

**ADAMS TOWNSHIP  
WASHINGTON COUNTY**

**REGULAR AUDIT**

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

**Wilson, Phillips & Agin, CPA's, Inc.  
1100 Brandywine Blvd. Building G  
Zanesville, Ohio 43701**





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Columbus, Ohio 43215  
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800-282-0370

Board of Trustees  
Adams Township  
P.O. Box 384  
Lowell, Ohio 45744

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

#### **Finding for Adjustment - Trustees' Salary Allocation**

**Ohio Revised Code § 505.24(C)** states, in part, by unanimous vote, a board of township trustees may adopt a method of compensation consisting of an annual salary to be paid in equal monthly payments. The amount of the annual salary approved by the board shall be no more than the maximum amount that could be received annually by a trustee if the trustee were paid on a per diem basis as specified in this division and shall be paid from the township General Fund or from other Township funds in such proportion as the board may specify by resolution. Each trustee shall certify the percentage of time spent working on matters to be paid from the Township General Fund and from other township funds in such proportions as the kinds of services performed.

The Township's Board of Trustees did not unanimously pass a resolution to allow being paid on a salary basis in equal monthly installments or approve to be paid from funds other than the General Fund.

During 2022 and 2023, the Board of Trustees were paid on a salary basis without the required approval. In 2022, Trustees were improperly paid \$4,011 from the Motor Vehicle License Tax Fund, \$12,034 from the Gasoline Tax Fund and \$12,034 from the Road and Bridge Fund for a total of \$28,079. In 2023, the Trustees were improperly paid \$2,721 from the Motor Vehicle License Tax Fund, \$13,606 from the Gasoline Tax Fund, and \$13,606 from the Road and Bridge Fund for a total of \$29,933.

Additionally, adjustments were proposed in the previous 2021-2020, 2019-2018, 2016-2017, 2014-2015, 2012-2013 and 2010-2011 audit reports and the Township declined to make these adjustments totaling \$243,419. The total \$243,419 was against the General Fund, in favor of the Motor Vehicle License Tax Fund totaling \$58,496, in favor of the Gasoline Tax Fund totaling \$176,802, and in favor of the Road and Bridge Fund totaling \$8,121.

The Township did not have control procedures in place to ensure the Trustees completed the required certifications. Not having procedures in place to ensure proper posting of Trustee compensation could result in material errors to the financial statements, which may go undetected.

#### **Finding for Adjustment - Trustees' Salary Allocation (continued)**

The Township has not posted these adjustments to the Township records and, therefore, these adjustments are not reflected in the accompanying financial statements.

In accordance with the foregoing facts, a finding for adjustment is hereby issued against the Adams Township, Washington County General Fund in the amount of \$301,431, and in favor of the Motor Vehicle License Tax Fund, totaling \$65,228, the Gasoline Tax Fund, totaling \$202,442, and the Road and Bridge Fund, totaling \$33,761.

The Township Trustees should, by unanimous vote, adopt the salary method of compensation to be paid in equal monthly payments, as well as adopt a resolution that specifies the proportions of the salary that are to be paid from each fund. Additionally, Trustees should complete the appropriate certifications prior to receiving his/her pay for that pay period if they are being paid from funds other than the General Fund.

#### **Finding for Adjustment - Improper Posting of Receipts**

**Ohio Rev. Code § 5705.10(D)** provides, in part, that all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose.

During 2022, the Township inappropriately recorded \$1,080 of Homestead and Rollback receipts in the Road and Bridge Fund. Given the source of the revenue, the \$1,080 should have been recorded in the General Fund. Also, during 2022, real estate receipts totaling \$13,412 which were to be allocated to the General Fund were posted to the Road and Bridge Fund. During 2023, the Township inappropriately recorded \$5,222 of Homestead and Rollback and Real Estate tax receipts in the Road and Bridge Fund. Given the sources of the revenue, the total amount of \$5,222 should have been recorded in the General Fund.

Additionally, adjustments were proposed in the previous 2020-2021, 2018-2019, 2016-2017, 2014-2015, 2012-2013 and 2010-2011 audit reports and the Township declined to make these adjustments totaling \$168,078. Of this total, \$119,780 was against the General Fund, \$4,556 was against the Motor Vehicle License Tax Fund, \$11,811 was against the Cemetery Fund and \$31,931 was against the Permissive Sales Tax Fund and in favor of the Gasoline Tax Fund for \$13,700, the Road and Bridge Fund for \$154,250, and the Vangelder Permanent Fund for \$128.

