

SCIOTO TOWNSHIP
PICKAWAY COUNTY, OHIO

SINGLE AUDIT

**FOR THE YEAR ENDED
DECEMBER 31, 2023**



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Columbus, Ohio 43215
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Members of the Board of Trustees
Scioto Township
6752 State Route 762
Commercial Point, OH 43116-0040

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

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

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

November 08, 2024

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**SCIOTO TOWNSHIP
PICKAWAY COUNTY, OHIO**

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Independent Auditor's Report

Scioto Township
Pickaway County
6752 State Route 762
PO Box 40
Commercial Point, Ohio 43116

To the Members of the Board of Trustees:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Scioto Township, Pickaway County, Ohio, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Scioto Township's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Scioto Township, as of December 31, 2023, and the respective changes in cash basis financial position, thereof and the respective budgetary comparisons for the General Fund, the Gasoline Tax Fund, the Road and Bridge Fund, and the Fire and Emergency Levy Fund for the year then ended in accordance with the cash basis of accounting described in Note 2.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of Scioto 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.

Emphasis of Matter

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 2, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Scioto Township's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2024, on our consideration of Scioto Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Scioto 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 Scioto Township's internal control over financial reporting and compliance.



Julian & Grube, Inc.
October 25, 2024

Scioto Township, Pickaway County, Ohio
Statement of Net Position - Cash Basis
December 31, 2023

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 3,392,308
Total Assets	\$ 3,392,308
 Net Position	
Restricted for:	
Capital Projects	\$ 372,733
Other Purposes	1,951,347
Unrestricted	1,068,228
Total Net Position	\$ 3,392,308

See accompanying notes to the basic financial statements.

Scioto Township, Pickaway County
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2023

	<u>General</u>	<u>Gasoline Tax</u>	<u>Road and Bridge</u>	<u>Fire and Emergency Levy</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets						
Equity in Pooled Cash and Cash Equivalents	\$ 1,068,228	\$ 167,023	\$ 377,040	\$ 884,946	\$ 895,071	\$ 3,392,308
<i>Total Assets</i>	<u>\$ 1,068,228</u>	<u>\$ 167,023</u>	<u>\$ 377,040</u>	<u>\$ 884,946</u>	<u>\$ 895,071</u>	<u>\$ 3,392,308</u>
Fund Cash Balances, December 31						
Restricted	\$ -	\$ 167,023	\$ 377,040	\$ 884,946	\$ 895,071	\$ 2,324,080
Assigned	315,405	-	-	-	-	315,405
Unassigned	752,823	-	-	-	-	752,823
<i>Fund Cash Balances, December 31</i>	<u>\$ 1,068,228</u>	<u>\$ 167,023</u>	<u>\$ 377,040</u>	<u>\$ 884,946</u>	<u>\$ 895,071</u>	<u>\$ 3,392,308</u>

See accompanying notes to the basic financial statements.

Scioto Township, Pickaway County
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2023

	General	Gasoline Tax	Road and Bridge	Fire and Emergency Levy	Other Governmental Funds	Total Governmental Funds
Receipts						
Property and Other Local Taxes	\$ 201,060	\$ -	\$ 289,558	\$ 1,705,302	\$ 51,021	\$ 2,246,941
Charges for Services	-	-	-	456,532	-	456,532
Licenses, Permits and Fees	42,399	-	-	29,768	26,808	98,975
Intergovernmental	336,093	154,231	274,248	1,014,536	653,419	2,432,527
Earnings on Investments	45,431	3,838	-	-	6,935	56,204
Miscellaneous	16,071	40	660	10,426	69,662	96,859
<i>Total Receipts</i>	<u>641,054</u>	<u>158,109</u>	<u>564,466</u>	<u>3,216,564</u>	<u>807,845</u>	<u>5,388,038</u>
Disbursements						
Current:						
General Government	269,838	-	-	-	-	269,838
Public Safety	-	-	-	2,619,786	-	2,619,786
Public Works	-	111,416	383,840	-	130,278	625,534
Health	38,078	-	-	-	33,134	71,212
Human Services	-	-	-	-	357	357
Capital Outlay	6,867	-	-	7,056	1,789,572	1,803,495
Debt Service:						
Principal Retirement	-	-	78,861	124,884	-	203,745
Interest and Fiscal Charges	-	-	3,927	73,846	-	77,773
<i>Total Disbursements</i>	<u>314,783</u>	<u>111,416</u>	<u>466,628</u>	<u>2,825,572</u>	<u>1,953,341</u>	<u>5,671,740</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>326,271</u>	<u>46,693</u>	<u>97,838</u>	<u>390,992</u>	<u>(1,145,496)</u>	<u>(283,702)</u>
Other Financing Sources (Uses)						
Loan Proceeds	-	-	-	-	229,355	229,355
Other Debt Proceeds	-	-	-	-	575,311	575,311
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>804,666</u>	<u>804,666</u>
<i>Net Change in Fund Balances</i>	<u>326,271</u>	<u>46,693</u>	<u>97,838</u>	<u>390,992</u>	<u>(340,830)</u>	<u>520,964</u>
Fund Balances Beginning of Year	741,957	120,330	279,202	493,954	1,235,901	2,871,344
<i>Fund Balances End of Year</i>	<u>\$ 1,068,228</u>	<u>\$ 167,023</u>	<u>\$ 377,040</u>	<u>\$ 884,946</u>	<u>\$ 895,071</u>	<u>\$ 3,392,308</u>

See accompanying notes to the basic financial statements.

