

**ORANGE TOWNSHIP  
CARROLL COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2023-2022**





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

Board of Trustees  
Orange Township  
8123 Antigua Rd SW  
Sherrodsville, OH 44675

We have reviewed the *Independent Auditors' Report* of Orange Township, Carroll County, prepared by Wilson, Phillips & Agin, CPA's, Inc., for the audit period January 1, 2022 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber  
Auditor of State  
Columbus, Ohio

**July 08, 2024**

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**ORANGE TOWNSHIP  
CARROLL COUNTY  
FOR THE YEARS ENDED DECEMBER 31, 2023-2022**

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**WILSON, PHILLIPS & AGIN, CPA'S, INC.  
1100 BRANDYWINE BLVD. BUILDING G  
ZANESVILLE, OHIO 43701**

**INDEPENDENT AUDITORS' REPORT**

Orange Township  
Carroll County  
8123 Antigua Road SW  
Sherrodsville, Ohio 44675

To the Township Trustees:

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

**Unmodified and Adverse Opinions**

We have audited the financial statements of Orange Township, Carroll County, Ohio (the Township) which comprises the cash balances, receipts and disbursements for each governmental fund type combined total as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements.

**Unmodified Opinion on Regulatory Basis of Accounting**

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type combined total as of and for the years ended December 31, 2023 and 2022, 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 Orange Township, Carroll County as of December 31, 2023 and 2022, or changes in financial position thereof for the years then ended.

**Basis for Opinions**

We conducted our audit in accordance with auditing standards general 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 Responsibilities for the Audit of Financial Statements* section of our report. We are required to be independent of Orange 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 Orange 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 general 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.

### **Emphasis of Matter**

As described in Note 13 to the financial statements (2022), the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. Our opinions are not modified with respect to this matter.

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

Management is responsible for 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 Orange 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 Responsibility 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 June 10, 2024, on our consideration of Orange 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 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.

***Wilson, Phillips & Agin, CPA's, Inc.***  
Zanesville, Ohio  
June 10, 2024

**ORANGE TOWNSHIP  
CARROLL COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN  
FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Permanent	
<b>Cash Receipts:</b>					
Property and Other Local Taxes	\$ 65,468	\$ 342,597	\$ -	\$ -	\$ 408,065
Intergovernmental	24,215	159,525	-	-	183,740
Miscellaneous	11,608	8,826	25,128	-	45,562
<b>Total Cash Receipts</b>	<u>101,291</u>	<u>510,948</u>	<u>25,128</u>	<u>-</u>	<u>637,367</u>
<b>Cash Disbursements:</b>					
Current:					
General Government	59,575	-	-	-	59,575
Public Safety	-	128,132	-	-	128,132
Public Works	-	247,617	-	-	247,617
Capital Outlay	-	219,355	-	-	219,355
Debt Service:					
Principal Retirement	70,000	-	-	-	70,000
Interest and Fiscal Charges	6,243	-	-	-	6,243
<b>Total Cash Disbursements</b>	<u>135,818</u>	<u>595,104</u>	<u>-</u>	<u>-</u>	<u>730,922</u>
<b>Net Change in Fund Cash Balances</b>	(34,527)	(84,156)	25,128	-	(93,555)
<b>Fund Cash Balances, January 1</b>	<u>273,680</u>	<u>667,674</u>	<u>-</u>	<u>261</u>	<u>941,615</u>
<b>Fund Cash Balances, December 31</b>	<u>\$ 239,153</u>	<u>\$ 583,518</u>	<u>\$ 25,128</u>	<u>\$ 261</u>	<u>\$ 848,060</u>

See notes to financial statements.

**ORANGE TOWNSHIP  
CARROLL COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**1. REPORTING ENTITY**

**Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Orange Township, Carroll County, (the Township) as a body corporate and politic. A publically-elected three-member Board of Trustees directs the Township. The Township provides general government services, road and bridge maintenance and cemetery maintenance. The Township contracts with Perry Township, Sherrodsville, Leesville Volunteer Fire Department and Village of Carrollton Volunteer Fire Department to provide fire protection, and Sherrodsville Emergency Medical Services, Inc. to provide ambulance services.

