



OHIO AUDITOR OF STATE
KEITH FABER



**TIFFIN TOWNSHIP
ADAMS COUNTY**

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TIFFIN TOWNSHIP
ADAMS COUNTY

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INDEPENDENT AUDITOR'S REPORT

Tiffin Township
Adams County
2781 Vaughn Ridge Road
West Union, OH 45693

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 Tiffin Township, Adams County, Ohio (the Township), which comprises the cash balances, receipts and disbursements for each governmental fund type as of and for the year ended December 31, 2024, 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 total as of and for the year ended December 31, 2024, 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, 2024, or the changes in financial position thereof for the year then ended.

Basis for Opinions

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

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

As described in Note 2 of the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions of Ohio 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.

Emphasis of Matter

As discussed in Note 12 to the financial statements, during 2024, the Township has elected to change its financial presentation to a regulatory cash basis of accounting. Our opinion is not modified with respect to this matter.

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 *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.

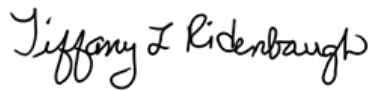
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, 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 November 4, 2025, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

November 4, 2025

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Tiffin Township
Adams County, Ohio
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2024

	General	Special Revenue	Capital Projects	Permanent	Combined Total
Cash Receipts					
Property and Other Local Taxes	\$64,562	\$73,488	\$0	\$0	\$138,050
Licenses, Permits and Fees	6,406	24,950	0	0	31,356
Intergovernmental	50,570	166,785	50,000	0	267,355
Earnings on Investments	9,016	6,020	0	106	15,142
Miscellaneous	0	16,632	0	0	16,632
<i>Total Cash Receipts</i>	<u>130,554</u>	<u>287,875</u>	<u>50,000</u>	<u>106</u>	<u>468,535</u>
Cash Disbursements					
Current:					
General Government	119,231	110,900	0	0	230,131
Public Safety	0	11,526	0	106	11,632
Public Works	1,501	157,400	0	0	158,901
Health	147	53,805	0	0	53,952
Capital Outlay	0	8,926	102,000	0	110,926
Debt Service:					
Principal Retirement	0	6,700	0	0	6,700
Interest and Fiscal Charges	0	1,715	0	0	1,715
<i>Total Cash Disbursements</i>	<u>120,879</u>	<u>350,972</u>	<u>102,000</u>	<u>106</u>	<u>573,957</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>9,675</u>	<u>(63,097)</u>	<u>(52,000)</u>	<u>0</u>	<u>(105,422)</u>
Other Financing Receipts (Disbursements)					
Sale of Bonds	0	0	52,000	0	52,000
Other Financing Sources	1,215	0	0	0	1,215
<i>Total Other Financing Receipts (Disbursements)</i>	<u>1,215</u>	<u>0</u>	<u>52,000</u>	<u>0</u>	<u>53,215</u>
<i>Net Change in Fund Cash Balances</i>	10,890	(63,097)	0	0	(52,207)
<i>Fund Cash Balances, January 1</i>	<u>199,073</u>	<u>455,570</u>	<u>0</u>	<u>2,890</u>	<u>657,533</u>
<i>Fund Cash Balances, December 31</i>	<u>\$209,963</u>	<u>\$392,473</u>	<u>\$0</u>	<u>\$2,890</u>	<u>\$605,326</u>

See accompanying notes to the basic financial statements

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Tiffin Township
Adams County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Tiffin Township, Adams County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, and cemetery maintenance. The Township contracts with the Village of West Union for fire protection. The Township also contracts with Adams County Sheriff's Department for police protection.

Public Entity Risk Pool

The Township participates in the Ohio Township Risk Management Authority (OTARMA), which is an insurance risk-sharing pool available to Ohio Townships. Note 6 provides additional information regarding this entity.

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, 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.

American Rescue Plan Fund The American Rescue Plan fund accounts for and reports that ARPA money that was received due to the pandemic.

