



OHIO AUDITOR OF STATE
KEITH FABER



**OXFORD TOWNSHIP
TUSCARAWAS COUNTY**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Oxford Township
Tuscarawas County
P.O. Box 717
Newcomerstown, Ohio 43832

To the Board of Trustees:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of Oxford Township, Tuscarawas 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 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 fund type as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Rev. Code § 117.38 and Ohio Admin. Code 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 2021, or the changes in financial position thereof for the year then ended.

Basis for Opinions

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

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

As described in Note 2 of the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions of Ohio Rev. Code § 117.38 and Ohio Admin. Code 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 Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 3, 2024, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

May 3, 2024

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Oxford Township
Tuscarawas 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	Capital Projects	Combined Total
Cash Receipts				
Property and Other Local Taxes	\$52,678	\$127,940	\$0	\$180,618
Intergovernmental	38,396	217,253	0	255,649
Earnings on Investments	409	0	0	409
Miscellaneous	14,801	0	470	15,271
<i>Total Cash Receipts</i>	<u>106,284</u>	<u>345,193</u>	<u>470</u>	<u>451,947</u>
Cash Disbursements				
Current:				
General Government	80,934	14,240	0	95,174
Public Safety	1,025	19,847	0	20,872
Public Works	0	239,441	0	239,441
Capital Outlay	0	71,892	80,216	152,108
Debt Service:				
Principal Retirement		35,461	0	35,461
Interest and Fiscal Charges	2,016	0	0	2,016
<i>Total Cash Disbursements</i>	<u>83,975</u>	<u>380,881</u>	<u>80,216</u>	<u>545,072</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>22,309</u>	<u>(35,688)</u>	<u>(79,746)</u>	<u>(93,125)</u>
Other Financing Receipts				
Other Debt Proceeds	0	0	75,241	75,241
<i>Total Other Financing Receipts</i>	<u>0</u>	<u>0</u>	<u>75,241</u>	<u>75,241</u>
<i>Net Change in Fund Cash Balances</i>	22,309	(35,688)	(4,505)	(17,884)
<i>Fund Cash Balances, January 1</i>	<u>38,042</u>	<u>311,202</u>	<u>18,918</u>	<u>368,162</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$60,351</u></u>	<u><u>\$275,514</u></u>	<u><u>\$14,413</u></u>	<u><u>\$350,278</u></u>

See accompanying notes to the basic financial statements

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Oxford Township
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Oxford Township, Tuscarawas 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. Fire protection is provided through a contract with Newcomerstown Emergency Rescue Squad, funded by a 5-year replacement levy which commence in the year 2021

Joint Ventures, Jointly Governed Organizations and Public Entity Risk Pools

The Township participates in joint ventures, jointly governed organizations and a public entity risk pool. Notes 11 through 13 to the financial statements provide additional information for these entities. 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.

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 Tax Fund This levied fund is used for maintenance and repair of roads and equipment used by the Township

Fire Fund This levied fund is used for yearly fire contract and related expenses.

Oxford Township
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2022

American Rescue Plan Act Fund This fund is created to accept and disperse Coronavirus Local Fiscal Recovery Funds for Ohio Non-Entitlement Units of Local Government. It is used for “any traditional government service” by Resolution of Township Trustees as allowed by the U.S. Department of the Treasury under the "replacing lost public sector provisions" of the Coronavirus State and Local Fiscal Recovery Fund Final Rule.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant capital project fund:

Miscellaneous Capital Projects Fund This fund accounts for miscellaneous grants, donations and other revenue sources that are used to purchase capital acquisitions.

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 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 does not currently hold any investments. The Township accounts for all cash within a checking account.

Oxford Township
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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.

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 14.

Oxford Township
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 3 – Budgetary Activity

Budgetary activity for the year ending 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$78,159	\$106,284	\$28,125
Special Revenue	304,735	345,193	40,458
Capital Projects	75,241	75,711	470
Total	\$458,135	\$527,188	\$69,053

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$115,652	\$85,355	\$30,297
Special Revenue	616,252	385,931	230,321
Capital Projects	94,159	80,216	13,943
Total	\$826,063	\$551,502	\$274,561

Note 4 – Deposits

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 accounts are as follows:

	2022
<i>Cash Management Pool:</i>	
Demand deposits	\$350,278

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2022, the Township is holding \$2,434 in unremitted employee payroll withholdings.