The Township participates in a public entity risk pool. Notes 6 to the financial statements provides additional information for this entity.

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. 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 which are organized on a fund type basis.

**B. 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:

**Gasoline Tax Fund** – This fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the township.

**Road & Bridge Fund** – This fund accounts for and reports real estate monies collected and restricted for maintenance and repair of roads and bridges within the township.

**Special Levy Fund** - This fund accounts for and reports property tax (outside millage) committed for providing fire protection services to the Township.

**ORANGE TOWNSHIP  
CARROLL COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 projects funds:

**Tax Increment Financing (TIF) Fund** – The Township receives service payments in lieu of taxes to construct public improvements that will benefit the parcel within the Township’s TIF District.

**Capital Project Bond Fund** – The Township issued general obligation bonds for the construction of a Township garage to house a for-profit ambulance service and other necessary costs.

**Permanent Funds**

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

**Cemetery Endowment Fund** – This fund accounts for and reports interest- earned on the nonexpendable corpus from a trust agreement restricted for the general maintenance and upkeep of the Townships’ cemetery.

**C. 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 117-2-03(C). This basis is similar to the cash receipts and disbursements accounting basis. The Township 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 117-2-03(C) permit.

**D. Budgetary Process**

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

**Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function and 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.

**ORANGE TOWNSHIP  
CARROLL COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Encumbrances**

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

A summary of 2023 appears in Note 3.

**E. Deposits and Investments**

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

**F. Capital Assets**

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

**G. Accumulated Leave**

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

**H. Leases**

The Township is the lessor as defined by GASB 87 related to oil and gas under a noncancelable lease. Lease revenue is recognized when they are received.

**I. 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.

**ORANGE TOWNSHIP  
CARROLL COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Committed**

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

**Assigned**

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

**Unassigned**

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 12.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2023 follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 116,624	\$ 101,291	\$ (15,333)
Special Revenue	473,842	510,948	37,106
Capital Projects	26,000	25,128	(872)
Total	\$ 616,466	\$ 637,367	\$ 20,901

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 152,102	\$ 136,889	\$ 15,213
Special Revenue	729,020	597,217	131,803
Capital Projects	26,000	-	26,000
Total	\$ 907,122	\$ 734,106	\$ 173,016

Contrary to ORC 5705.41(D), the Township made expenditures prior to certification.

Contrary to ORC 5705.39, the Township had one fund where appropriations exceeded estimated resources.

**ORANGE TOWNSHIP  
CARROLL COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**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 deposits and investment accounts are as follows:

	<u>2023</u>
<i><b>Cash Management Pool</b></i>	
Demand deposits	\$ 847,810
Other time deposits (savings and NOW accounts)	<u>250</u>
Total Carrying Amount of Deposits and Investments held in Pool	<u>\$ 848,060</u>

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2023, the Township is holding \$0 in unremitted employee payroll withholdings.

**Deposits:** Deposits are either insured by the Federal Depository 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.

**5. PROPERTY TAX**

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

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

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

**6. RISK MANAGEMENT**

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

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

**ORANGE TOWNSHIP  
CARROLL COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**6. RISK MANAGEMENT (Continued)**

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

	2022
Cash and investments	\$32,288,098
Actuarial liabilities	9,146,434

**7. DEFINED BENEFIT PENSION PLANS**

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

The Ohio Revised Code also prescribes contribution rates. For 2023, OPERS members contributed 10.0% of their gross wages and the Township contributed an amount equal to 14.0% of participant’s gross salaries. The Township has paid all contributions required through December 31, 2023.

**8. POSTEMPLOYMENT BENEFITS**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2023, the portion of employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

**9. PUBLIC ENTITY RISK POOL**

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio local governments. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims exceeding the member’s deductible.

**10. DEBT**

Debt outstanding at December 31, 2023 was as follows:

	Principal	Interest rate
General Obligation Bond	\$ 215,000	2.19%
Total	\$ 215,000	



**ORANGE TOWNSHIP  
CARROLL COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**10. DEBT (Continued)**

The Township issued general obligation bonds in the amount of \$350,000 to finance the construction of a Township garage to house a for-profit ambulance service and other necessary costs. The principal payments are due annually for a 5-year period with an interest rate of 2.19%. The Township’s taxing authority collateralized the bonds.

