

**JACKSON TOWNSHIP  
PAULDING COUNTY**

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



**GUEYE & ASSOCIATES, CPA, INC.**

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OHIO AUDITOR OF STATE  
KEITH FABER



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(800) 282-0370

Board of Trustees  
Jackson Township  
PO Box 21  
Paulding, OH 45879-0021

We have reviewed the *Independent Auditor's Report* of Jackson Township, Paulding County, prepared by Gueye & Associates, CPA, for the audit period January 1, 2021 through December 31, 2022. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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. Jackson Township is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

November 03, 2023

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**JACKSON TOWNSHIP  
PAULDING COUNTY  
DECEMBER 31, 2022 AND 2021**

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## INDEPENDENT AUDITOR'S REPORT

Jackson Township  
Paulding County  
P.O. Box 21  
Paulding, Ohio 45879-0021

To the Board of Trustees:

### ***Report on the Audit of the Financial Statements***

#### ***Unmodified and Adverse Opinions***

We have audited the financial statements of the Jackson Township, Paulding County, Ohio (the Township), which comprises the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2022, and December 31, 2021, and the related notes to the financial statements.

#### ***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental type combined total as of and for the years ended December 31, 2022 and December 31, 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

#### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

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

#### ***Basis for Opinions***

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

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

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

***Responsibilities of Management for the Financial Statements***

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

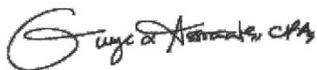
In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

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

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2023, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



Columbus, Ohio  
August 31, 2023

JACKSON TOWNSHIP, PAUDLING COUNTY

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

**All Governmental Fund Types**

For the Year Ended December 31, 2022

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>(Memorandum Only)</u>
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$ 27,203	\$ 126,180		\$ 153,383
Licenses, Permits and Fees	-	7,200		7,200
Fines and Forfeitures	400	-		400
Intergovernmental	22,962	203,736	10,440	237,138
Miscellaneous	1,467	2,550		4,017
	<u>52,032</u>	<u>339,666</u>	<u>10,440</u>	<u>402,138</u>
<i>Total Cash Receipts</i>				
<b>Cash Disbursements</b>				
Current:				
General Government	61,108	-		61,108
Public Safety	-	28,002		28,002
Public Works	4,971	216,267	10,440	231,678
Health	615	19,742		20,357
Intergovernmental		84,010		84,010
Debt Service:				
Principal Retirement	-	21,700		21,700
Interest and Fiscal Charges	-	1,574		1,574
<i>Total Cash Disbursements</i>	<u>66,694</u>	<u>371,295</u>	<u>10,440</u>	<u>448,429</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(14,662)	(31,629)	-	(46,291)
Special Item	14	604	-	618
<i>Net Change in Fund Cash Balances</i>	(14,648)	(31,025)	-	(45,673)
<i>Fund Cash Balances, January 1</i>	<u>58,097</u>	<u>475,251</u>	<u>-</u>	<u>533,348</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 43,449</u>	<u>\$ 444,226</u>	<u>\$ -</u>	<u>\$ 487,675</u>

See the accompanying notes to the Financial Statements

**Jackson Township**  
*Paulding County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Jackson Township, Paulding County, Ohio (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 Village of Paulding to provide emergency medical services and the Paulding Community Fire Association for fire protection services..

***Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations***

The Township participates in a joint venture, the Paulding Community Fire Association, and a public entity risk pool, the Ohio Plan Risk Management, Inc. (OPRM). Notes 6 and 10 to the financial statements provide additional information for these entities.

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

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

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

***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 a portion of motor vehicle license registration fees restricted for maintenance and repair of roads within the Township.

**Gasoline Fund**

The Gasoline Fund is used predominantly for road maintenance, road supplies such as aggregate, road repairs, road equipment and road projects.

**Road and Bridge Fund**

The use of the Road and Bridge fund is for road work. There is outside millage levied from the Jackson Township voters for extra funds for the township roads.

**Jackson Township**  
*Paulding County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Cemetery Fund**

The Cemetery Fund is restricted for cemetery maintenance, improvement of sites and burials.

**Fire Fund and EMS Fund**

These two funds are for Fire and Emergency Medical Service for Jackson Township and are contracted through the Village of Paulding.

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

**Miscellaneous Capital Projects Fund** – (a Grant) The township received a grant from the state for the ODOT (Ohio Department of Transportation) signage grant. The proceeds are restricted to capital improvement of road signage. (Restricted to road signage replacement).