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:

Tiffin Township
Adams County
Notes to the Financial Statements
For the Year Ended December 31, 2024

USDA Grant Capital Project Fund The township received a grant from the state for capital improvement. The proceeds are restricted for capital improvement.

Permanent Funds These funds account for and report 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 Nonexpendable Fund The cemetery endowment fund accounts for and reports interest earned on the nonexpendable corpus from a trust agreement restricted for the general maintenance and upkeep of the Township's cemetery.

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 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 Section 117-2-03 (C) permit.

Budgetary Process

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

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the 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 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 2024 budgetary activity appears in Note 3.

Tiffin Township
Adams County
Notes to the Financial Statements
For the Year Ended December 31, 2024

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.

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.

Fund Balance

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

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

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

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

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

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 10.

Tiffin Township
Adams County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2024 follows:

2024 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$109,115	\$131,769	\$22,654
Special Revenue	195,740	287,875	92,135
Capital Projects	95,050	102,000	6,950
Permanent	100	106	6
Total	<u>\$400,005</u>	<u>\$521,750</u>	<u>\$121,745</u>

2024 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$283,602	\$120,879	\$162,723
Special Revenue	595,355	350,972	244,383
Capital Projects	95,050	102,000	(6,950)
Permanent	100	106	(6)
Total	<u>\$974,107</u>	<u>\$573,957</u>	<u>\$400,150</u>

Note 4 – Deposits and Investments

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

	2024
Demand deposits	\$495,085
Certificates of deposits	110,241
Total deposits	<u>605,326</u>
	<u>\$605,326</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, 2024, the Township is holding \$0 in unremitted employee payroll withholdings.

Deposits

Deposits are partially insured by the Federal Deposit Insurance Corporation

At December 31, 2024, \$280,177 of deposits were not insured or collateralized, contrary to Ohio law.

Tiffin Township
Adams County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Investments

The Southern Hills Community Bank holds the Township's Certificate of Deposits, in the name of the Township. The financial institution maintains records identifying the Township as owner of these securities.

Note 5 – Property Taxes

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

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

Note 6 – Risk Management

Workers' Compensation

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

Risk Pool Membership

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

- General liability
- Automobile Liability
- Automobile Physical Damage
- Public Officials Liability
- Property and Inland Marine
- Law enforcement liability
- Fidelity and Crime
- Employment Practices Liability
- Cyber Breach and Liability

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

Tiffin Township
Adams County
Notes to the Financial Statements
For the Year Ended December 31, 2024

	<u>2024</u>
Cash and investments	\$32,822,076
Actuarial liabilities	\$12,568,762

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2024.

Note 8 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans. 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 2024, the portion of OPERS 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 2024, the portion of employer contributions OPERS 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.

Note 9 – Debt

Debt outstanding at December 31, 2024, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
USDA Truck Loan	\$45,300	3.63%
Total	<u>\$45,300</u>	

The Township issued general obligation bonds to finance the purchase of a new truck for Township road maintenance. The Township's initial loan amount was for \$52,000, with a 3.63% interest rate. The loan matures December 1, 2030.

Tiffin Township
Adams County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Amortization

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

Year Ending December 31:	USDA Truck Loan
2025	\$8,542
2026	8,492
2027	8,535
2028	8,566
2029	8,587
2030	8,497
Total	<u>\$51,219</u>

Note 10 – Fund Balances

Included in fund balance are amounts the Township cannot spend the unexpendable 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 facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Capital Projects	Permanent	Total
Nonspendable:					
Endowment	\$0	\$0	\$0	\$2,890	\$2,890
Outstanding Encumbrances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,890</u>	<u>\$2,890</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of 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, capital projects, and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 11 – Contingent Liabilities

Amounts grantor agencies pay to the township are subject to audit and adjustment by the grantor principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Tiffin Township
Adams County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 12 – Change in Financial Reporting Framework

Last year the Township reported fund financial statements by each major fund in a separate column with nonmajor funds aggregated and presented in a single column using a cash basis of accounting as prescribed by the State Auditor's Office. This year the Township has implemented the regulatory basis of accounting described in Note 2. The fund financial statements now present a column for each fund type rather than each major fund in a separate column with nonmajor funds aggregated.