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

<u>Year Ended December 31</u>	<u>Consumer Bank</u>
2024	\$ 74,709
2025	73,176
2026	76,643
Total	<u>\$ 224,528</u>

**11. TAX INCREMENT FUNDING AGREEMENT**

In accordance with Ohio Revised Code Section 5709.73, 5709.74 and 5709.75, the Township approved the tax increment financing (TIF) resolution, 11-27-2017, on December 26, 2017. The TIF agreement was entered into with Rover Pipeline LLC for the purpose of improving the Carroll County natural gas Compressor Station 1 as described in Docket No, CP 15-93-0000 of the Federal Energy Regulation Commission on parcel #25-00656.002 located on Azalea Road in the Township.

The funds from the TIF are to be primarily to assist Township in constructing public improvements that benefit the project, including 1.) Township Community building with a community meeting room to be designed and used as an Emergency Operations Center for the Compressor Station to be constructed on the property, together with appurtenant administrative facilities, 2.) Garage bays to house fire and EMS equipment required for potential emergency response at the property, meeting space, and Township equipment storage, including but not limited to road maintenance vehicles, 3.) 800 MHz radio equipment for EOS operations, backup electrical power, 4.) a lighted “life flight” helicopter landing pad, 5.) Road construction and reconstruction that benefits the property, 6.) Communications upgrade that will benefit the property, including but not limited to 800 MHz equipment, Wi-Fi upgrades and cell phone boosting equipment, 7.) Utility upgrades, including water, sewer, electric and gas utilities for the benefit of the property. An exemption from real property taxes on 75% of the improvements will provide for the service payments to pay the costs of the public infrastructure as described above. This exemption is for a period of 10 years or the date on which the Township can no longer require service payments in lieu of taxes, in accordance with the requirements of the TIF Statutes. The Township has begun collection of the service payments in 2018.

**12. FUND BALANCES**

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

**ORANGE TOWNSHIP  
CARROLL COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**12. FUND BALANCES (Continued)**

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Permanent</u>	<u>Total</u>
Nonspendable:				
Corpus	\$ -	\$ -	\$ 250	\$ 250
Outstanding Encumb.	1,071	2,113	-	3,184
Total	<u>\$ 1,071</u>	<u>\$ 2,113</u>	<u>\$ 250</u>	<u>\$ 3,434</u>

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

**ORANGE TOWNSHIP  
CARROLL COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN  
FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Permanent	
<b>Cash Receipts:</b>					
Property and Other Local Taxes	\$ 59,817	\$ 314,262	\$ -	\$ -	\$ 374,079
Intergovernmental	21,814	199,941	-	-	221,755
Miscellaneous	40,355	12,817	25,783	-	78,955
<b>Total Cash Receipts</b>	<u>121,986</u>	<u>527,020</u>	<u>25,783</u>	<u>-</u>	<u>674,789</u>
<b>Cash Disbursements:</b>					
Current:					
General Government	61,750	-	-	-	61,750
Public Safety	-	120,673	-	-	120,673
Public Works	-	223,920	-	-	223,920
Capital Outlay	-	87,421	135,251	-	222,672
Debt Service:					
Principal Retirement	65,000	-	-	-	65,000
Interest and Fiscal Charges	7,664	-	-	-	7,664
<b>Total Cash Disbursements</b>	<u>134,414</u>	<u>432,014</u>	<u>135,251</u>	<u>-</u>	<u>701,679</u>
<b>Net Change in Fund Cash Balances</b>	(12,428)	95,006	(109,468)	-	(26,890)
<b>Fund Cash Balances, January 1</b>	<u>286,108</u>	<u>572,668</u>	<u>109,468</u>	<u>261</u>	<u>968,505</u>
<b>Fund Cash Balances, December 31</b>	<u>\$ 273,680</u>	<u>\$ 667,674</u>	<u>\$ -</u>	<u>\$ 261</u>	<u>\$ 941,615</u>

See notes to financial statements.