Scioto Township, Pickaway County
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2023

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 200,000	\$ 200,000	\$ 201,060	\$ 1,060
Licenses, Permits and Fees	49,000	49,000	42,399	(6,601)
Intergovernmental	312,199	312,199	336,093	23,894
Earnings on Investments	10,000	10,000	45,431	35,431
Miscellaneous	5,000	5,000	16,071	11,071
<i>Total Receipts</i>	<u>576,199</u>	<u>576,199</u>	<u>641,054</u>	<u>64,855</u>
Disbursements				
Current:				
General Government	420,111	425,111	269,838	155,273
Public Safety	69,525	64,025	-	64,025
Health	38,000	38,500	38,078	422
Capital Outlay	134,000	134,000	6,867	127,133
<i>Total Disbursements</i>	<u>661,636</u>	<u>661,636</u>	<u>314,783</u>	<u>346,853</u>
<i>Net Change in Fund Balance</i>	(85,437)	(85,437)	326,271	411,708
Unencumbered Fund Balance Beginning of Year	741,957	741,957	741,957	-
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 656,520</u>	<u>\$ 656,520</u>	<u>\$ 1,068,228</u>	<u>\$ 411,708</u>

See accompanying notes to the basic financial statements.

Scioto Township, Pickaway County
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budget Basis
Gasoline Tax Fund
For the Year Ended December 31, 2023

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$ 149,000	\$ 149,000	\$ 154,231	\$ 5,231
Earnings on Investments	800	800	3,838	3,038
Miscellaneous	2,500	2,500	40	(2,460)
<i>Total Receipts</i>	<u>152,300</u>	<u>152,300</u>	<u>158,109</u>	<u>5,809</u>
Disbursements				
Current:				
Public Works	200,075	200,075	111,416	88,659
<i>Total Disbursements</i>	<u>200,075</u>	<u>200,075</u>	<u>111,416</u>	<u>88,659</u>
<i>Net Change in Fund Balance</i>	(47,775)	(47,775)	46,693	94,468
Unencumbered Fund Balance Beginning of Year	120,330	120,330	120,330	-
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 72,555</u>	<u>\$ 72,555</u>	<u>\$ 167,023</u>	<u>\$ 94,468</u>

See accompanying notes to the basic financial statements.

Scioto Township, Pickaway County
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budget Basis
Road and Bridge Fund
For the Year Ended December 31, 2023

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 286,000	\$ 286,000	\$ 289,558	\$ 3,558
Intergovernmental	182,000	182,000	274,248	92,248
Miscellaneous	5,000	5,000	660	(4,340)
<i>Total Receipts</i>	<u>473,000</u>	<u>473,000</u>	<u>564,466</u>	<u>91,466</u>
Disbursements				
Current:				
Public Works	443,561	468,911	411,040	57,871
Capital Outlay	145,000	119,650	-	119,650
Debt Service:				
Principal Retirement	79,000	79,000	78,861	139
Interest and Fiscal Charges	5,000	5,000	3,927	1,073
<i>Total Disbursements</i>	<u>672,561</u>	<u>672,561</u>	<u>493,828</u>	<u>178,733</u>
<i>Net Change in Fund Balance</i>	(199,561)	(199,561)	70,638	270,199
Unencumbered Fund Balance Beginning of Year	279,202	279,202	279,202	-
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 79,641</u>	<u>\$ 79,641</u>	<u>\$ 349,840</u>	<u>\$ 270,199</u>

See accompanying notes to the basic financial statements.

Scioto Township, Pickaway County
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budget Basis
Fire and Emergency Levy Fund
For the Year Ended December 31, 2023

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 1,600,000	\$ 1,600,000	\$ 1,705,302	\$ 105,302
Charges for Services	400,000	400,000	456,532	56,532
Licenses, Permits and Fees	75,000	75,000	29,768	(45,232)
Intergovernmental	665,000	665,000	1,014,536	349,536
Miscellaneous	25,000	25,000	10,426	(14,574)
<i>Total Receipts</i>	<u>2,765,000</u>	<u>2,765,000</u>	<u>3,216,564</u>	<u>451,564</u>
Disbursements				
Current:				
Public Safety	2,727,558	2,730,270	2,619,786	110,484
Capital Outlay	7,500	7,500	7,056	444
Debt Service:				
Principal Retirement	125,000	125,000	124,884	116
Interest and Fiscal Charges	79,000	76,288	73,846	2,442
<i>Total Disbursements</i>	<u>2,939,058</u>	<u>2,939,058</u>	<u>2,825,572</u>	<u>113,486</u>
<i>Net Change in Fund Balance</i>	(174,058)	(174,058)	390,992	565,050
Unencumbered Fund Balance Beginning of Year	493,954	493,954	493,954	-
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 319,896</u>	<u>\$ 319,896</u>	<u>\$ 884,946</u>	<u>\$ 565,050</u>

See accompanying notes to the basic financial statements.

