



OHIO AUDITOR OF STATE
KEITH FABER



**JASPER TOWNSHIP
FAYETTE COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2019	3
Notes to the Financial Statements – For the Year Ended December 31, 2019.....	5
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2018	11
Notes to the Financial Statements – For the Year Ended December 31, 2018.....	13
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	19
Schedule of Findings	21

This page intentionally left blank.

OHIO AUDITOR OF STATE KEITH FABER



Corporate Centre of Blue Ash
11117 Kenwood Road
Blue Ash, Ohio 45242-1817
(513) 361-8550 or (800) 368-7419
SouthwestRegion@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT

Jasper Township
Fayette County
7790 SR 729 NW
Washington CH, Ohio 43160

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Jasper Township, Fayette County, Ohio (the Township) as of and for the years ended December 31, 2019 and 2018.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Township's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

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

As described in Note 2 of the financial statements, the Township prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2019 and 2018, and the respective changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Jasper Township, Fayette County as of December 31, 2019 and 2018, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2020, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



Keith Faber
Auditor of State

Columbus, Ohio

June 24, 2020

JASPER TOWNSHIP

Fayette County, Ohio

Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)

All Governmental Fund Types

For the Year Ended December 31, 2019

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$91,128	\$270,802	\$361,930
Charges for Services			0
Licenses, Permits and Fees	0	14,271	14,271
Intergovernmental	15,958	123,116	139,074
Special Assessments	0		0
Earnings on Investments	73	74	147
Miscellaneous	50	1,350	1,400
<i>Total Cash Receipts</i>	<u>107,209</u>	<u>409,613</u>	<u>516,822</u>
Cash Disbursements			
Current:			
General Government	47,941	11,306	59,247
Public Safety			0
Public Works		204,159	204,159
Health	2,955	19,607	22,562
Human Services		1,600	1,600
Capital Outlay			0
Debt Service:			
Principal Retirement			0
Other		2,375	2,375
<i>Total Cash Disbursements</i>	<u>50,896</u>	<u>239,047</u>	<u>289,943</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>56,313</u>	<u>170,566</u>	<u>226,879</u>
Other Financing Receipts (Disbursements)			
Other Financing Sources	1,951	400	2,351
<i>Total Other Financing Receipts (Disbursements)</i>	<u>1,951</u>	<u>400</u>	<u>2,351</u>
<i>Net Change in Fund Cash Balances</i>	58,264	170,966	229,230
<i>Fund Cash Balances, January 1</i>	<u>274,599</u>	<u>324,672</u>	<u>599,271</u>
Fund Cash Balances, December 31			
Restricted		495,638	495,638
Assigned	332,863		332,863
Unassigned (Deficit)			0
<i>Fund Cash Balances, December 31</i>	<u>\$332,863</u>	<u>\$495,638</u>	<u>\$828,501</u>

See accompanying notes to the basic financial statements 3

This page intentionally left blank.

Jasper Township
Fayette County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Jasper Township, Fayette County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance and cemetery maintenance. The Township contracts with the SRWW #2 Joint Fire District and Jefferson Township to provide fire services.

The Township participates in a public entity risk pool. Note 6 to the financial statements provides additional information for this entity. This organization is a:

Public Entity Risk Pool: The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types.

Fund Accounting

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

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

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

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

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

Road and Bridge Fund The Road and Bridge fund accounts for and reports that portion of property tax revenues restricted for maintenance and repair of roads within the

Jasper Township
Fayette County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Township.

Cemetery Fund The cemetery funds are received from sale of lots and burials in the Township cemeteries. Monies are used for up keep and purchase corner stones and any Improvements needed and to pay some of the salaries of the employees.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the legal level of the control as approved by the Township, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments

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

Encumbrances The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year-end are canceled, and reappropriated in the subsequent year. A summary of 2019 budgetary activity appears in Note 4.

Deposits and Investments

The Township maintains its funds in an interest bearing checking account.