**ORANGE TOWNSHIP  
CARROLL COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**1. REPORTING ENTITY**

**Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Orange Township, Carroll County, (the Township) as a body corporate and politic. A publically-elected three-member Board of Trustees directs the Township. The Township provides general government services, road and bridge maintenance and cemetery maintenance. The Township contracts with Perry Township, Sherrodsville, Leesville Volunteer Fire Department and Village of Carrollton Volunteer Fire Department to provide fire protection, and Sherrodsville Emergency Medical Services, Inc. to provide ambulance services.

The Township participates in a public entity risk pool. Notes 6 to the financial statements provides additional information for this entity.

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. 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 which are organized on a fund type basis.

**B. 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:

**Gasoline Tax Fund** – This fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the township.

**Road & Bridge Fund** – This fund accounts for and reports real estate monies collected and restricted for maintenance and repair of roads and bridges within the township.

**Special Levy Fund** - This fund accounts for and reports property tax (outside millage) committed for providing fire protection services to the Township.

**ORANGE TOWNSHIP  
CARROLL COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 projects funds:

**Tax Increment Financing (TIF) Fund** – The Township receives service payments in lieu of taxes to construct public improvements that will benefit the parcel within the Township’s TIF District.

**Capital Project Bond Fund** – The Township issued general obligation bonds for the construction of a Township garage to house a for-profit ambulance service and other necessary costs.

**Permanent Funds**

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

**Cemetery Endowment Fund** – This fund accounts for and reports interest- earned on the nonexpendable corpus from a trust agreement restricted for the general maintenance and upkeep of the Townships’ cemetery.

**C. 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 117-2-03(C). This basis is similar to the cash receipts and disbursements accounting basis. The Township 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 117-2-03(C) permit.

**D. Budgetary Process**

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

**Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function and 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.

**ORANGE TOWNSHIP  
CARROLL COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Encumbrances**

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

A summary of 2022 appears in Note 3.

**E. Deposits and Investments**

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

**F. Capital Assets**

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

**G. Accumulated Leave**

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

**H. Leases**

The Township is the lessor as defined by GASB 87 related to oil and gas under a noncancelable lease. Lease revenue is recognized when they are received.

**I. 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.

**ORANGE TOWNSHIP  
CARROLL COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Committed**

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

**Assigned**

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

**Unassigned**

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 12.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 116,624	\$ 121,986	\$ 5,362
Special Revenue	473,842	527,020	53,178
Capital Projects	24,000	25,783	1,783
Total	<u>\$ 614,466</u>	<u>\$ 674,789</u>	<u>\$ 60,323</u>

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 144,726	\$ 134,783	\$ 9,943
Special Revenue	750,879	652,644	98,235
Capital Projects	135,251	135,251	-
Total	<u>\$ 1,030,856</u>	<u>\$ 922,678</u>	<u>\$ 108,178</u>

Contrary to ORC 5705.41(D), the Township made expenditures prior to certification.

Contrary to ORC 5705.39, the Township had one fund where appropriations exceeded estimated resources.

**ORANGE TOWNSHIP  
CARROLL COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**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 deposits and investment accounts are as follows:

	<u>2022</u>
<i><b>Cash Management Pool</b></i>	
Demand deposits	\$ 941,365
Other time deposits (savings and NOW accounts)	<u>250</u>
Total Carrying Amount of Deposits and Investments held in Pool	<u>\$ 941,615</u>

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2022, the Township is holding \$2,715 in unremitted employee payroll withholdings.

**Deposits:** Deposits are either insured by the Federal Depository 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.

**5. PROPERTY TAX**

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

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

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

**6. RISK MANAGEMENT**

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

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



**ORANGE TOWNSHIP  
CARROLL COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**6. RISK MANAGEMENT (Continued)**

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

	2022
Cash and investments	\$32,288,098
Actuarial liabilities	9,146,434

**7. DEFINED BENEFIT PENSION PLANS**

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

The Ohio Revised Code also prescribes contribution rates. For 2022, OPERS members contributed 10.0% of their gross wages and the Township contributed an amount equal to 14.0% of participant’s gross salaries. The Township has paid all contributions required through December 31, 2022.

**8. POSTEMPLOYMENT BENEFITS**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. OPERS contributes 2 percent of the employer contribution to fund these benefits. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2022.