Scioto Township
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 1 – Reporting Entity

Scioto Township, Pickaway County, Ohio (the Township), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Township Fiscal Officer.

The reporting entity is comprised of the primary government and other organizations that were included to ensure that the financial statements are not misleading.

Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The primary government of the Township provides the following services to its citizens: general government services, maintenance of Township roads and bridges, cemetery maintenance, fire and emergency medical services and contracted police services.

Jointly Governed Organization and Public Entity Risk Pool

The Township participates in a jointly governed organization and a public entity risk pool. Notes 7 and 8 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

As discussed further in the Basis of Accounting section of this Note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Township's accounting policies.

Basis of Presentation

The Township's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements The statement of net position and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

Scioto Township
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

The statement of net position presents the cash and investment balances, of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that are required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function activity is self-financing on a cash basis or draws from the Township's general receipts.

Fund Financial Statements During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Fund Accounting

The Township uses fund accounting 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 Townships are governmental.

Governmental Funds Governmental funds are those through which most governmental functions of the Township are financed. The following are the Township's major governmental funds:

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.

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

Road and Bridge Fund The road and bridge fund accounts for and reports property tax (inside millage), and intergovernmental revenues from JEDD distributions, committed for the construction, reconstruction, resurfacing and repair of Township roads and bridges.

Fire and Emergency Levy Fund The fire and emergency levy fund accounts for and reports property tax (inside millage), intergovernmental revenues from JEDD distributions, and contracted services for the purpose of providing residents with fire and emergency services.

The other governmental funds of the Township account for and report grants and other resources, whose use is restricted to a particular purpose.

Scioto Township
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.

Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriations resolution is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Township.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

Cash and Investments

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2023, the Township invested in STAR Ohio.

Scioto Township
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The Township measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice for deposits and withdrawals of \$100 million or more is appreciated. STAR Ohio reserves the right to limit the transaction to \$250 million per day.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2023 were \$45,431, which includes \$27,963 assigned from other Township funds.

Inventory and Prepaid Items

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's cash basis of accounting.

Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 9 and 10, the employer contributions include portions for pension benefits and for other postemployment benefits (OPEB).

Long-Term Obligations

The Township's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid.

Scioto Township
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Settlement Monies

Ohio has reached settlement agreements with various distributors of opioids which are subject to the OneOhio memorandum of understanding. The original settlement was reached in 2021 with annual payments anticipated through 2038. For 2023, distributions of \$1,148 are reflected as intergovernmental receipts in the OneOhio Opioid Settlement Fund (Other Governmental Funds) in the accompanying financial statements.

Net Position

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include activities for federal and state grants restricted to expenditures for specific purposes.

The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net position are available.

Fund Balance

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Restricted Fund balance is reported as 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 The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of Township Trustees. Those committed amounts cannot be used for any other purpose unless the Township Trustees remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Township Trustees, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

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Assigned Amounts in the assigned fund balance classification are intended to be used by the Township for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute. State Statute authorizes the Township Clerk to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

Unassigned The unassigned fund balance is the residual classification for the general fund and includes amounts not contained 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.

Internal Activity

Transfers between governmental funds are eliminated on the government-wide financial statements are reported in the same manner as general receipts.

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 – Compliance

The Township had noncompliance with Ohio Administrative Code 117-2-02(C)(1) for not properly including approved estimated receipts in the financial accounting system. Additionally, the Township was in noncompliance with Ohio Revised Code Section 5705.41(D) for disbursements not certified in a timely manner.

Note 4 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund, the Gasoline Tax Fund, the Road and Bridge Fund, and the Fire and Emergency Levy Fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference(s) between the budgetary basis and the cash basis are as follows:

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Outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis).

	<u>General</u>	<u>Gasoline Tax</u>	<u>Road and Bridge</u>	<u>Fire and Emergency Levy</u>
Cash Basis	\$326,271	\$46,693	\$ 97,838	\$ 390,992
Encumbrances	-	-	(27,200)	-
Budget Basis	<u>\$326,271</u>	<u>\$46,693</u>	<u>\$ 70,638</u>	<u>\$ 390,992</u>

Note 5 – Deposits and Investments

State statutes classify held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Protection of the Township’s deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in 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.

Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

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2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the clerk/treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

At December 31, 2023, the carrying amount of all Township deposits was \$2,437,955.

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Investments

The fair value of these investments is not materially different than measurement value. As of December 31, 2023, the Township had the following investment:

<u>Investment</u>	<u>Measurement Value</u>	<u>Maturity</u>
STAR Ohio	\$ 954,353	Less than one year

Credit Risk

STAR Ohio carries a rating of AAAM by Standard and Poor’s. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized statistical rating organization.