The effect of this change in financial reporting framework is reflected in the chart below.

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent</u>	<u>Total Governmental Funds</u>
Fund Balance					
December 31, 2023	\$199,073	\$0	\$0	\$0	\$199,073
Prior year major funds now presented by fund type:					
Gasoline Tax	0	200,359	0	0	200,359
Cemetery	0	60,687	0	0	60,687
American Rescue Plan	0	110,900	0	0	110,900
Prior year nonmajor funds now presented by fund type.	<u>0</u>	<u>83,624</u>	<u>0</u>	<u>2,890</u>	<u>86,514</u>
<i>Adjusted Fund Balance</i>					
<i>December 31, 2023</i>	<u>\$199,073</u>	<u>\$455,570</u>	<u>\$0</u>	<u>\$2,890</u>	<u>\$657,533</u>

* As a result of the change of basis, Governmental-wide statements will no longer be presented.

OHIO AUDITOR OF STATE KEITH FABER

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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

Tiffin Township
Adams County
2781 Vaughn Ridge Road
West Union, OH 45693

To the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental fund type as of and for the year ended December 31, 2024 and the related notes to the financial statements of the Tiffin Township, Adams County, Ohio (the Township) and have issued our report thereon dated November 4, 2025, wherein we noted the Township followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2024-001 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2024-002.

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.

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

November 4, 2025



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INDEPENDENT AUDITOR'S REPORT

Tiffin Township
Adams County
2781 Vaughn Ridge Road
West Union, OH 45693

To the Board of Trustees:

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Township, as of December 31, 2023, and the respective changes in cash-basis financial position thereof and the respective budgetary comparison for the General, Gasoline Tax, Cemetery and American Rescue Plan funds for the year then ended in accordance with the cash-basis of accounting described in Note 2.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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.

Emphasis of Matter - Accounting Basis

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 2, and for determining that the cash basis of accounting is an acceptable basis for preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material 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 *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 November 4, 2025, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Township's internal control over financial reporting and compliance.

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

November 4, 2025

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Tiffin Township
Adams County, Ohio
Statement of Net Position - Cash Basis
December 31, 2023

	Governmental Activities
Assets	
Equity in Pooled Cash and	\$554,643
Investments	102,890
<i>Total Assets</i>	<u><u>\$657,533</u></u>
Net Position	
Restricted for:	
Nonexpendable	2,890
Road and Bridge	283,983
American Rescue Plan	110,900
Cemetery	60,687
Unrestricted	199,073
<i>Total Net Position</i>	<u><u>\$657,533</u></u>

See accompanying notes to the basic financial statements

Tiffin Township
Adams County, Ohio
Statement of Activities - Cash Basis
For the Year Ended December 31, 2023

		Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Current:				
General Government	\$130,854	\$0	\$0	(\$130,854)
Public Safety	11,084	0	1,157	(9,927)
Public Works	177,215	0	158,829	(18,386)
Health	91,148	42,150	2,037	(46,961)
Capital Outlay	1,700	0	0	(1,700)
Total Governmental Activities	<u>\$412,001</u>	<u>\$42,150</u>	<u>\$162,023</u>	<u>(207,828)</u>
General Receipts:				
Property Taxes Levied for:				
General Purposes				59,876
Special Purposes				69,726
Grants and Entitlements not Restricted to Specific Programs				49,364
Cable Franchise Fees				6,849
Earnings on Investments				14,733
Miscellaneous				<u>5,687</u>
Total General Receipts				<u>206,235</u>
Change in Net Position				(1,593)
Net Position Beginning of Year				<u>659,126</u>
Net Position End of Year				<u><u>\$657,533</u></u>

See accompanying notes to the basic financial statements

Tffin Township
Adams County, Ohio
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2023