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

**9. PUBLIC ENTITY RISK POOL**

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio local governments. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims exceeding the member’s deductible.

**10. DEBT**

Debt outstanding at December 31, 2022 was as follows:

	Principal	Interest rate
General Obligation Bond	\$ 285,000	2.19%
Total	\$ 285,000	

**ORANGE TOWNSHIP  
CARROLL COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**10. DEBT (Continued)**

The Township issued general obligation bonds in the amount of \$350,000 to finance the construction of a Township garage to house a for-profit ambulance service and other necessary costs. The principal payments are due annually for a 5-year period with an interest rate of 2.19%. The Township’s taxing authority collateralized the bonds.

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

<u>Year Ended December 31</u>	<u>Consumer Bank</u>
2023	\$ 76,242
2024	74,709
2025	73,176
2026	76,643
Total	<u>\$ 300,770</u>

**11. TAX INCREMENT FUNDING AGREEMENT**

In accordance with Ohio Revised Code Section 5709.73, 5709.74 and 5709.75, the Township approved the tax increment financing (TIF) resolution, 11-27-2017, on December 26, 2017. The TIF agreement was entered into with Rover Pipeline LLC for the purpose of improving the Carroll County natural gas Compressor Station 1 as described in Docket No, CP 15-93-0000 of the Federal Energy Regulation Commission on parcel #25-00656.002 located on Azalea Road in the Township.

The funds from the TIF are to be primarily to assist Township in constructing public improvements that benefit the project, including 1.) Township Community building with a community meeting room to be designed and used as an Emergency Operations Center for the Compressor Station to be constructed on the property, together with appurtenant administrative facilities, 2.) garage bays to house fire and EMS equipment required for potential emergency response at the property, meeting space, and Township equipment storage, including but not limited to road maintenance vehicles, 3.) 800 MHz radio equipment for EOS operations, backup electrical power, 4.) a lighted “life flight” helicopter landing pad, 5.) road construction and reconstruction that benefits the property, 6.) Communications upgrade that will benefit the property, including but not limited to 800 MHz equipment, Wi-Fi upgrades and cell phone boosting equipment, 7.) utility upgrades, including water, sewer, electric and gas utilities for the benefit of the property. An exemption from real property taxes on 75% of the improvements will provide for the service payments to pay the costs of the public infrastructure as described above. This exemption is for a period of 10 years or the date on which the Township can no longer require service payments in lieu of taxes, in accordance with the requirements of the TIF Statutes. The Township has begun collection of the service payments in 2018.

**12. FUND BALANCES**

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

**ORANGE TOWNSHIP  
CARROLL COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**12. FUND BALANCES (Continued)**

Fund Balances	General	Special Revenue	Permanent	Total
Nonspendable:				
Corpus	\$ -	\$ -	\$ 250	\$ 250
Outstanding Encumb.	369	220,630	-	220,999
Total	<u>\$ 369</u>	<u>\$ 220,630</u>	<u>\$ 250</u>	<u>\$ 221,249</u>

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

**13. COVID-19**

The United States and the State of Ohio declared a state of emergency in March 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 did receive COVID-19 funding. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township. The impact on the Township's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

The Township received \$45,403 from the American Rescue Relief Fund in 2022.

**WILSON, PHILLIPS & AGIN, CPA'S, INC.  
1100 BRANDYWINE BLVD. BUILDING G  
ZANESVILLE, OHIO 43701**

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

Orange Township  
Carroll County  
8123 Antigua Road SW  
Sherrodsville, Ohio 44675

To the Township Trustees:

We have audited, in accordance with auditing standards general accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standard* issued by 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, 2023 and 2022, and the related notes to the financial statements of Orange Township, Carroll County (the Township) and have issued our report thereon dated June 10, 2024, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the ensuing emergency measures may impact subsequent periods of the Township.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Orange Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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.

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. However, as described in the accompanying schedule of findings, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiency.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of finding as item 2023-003 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings as item 2023-001 to be a significant deficiency.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Orange Township's financial statements are free of 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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings as item 2023-002.