Fund Balance

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

Nonspendable The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

Jasper Township
Fayette County
Notes to the Financial Statements
For the Year Ended December 31, 2019

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

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

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

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

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

Note 3 – Budgetary Activity

Note 4 – Budgetary Activity

Budgetary activity for the year ending follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$81,456	\$109,160	\$27,704
Special Revenue	200,823	410,013	209,190
Total	\$282,280	\$519,173	\$236,894

Jasper Township
Fayette County
Notes to the Financial Statements
For the Year Ended December 31, 2019

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$322,094	\$50,896	\$271,198
Special Revenue	517,365	239,047	278,318
Total	\$839,459	\$289,943	\$549,516

Note 5 – Deposits and Investments

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

	2019
Demand deposits	\$828,501
Total deposits	\$828,501

Deposits

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

Note 6 – Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

Note 7 – Risk Management

Risk Pool Membership

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the Township’s policy. The Pool covers the following risks:

- General liability and casualty
- Public official’s liability
- Cyber
- Automobile liability

Jasper Township
Fayette County
Notes to the Financial Statements
For the Year Ended December 31, 2019

- 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, 2019 (Note the amounts below reflect the most current information):

<u>2019</u>	
Cash and investments	\$33,097,416
Actuarial liabilities	\$ 7,874,610

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants’ gross salaries. The Township has paid all contributions required through December 31, 2019.

<i>Retirement Rates</i>	<i>Year</i>	<i>Member Rate</i>	<i>Employer Rate</i>
<i>OPERS – Local</i>	<i>2012-2019</i>	<i>10%</i>	<i>14%</i>

Jasper Township
Fayette County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 7 – Postemployment Benefits

OPERS offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2019.

JASPER TOWNSHIP

Fayette County, Ohio

Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)

All Governmental Fund Types

For the Year Ended December 31, 2018

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$38,375	\$112,865	\$151,240
Charges for Services			0
Licenses, Permits and Fees	20	18,156	18,176
Intergovernmental	17,617	110,713	128,330
Special Assessments	0		0
Earnings on Investments	59	59	118
Miscellaneous	50	10,220	10,270
<i>Total Cash Receipts</i>	<u>56,121</u>	<u>252,013</u>	<u>308,134</u>
Cash Disbursements			
Current:			
General Government	73,055	6,491	79,546
Public Safety			0
Public Works		171,838	171,838
Health		18,803	18,803
Human Services		1,100	1,100
Capital Outlay			0
Debt Service:			
Principal Retirement			0
Other		5,000	5,000
<i>Total Cash Disbursements</i>	<u>73,055</u>	<u>203,232</u>	<u>276,287</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(16,934)</u>	<u>48,781</u>	<u>31,847</u>
Other Financing Receipts (Disbursements)			
Other Financing Sources	381	0	381
<i>Total Other Financing Receipts (Disbursements)</i>	<u>381</u>	<u>0</u>	<u>381</u>
<i>Net Change in Fund Cash Balances</i>	(16,553)	48,781	32,228
<i>Fund Cash Balances, January 1</i>	<u>291,152</u>	<u>275,891</u>	<u>567,043</u>
Fund Cash Balances, December 31			
Restricted		324,672	324,672
Assigned	274,599		274,599
Unassigned (Deficit)			0
<i>Fund Cash Balances, December 31</i>	<u>\$274,599</u>	<u>\$324,672</u>	<u>\$599,271</u>

See accompanying notes to the basic financial statements 11

This page intentionally left blank.

Jasper Township
Fayette County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Jasper Township, Fayette County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance and cemetery maintenance. The Township contracts with the SRWW #2 Joint Fire District and Jefferson Township to provide fire services.

The Township participates in a public entity risk pool. Note 6 to the financial statements provides additional information for this entity. This organization is a:

Public Entity Risk Pool: The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Township’s financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types.