Note 6 – Taxes

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the Township. Property tax revenue received during 2023 for real and public utility property taxes represents collections of 2022 taxes.

2023 real property taxes are levied after October 1, 2023, on the assessed value as of January 1, 2023, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2023 real property taxes are collected in and intended to finance 2024.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2023 public utility property taxes which became a lien December 31, 2022, are levied after October 1, 2023, and are collected in 2024 with real property taxes.

The full tax rate for all Township operations for the year ended December 31, 2023, was \$13.80 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2023 property tax receipts were based are as follows:

Real Property	\$220,517,700
Public Utility Personal Property	6,680,920
Total	\$227,198,620

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Township. The County Auditor periodically remits to the Township its portion of the taxes collected.

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Note 7 – Jointly Governed Organization

Beginning in 2014, the Township has participated in and received income tax sharing compensation through one Joint Economic Development District (the District), formed in accordance with Ohio Revised Code (ORC) Sections 715.72 through 715.81 as a result of an agreement between the City of Grove City (the City), the Village of Commercial Point (the Village), and the Township. The District is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District's purpose is to promote and facilitate economic development, to create or preserve jobs and employment opportunities and to improve the economic welfare of the District, the city, the village, and the township. The District levies a 2.00 percent income tax.

The District Board of Directors consists of three members, one member representing the City and the Village to serve a term of one year (Board Member No. 1), one member representing the Township to serve a term of two years (Board Member No. 2), and one member selected by the other members to serve a term of four years as chairperson of the Board (Board Member No. 3). After service of an initial term, terms for each member shall be four years. A member may be reappointed to the Board, but no member shall serve more than two consecutive terms on the Board. The District operates on a calendar year basis. The term of the contract shall be for fifty (50) years, provided however, that if all parties agree in writing, said the contract may be terminated at any time. Any renewals of this contract shall only occur upon the written mutual agreement of the JEDD Parties.

As part of the contract forming the District, the Township, the City, and the Village provide certain services to the District. The Township will provide the same services that the Township provides for similarly situated properties included in the township outside of the District. The Township will also provide accommodation for meetings of the Board, maintenance of the records of the District and any necessary staffing for the Board. The City shall provide all services necessary for the administration, collection and enforcement of the District Income Tax pursuant to the Tax Agreement. The City will also engage in economic development activities which serve to complement and benefit potential economic development areas located in, adjacent to and/or around the District as determined in the sole discretion of the City. The City is not expected or required to undertake any promotional activity to the detriment of development areas located within the boundaries of the City. The Village shall provide supplemental police response to the District upon the request of the Pickaway County Sheriff; subject, however, to availability and manpower as determined in the sole discretion of the Village. The Village will also engage in economic development activities which serve to complement and benefit potential economic development areas located in, adjacent to and/or around the District as determined in the sole discretion of the Village. The Village is not expected or required to undertake any promotional activity to the detriment of development areas located within the boundaries of the Village.

On the tenth day of each quarter, the Administrator shall allocate the remaining amount of the District Income Tax then on deposit with the Administrator into three parts to be distributed to the JEDD Parties as follows:

1. To the City, an amount equal to 10 percent (10%) of the remaining amount. That amount may be used by the City for any lawful purpose.
2. To the Township, an amount equal to eighty-eight percent (88%) of the remaining amount. That amount may be used by the Township for any lawful purpose.
3. To the Village, an amount equal to two percent (2%) of the remaining amount. That amount may be used by the Village for any lawful purpose.

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During 2023, the Township received \$1,155,687 under the JEDD contract, which is distributed as Intergovernmental revenue in the General Fund, the Road and Bridge Fund, the Fire and Emergency Levy Fund, and the Permanent Improvement Fund (Other Governmental Funds).

Note 8 – Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2023, the Township contracted with OTARMA for property and liability insurance coverage.

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
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

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

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

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.

Health, vision, dental, and life insurance are provided to employees who contribute to the cost of the insurance.

Note 9 – Defined Benefit Pension Plans

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Scioto Township
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For the Year Ended December 31, 2023

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – Township employees, other than full-time and part-time firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

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Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests upon receipt of the initial benefit payment. The options for Public Safety and Law Enforcement permit early retirement under qualifying circumstances as early as age 48 with a reduced benefit.

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local	
	Traditional	Combined
2023 Statutory Maximum Contribution Rates		
Employer	14.0 %	14.0 %
Employee *	10.0 %	10.0 %
 2023 Actual Contribution Rates		
Employer:		
Pension **	14.0 %	12.0 %
Post-employment Health Care Benefits **	0.0	2.0
Total Employer	14.0 %	14.0 %
Employee	10.0 %	10.0 %

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension; however, effective July 1, 2022, a portion of the health care rate is funded with

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Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The Township's contractually required contribution was \$30,840 for 2023.

Plan Description – Ohio Police & Fire Pension Fund (OPF)

Plan Description – Township full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report that may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OPF may retire and receive a lifetime monthly pension. OPF offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit, statutory survivors and annuity beneficiaries. Members participating in the DROP program have separate eligibility requirements related to COLA.

