances	\$ 4,281	\$ 28,772		33,053
Total	<u>\$ 4,281</u>	<u>\$ 28,772</u>	<u>\$ 300</u>	<u>\$ 33,353</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of the permanent fund that is not part of the nonspendable corpus is restricted. These restricted, committed, and assigned amounts in the special revenue and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

New Jasper Township
Greene County
Notes to the Financial Statement
For the Year Ended December 31, 2021

Note 12 – COVID-19

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



GUEYE & ASSOCIATES, CPA. INC.

2246 S. Hamilton Rd
Suite 102
Columbus, Ohio 43232

Tel: 614-342-0297
Fax: 614-423-6615
www.gueyecpa.com

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

New Jasper Township
Greene County
3121 Jasper Road
Xenia, Ohio 45385

To the Township Board of Trustees:

We have audited, 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 the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental, the proprietary fund type, and the fiduciary fund type combined total as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statements of the New Jasper Township, Greene County (the Township) and have issued our report thereon dated September 29, 2023, wherein we noted the Township followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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 as item No. 2022-01 through 2022-005 that we consider to be material weaknesses.

Report on Compliance and Other Matters

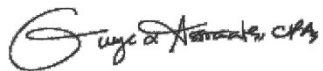
As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed 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 as items No. 2022-002 through 2022-005.

Township's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Township's responses to the findings identified in our audit and described in the accompanying schedule of findings. The 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 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.



Columbus, Ohio
September 29, 2023

**NEW JASPER TOWNSHIP
GREENE COUNTY**

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

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

FINDING NUMBER 2022-001

Material Weakness – Untimely Reconciliations, Deposits, and Postings to Accounting System

Sound accounting practices require that when designing the public office's system of internal control and the specific control activities, management should ensure adequate security of assets and records, and verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records.

The reconciliation of cash (bank) balances to accounting system records (book) to the accounting system is the most basic and primary control process performed. Lack of completing an accurate and timely reconciliation may allow for accounting errors, theft and fraud to occur without timely detection. The Fiscal Officer is responsible for reconciling the book (fund) balance to the total bank balance on a monthly basis, and the Trustees are responsible for reviewing the reconciliations and related support.

Cash is the asset most susceptible to theft and misappropriation. Monthly reconciliations between the bank and books provide reasonable assurance all receipts and disbursements have been correctly and timely posted in the Township's Uniform Accounting Network (UAN) system and its bank accounts. Additionally, reconciliations provide an accurate accounting of the Township's financial position at month-end.

The small size of the Township's fiscal operations does not allow for an adequate segregation of duties as the Fiscal Officer performed most accounting functions for the Township, including collection and deposit of receipts and reconciliation of the bank account. It is essential for the Township Trustees to monitor financial activity closely to provide oversight and to compensate for the lack of segregation of duties.

For the years ended December 31, 2022, and 2021, bank reconciliations were not completed until significantly after the month being reconciled and therefore could not be monitored, reviewed and/or approved by the Trustees.

Furthermore, the Township failed to make timely deposits and/or post expenditures in a timely manner. This resulted in a total of \$22,220 in fund balance adjustments made in 2022 for 2021 revenues and expenditures. In addition, as of December 31, 2022, the Township has a total of \$1,939 in deposit in transit, and \$18,332 in outstanding checks that appear be duplicates, thereby understating fund balances.

The monthly bank reconciliation is a basic control to verify the accuracy and completeness of the Township's recording of current receipts and disbursements in UAN and helps to compensate for the lack of segregation of duties. Failure to timely complete accurate monthly bank reconciliations and lack of the Trustees' review of the bank reconciliations increases the possibility the Township would not promptly detect errors or funds being altered, lost, or stolen.

The Fiscal Officer should record all transactions and prepare monthly bank to book cash reconciliations, which include all bank accounts and all fund balances. Variances should be investigated, documented and corrected. In addition, the Trustees should review the monthly cash reconciliations including the related support (such as reconciling items) and document the reviews.

**NEW JASPER TOWNSHIP
GREENE COUNTY**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2022-001 (Continued)

Material Weakness – Untimely Reconciliations, Deposits, and Postings to Accounting System (Continued)

The Township should implement control procedures to verify the monthly bank reconciliations are promptly performed and the financial transactions, which are reflected on the bank statements, are posted to UAN. Additionally, monthly bank reconciliations should be reviewed by the Trustees to verify proper procedures were followed and the accounts are reconciled. The Trustees' review should be documented by their signatures/initials on the bank reconciliations and their approval of the bank reconciliations should be noted in the meeting minutes. In addition, the Township should implement procedures to verify timely deposits and accounting transactions are completed.