	General	Gasoline Tax	Cemetery	American Rescue Plan	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	\$99,073	\$200,359	\$60,687	\$110,900	\$83,624	\$554,643
Investments	100,000	0	0	0	2,890	102,890
<i>Total Assets</i>	<u>\$199,073</u>	<u>\$200,359</u>	<u>\$60,687</u>	<u>\$110,900</u>	<u>\$86,514</u>	<u>\$657,533</u>
Fund Balances						
Nonspendable	\$0	\$0	\$0	\$0	\$2,890	\$2,890
Restricted	0	200,359	60,687	110,900	83,624	\$455,570
Committed	0	0	0	0	0	\$0
Assigned	24,586	0	0	0	0	\$24,586
Unassigned (Deficit)	174,487	0	0	0	0	174,487
<i>Total Fund Balances</i>	<u>\$199,073</u>	<u>\$200,359</u>	<u>\$60,687</u>	<u>\$110,900</u>	<u>\$86,514</u>	<u>\$657,533</u>

See accompanying notes to the basic financial statements

Tiffin Township
Adams County, Ohio
Statement of Receipts, Disbursements and Changes Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2023

	General	Gasoline Tax	Cemetery	American Rescue Plan	Other Governmental Funds	Total Governmental Funds
Receipts						
Property and Other Local Taxes	\$59,876	\$0	\$22,715	\$0	\$47,011	\$129,602
Licenses, Permits and Fees	6,849	0	30,700	0	0	37,549
Intergovernmental	49,364	142,099	2,037	0	17,887	211,387
Earnings on Investments	9,844	3,671	0	0	1,218	14,733
Miscellaneous	0	1,852	11,469	0	300	13,621
<i>Total Receipts</i>	<u>125,933</u>	<u>147,622</u>	<u>66,921</u>	<u>0</u>	<u>66,416</u>	<u>406,892</u>
Disbursements						
Current:						
General Government	100,554	0	0	30,300	0	130,854
Public Safety	0	0	0	0	11,084	11,084
Public Works	1,589	122,256	0	0	53,370	177,215
Health	12,678	0	78,470	0	0	91,148
Capital Outlay	0	0	1,700	0	0	1,700
<i>Total Disbursements</i>	<u>114,821</u>	<u>122,256</u>	<u>80,170</u>	<u>30,300</u>	<u>64,454</u>	<u>412,001</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>11,112</u>	<u>25,366</u>	<u>(13,249)</u>	<u>(30,300)</u>	<u>1,962</u>	<u>(5,109)</u>
Other Financing Sources						
Other Financing Sources	<u>3,516</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,516</u>
<i>Total Other Financing Sources</i>	<u>3,516</u>	<u>0</u>	<u>0</u>		<u>0</u>	<u>3,516</u>
<i>Net Change in Fund Balances</i>	<u>14,628</u>	<u>25,366</u>	<u>(13,249)</u>	<u>(30,300)</u>	<u>1,962</u>	<u>(1,593)</u>
<i>Fund Balances Beginning of Year</i>	<u>184,445</u>	<u>174,993</u>	<u>73,936</u>	<u>141,200</u>	<u>84,552</u>	<u>659,126</u>
<i>Fund Balances End of Year</i>	<u>\$199,073</u>	<u>\$200,359</u>	<u>\$60,687</u>	<u>\$110,900</u>	<u>\$86,514</u>	<u>\$657,533</u>

See accompanying notes to the basic financial statements

Tiffin Township
Adams County, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2023

	Budgeted Amounts			(Optional)
	Original	Final	Actual	Variance with Final Budget
Receipts				
Property and Other Local Taxes	\$55,215	\$55,215	\$59,876	\$4,661
Licenses, Permits and Fees	6,000	6,000	6,849	849
Intergovernmental	37,185	37,185	49,364	12,179
Earnings on Investments	200	200	9,844	9,644
<i>Total Receipts</i>	<u>98,600</u>	<u>98,600</u>	<u>125,933</u>	<u>27,333</u>
Disbursements				
Current:				
General Government	130,200	130,200	121,907	8,293
Public Works	2,000	2,000	2,000	0
Health	25,536	25,536	15,500	10,036
Capital Outlay	<u>125,309</u>	<u>125,309</u>	<u>0</u>	<u>125,309</u>
<i>Total Disbursements</i>	<u>283,045</u>	<u>283,045</u>	<u>139,407</u>	<u>143,638</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(184,445)</u>	<u>(184,445)</u>	<u>(13,474)</u>	<u>170,971</u>
Other Financing Sources (Uses)				
Other Financing Sources	<u>0</u>	<u>0</u>	<u>3,516</u>	<u>3,516</u>
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>3,516</u>	<u>3,516</u>
<i>Net Change in Fund Balance</i>	(184,445)	(184,445)	(9,958)	174,487
<i>Unencumbered Fund Balance Beginning of Year</i>	184,445	184,445	184,445	0
<i>Unencumbered Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$174,487</u>	<u>\$174,487</u>