Deposits

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

At December 31, 2022, \$35,679 of deposits were not insured or collateralized, due to reduced collateral approved at 50%.

Oxford Township
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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 statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

Note 6 – Risk Management

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 Township’s policy. The Pool covers the following risks:

- General Liability and casualty
- Public official’s liability
- Cyber
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

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

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

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.

Oxford Township
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Health Insurance

The Township provides health insurance coverage through Tuscarawas County Healthcare Consortium for 1 employee and 2 trustees. The remaining employees/elected officials are either not eligible or have elected not to enroll in that plan.

Expenditures for 2022 for Healthcare \$42,102

Note 7 – Defined Benefit Pension Plans

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

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

Note 8 – Postemployment Benefits

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

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:

	Principal	Interest Rate
2022 Financed Purchase	75,241	4.05

The Township entered into a lease agreement to finance the purchase of a new tractor, mower, and loader for Township road maintenance. Details follow below under ***Financed Purchases*** and ***Amortization***

Oxford Township
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Financed Purchases

The Township has entered into a financed purchases agreement for a New Holland TS6 tractor, Bush Hog 3 point mower and a New Holland Loader-AG, where ownership of the underlying asset transfers to the Township by the end of the contract. The Township disbursed \$70,000 as a down payment for the year ended December 31, 2022.

Amortization

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

<u>Year Ending December 31:</u>	<u>Financed Purchases</u>
2023	\$31,946
2024	31,946
2025	<u>15,986</u>
Total	<u><u>\$79,878</u></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 – Joint Ventures

The Township is a cooperating member of the Tuscarawas Regional Planning Commission (the Commission), a cooperation composed of representatives from cooperating municipalities, townships, ten members appointed by the Tuscarawas County Commissioners, the three County Commissioners, the County Engineer and the Director of the Tuscarawas County District Board of Health. Each member's control over the operation of the Commission is limited to its representation on the board. The Commission has the purpose and duty to make studies, maps, plans, recommendations, and reports concerning the physical, environmental, social, economic, and governmental characteristics, functions and services, and other aspects of the region or the County, respectively.

Continued existence of the Commission is dependent on the Township's continued participation; however, the Township does not have an equity interest in the Commission. The Commission is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the Township. In 2022, the Township did not contribute any funds. Complete financial statements can be obtained from the Regional Planning Commission, Tuscarawas County, Ohio.

Note 12 – Jointly Governed Organizations

Oxford Township is a member of Tri-County Joint Ambulance District (the District), one of six townships and villages that make up the District membership. Each member has a representative on the governing board which meets monthly. The Township did not make any payments to the District in 2022.

Oxford Township
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 13 – Public Entity Risk Pool

The Township is a member of Ohio Township Association Risk Management Authority (OTARMA), a governmental risk-sharing pool whose members consist solely of Ohio townships.

The OTARMA Program is designed to provide Ohio Townships with the coverages necessary to properly protect their assets. OTARMA is governed by a board of directors who are elected by the members. OTARMA does not require its Membership to be jointly responsible for the liabilities of other Members.

Note 14 – Fund Balances

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	Total
Outstanding Encumbrances	\$ 1,380	\$ 5,050	\$ 6,430

The fund balance of special revenue funds is either restricted or committed. In the general fund, outstanding encumbrances are considered assigned.

Note 15 – 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.