The lack of controls over the posting of financial transactions decreases the reliability of financial data at year-end and can result in undetected errors and irregularities. The Township should implement controls to help ensure all transactions are reviewed to help ensure posting to the proper funds.

The Township has not posted these adjustments to the Township records and, therefore, these adjustments are not reflected in the accompanying financial statements.

In accordance with the foregoing facts, a finding for adjustment is hereby issued against the Adams Township, Washington County General Fund in the amount of \$100,066, the Motor Vehicle License Tax Fund in the amount of \$4,556, the Cemetery Fund in the amount of \$11,811, the Permissive Sales Tax Fund in the amount of \$31,931 and in favor of, the Gasoline Tax Fund in the amount of \$13,700, the Road and Bridge Fund in the amount of \$134,536 and the Vangelder Permanent Fund in the amount of \$128.

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

KEITH FABER  
Ohio Auditor of State

*Tiffany L Ridenbaugh*

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

August 12, 2025

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**ADAMS TOWNSHIP  
WASHINGTON COUNTY  
FOR THE YEARS ENDED DECEMBER 31, 2023-2022**

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

**INDEPENDENT AUDITORS' REPORT**

Adams Township  
Washington County  
P.O. Box 384  
Lowell, Ohio 45744

To the Township Trustees:

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

**Adverse and Qualified Opinions**

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

**Adverse Opinion on the General Fund and Special Revenue Fund Type**

In our opinion, because of the effects of the matter described in the *Basis for Adverse Opinion on the General Fund and Special Revenue Fund Type* section of our report, the accompanying financial statements referred to above do not present fairly, in all material respects, the cash balances, receipts and disbursements for the General Fund and Special Revenue Fund Type as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revise Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2

**Additional Opinion Qualification on the Permanent Fund Type**

In our opinion, except for the possible effects of the matter described in the *Basis for Additional Opinion Qualification on the Permanent Fund Type* paragraph, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements of the Permanent Fund Type as of and for the years ended December 31, 2023 and 2022 and the related notes to the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, as 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 Adams Township, Washington County as of December 31, 2023 and 2022, or changes in financial position thereof for the years then ended.

**Basis for Opinions**

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

#### **Basis for Adverse Opinion on the General Fund and Special Revenue Fund Type**

Ohio Revised Code Section 505.24(C) and Ohio Attorney General Opinion No. 2004-036 requires trustees to document the proportionate amount of salaries chargeable to other Township Funds based on the kinds of services rendered. Without this documentation, the Township must charge salaries to the General Fund. During 2010-2023, the Township charged Trustees' salaries as well as fringe benefits to the Motor Vehicle License Tax Fund, Gasoline Tax Fund and Road & Bridge Fund without the required supporting documentation. Additionally, Ohio Revised Code Section 5705.10(A) states that all revenue derived from the general levy for current expenses within the ten-mill limitation, from any general levy for current expense authorized by vote in excess of the ten-mill limitation, and from sources other than the general property tax, unless its use for a particular purpose is prescribed by law, shall be paid into the General Fund. Ohio Revised Code Section 5705.10(C) states that all revenue derived from a special levy shall be credited to a special levy for the purpose for which the levy was made. Ohio Revised Code Section 5705.10(D) requires all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose. Ohio Revised Code Section 5705.10(I) states that money paid into a fund must be used for the purposes for which such fund has been established. During 2010 through 2023, the Township posted receipts and disbursements to improper funds. Findings for adjustments issued for noncompliance with these requirements have not been posted by the Township. Had the adjustments been posted, the result would have been a decrease in the fund balance of the General Fund of \$401,497 as of December 31, 2023, an increase in the Special Revenue Fund Type fund balance of \$401,369 as of December 31, 2023, an increase in the Permanent Fund Type fund balance of \$128 as of December 31, 2023. Had the adjustments been posted, the result would have been a decrease in the fund balance of the General Fund of \$376,786 as of December 31, 2022, an increase in the Special Revenue Fund Type fund balance of \$376,658 as of December 31, 2022, an increase in the Permanent Fund Type fund balance of \$128 as of December 31, 2022.