***Basis of Accounting***

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

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

***Budgetary Process***

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

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

***Estimated Resources*** - Estimated resources include estimates of cash to be received (budgeted receipts). 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 not carried over and need to be reappropriated. Encumbrances outstanding at year end are canceled and reappropriated in the subsequent year.

A summary of 2022 budgetary activity appears in Note 3.

***Deposits and Investments***

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

**Jackson Township**  
*Paulding County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Fund Balance**

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

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

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

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

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

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

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

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$39,213	\$52,046	\$12,833
Special Revenue	334,719	340,270	5,552
Capital Projects	10,440	10,440	(0)
Total	\$384,371	\$402,756	\$18,385

**Jackson Township**  
*Paulding County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$97,309	\$66,694	\$30,615
Special Revenue	809,969	371,295	438,674
Capital Projects	10,440	10,440	0
<b>Total</b>	<b>\$917,719</b>	<b>\$448,429</b>	<b>\$469,290</b>

**Note 4 – Deposits and Investments**

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

	2022
<b>Cash Management Pool:</b>	
Demand deposits	\$487,675
Total deposits	\$487,675

**Deposits**

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

**Note 5 – Property Taxes**

Real property taxes become a lien on January 1 preceding 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.

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

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

**Jackson Township**  
*Paulding County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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

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

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

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

**Workers' Compensation**

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

**Note 7 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

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

**Note 8 – Postemployment Benefits**

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

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

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan.

**Jackson Township**  
*Paulding County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

**Note 9 – Debt**

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

	<u>Principal</u>	<u>Interest Rate</u>
Dump Truck Lease	\$56,487	2.28%
Total	<u>\$56,487</u>	

**Financed Purchases**

The Township has entered into financed purchases agreements for buildings, vehicles and other equipment where ownership of the underlying asset transfers to the Township by the end of the contract. The Township obtained a bank loan in 2020 in the amount of \$109,809 to finance the purchase of a dump truck for Township maintenance. The loan was approved at an interest rate of 2.275% to be repaid over a five-year period. The loan is secured by the dump truck financed with the loan proceeds.

The Township disbursed \$23,274 to pay these costs for the fiscal year ended December 31, 2022.

**Amortization**

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

<u>Year Ending December 31:</u>	<u>Dump Truck Lease</u>
2023	\$23,274
2024	23,274
2025	11,637
Total	<u>\$58,186</u>

**Note 10 – Joint Ventures**

The Paulding Community Fire Association (PCFA) is a joint venture which provides firefighting services to three townships and three villages (member subdivisions) within Paulding County. The PCFA relies upon its member subdivisions for the funding of its operations. Each member subdivision has a vote on the operating budget of the PCFA. The member subdivisions share of the PCFA budget is based on a ratio which incorporates the number of fire runs taking place within its subdivision plus current subdivision valuation in relation to overall fire runs and valuation. The Village of Paulding serves as fiscal agent for the PCFA.

**Note 11 – COVID-19**

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

JACKSON TOWNSHIP, PAUDLING COUNTY

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

**All Governmental Fund Types**

For the Year Ended December 31, 2021

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$ 26,164	\$ 122,581	\$ 148,745
Licenses, Permits and Fees	-	3,600	\$ 3,600
Fines and Forfeitures	-	-	\$ -
Intergovernmental	19,005	208,011	\$ 227,016
Earnings on Investments	52	31	\$ 83
Miscellaneous	2,524	1,300	\$ 3,824
	<u>47,745</u>	<u>335,523</u>	<u>383,268</u>
<i>Total Cash Receipts</i>			
<b>Cash Disbursements</b>			
Current:			
General Government	64,469	4,600	69,069
Public Safety	-	26,857	26,857
Public Works	-	171,452	171,452
Health	606	14,708	15,314
Debt Service:			
Principal Retirement	-	21,205	21,205
Interest and Fiscal Charges	-	2,069	2,069
<i>Total Cash Disbursements</i>	<u>65,075</u>	<u>240,891</u>	<u>305,966</u>
<i>Net Change in Fund Cash Balances</i>	(17,330)	94,632	77,302
<i>Fund Cash Balances, January 1</i>	<u>75,427</u>	<u>380,619</u>	<u>456,046</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 58,097</u>	<u>\$ 475,251</u>	<u>\$ 533,348</u>

See the accompanying notes to the Financial Statements

**Jackson Township**  
*Paulding County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

---

**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Jackson Township, Paulding County, Ohio (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 Village of Paulding to provide emergency medical services and the Paulding Community Fire Association for fire protection services.

***Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations***

The Township participates in a joint venture, the Paulding Community Fire Association, and a public entity risk pool, the Ohio Plan Risk Management, Inc. (OPRM). Notes 7 and 11 to the financial statements provide additional information for these entities.

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

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

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

***Fund Accounting***

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

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

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

**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 a portion of motor vehicle license registration fees restricted for maintenance and repair of roads within the Township.

***Basis of Accounting***

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

**Jackson Township**  
*Paulding County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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

***Budgetary Process***

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

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

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

***Encumbrances*** - Encumbrances outstanding at year end are canceled and reappropriated in the subsequent year. The Township did not use the encumbrance method of accounting. Management has included audit adjustments in the accompanying budgetary presentations for material items that should have been encumbered.

A summary of 2021 budgetary activity appears in Note 4.

***Deposits and Investments***

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

***Fund Balance***

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

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

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

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

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

**Jackson Township**  
*Paulding County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

**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 – Compliance**

Contrary to Ohio law, appropriations exceeded estimated revenues in the Gasoline Tax, Fire District, and Special Levy EMS funds by \$1,940, \$274, and 224, respectively for the year ended December 31, 2021.

**Note 4 – Budgetary Activity**

Budgetary activity for the year ending 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$42,491	\$47,745	\$5,254
Special Revenue	280,965	335,523	54,558
Total	\$323,456	\$383,268	\$59,812

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$117,364	\$65,075	\$52,289
Special Revenue	662,140	240,891	421,249
Total	\$779,503	\$305,966	\$473,537

**Note 5 – Deposits and Investments**

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

	2021
<b>Cash Management Pool:</b>	
Demand deposits	\$533,348
Total deposits	\$533,348

**Deposits**

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

**Jackson Township**  
*Paulding County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 6 – Property Taxes**

Real property taxes become a lien on January 1 preceding 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.

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

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

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

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

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

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

**Workers' Compensation**

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

**Jackson Township**  
*Paulding County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 8 – Defined Benefit Pension Plans**

**Ohio Public Employees Retirement System**

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

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

**Note 9 – Postemployment Benefits**

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

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

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

**Note 10 – Debt**

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

	<u>Principal</u>	<u>Interest Rate</u>
Dump Truck Lease	\$78,187	2.28%
Total	<u>\$78,187</u>	

**Financed Purchases**

The Township has entered into financed purchases agreements for buildings, vehicles and other equipment where ownership of the underlying asset transfers to the Township by the end of the contract. The Township obtained a bank loan in 2020 in the amount of \$109,809 to finance the purchase of a dump truck for Township maintenance. The loan was approved at an interest rate of 2.275% to be repaid over a five-year period. The loan is secured by the dump truck financed with the loan proceeds.

The Township disbursed \$23,274 to pay these costs for the fiscal year ended December 31, 2021.

**Jackson Township**  
*Paulding County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Amortization**

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

Year Ending December 31:	Dump Truck Lease
2022	\$23,274
2023	23,274
2024	23,274
2025	11,637
Total	<u>\$81,461</u>

**Note 11 – Joint Ventures**

The Paulding Community Fire Association (PCFA) is a joint venture which provides firefighting services to three townships and three villages (member subdivisions) within Paulding County. The PCFA relies upon its member subdivisions for the funding of its operations. Each member subdivision has a vote on the operating budget of the PCFA. The member subdivisions share of the PCFA budget is based on a ratio which incorporates the number of fire runs taking place within its subdivision plus current subdivision valuation in relation to overall fire runs and valuation. The Village of Paulding serves as fiscal agent for the PCFA.

**Note 12 – COVID-19**

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



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

Jackson Township  
Paulding County  
P.O. Box 21  
Paulding, Ohio 45879-0021

To the Township Board of Trustees:

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

### ***Report on Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item No. 2022-001 that we consider to be a material weakness.

***Report on Compliance and Other Matters***

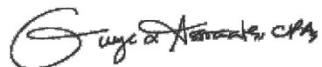
As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings as items No. 2022-002 through 2022-006.