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.0 percent of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.0 percent or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

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Members who retired prior to July 24, 1986, or their surviving beneficiaries under optional plans are entitled to cost-of-living allowance increases. The annual increase is paid on July 1st of each year. The annual COLA increase is \$360 under a Single Life Annuity Plan with proportional reductions for optional payment plans.

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>Firefighters</u>
2023 Statutory Maximum Contribution Rates	
Employer	24.00 %
Employee	12.25 %
 2023 Actual Contribution Rates	
Employer:	
Pension	23.50 %
Post-employment Health Care Benefits	0.50
Total Employer	24.00 %
Employee	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The Township’s contractually required contribution to OPF was \$292,575 for 2023.

Social Security

Part-time firefighters (not enrolled in OPF with the Township) contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participant.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants’ gross salaries. The Township has paid all contributions required through December 31, 2023.

Note 10 – Postemployment Benefits

Ohio Public Employees Retirement System

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. Medicare-enrolled retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice selected with the assistance of an OPERS vendor. Non-Medicare retirees have converted to an arrangement similar to the Medicare-enrolled retirees and are no longer participating in OPERS provided self-insured group plans.

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

OPERS offers a health reimbursement arrangement (HRA) allowance to traditional pension plan and combined plan benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

Medicare Retirees Medicare-eligible with a minimum of 20 years of qualifying service credit

Non-Medicare Retirees Non-Medicare retirees qualify based on the following age-and-service criteria:

Group A 30 years of qualifying service credit at any age;

Group B 32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;

Group C 32 years of qualifying service credit and minimum age 55; or,

A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit.

Retirees who don't meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

Members with a retirement date prior to January 1, 2022, who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022,

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Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

The health care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Scioto Township
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2023, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2022 was 4.0 percent; however, effective July 1, 2022, a portion of the health care rate was funded with reserves.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Township's has paid the full employer contribution amount for 2023.

Ohio Police and Fire Pension Fund

Plan Description – The Township contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

Regardless of a benefit recipient's participation in the health care program, OP&F is required by law to pay eligible recipients of a service pension, disability benefit and spousal survivor benefit for their Medicare Part B insurance premium, up to the statutory maximum provided the benefit recipient is not eligible to receive reimbursement from any other source. Once OP&F receives the necessary documentation, a monthly reimbursement is included as part of the recipient's next benefit payment. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

OP&F maintains funds for health care in two separate accounts: one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Scioto Township
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2023, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees’ primary responsibility to ensure that pension benefits are adequately funded.

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Township’s has paid the full employer contribution amount for 2023.

Note 11 – Debt

The township has the following debt outstanding as of December 31, 2023:

Issue Description	Outstanding 12/31/2022	Issued	Retired	Outstanding 12/31/2023
Kenworth Dump Truck Loan	\$ 42,852	\$ -	\$ 42,852	\$ -
Tractor and Mower Loan	63,495	-	31,152	32,343
OPWC CQ15V - Gibson Rd. Phase I-D Loan	9,764	-	4,882	4,882
F-550 Medic Loan	116,630	-	37,555	79,075
USDA Rural Development - Fire Station Bonds	2,881,689	575,311	87,300	3,369,700
OPWC CQ28Y - Gibson Rd. Phase III-A Loan	-	140,152	-	140,152
OPWC CQ30Z - Gibson Rd. Phase III-B Loan	-	89,203	-	89,203
Total	\$3,114,430	\$ 804,666	\$203,741	\$3,715,355

The Kenworth Dump Truck Loan was issued on 4/24/2018, in the amount of \$201,241, for the purchase of a dump truck for the Township Road Department. The loan was issued at an interest rate of 3.25% and matured on 4/24/2023. Principal and interest payments were made from the Road and Bridge Fund.

The Tractor and Mower Loan was issued on 9/10/2019, in the amount of \$150,000, for the purchase of a tractor and mower for the Township Road Department. The loan was issued at an interest rate of 3.97% and matures on 9/10/2024. Principal and interest payments will be made from the Road and Bridge Fund.

The Ohio Public Works Commission (OPWC) Loan CQ15V – Gibson Rd. Phase I-D was issued on 12/9/2019, in the amount of \$28,638, to help finance the road improvement project on Gibson Rd. The loan was issued at an interest rate of 0% and an original maturity date of 7/1/2025. Due to a credit made by OPWC for an overpayment on a previous loan, the new maturity date is now 7/1/2024. Principal payments will be made from the Road and Bridge Fund.

The F-550 Medic Loan was issued on 6/1/2020, in the amount of \$188,031, for the purchase of a new ambulance for the Township Fire Department. The loan carries an interest rate of 3.4% and matures on 6/1/2025. Principal and interest payments will be made from the Fire and Emergency Levy Fund.

Scioto Township
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

The United States Department of Agriculture (USDA) Rural Development – Fire Station Bonds was issued on 11/4/2021, in the amount of \$3,500,000, for the construction of a new fire station. The Township draws down proceeds from this issuance as payments to contractors are made on the project. As of December 31, 2023, the Township has drawn down the entire balance of the bonds. The bonds carry an interest rate of 2.125% and matures on 12/1/2051. Principal and interest payments will be made from the Fire and Emergency Levy Fund.