Officials' Response:

This finding has been rectified and reconciliations and all postings to the accounting system have been done on a regular and timely basis since the arrival of the current fiscal officer. Trustees are receiving bank reconciliations for approval no more than 30 days after the prior month's close.

FINDING NUMBER 2022-002

Material Weakness/Non-Compliance– Supporting Documentation

Ohio Rev. Code § 149.351(A) provides, in part, that all records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commissions provided for under sections 149.38 to 149.42 of the Revised Code.

The Township did not maintain underlying supporting documentation for the following:

- 3 credit cards transactions in 2021, totaling \$125.
- 1 credit card statement was missing in 2021.
- In 2021, 21 out of 53 payroll transactions tested were not supported by proper documentation (timesheets, paystubs).
- 6 credit cards transactions in 2022 totaling \$444.
- In 2022, 11 out of 47 payroll transactions tested were not supported by proper documentation (timesheets, paystubs).

Failure to maintain underlying documentation and support of financial transactions can increase the risk of fraud and financial statement misstatements and could result in improper expenditures.

The Township should maintain all invoices, purchase orders, timesheets, direct deposit forms, and leave usage forms to support all financial transactions and file the documentation in an orderly manner to support all transactions to improve financial reporting and accountability.

Officials' Response:

This finding has been rectified and all payroll and accounting transactions are being properly documented since the arrival of the current fiscal officer. It should be noted the missing credit card statement in question was provided to and signed out by the audit firm but not returned. All statements were located and provided. It should also be noted that several pieces of supporting documentation that were considered to be missing were provided to the audit firm and not located until a second review by the township discovered them in the documents provided to the firm.

NEW JASPER TOWNSHIP
GREENE COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2022 AND 2021

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

FINDING NUMBER 2022-003

Material Weakness/Non-Compliance– Failure to Timely Remit Withholdings

26 U.S.C. § 3403 states that the employer shall be liable for the payment of the tax required to be deducted and withheld under this chapter and shall not be liable to any person for the amount of any such payment.

State ex rel. McClure v. Hagerman 155 Ohio St. 320 (1951) provides that expenditures made by a governmental unit should serve a public purpose. Typically, the determination of "proper public purpose" rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable.

Further, Auditor of State Bulletin 2003-005 states, in part, that governmental entities may not make expenditures of public monies unless they are for a valid public purpose and the Auditor of State's Office will only question expenditures where the legislative determination of a proper public purpose is manifestly arbitrary and incorrect.

Ohio Rev. Code § 742.35 requires each employer to make contributions to Ohio Police and Fire Pension Fund (OP&F) no later than the last day of month after the month for which the police officer or firefighter employee contributions were withheld. If an employer fails to make the payments by the date it is due, a penalty determined under § 742.352 of the Revised Code shall be assessed against the employer. In addition, interest on past due accounts and penalties may be charged at a rate determined by the board from the date payment is due to the date of payment.

Ohio Rev. Code §145.47(B) provides for the Ohio Public Employees Retirement System (OPERS) to assess a penalty against an employer when required reports and payments are filed/made thirty or more days after the last day of such reporting period.

During 2021 and 2022, the Township made late withholding tax payments to the Internal Revenue Service, the Ohio Department of Taxation, the Ohio Public Retirement System, and the Ohio Police & Fire Pension Fund.

- The Township did not timely file or pay the following quarterly withholdings and forms:
 - Form 941 for the second quarter 2021. The Township was assessed and paid penalties and interest of \$1,638.65.
 - Form 941 for the third quarter 2021. The Township was assessed penalties and interests of \$5,568.68. These have not yet been paid.
 - Form 941 for the fourth quarter 2021 - The Township was assessed penalties and interests of \$4,870.89. These have not yet been paid.
 - Form 941 for the first quarter 2022. The Township was assessed penalties and interests of \$3,325.81 These have not yet been paid.
 - Form 941 for the second quarter 2022. No penalties or interest were assessed.

**NEW JASPER TOWNSHIP
GREENE COUNTY**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2022-003 (Continued)

Material Weakness/Non-Compliance– Failure to Remit Withholdings (Continued)

- The Township did not timely pay the Ohio Police & Fire Pension Fund withholdings and contributions for the months of April, August, October, December 2021, and the months of February and April of 2022. The Township was assessed and paid a penalty of \$937.50.
- The Township did not timely pay the OPERS withholdings and contributions for the months of August, October, and November 2021. The Township was assessed, and paid penalties in the amounts of \$125.84.

The Township should establish and implement policies and procedures to verify all bills and withholdings are timely paid to avoid late fees and finance charges. The Township should verify the primary objective of an expenditure should be to further a public purpose, even if an incidental private end is advanced. Failure to do so could result in illegal expenditure and finding for recoveries in future audits.