Fund Accounting

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

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

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

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

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

Road and Bridge Fund The Road and Bridge fund accounts for and reports that portion of property tax revenues restricted for maintenance and repair of roads within the

Jasper Township
Fayette County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Township.

Cemetery Fund The cemetery funds are received from sale of lots and burials in the Township cemeteries. Monies are used for up keep and purchase corner stones and any Improvements needed and to pay some of the salaries of the employees.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the legal level of the control as approved by the Township, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments

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

Encumbrances The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year-end are canceled, and reappropriated in the subsequent year. A summary of 2018 budgetary activity appears in Note 3.

Deposits and Investments

The Township maintains its funds in an interest bearing checking account.

Fund Balance

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

Nonspendable The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

Jasper Township
Fayette County
Notes to the Financial Statements
For the Year Ended December 31, 2018

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

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

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

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

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

Note 3 – Budgetary Activity

Budgetary activity for the year ending follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$58,571	\$56,502	(\$2,069)
Special Revenue	221,558	252,013	30,455
Total	\$280,129	\$308,515	\$28,386

Jasper Township
Fayette County
Notes to the Financial Statements
For the Year Ended December 31, 2018

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$394,592	\$73,055	\$321,537
Special Revenue	427,255	203,232	224,023
Total	\$821,847	\$276,287	\$545,560

Note 4 – Deposits and Investments

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

Demand deposits	\$599,271
Total deposits	\$599,271

Deposits

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

Note 5 – Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

Note 6 – Risk Management

Risk Pool Membership

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

- General liability and casualty
- Public official's liability
- Cyber
- Automobile liability

Jasper Township
Fayette County
Notes to the Financial Statements
For the Year Ended December 31, 2018

- 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>2018</u>	
Cash and investments	\$33,097,416
Actuarial liabilities	\$ 7,874,610

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants’ gross salaries. The Township has paid all contributions required through December 31, 2018.

<i>Retirement Rates</i>	<i>Year</i>	<i>Member Rate</i>	<i>Employer Rate</i>
<i>OPERS – Local</i>	<i>2012-2018</i>	<i>10%</i>	<i>14%</i>

Note 8 – Postemployment Benefits

OPERS offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit

Jasper Township
Fayette County
Notes to the Financial Statements
For the Year Ended December 31, 2018

recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2018. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2018.

OHIO AUDITOR OF STATE KEITH FABER



Corporate Centre of Blue Ash
11117 Kenwood Road
Blue Ash, Ohio 45242-1817
(513) 361-8550 or (800) 368-7419
SouthwestRegion@ohioauditor.gov

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

Jasper Township
Fayette County
7790 SR 729 NW
Washington Court House, Ohio 43160

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of Jasper Township, Fayette County (the Township) as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements and have issued our report thereon date June 24, 2020 wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Township's financial statements. A significant deficiency is a deficiency, or 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. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2019-002 to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2019-001 and 2019-003.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber
Auditor of State

Columbus, Ohio

June 24, 2020

**JASPER TOWNSHIP
FAYETTE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2019 AND 2018**

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

FINDING NUMBER 2019-001

NONCOMPLIANCE / FINDING FOR RECOVERY REPAID UNDER AUDIT

Ohio Rev. Code, § 507.09, provides that in a Township having a budget of more than seven hundred fifty thousand dollars but not more than one million five hundred thousand dollars, the compensation for 2019 for a Fiscal Officer elected or appointed is to be paid \$18,717 annually. During 2019 the compensation increased to \$19,045 for a Fiscal Officer elected or appointed after December 27, 2018.

Ohio Const. Art. II, § 20 prohibits a public officer from receiving an in-term increase in salary that results from a change by the General Assembly to the compensation scheme or compensation rates of Ohio Rev. Code § 505.24 during the public officer's term.

During 2019, Carol Langley, Fiscal Officer was paid, from the General Fund, at the 2019 compensation rate that only applies to officials that were appointed or elected on or after December 27, 2018. Ms. Langley's term was for the period April 1, 2016 to March 30, 2020, which required her to be compensated at the 2018 rate.