The Ohio Public Works Commission (OPWC) Loan CQ28Y – Gibson Rd. Phase III-A was issued on 9/19/2023, in the amount of \$140,152, to help finance the road improvement project on Gibson Rd. The loan was issued at an interest rate of 0% and an original maturity date of 7/1/2028. Principal payments will be made from the Road and Bridge Fund.

The Ohio Public Works Commission (OPWC) Loan CQ30Z – Gibson Rd. Phase III-B was issued on 9/19/2023, in the amount of \$89,203, to help finance the road improvement project on Gibson Rd. The loan was issued at an interest rate of 0% and an original maturity date of 7/1/2028. Principal payments will be made from the Road and Bridge Fund.

Principal and interest requirements to retire outstanding debt at December 31, 2023, are as follows:

Year	USDA Rural Development -					
	Fire Station Bonds		Tractor and Mower Loan		F-550 Medic Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 89,100	\$ 71,330	\$ 32,343	\$ 1,317	\$ 38,858	\$ 2,725
2025	91,100	69,230	-	-	40,217	1,366
2026	93,000	67,284	-	-	-	-
2027	95,000	65,297	-	-	-	-
2028	97,000	63,442	-	-	-	-
2029-2033	517,200	284,493	-	-	-	-
2034-2038	574,800	226,817	-	-	-	-
2039-2043	638,900	162,712	-	-	-	-
2044-2048	710,100	91,494	-	-	-	-
2049-2051	463,500	17,382	-	-	-	-
Total	\$ 3,369,700	\$ 1,119,481	\$ 32,343	\$ 1,317	\$ 79,075	\$ 4,091

Year	OPWC CQ15V -		OPWC CQ28Y -		OPWC CQ30Z -	
	Gibson Rd. Phase I-D Loan		Gibson Rd. Phase III-A Loan		Gibson Rd. Phase III-B Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 4,882	\$ -	\$ 28,030	\$ -	\$ 17,841	\$ -
2025	-	-	28,031	-	17,841	-
2026	-	-	28,030	-	17,840	-
2027	-	-	28,031	-	17,840	-
2028	-	-	28,030	-	17,841	-
Total	\$ 4,882	\$ -	\$ 140,152	\$ -	\$ 89,203	\$ -

Scioto Township
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 12 – Contingent Liabilities

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor, principally the federal government. Grantors 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 13 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Township is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Name	Fund Balance	Classification	Constraint purpose
General Fund	\$752,823	Unassigned	None
General Fund	\$315,405	Assigned	Subsequent appropriations
Motor Vehicle License Tax Fund (Other Governmental)	\$71,947	Restricted	Roads, road related expenses
Gasoline Tax Fund	\$167,023	Restricted	Roads, road related expenses
Road and Bridge Fund	\$377,040	Restricted	Roads, road related expenses
Cemetery Fund (Other Governmental)	\$80,602	Restricted	Cemetery related expenses
Fire and Emergency Levy Fund	\$884,946	Restricted	Fire and EMS related expenses
Permissive Motor Vehicle License Tax Fund (Other Governmental)	\$190,111	Restricted	Roads, road related expenses
Permanent Improvement Fund (Other Governmental)	\$187,272	Restricted	Capital expenditures only
Special Revenue Fund (to be used for Fire Equipment and Vehicles only) (Other Governmental)	\$111,822	Restricted	Equipment (Fire) and Vehicles (non-Fire)
One Ohio Opioid Settlement Fund (Other Governmental)	\$1,692	Restricted	Opioid Related Expenses
Coronavirus Relief Fund – American Rescue Plan Act Fund (ARPA) (Other Governmental)	\$251,625	Restricted	Corona Virus Related Expenses
Total	\$3,392,308		

SUPPLEMENTARY INFORMATION

**SCIOTO TOWNSHIP
PICKAWAY COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM/CLUSTER TITLE	PASS-THROUGH ENTITY IDENTIFYING NUMBER / ADDITIONAL AWARD IDENTIFICATION	ASSISTANCE LISTING NUMBER	EXPENDITURES OF FEDERAL AWARDS
U.S. DEPARTMENT OF AGRICULTURE			
<i>Direct</i>			
Community Facilities Loans and Grants Cluster			
Community Facilities Loans and Grants - Beginning Loan Balance	CPAP000000903550	10.766	\$ 2,881,689
Community Facilities Loans and Grants	CPAP000000903550	10.766	<u>575,311</u>
Total Community Facilities Loans and Grants Cluster and U.S. Department of Agriculture			<u><u>3,457,000</u></u>
U.S. DEPARTMENT OF TREASURY			
<i>Direct</i>			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	COVID-19	21.027	<u>404,276</u>
Total U.S. Department of Treasury			<u>404,276</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
<i>Direct</i>			
Assistance to Firefighters Grant Program	EMW-2021-FG-04988	97.044	<u>39,770</u>
Total U.S. Department of Homeland Security			<u>39,770</u>
Total Expenditures of Federal Awards			<u><u>\$ 3,901,046</u></u>

The accompanying notes are an integral part of this schedule.