See accompanying notes to the basic financial statements

Tiffin Township
Adams County, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Gasoline Tax
For the Year Ended December 31, 2023

	Budgeted Amounts			(Optional)
	Original	Final	Actual	Variance with Final Budget
Receipts				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 142,099	42,099
Earnings on Investments	25	25	3,671	3,646
Miscellaneous	500	500	1,852	1,352
<i>Total Receipts</i>	<u>100,525</u>	<u>100,525</u>	<u>147,622</u>	<u>47,097</u>
Disbursements				
Current:				
Public Works	<u>275,518</u>	<u>275,518</u>	<u>133,855</u>	<u>141,663</u>
<i>Total Disbursements</i>	<u>275,518</u>	<u>275,518</u>	<u>133,855</u>	<u>141,663</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(174,993)</u>	<u>(174,993)</u>	<u>13,767</u>	<u>188,760</u>
<i>Net Change in Fund Balance</i>	(174,993)	(174,993)	13,767	188,760
<i>Unencumbered Fund Balance Beginning of Year</i>	174,993	174,993	174,993	0
<i>Unencumbered Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$188,760</u>	<u>\$188,760</u>

See accompanying notes to the basic financial statements

Tiffin Township
Adams County, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Cemetery
For the Year Ended December 31, 2023

	Budgeted Amounts			(Optional)
	Original	Final	Actual	Variance with Final Budget
Receipts				
Property and Other Local Taxes	\$25,600	\$25,600	\$22,715	(\$2,885)
Licenses, Permits and Fees	2,000	2,000	30,700	28,700
Intergovernmental	100	100	2,037	1,937
Earnings on Investments	0	0	0	0
Miscellaneous	1,500	1,500	11,469	9,969
<i>Total Receipts</i>	29,200	29,200	66,921	37,721
Disbursements				
Current:				
Health	93,136	96,136	90,066	6,070
Capital Outlay	10,000	7,000	6,300	700
<i>Total Disbursements</i>	103,136	103,136	96,366	6,770
<i>Excess of Receipts Over (Under) Disbursements</i>	(73,936)	(73,936)	(29,445)	44,491
<i>Net Change in Fund Balance</i>	(73,936)	(73,936)	(29,445)	44,491
<i>Unencumbered Fund Balance Beginning of Year</i>	73,936	73,936	73,936	0
<i>Unencumbered Fund Balance End of Year</i>	\$0	\$0	\$44,491	\$44,491

See accompanying notes to the basic financial statements

Tiffin Township
Adams County, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
American Rescue Plan (ARP)
For the Year Ended December 31, 2023

	Budgeted Amounts			(Optional)
	Original	Final	Actual	Variance with Final Budget
Receipts				
Intergovernmental	\$0	\$0	\$0	\$0
<i>Total Receipts</i>	0	0	0	0
Disbursements				
Current:				
General Government	141,200	141,200	30,300	110,900
<i>Total Disbursements</i>	141,200	141,200	30,300	110,900
<i>Excess of Receipts Over (Under) Disbursements</i>	(141,200)	(141,200)	(30,300)	110,900
<i>Net Change in Fund Balance</i>	(141,200)	(141,200)	(30,300)	110,900
<i>Unencumbered Fund Balance Beginning of Year</i>	141,200	141,200	141,200	0
<i>Unencumbered Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$110,900</u>	<u>\$110,900</u>

See accompanying notes to the basic financial statements

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

Note 1 – Reporting Entity

Tiffin Township, Adams County, Ohio (the Township), is a body politic and corporate established in 1806 to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Township Fiscal Officer.