***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.

***Wilson, Phillips & Agin, CPA's, Inc.***

Zanesville, Ohio

June 10, 2024

**ORANGE TOWNSHIP  
CARROLL COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2023 AND 2022**

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

**FINDING NUMBER 2023-001**

**Significant Deficiency – Reclassifications**

All local offices should maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

The Ohio Township Handbook provides suggested account classifications. These accounts classify receipts by fund and source (taxes or charges for services, for example) and classify disbursements by fund, program (general government, for example) or object (personal services, for example). Using these classifications will provide the Township with information required to monitor compliance with the budget, and prepare annual reports in the format required by the Auditor of State.

As a result of audit procedures, errors were noted that required reclassification to the financial statements as follows which have been made to the financial statements and accounting records:

The following is related to 2023:

- A reclassification in the amount of \$6,243 was made to increase Interest and Fiscal Charges and decrease Principle Retirement in the General Fund to properly show debt payments.

The following is related to 2022:

- A reclassification in the amount of \$7,664 was made to increase Interest and Fiscal Charges and decrease Principle Retirement in the General Fund to properly show debt payments.
- A reclassification in the amount of \$84,070 was made to increase Capital Outlay and Public Works in the Road & Bridge Fund for equipment purchased.

**Client Response:** We have not received a response from the client.

**ORANGE TOWNSHIP  
CARROLL COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2023 AND 2022**

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

**FINDING NUMBER 2023-002**

**Noncompliance**

Ohio Revised Code Section 5705.39 provides that total appropriations from each fund shall not exceed the total of the estimated revenues available for expenditure as certified by the budget commission. In addition, no appropriation measure is to become effective until the County Auditor files a certificate that the total appropriations from each fund do not exceed the total estimate or amended official estimate.

Fund	Year	Estimated Resources	Appropriations	Variance
Special Levy Fire	2023	\$ 120,673	\$ 128,132	\$ (7,459)
Special Levy Fire	2022	120,673	148,100	(27,427)
Capital Projects Bond	2022	81,576	83,576	(2,000)

We recommend the Trustees review estimated resources versus appropriations throughout the year. Also, the Trustees should not approve appropriations greater than estimated resources. This could result in the Township spending more money than it receives and could cause possible negative fund balances.

**Client Response:** We have not received a response from the client.

**FINDING NUMBER 2023-003**

**Material Weakness**

Sound accounting practices require accurately posting estimated receipts to the ledgers to provide information for budget versus actual comparison and to allow the Board of Trustees to make informed decisions regarding budgetary matters.

The original certificate and amendments established the amounts available for expenditures for the Township and the receipts ledger provides the process by which the Township controls what is available, it is therefore necessary the amounts estimated by the County Budget Commission are posted accurately to the receipts ledger.

At December 31, 2023 and 2022, estimated receipts in the Township's ledgers did not agree to the amounts approved by the Budget Commission for the following funds:

Fund	Year	Estimated Receipts Approved by the Budget Commission	Estimated Receipts Per Township's Accounting System	Variance
Special Levy Fire	2023	\$ 120,673	\$ 157,098	\$ (36,425)
Road & Bridge	2022	207,362	264,581	(57,219)
Special Levy Fire	2022	120,673	155,408	(34,735)
Capital Projects Bond	2022	(2,000)	83,576	(85,576)

**ORANGE TOWNSHIP  
CARROLL COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2023 AND 2022**

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

**FINDING NUMBER 2023-003 (Continued)**

The Township did not have procedures in place to accurately post authorized budgetary measures to the accounting system. Additionally, the approved Certificate of Estimated Resources and amendments thereof was not accurately posted to the accounting system.

Failure to accurately post the estimated receipts to the ledgers could result in overspending and negative cash balances. In addition, this could lead to inaccurate reporting of the budgetary information in the financial statements.

To effectively control the budgetary cycle and to maintain accountability over receipts, the Township should post to the ledgers, on a timely basis, estimated receipts as certified by the budget commission. The Township should then monitor budget versus actual reports to help ensure amended certificates of resources have been properly posted to the ledgers.

**Client Response:** We have not received a response from the client.



# OHIO AUDITOR OF STATE KEITH FABER



**ORANGE TOWNSHIP**

**CARROLL 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 7/18/2024**

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

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