**SCIOTO TOWNSHIP
PICKAWAY COUNTY, OHIO**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 1 – BASIS OF PRESENTATION & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Scioto Township (the “Township”) under programs of the federal government for the year ended December 31, 2023. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Township, it is not intended to and does not present the financial position, changes in net position of the Township. Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be limited as to reimbursement.

NOTE 2 – DE MINIMIS INDIRECT COST RATE

The Township has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 – MATCHING REQUIREMENTS

Certain Federal programs require the Township to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Township has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in Accordance With
*Government Auditing Standards***

Scioto Township
Pickaway County
6752 State Route 762
PO Box 40
Commercial Point, Ohio 43116

To the Members of the 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 by the Comptroller General of the United States, the cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Scioto Township, Pickaway County, Ohio, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Scioto Township's basic financial statements and have issued our report thereon dated October 25, 2024, wherein we noted Scioto Township uses a special purpose framework other than generally accepted accounting principles.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Scioto Township' 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 Scioto Township's internal control. Accordingly, we do not express an opinion on the effectiveness of Scioto 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 Scioto Township's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as items 2023-001 through 2023-003 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Scioto 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 2023-002 and 2023-003.

Scioto Township's Responses to the Findings

Government Auditing Standards requires the auditor to perform limited procedures on Scioto Township's responses to the findings identified in our audit and described in the accompanying corrective action plan. Scioto 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 these 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 Scioto 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 Scioto Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.
October 25, 2024

**Independent Auditor’s Report on Compliance for Each Major Federal Program
and on Internal Control Over Compliance Required by the Uniform Guidance**

Scioto Township
Pickaway County
6752 State Route 762
PO Box 40
Commercial Point, Ohio 43116

To the Members of the Board of Trustees:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Scioto Township’s compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Scioto Township’s major federal programs for the year ended December 31, 2023. Scioto Township’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings.

In our opinion, Scioto Township complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the “Auditor’s Responsibilities for the Audit of Compliance” section of our report.

We are required to be independent of Scioto Township and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Scioto Township’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Scioto Township’s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Scioto Township's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Scioto Township's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Scioto Township's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Scioto Township's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Scioto Township's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Scioto Township
Pickaway County
Independent Auditor's Report on Compliance for Each Major Federal Program
and on Internal Control Over Compliance Required by the Uniform Guidance

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
October 25, 2024

**SCIOTO TOWNSHIP
PICKAWAY COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515**

DECEMBER 31, 2023

1. SUMMARY OF AUDITOR'S RESULTS		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</i>	Yes
<i>(d)(1)(ii)</i>	<i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	None Reported
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	Yes
<i>(d)(1)(iv)</i>	<i>Were there any material weaknesses in internal control reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	None Reported
<i>(d)(1)(v)</i>	<i>Type of Major Program's Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under 2 CFR §200.516(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Programs (listed):</i>	Community Facilities Loans and Grants Cluster
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: \$750,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee under 2 CFR § 200.520?</i>	No

**SCIOTO TOWNSHIP
PICKAWAY COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515**

DECEMBER 31, 2023

2. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2023-001

Material Weakness – Financial Statement Presentation

Accurate financial reporting is required in order to provide management and other stakeholders with objective and timely information to enable well-informed decisions. Presentation of materially correct financial statements and the related footnotes is the responsibility of management. This responsibility remains intact even if management decides to outsource this function for efficiency purposes or any other reason. In either case, it is important that control procedures are developed related to the financial statements that enable management to identify, prevent, detect and correct potential misstatements in the financial statements and footnotes. In general, an accounting and information system should be designed to provide management with accurate and timely information.

The following adjustments were made to properly record activity for the year ended December 31, 2023:

- On the fund financial statements, an adjustment was necessary to decrease intergovernmental receipts and increase loan proceeds by \$229,355, in the Ohio Public Works Commission (OPWC) Project Fund (Other Governmental Funds). This adjustment was necessary to record OPWC loan proceeds in the proper receipt category.
- On the government-wide financial statements, an adjustment was necessary to decrease general receipts – grants and entitlements not restricted to specific programs by \$794,786, increase loans issued by \$229,535, and increase program revenues: capital grants and contributions – capital outlay by \$565,431, to record OPWC loan proceeds (\$229,535) and grant proceeds (\$565,431) in the proper receipt categories.
- On the fund financial statements, an adjustment was necessary to decrease intergovernmental receipts and increase other debt proceeds by \$575,311, in the Permanent Improvement Fire Fund (Other Governmental Funds). This adjustment was necessary to properly record USDA loan drawdowns in the proper receipt category.
- On the fund financial statements, an adjustment was necessary to decrease unassigned fund balance and increase assigned fund balance in the General Fund in the amount of \$315,405 to properly record subsequent year appropriations in excess receipts as required by GASB 54.
- On the government-wide financial statements, an adjustment was necessary to decrease general receipts – other taxes and increase general receipts – grants and entitlements not restricted to specific programs in the amount of \$1,163,190 to record JEDD receipts in the proper receipt category.