***Township's Response to Findings***

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

***Purpose of this Report***

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



Columbus, Ohio  
August 31, 2023

**JACKSON TOWNSHIP  
PAULDING COUNTY**

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

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING 2022-001**

**Material Weakness –Financial Reporting**

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

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

2021:

- Rollbacks and Homestead receipts in the amount of \$10,914 were incorrectly classified as property taxes in lieu of intergovernmental revenues in the General, Road and Bridge, Fire District, Cemetery, and Special Levy E.M.S Funds.
- Principal payments of \$21,205 on equipment leases were incorrectly recorded as interest expenditures in the Gasoline Tax Fund.

2022:

- Rollbacks and Homestead receipts in the amount of \$13 were incorrectly classified as property taxes in lieu of intergovernmental revenues in the General, Road and Bridge, Fire District, Cemetery, and Special Levy E.M.S Funds.
- Principal payments of \$21,700 on equipment leases were incorrectly recorded as interest expenditures in the Gasoline Tax Fund.

The above errors occurred when posting transactions to the accounting system. Failure to properly record financial activity could lead to materially misstated financial statements and users of the financial statements basing their conclusions on incorrect information.

The Township should establish and implement procedures to verify that all financial activity is recorded correctly.

**Officials' Response:**

The Township will ensure rollbacks will be receipted as intergovernmental in the future. The Township will also segregate principal and interests when posting to UAN.

**FINDING 2022-002**

**Noncompliance Citation - Timely Filing of Financial Statements**

**Ohio Rev. Code § 117.38(A)** provides that each public office shall file a financial report for each fiscal year. The Auditor of State may prescribe forms by rule or may issue guidelines, or both, for such reports. If the Auditor of State has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office. **Ohio Rev. Code § 117.38(B)** states, in part, that the report shall be certified by the proper officer or board and filed with the auditor of state within sixty days after the close of the fiscal year.

**JACKSON TOWNSHIP  
PAULDING COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2022 AND 2021  
(Continued)**

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

**FINDING 2022-002  
(Continued)**

**Noncompliance Citation - Timely Filing of Financial Statements (Continued)**

The Township failed to file the annual financial report for 2021 by the required due date of March 1, 2022. The Township did not file the 2021 annual financial report until December 2, 2022, Pursuant to Ohio Rev. Code § 117.38 the Township may be fined and subject to various other administrative remedies for its failure to file the required financial report timely.

The Township should ensure that the annual financial report is filed in the Hinkle System by the required due date each year to avoid being in non-compliance with Ohio Rev. Code § 117.38 requirements and to provide for timely information to its users.

**Officials' Response:**

The Township will ensure filings are done timely going forward.

**FINDING 2022-003**

**Noncompliance Citation – Public Records Retention and Policy**

**Ohio Rev. Code § 149.43(E)(2)** states, in part, that the public office shall distribute the public records policy adopted by the public office under this division to the employee of the public office who is the records custodian or records manager or otherwise has custody of the records of that office. The public office shall require that employee to acknowledge receipt of the copy of the public records policy.

**Ohio Rev. Code § 149.43(B)(2)** states, in part, that to facilitate broader access to public records, a public office or the person responsible for public records shall organize and maintain public records in a manner that they can be made available for inspection or copying in accordance with division (B) of this section. A public office also shall have available a copy of its current records retention schedule at a location readily available to the public.

The Township did not adopt a records retention schedule or a public records policy. The lack of such schedule/policy may result in the improper destruction of records or misunderstandings with the public or amongst Officials when it comes to requests for records.

The Township should implement procedures to ensure that written evidence is maintained showing that the Public Records Policy was provided to the records custodian/manager and that a formal records retention policy is adopted.

**Officials' Response:**

The Township will work on adopting a public records and record retention policy soon.

**JACKSON TOWNSHIP  
PAULDING COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2022 AND 2021  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING 2022-004**

**Noncompliance Citation – Fiscal Officer Training and Exemption**

**Ohio Rev. Code § 135.22(B)** states that to enhance the background and working knowledge of treasurers in investments, cash management, and ethics, the treasurer of state shall provide annual continuing education programs for treasurers. A treasurer annually shall complete the continuing education programs described, unless the treasurer annually provides a notice of exemption.

**Ohio Rev. Code § 733.27(B)** states that "the Township clerk shall attend training programs for new Township clerks and annual training programs of continuing education for Township clerks that are provided by the auditor of state pursuant to section 117.44 of the Revised Code."

The Fiscal Officer did not attend the annual continuing education programs provided by the Auditor of State or complete the annual exemption to the Auditor of State's office in fiscal year 2019 or 2020.