Salary allowed for Fiscal Officer period 01/01/2019 – 12/31/2019 for Fiscal Officer term elected prior to December 27, 2018, based on Jasper's Township Budget amount of \$881,552	\$18,717
Amount Paid to Carol Langley, Fiscal Officer for 2019	\$19,045
Overpayment	\$328

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery for public money illegally expended is hereby issued against Carol Langley, Jasper Township Fiscal Officer, in the amount of three hundred and twenty eight dollars in favor of the General Fund of Jasper Township.

The total finding was repaid by Carol Langley on May 27, 2020, in the amount of \$328. The receipt was posted to Jasper Township's General Fund in the amount of \$328, per receipt number 43-2020.

Ohio Rev. Code Section 505.24(A) provides that a Township having a budget of more than seven hundred fifty thousand dollars but not more than one million five hundred thousand dollars, the compensation for 2019 for a Trustee elected or appointed is to be paid \$56.71 per day for not more than two hundred days, which totals \$11,342 annually. During 2019 the compensation increased to \$57.70 per day for not more than two hundred days, or \$11,540 annually for Trustees elected or appointed after December 27, 2018.

Ohio Const. Art. II, § 20 prohibits a trustee from receiving an in-term increase in salary that results from a change by the General Assembly to the compensation scheme or compensation rates of Ohio Rev. Code § 505.24 during the trustee's term.

During 2019, the Trustees were paid at the 2019 compensation rate that only applies to officials that were appointed or elected on or after December 27, 2018. These Trustees were paid from Motor Vehicle License Fund, Gasoline Tax Fund and the Road and Bridge Fund. Jasper Township Trustees Richard Anders, Jackie Pursley, and Glen Rankin terms began prior to December 27, 2018, which required them to be compensated at the 2018 rate, as follows.

**FINDING NUMBER 2019-001
 (Continued)**

Salary allowed for Trustee in Period 01/01/2019 – 12/31/2019 For Trustee term beginning prior to December 27, 2018, based on Jasper’s Township Budget amount of \$881,522	\$11,342
Amount Paid to Trustee’s listed above for 2019	\$11,540
Overpayment, per Trustee	\$198

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery for public money illegally expended is hereby issued against; Richard Anders, Township Trustee, in the amount of one hundred ninety eight dollars, in favor of the Motor Vehicle License Fund in the amount of \$32, the Gasoline Tax Fund in the amount of \$48 and the Road and Bridge Fund in the amount of \$118 of Jasper Township.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery for public money illegally expended is hereby issued against; Jackie Pursley, Township Trustee, in the amount of one hundred ninety eight dollars, in favor of the Motor Vehicle License Fund in the amount of \$32, the Gasoline Tax Fund in the amount of \$48 and the Road and Bridge Fund in the amount of \$118 of Jasper Township.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery for public money illegally expended is hereby issued against; Glenn Rankin, Township Trustee, in the amount of one hundred ninety eight dollars, in favor of the Motor Vehicle License Fund in the amount of \$33, the Gasoline Tax Fund in the amount of \$47 and the Road and Bridge Fund in the amount of \$118 of Jasper Township.

The total finding was repaid, for the above Trustees, by Carol Langley on May 27, 2020, in the amount of \$594. The receipt was posted to Jasper Township’s Motor Vehicle License Fund in the amount of \$97, the Gasoline Tax Fund in the amount of \$143 and the Road and Bridge Fund in the amount of \$354, per receipt 44-2020.

Officials’ Response:

We did not receive a response from officials to the finding above.