The reporting entity is comprised of a primary government.

Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The primary government of the Township provides the following services to its citizens: general government services, maintenance of Township roads and bridges, and cemetery maintenance. The Township contracts with the Village of West Union for fire protection. Police protection is provided by the Adams County Sheriff's Department.

Public Entity Risk Pool

The Township participates in a public entity risk pool. Note 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.

Note 2 – Summary of Significant Accounting Policies

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

Basis of Presentation

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

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

The statement of net position presents the cash and investment balances of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the

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

Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that are required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Township's general receipts.

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

Fund Accounting

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

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

General 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.

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.

Cemetery Fund This fund accounts for all finances available to the Township through property tax and sale of cemetery lots. The Cemetery fund balance is used for upkeep, maintenance, and care of 12 cemeteries in Tiffin Township.

American Rescue Plan This fund accounts for all finances available to the Township through Federal Grants. The American Rescue Plan fund balance is used for road work and maintenance.

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

Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Township are described in the appropriate section in this note.

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

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

Budgetary Process

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

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

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

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

Cash and Investments

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

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

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

During 2023, the Township invested in nonnegotiable certificates of deposit at the National Bank of Adams County.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2023 were \$9,844.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

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

Inventory and Prepaid Items

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

Capital Assets

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

Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for other postemployment benefits (OPEB).

Long-Term Obligations

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

Net Position

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for maintenance of roads and related expenses and upkeep, maintenance and care of cemeteries in Tiffin Township.

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

Restricted net assets represent \$455,570 of the total funds balance of \$657,533.

Fund Balance

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

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

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

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

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

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

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

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

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general and gasoline tax, cemetery, and American rescue plan funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference(s) between the budgetary basis and the cash basis are as follows:

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

Adjustments necessary to convert the results of operations at the end of the year on the budget basis to the cash basis are as follows:

Tiffin Township
Adams County, Ohio
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	General	Gasoline Tax	Cemetery	American Rescue Plan
Cash Basis	\$199,073	\$200,359	\$ 61,114	\$ 110,900
Encumbrances	(24,586)	(11,599)	(16,195)	0
Budget Basis	<u>\$174,487</u>	<u>\$188,760</u>	<u>\$44,919</u>	<u>\$110,900</u>

Note 4 – Deposits and Investments

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

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

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

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

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

1. United States Treasury bills, bonds notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
6. The State Treasurer's investment pool (STAR Ohio);

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

7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

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

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

Deposits

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by:

Eligible securities pledged to the Township and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Contrary to Ohio law, the Township had \$ 337,844 uncollateralized deposits held at The National Bank of Adams County at year end.

Investments

As of December 31, 2023, the Township had the following investments:

	<u>Measurement Value</u>	<u>Maturity</u>
Certificate of Deposit - Cemetery	\$2,890	01/01/28
Certificate of Deposit	100,000	04/01/24
Total Portfolio	<u>\$102,890</u>	

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For the Year Ended December 31, 2023

Investment Type	Measurement Value	Investment Maturities (in Years)			
		Less than 1	1-2	3-5	More than 5
Certificate of Deposit - Cemetery	2,890	0	0	2,890	0
Certificate of Deposit	\$100,000	\$100,000	\$0	\$0	\$0
Total Investments	\$102,890	\$100,000	\$0	\$2,890	\$0

Note 5 –Taxes

Property Taxes

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

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

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

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

The full tax rate for all Township operations for the year ended December 31, 2023, was \$2.50 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2023 property tax receipts were based are as follows:

Real Property	\$90,772,290
Public Utility Personal Property	7,118,610
Total	\$97,890,900

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

Note 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

Tiffin Township
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For the Year Ended December 31, 2023

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

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

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

The Township insures against injuries to officials and employees through the Ohio Bureau of Workers' Compensation. 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.