In order to maintain and/or enhance the working knowledge and prevent future occurrences of noncompliance, the Fiscal Officer shall attend the annual training or complete an annual exemption and submit to the Auditor of State's office.

**Officials' Response:**

The Fiscal Officer will ensure training will be attended going forward.

**FINDING 2022-005**

**Noncompliance Citation - Prior Certification**

**Ohio Rev. Code § 5705.41(D)(1)** provides that no orders or contracts involving the expenditure of money are to be made unless there is attached thereto a certificate of the fiscal officer certifying 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. Every such contract made without such a certificate shall be void and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the standard requirement stated above that treasurer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Rev. Code.

A. "Then and Now" Certificate - If the chief fiscal officer can certify that both at the time the contract or order was made ("then") and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Township can authorize the drawing of a warrant for the payment of the amount due. The Township has thirty days from receipt of the "then and now" certificate to approve payment by ordinance or resolution. Amounts of less than \$3,000 may be paid by the fiscal officer without resolution or ordinance upon completion of the "then and now" certificate provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Township.

**JACKSON TOWNSHIP  
PAULDING COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2022 AND 2021  
(Continued)**

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

**FINDING 2022-005  
(Continued)**

**Noncompliance Citation - Prior Certification (Continued)**

B. Blanket Certificate - Fiscal Officer may prepare "blanket" certificates for a certain sum of money not to excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line-item account over a period not running beyond the end of the current fiscal. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line-item appropriations.

C. Super Blanket Certificate - The Township may also make expenditures and contract for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, roadway materials, utilities, and any other specific recurring and reasonably predictable operating expense. This certificate may, but need not, be limited to a specific vendor. This certificate is noted to extend beyond the current fiscal year. More than one super blanket certificate may be outstanding at a particular time for any one-line item appropriation.

The Township did not properly certify the availability of funds prior to the purchase commitment for 6 out of 27 purchases tested in 2022 and 5 out of 24 tested in 2021, and there was no evidence the Township followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to help ensure purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Township's funds exceeding budgetary spending limitations, the Fiscal Officer should certify the funds are or will be available prior to obligation by the Township. When prior certification is not possible, "then and now" certification should be used. The Township should also implement procedures to ensure expenditures do not exceed available resources, thus avoiding negative fund balance situations and enabling the Township to properly certify the availability of funds for purchases.

**Officials' Response:**

We will get prior authorization and have the trustees do prior certification for future expenditures.

**FINDING 2022-006**

**Noncompliance Citation - Appropriations Exceeding Estimated Resources**

**Ohio Rev. Code § 5705.39** provides that total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure there-from, as certified by the county budget commission. No appropriation measure shall become effective until the county auditor files a certificate that the total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed such official estimate or amended official estimate. For purposes of this section of the Ohio Revised Code, estimated revenue is commonly referred to as "estimated resources" because it includes unencumbered fund balances.

**JACKSON TOWNSHIP  
PAULDING COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2022 AND 2021  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING 2022-006  
(Continued)**

**Noncompliance Citation - Appropriations Exceeding Estimated Resources (Continued)**

At December 31, 2021, the Township's appropriations exceeded the amount certified as available by the budget commission in the following funds:

Year / Fund	Appropriations	Estimated Resources	Variance
2021 Gasoline Tax Fund	\$269,674	\$267,734	\$1,940
2021 Fire District	\$36,451	\$36,177	\$274
2021 Special Levy EMS	\$75,771	\$75,547	\$224

Failure to limit appropriations to the amount certified by the budget commission due to deficiencies in the Township's compliance monitoring policies and procedures could result in overspending and negative cash fund balances.

The Township should draft, approve, and implement procedures to compare appropriations to estimated resources and, if adequate resources are available for additional appropriations, the Township should submit an amended certificate of estimated resources to the budget commission for certification. If the resources are not available to cover the appropriations, an amendment to the appropriation resolution should be passed by the Trustees to reduce the appropriations.

**Officials' Response:**

We will review and apply corrections to future expenditures.

**JACKSON TOWNSHIP  
PAULDING COUNTY**

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

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2020-001	Material Weakness: Financial Reporting	Not Corrected	Reissued as Finding # 2022-001

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# OHIO AUDITOR OF STATE KEITH FABER



**JACKSON TOWNSHIP**

**PAULDING 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 11/16/2023**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)