Oxford Township
Tuscarawas 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	Capital Projects	Combined Total
Cash Receipts				
Property and Other Local Taxes	\$54,426	\$132,347	\$0	\$186,773
Intergovernmental	37,280	218,959	0	256,239
Earnings on Investments	37	0	0	37
Miscellaneous	1,061	0	0	1,061
<i>Total Cash Receipts</i>	<u>92,804</u>	<u>351,306</u>	<u>0</u>	<u>444,110</u>
Cash Disbursements				
Current:				
General Government	93,416	11,248	0	104,664
Public Safety	1,069	557	0	1,626
Public Works	0	220,528	0	220,528
Capital Outlay	0	38,456	0	38,456
Debt Service:				
Principal Retirement	0	16,524	0	16,524
Interest and Fiscal Charges	0	2,476	15	2,491
<i>Total Cash Disbursements</i>	<u>94,485</u>	<u>289,789</u>	<u>15</u>	<u>384,289</u>
<i>Net Change in Fund Cash Balances</i>	(1,681)	61,517	(15)	59,821
<i>Fund Cash Balances, January 1</i>	<u>39,723</u>	<u>249,685</u>	<u>18,933</u>	<u>308,341</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$38,042</u></u>	<u><u>\$311,202</u></u>	<u><u>\$18,918</u></u>	<u><u>\$368,162</u></u>

See accompanying notes to the basic financial statements

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Oxford Township
Tuscarawas County
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 Oxford Township, Tuscarawas 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 and fire protection services. The Township contracts with the Newcomerstown Emergency Rescue Squad Inc. to provide fire services.

Joint Ventures, Jointly Governed Organizations and Public Entity Risk Pools

The Township participates in joint ventures, jointly governed organizations and a public entity risk pool. Notes 10 through 12 to the financial statements provide additional information for these entities. 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.

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:

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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 Tax Fund This levied fund is used for maintenance and repair of roads and equipment used by the Township

Fire Fund This levied fund is used for yearly fire contract and related expenses.

American Rescue Plan Act Fund This fund is a federal grant to be used for coronavirus recovery.

Oxford Township
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant capital project fund:

Miscellaneous Capital Projects Fund This fund accounts for miscellaneous grants, donations and other revenue sources that are used to purchase capital acquisitions.

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 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 does not currently hold any investments. The Township accounts for all cash within a checking account.

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.

Oxford Township
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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.

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 13.

Oxford Township
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 3 – Budgetary Activity

Budgetary activity for the year ending 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$92,265	\$92,804	\$539
Special Revenue	351,858	351,306	(552)
Total	\$444,123	\$444,110	(\$13)

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$119,032	\$95,078	\$23,954
Special Revenue	469,685	291,269	178,416
Capital Projects	18,932	15	18,917
Total	\$607,649	\$386,362	\$221,287

Note 4 – Deposits

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 accounts are as follows:

	2021
<i>Cash Management Pool:</i>	
Demand deposits	\$368,162

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2021, the Township is holding \$2,070 in unremitted employee payroll withholdings.

Deposits

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

At December 31, 2021, \$33,847 of deposits were not insured or collateralized due to reduced collateral through OPCS approved at 60%.

Oxford Township
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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 statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

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

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 Township's policy. The Pool covers the following risks:

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

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

	<u>2021</u>
Cash and investments	\$34,880,599
Actuarial liabilities	\$10,601,444

Oxford Township
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Health Insurance

The Township provides health insurance coverage through Tuscarawas County Healthcare Consortium for 1 employee and 2 trustees. The remaining employees/elected officials are either not eligible or have elected not to enroll in that plan.

Healthcare Expenditures for 2021 \$34,781.

Note 7 – Defined Benefit Pension Plans

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants’ gross salaries. The Township has paid all contributions required through December 31, 2021.

Note 8 – Postemployment Benefits

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

Note 9 – Debt

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

	<u>Principal</u>	<u>Interest Rate</u>
General Obligation Contract	35,461	4.79

As of March 26, 2020, the Township entered into a Government Obligation Contract with Kansas State Bank for the purchase of a 2013 Freightliner Dump Truck to replace a truck damaged by fire in the Oxford Township Garage that occurred in October 2019. The 2021 payment of \$19,015 was made March 26, 2021.