The Township was contracted with Medical Mutual to provide health and life insurance.

Note 7 – Defined Benefit Pension Plan

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – Township employees, participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan.

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

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

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Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

Traditional plan state and local members who retire before meeting the age-and-years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests at retirement.

Combined plan members retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit.

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

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

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

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For the Year Ended December 31, 2023

payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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

	State and Local	
	Traditional	Combined
2023 Statutory Maximum Contribution Rates		
Employer	14.0 %	14.0 %
Employee *	10.0 %	10.0 %
2023 Actual Contribution Rates		
Employer (July 1, 2017 - December 31, 2017):		
Pension	13.0 %	13.0 %
Post-employment Health Care Benefits ****	1.0	1.0
Total Employer	14.0 %	14.0 %
Employer:		
Pension ****	14.0 %	12.0 %
Post-employment Health Care Benefits ****	0.0	2.0
Total Employer	14.0 %	14.0 %
Employee	10.0 %	10.0 %

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

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

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

The Township's contractually required contribution was \$13,420 for year 2023.

Note 8 - Postemployment Benefits

Ohio Public Employees Retirement System

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of

Tiffin Township
Adams County, Ohio
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For the Year Ended December 31, 2023

the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. Medicare-enrolled retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice selected with the assistance of an OPERS vendor. Non-Medicare retirees have converted to an arrangement similar to the Medicare-enrolled retirees, and are no longer participating in OPERS provided self-insured group plans.

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

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

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

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

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

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

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

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

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

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

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

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

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For the Year Ended December 31, 2023

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

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

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

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

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

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

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

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of the payroll covered. The Township's contractually required contribution was \$13,420, for 2023

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

Note 9 – Fund Balances

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

Fund Balances	General	Gasoline Tax	Cemetery	American Rescue Plan	Other Governmental Funds	Total
Nonspendable						
Cemetery						
Endowment	0	0	0	0	2,890	2,890
<i>Total Nonspendable</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,890</u>	<u>2,890</u>
Restricted for						
Road and Bridge						
Maintenance	0	200,359	0	0	83,624	283,983
Cemetery	0	0	60,687	0	0	60,687
American Rescue						
Plan	0	0	0	110,900	0	110,900
<i>Total Restricted</i>	<u>0</u>	<u>200,359</u>	<u>60,687</u>	<u>110,900</u>	<u>83,624</u>	<u>455,570</u>
Assigned to						
Outstanding						
Purchase Orders	24,586	0	0	0	0	24,586
Unassigned (Deficit)	<u>174,487</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>174,487</u>
<i>Total Fund Balances</i>	<u>\$199,073</u>	<u>\$200,359</u>	<u>\$60,687</u>	<u>\$110,900</u>	<u>\$86,514</u>	<u>\$657,533</u>

Note 10 – Contingent Liabilities

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

OHIO AUDITOR OF STATE KEITH FABER

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

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

Tiffin Township
Adams County
2781 Vaughn Ridge Road
West Union, OH 45693

To the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Tiffin Township, Adams County, Ohio (the Township) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements and have issued our report thereon dated November 4, 2025, wherein we noted the Township uses a special purpose framework other than generally accepted accounting principles.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2024-001 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2024-002.

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.

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

November 4, 2025

**TIFFIN TOWNSHIP
ADAMS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2024 AND 2023**

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

FINDING NUMBER 2024-001

Material Weakness

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

Due to deficiencies in the Township's financial statement monitoring and review process, the following conditions were noted in relation to the 2024 Reporting:

- The Township did not prepare the required footnote disclosures on a Regulatory basis resulting in required disclosures being omitted.

General

- Budgetary Disclosures were not presented, resulting in the following understatement of Budgeted Receipt by \$109,115, Appropriation Authority by \$283,602, Actual Receipts by \$131,769, Budgetary Expenditures by \$120,879.

Special Revenue

- Budgetary Disclosures were not presented, resulting in the following understatement of Budgeted Receipt by \$195,740, Appropriation Authority by \$595,355, Actual Receipts by \$287,875, Budgetary Expenditures by \$350,972.