Officials' Response:

This finding has been rectified since the arrival of the current fiscal officer and all withholdings are being remitted in a timely manner and by the deadline due.

FINDING NUMBER 2022-004

Material Weakness/Non-Compliance– Credit Card Transactions

Ohio Rev. Code § 505.64(C) states if the township fiscal officer does not retain general possession and control of the credit card and presentation instruments related to the account including cards and checks and the township has not adopted a limited home rule government under Chapter 504 of the Revised Code, the fiscal officer monthly shall present to the board credit card account transaction detail from the previous month. The board shall review the credit card account transaction detail and the chairperson shall sign an attestation stating the board reviewed the credit card account detail.

The board did not review the transaction detail monthly and did not sign an attestation that they had reviewed the credit card account detail as required. Additionally, the Township fiscal officers did not require employees to submit itemized receipts prior to paying for the credit card account. As a result, the Township did not have supporting documentation for credit card expenditures totaling \$444, and sales taxes in the amount of \$211 were charged and paid in 2022. In 2021, 15 transactions had sales taxes charged in the total amount of \$232. In addition, 3 credit card transactions totaling \$125 did not have supporting documentation.

The Trustees should review the credit card account transaction details on a monthly basis. Additionally, the Fiscal Officer should obtain, review, and maintain the itemized receipts supporting the expenditures prior to paying the Township's monthly credit card statement. Failure to monitor credit card transactions could lead to potential misuse, fraudulent charges and potential findings for recovery in future audits.

Officials' Response:

This finding has been rectified since the arrival of the current fiscal officer and all transactions are being accompanied by receipts and sales tax will not be applied to those transactions. Statements are being provided to Trustees on a monthly basis when payment is posted for their review and approval.

**NEW JASPER TOWNSHIP
GREENE COUNTY**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2022-005

Material Weakness/Non-Compliance– Financial Statements Accuracy

Ohio Rev. Code § 733.28 provides, in part, that the Township fiscal officer shall keep the books of the Township and exhibit accurate statements of all moneys received and expended, of all the property owned by the Township, and of all taxes and assessments. Ohio Admin. Code § 117-2-02(A), states, in part, that all local public offices shall maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record, and report its transactions, maintain accountability for the related assets (and liabilities, if generally accepted accounting principles apply), document compliance with finance-related legal and contractual requirements and prepare financial statements.

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs. A14 & A16.

The following adjustments and reclassifications were posted to the financial statements and where applicable, to the accounting records:

In 2021:

- Homestead and Rollback revenues from the State in the amounts of \$17,619, \$17,911, and \$28,857 were posted as Property Taxes in lieu of Intergovernmental Revenues in the General, Road and Bridge, and Fire Funds, respectively.
- Intergovernmental revenues from the State in the amounts of \$36,926, \$3,457, and \$3,629, were incorrectly posted as miscellaneous revenues in the Road and Bridge, Fire, and Ambulance & Emergency Medical Funds, respectively.
- Principal payments of \$69,419, \$39,090, \$5,230 were incorrectly posted as capital outlay, and interests in the Road and Bridge, Fire, and Ambulance And Emergency Medical Services
- A total of \$1,712, and \$4,029 in contractor payments were incorrectly coded as non-payroll expenditures in lieu of payroll expenditures in the Gasoline Tax, and Fire District funds, respectively.

In 2022:

- Principal payments of \$45,706, \$40,336, \$4,222 were incorrectly posted as capital outlay, and interests in the Road and Bridge, Fire, and Ambulance And Emergency Medical Services
- A total of \$2,683, \$475, \$16,661, and \$6,971 in contractor payments were incorrectly coded as non-payroll expenditures in lieu of payroll expenditures in the General, Ambulance and Emergency Medical Services, Fire District, and Gasoline Tax funds, respectively.

**NEW JASPER TOWNSHIP
GREENE COUNTY**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2022-005 (Continued)

Material Weakness/Non-Compliance– Financial Statements Accuracy (Continued)

The failure to correctly classify financial activity in the accounting records and financial statements may impact the users' understanding of the financial operations, the Township's ability to make sound financial decisions or comply with budgetary law, and/or result in materially misstated reports.

The Township should have procedures in place to provide for the accurate and complete recording of financial activity and balances in the accounting records and financial statements to assist in the effective management and reporting of financial resources.

Officials' Response:

This finding has been rectified and all postings are being recorded in the proper accounting lines.

**NEW JASPER TOWNSHIP
GREENE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

Finding Number	Finding Summary	Status	Additional Information
202-001	Significant Deficiency – Untimely Reconciliations, Deposits, and Postings to Accounting System	Not Corrected	Reissued as Finding # 2022-001

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OHIO AUDITOR OF STATE KEITH FABER



NEW JASPER TOWNSHIP

GREENE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 1/2/2024

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