FINDING NUMBER 2019-002

Material Weakness

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

The Township lacked controls to ensure that transactions were posted accurately. We identified the following 2019 and 2018 posting errors:

**FINDING NUMBER 2019-002
 (Continued)**

2019					
Transaction as Posted (incorrect)			Correct Transaction Posting		
Fund	Account	Amount	Fund	Account	Amount
Permissive Motor Vehicle	Taxes	\$1,335	Permissive Motor Vehicle	Intergovernmental	\$1,335
Intergovernmental receipts were incorrectly recorded as taxes for the Permissive Motor Vehicle Fund.					
General	Taxes	\$2,367	General	Intergovernmental	\$1,265
Road & Bridge	Taxes	\$2,367	Road & Bridge	Intergovernmental	\$3,469
Homestead and rollback was incorrectly recorded and classified in the General and Road and Bridge Fund.					
General	Taxes	\$4,746	General	Intergovernmental	\$1,268
Road & Bridge	Not posted	\$0	Road & Bridge	Intergovernmental	\$3,478
Homestead and rollback was incorrectly recorded and classified in the General and Road and Bridge Fund.					
General	Unassigned Fund Balance	\$332,863	General	Assigned Fund Balance	\$332,863
Assigned fund balance was incorrectly classified as Unassigned fund balance					

2018					
Transaction as Posted (incorrect)			Correct Transaction Posting		
Fund	Account	Amount	Fund	Account	Amount
General	Taxes	\$1,055	General	Intergovernmental	\$1,055
Homestead and Rollback was recorded as taxes and should have been recorded as intergovernmental.					
General	Taxes	\$2,234	General	Intergovernmental	\$1,477
Road & Bridge	Taxes	\$3,350	Road & Bridge	Intergovernmental	\$4,107
Homestead and Rollback was incorrectly recorded and classified in the General and Road & Bridge funds.					
Permissive Motor Vehicle	Taxes	\$1,777	Permissive Motor Vehicle	Intergovernmental	\$1,777
Intergovernmental receipts were incorrectly recorded as taxes for the Permissive funds					
General	Intergovernmental	\$1,317	Road & Bridge	Intergovernmental	\$1,317
Gas Tax	Intergovernmental	\$2,795	Road & Bridge	Intergovernmental	\$2,795
Homestead and Rollback was incorrectly recorded in the Gas Tax Fund and the General funds.					
General	Unassigned Fund Balance	\$274,599	General	Assigned Fund Balance	\$274,599
Assigned fund balance was incorrectly classified as Unassigned fund balance					

**FINDING NUMBER 2019-002
 (Continued)**

Failure to accurately post and report receipt transactions could result in material errors in the Township's financial statements and reduces the ability of the Board to monitor financial activity and to make sound decisions which affect the overall, available cash position of the Township.

The Township has corrected the financial statements, and accounting records where appropriate, to address these posting errors.

The Township should review the chart of accounts and the *Annual Financial Report* section (pages II-70 to II-80) in the Ohio Township Manual (available at <http://ohioauditor.gov/publications/TownshipHandbook%202-27-19.pdf>) to ensure that transactions are accurately posted and year-end fund balances are accurately classified.

Officials' Response:

We did not receive a response from officials to the finding above.

FINDING NUMBER 2019-003

Noncompliance

Ohio Rev. Code § 5705.39 states in part, the total appropriations from each fund shall not exceed the total of the estimated resources available for expenditure there from, as certified by the budget commission. No appropriation measure shall become effective until the County Auditor files with the appropriation authority a certificate that the total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed the total amounts certified by the budget commission.

Appropriations exceed the final estimated resources in the following funds:

Year	Fund	Amount Appropriations exceed Final Estimated Resources
2019	Gas Tax	\$ 55,224
2019	Permissive Motor Vehicle	\$ 1,251

Failure to monitor appropriations and estimated resources could result in overspending and negative cash balances. The Board should monitor the budgetary position of the Township throughout the year, to determine when appropriation amendments are needed.

Officials' Response:

We did not receive a response from officials to the finding above.

OHIO AUDITOR OF STATE KEITH FABER



JASPER TOWNSHIP

FAYETTE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 14, 2020**