Capital Projects

- Loan Proceeds were understated by \$52,000, Intergovernmental was overstated by \$45,050, and Capital Outlay was understated by \$6,950 due to the USDA loan and grant award activity being recorded incorrectly
- Budgetary Disclosures were not presented, resulting in the following understatement of Budgeted Receipt by \$95,050, Appropriation Authority by \$95,050, Actual Receipts by \$102,000, Budgetary Expenditures by \$102,000.

Permanent

- Budgetary Disclosures were not presented, resulting in the following understatement of Budgeted Receipt by \$100, Appropriation Authority by \$100, Actual Receipts by \$106, Budgetary Expenditures by \$106.

Due to deficiencies in the Township's financial statement monitoring and review process, the following conditions were noted in relation to the 2023 Reporting

FINDING NUMBER 2024-001
(Continued)

Governmental Activities

- Restricted for Road and Bridge by \$283,556, Restricted for American Rescue Plan by \$110,900 and Restricted for Cemetery by \$61,114 were understated and Restricted for Other Purposes by \$455,570 was overstated due to the Restricted classification not being updated by the Township for financial reporting.
- Charges for Services and Sale – Other was overstated by \$30,700, Charges for Services – Public Works was overstated by \$16,125, General Receipts – Earnings on Investments was overstated by \$4,889, General Receipt – Property Taxes was overstated by \$126,818 General Receipt – Miscellaneous Receipts was overstated by \$20, Charges for Services and Sales – Health was understated by \$30,719, Operating Grants and Contributions – Public Safety was understated by \$1,253, Operating Grants and Contributions – Public Works was understated by \$7,253, Operating Grants and Contributions – Health was understated by \$2,464, General Receipts – Grants and Entitlements not restricted by \$7,261, General Receipts – Property Taxes, General Use was understated by \$59,876, and General Receipts – Property Taxes, Special Purposes was understated by \$69,726 due to program revenue classifications not being updated for financial reporting.

General

- Assigned fund balance was understated and Unassigned Fund Balance was overstated by \$24,586

The Township corrected the financial statements and their accounting system, as agreed to by management and where applicable, for identified errors. In addition to the errors noted above, we also identified additional immaterial misstatements ranging from \$32 to \$7,994 for the audit period, that were corrected by the Township.

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

The Township should establish and implement internal controls to ensure financial transactions are accurately recorded and reported.

Officials' Response:

We did not receive a response from the Township.

FINDING NUMBER 2024-002

Noncompliance

Ohio Rev. Code §135.18, states, in part, a political subdivision shall require the institution designated as a public depository to pledge to a deposit with, as security for the repayment of all public moneys to be deposited in the public depository during the period of designation pursuant to the award, eligible securities of aggregate market value equal to the excess of the amount of public moneys to be at the time so deposited, over and above the portion or amount of such moneys as is at that time insured by the federal deposit insurance corporation or by any other agency or instrumentality of the federal government. Such security may consist of federal deposit insurance, surety company bonds, or pledged securities.

FINDING NUMBER 2024-002
(Continued)

Due to a deficiency in the controls over cash deposits, a portion of the township's depository balance during the audit period was not properly secured. Tiffin Township had amounts greater than \$250,000 on deposit in a Government Account at National Bank of Adams County from January 2023 to December 2024. These deposits were partially secured by FDIC insurance of \$250,000. However, the bank did not use an allowable Ohio compliant method to provide coverage for the remaining funds. The Township had uncollateralized monies in the amount of \$280,177 and \$337,844 at fiscal year-end for 2024 and 2023, respectively.

Failure to ensure deposits are collateralized at financial institutions could result in loss of funds should the institution cease operations. The Township should establish and implement controls over cash deposits to monitor the amounts on deposit and the amounts of securities pledged by the depository to ensure all deposits are collateralized for any amount over \$250,000 the FDIC covers.

Officials' Response:

We did not receive a response from the Township.

OHIO AUDITOR OF STATE KEITH FABER



TIFFIN TOWNSHIP

ADAMS 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 11/18/2025

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