The Township’s financial statements and notes have been adjusted to reflect these adjustments.

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

We recommend the Township implement additional control procedures that enable management to more timely prevent or detect and correct potential misstatements in the basic financial statements prior to filing them in the Hinkle system.

**SCIOTO TOWNSHIP
PICKAWAY COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515**

DECEMBER 31, 2023

2. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (CONTINUED)	
Finding Number	2023-002

Noncompliance/Material Weakness – Integration of Budgetary Information

Ohio Administrative Code 117-2-02(C)(1) states that all public offices should integrate the budgetary accounts, at the legal level of control or lower, into the financial accounting system. This means designing an accounting system to provide ongoing and timely information on unrealized budgetary receipts and remaining uncommitted appropriation balances.

The County Budget Commission approved estimated receipts, in certain funds did not agree to the amounts entered in the Township’s financial accounting system.

By not correctly including the County Budget Commission approved estimated receipts into the financial accounting system, it could become challenging for the Township to monitor its budgeted activity in comparison with its actual amounts. The Township is also at risk of overspending in excess of available funds, which could possibly result in negative fund balances.

We recommend that the County Budget Commission approved estimated receipts be incorporated into the Township’s financial accounting system by the Fiscal Officer in a timely manner and not be adjusted without the approval of the County Budget Commission. This will aid the Board of Trustees and the Fiscal Officer in their review of budgetary information.

Finding Number	2023-003
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Noncompliance/Material Weakness – Disbursements not certified timely

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

The Township had nineteen out of thirty-six (52.78%) disbursements tested that were not certified in a timely manner.

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

We recommend that all orders or contracts involving the expenditure of money be timely certified to ensure all monies expended are lawfully appropriated and available in the treasury or in the process of collection. The Township may also use “Then & Now” certification to approve a purchase order, when applicable.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None.

Scioto Township Trustees

Phone 614-877-4452
 Fax 614-877-4952

6752 State Route 762
 P.O. Box 40
 Commercial Point, Ohio 43116



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR § 200.511(b)
DECEMBER 31, 2023

Finding Number	Year Initially Occurred	Finding Summary	Status	Additional Information
2022-001	2019	<u>Material Weakness – Financial Statement Presentation</u> – Accurate financial reporting is required in order to provide management and other stakeholders with objective and timely information to enable well-informed decisions. Presentation of materially correct financial statements and the related footnotes is the responsibility of management. Adjustments to the financial statements and related notes were necessary to properly report financial activity of the Township.	Not Corrected	Repeated as 2023-001; as adjustments to the financial statements and related notes were necessary to properly report financial activity of the Township.
2022-002	2022	<u>Noncompliance/Material Weakness – Appropriations in Excess of Estimated Receipts and Appropriations in Excess of Actual Resources</u> – Ohio Revised Code Sections 5705.39, 5705.36, and 5705.36(A)(4) in part, require various items that relate to appropriations limited by estimated receipts and resources. The Township had total appropriations exceeding total estimated resources in certain funds throughout the year and at year end due to not amending certificates timely throughout the year upon notice of increased or decreased resources. Additionally, the Township had appropriations in excess of actual resources, which consists of actual revenues and beginning unencumbered fund balance in certain funds.	Corrective Action Taken and Finding is Fully Corrected	N/A
2022-003	2022	<u>Noncompliance/Material Weakness – Integration of Budgetary Information</u> – Ohio Administrative Code 117- 2-02(C)(1) states that all public offices should integrate the budgetary accounts, at the legal level of control or lower, into the financial accounting system. This means designing an accounting system to provide ongoing and timely information on unrealized budgetary receipts and remaining uncommitted appropriation balances.	Not Corrected	Repeated as 2023-002; as Township's approved estimated receipts did not agree to the financial accounting system budgetary amounts for certain funds.
2022-004	2022	<u>Noncompliance/Material Weakness – Disbursements not certified timely</u> – Ohio Revised Code Section 5705.41(D) requires that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. The Township did not certify disbursements in a timely manner.	Not Corrected	Repeated as 2023-003; as the Township did not certify disbursements in a timely manner.

Scioto Township Trustees

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CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2023

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2023-001	The Township will perform additional reviews of the financial statements prior to submitting to HINKLE.	2024	Terry Brill, Fiscal Officer
2023-002	The Township will perform more detailed reviews of its financial accounting system to help ensure estimated receipts are properly included and timely updated if necessary.	2024	Terry Brill, Fiscal Officer
2023-003	The Township will attempt to certify disbursements in a timely manner. The Township will consider the use of blanket and super blanket purchases orders when deemed allowable and utilize “then and now” certificates as well to help ensure all purchases have a purchase order that is approved prior to the purchase.	2024	Terry Brill, Fiscal Officer

OHIO AUDITOR OF STATE KEITH FABER



SCIOTO TOWNSHIP

PICKAWAY 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 11/21/2024

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