Amortization

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

Year Ending December 31:	Contract Payment	Applied to Interest	Applied to Principal
2022	\$19,015	\$1,699	\$17,316
2023	19,014	869	18,145
Total	<u>\$38,029</u>	<u>\$2,568</u>	<u>\$35,461</u>

Oxford Township
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 10 – Joint Ventures

The Township is a cooperating member of the Tuscarawas Regional Planning Commission (the Commission), a cooperation composed of representatives from cooperating municipalities, townships, ten members appointed by the Tuscarawas County Commissioners, the three County Commissioners, the County Engineer and the Director of the Tuscarawas County District Board of Health. Each member's control over the operation of the Commission is limited to its representation on the board. The Commission has the purpose and duty to make studies, maps, plans, recommendations, and reports concerning the physical, environmental, social, economic, and governmental characteristics, functions and services, and other aspects of the region or the County, respectively.

Continued existence of the Commission is dependent on the Township's continued participation; however, the Township does not have an equity interest in the Commission. The Commission is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the Township. In 2021, the Township contributed \$174. Complete financial statements can be obtained from the Regional Planning Commission, Tuscarawas County, Ohio.

Note 11 – Jointly Governed Organizations

Oxford Township is a member of Tri-County Joint Ambulance District (the District), one of six townships and villages that make up the District membership. Each member has a representative on the governing board which meets monthly. The Township did not make any payments to the District in 2021.

Note 12 – Public Entity Risk Pool

The Township is a member of Ohio Township Association Risk Management Authority (OTARMA), a governmental risk-sharing pool whose members consist solely of Ohio townships.

The OTARMA Program is designed to provide Ohio Townships with the coverages necessary to properly protect their assets. OTARMA is governed by a board of directors who are elected by the members. OTARMA does not require its Membership to be jointly responsible for the liabilities of other Members.

Note 13 – Fund Balances

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	Total
Outstanding Encumbrances	\$ 593	\$ 1,477	\$ 2,070

The fund balance of special revenue funds is either restricted or committed. In the general fund, outstanding encumbrances are considered assigned.

Oxford Township
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 14 – 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 emergency funding, either federal or state, cannot be estimated. The Township received \$58,765. American Rescue Plan Funds and neither appropriated nor spent any of these funds, awaiting final guidelines for the distribution of those funds.

OHIO AUDITOR OF STATE KEITH FABER



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

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

Oxford Township
Tuscarawas County
P.O. Box 717
Newcomerstown, Ohio 43832

To the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental fund type as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statements of Oxford Township, Tuscarawas County, (the Township) and have issued our report thereon dated May 3, 2024, wherein we noted the Township followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings as item 2022-001 that we consider to be a significant deficiency.

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

May 3, 2024

**OXFORD TOWNSHIP
TUSCARAWAS 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

Significant Deficiency

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.

Errors were noted in the Township's financial statements that required the following audit reclassifications to be made to the financial statements:

- In 2022, the Township reported \$99,269 in General Government disbursements from the American Rescue Plan Act, a Special Revenue Fund. However, \$70,000 was for the purchase of equipment and should have been reported as Capital Outlay and \$29,269 was for the purchase of road supplies and should have been reported as Public Works;
- In 2022, the Township entered into a financed purchase for \$75,241. The Ohio Township Handbook required the reporting of the lease in their financial statements; however, the Township did not report Other Debt Proceeds and Capital Outlay related to this in the Capital Projects Fund. In addition, budgetary receipts and disbursements have been reflected for the same amounts;
- In 2021, the Township made debt service payments of \$19,000 from a Special Revenue Fund and \$15 from the Capital Projects Fund. However, it was all reported as Capital Outlay. Principal Retirement and Interest of \$16,524 and \$2,491 should have been reported, respectively.

These adjustments/reclassifications have been agreed to by management, and the financial statements have been adjusted accordingly.

Failure to properly report financial activity could result in material misstatements occurring and remaining undetected and fail to provide management with an accurate picture of the Township's financial position and operations.

The Township should take the necessary steps to ensure that all receipts and disbursements of the Township are properly presented and disclosed in the Township's financial statements.

Officials' Response: We did not receive a response from Officials for this Finding.

OHIO AUDITOR OF STATE KEITH FABER



OXFORD TOWNSHIP

TUSCARAWAS 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 5/16/2024

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

This report is a matter of public record and is available online at
www.ohioauditor.gov