#### **Basis for Additional Opinion Qualification on the Permanent Fund**

In 2017, \$128 in interest income was posted to the General Fund instead of the Permanent Fund as required by Ohio Revised Code Section 5705.131. The Township declined to make this adjustment

#### **Emphasis of Matter**

As discussed in Note 13 (2023) and Note 15 (2022) to the financial statements, the Township has suffered recurring losses and if the adjustments noted in the Basis for Adverse Opinion on the General Fund and Special Revenue Fund Type paragraph were made, the General Fund would have a negative \$373,566 fund balance at December 31, 2023 and a negative fund balance of \$364,780 at December 31, 2022. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

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

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

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

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

### **Auditor's Responsibility for the Audit of the Financial Statements**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion was 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 18, 2024, on our consideration of Adams Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

*Wilson, Phillips & Agin, CPA's, Inc.*  
Zanesville, Ohio  
November 18, 2024

**ADAMS TOWNSHIP  
WASHINGTON COUNTY**

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

	<b>Governmental Fund Types</b>			<b>Totals (Memorandum Only)</b>
	<b>General</b>	<b>Special Revenue</b>	<b>Permanent</b>	
<b>Cash Receipts:</b>				
Property and Other Local Taxes	\$ 29,883	\$ 212,288	\$ -	\$ 242,171
Licenses, Permits and Fees	- -	14,850	- -	14,850
Intergovernmental	33,730	316,999	- -	350,729
Earnings on Investments	49	10	2	61
Miscellaneous	- -	40,701	- -	40,701
<b>Total Cash Receipts</b>	<b>63,662</b>	<b>584,848</b>	<b>2</b>	<b>648,512</b>
<b>Cash Disbursements:</b>				
Current:				
General Government	40,737	71,106	- -	111,843
Public Works	- -	425,387	- -	425,387
Health	7,000	16,127	- -	23,127
Capital Outlay	- -	38,000	- -	38,000
Debt Service:				
Principal Retirement	- -	27,420	- -	27,420
Interest and Fiscal Charges	- -	533	- -	533
<b>Total Cash Disbursements</b>	<b>47,737</b>	<b>578,573</b>	<b>- -</b>	<b>626,310</b>
<b>Excess of Receipts Over/(Under) Disbursements</b>	<b>15,925</b>	<b>6,275</b>	<b>2</b>	<b>22,202</b>
<b>Other Financing Receipts (Disbursements)</b>				
Sale of Capital Assets	- -	14,000	- -	14,000
<b>Total Other Financing Receipts (Disbursements)</b>	<b>- -</b>	<b>14,000</b>	<b>- -</b>	<b>14,000</b>
<b>Net Change in Fund Cash Balance</b>	<b>15,925</b>	<b>20,275</b>	<b>2</b>	<b>36,202</b>
<b>Fund Cash Balances, January 1</b>	<b>12,006</b>	<b>198,355</b>	<b>20,931</b>	<b>231,292</b>
<b>Fund Cash Balances, December 31</b>	<b>\$ 27,931</b>	<b>\$ 218,630</b>	<b>\$ 20,933</b>	<b>\$ 267,494</b>

See notes to financial statements.

**ADAMS TOWNSHIP  
WASHINGTON COUNTY**

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

**1. REPORTING ENTITY**

**Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Adams Township, Washington County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides general government services, road and bridge maintenance, cemetery maintenance and fire protection.

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA) public entity risk pool. Note 7 to the financial statements provides additional information for this entity.

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation**

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

**B. Fund Accounting**

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

**General Fund**

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

**Special Revenue Funds**

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

**Gasoline Tax Fund** – This fund receives gasoline tax monies to pay for constructing, maintaining, and repairing Township roads.

**Road & Bridge Fund** - This fund receives property tax money for constructing, maintaining and repairing Township roads and bridges.

**Permissive Sales Tax Fund** – This fund receives sales tax money from the County Commissioners restricted for maintenance and repair of roads within the Township.

**ADAMS TOWNSHIP  
WASHINGTON COUNTY**

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

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

**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 the following significant Permanent Fund:

**Greenlawn Cemetery Bequest Fund** – This fund receives interest earned on the nonexpendable corpus from a trust agreement. These earnings are used for the general maintenance and upkeep of the Township's Greenlawn cemetery.

**C. Basis of Accounting**

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

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

**D. Budgetary Process**

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

**Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function and object level of control and appropriations may not exceed estimated resources. The Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered 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 canceled, and reappropriated in the subsequent year.

A summary of 2023 budgetary activity appears in Note 4.

**ADAMS TOWNSHIP  
WASHINGTON COUNTY**

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

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

**E. Deposits and Investments**

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

**F. Capital Assets**

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

**G. Accumulated Leave**

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

**H. 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*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

**ADAMS TOWNSHIP  
WASHINGTON COUNTY**

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

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

**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 11.

**3. COMPLIANCE**

Contrary to Ohio Revised Code Section 5705.36, the Township did not certify its total amount from all sources available for expenditure with the county auditor.

Contrary to Ohio Revised Code Section 5705.38(A), the township did not certify/file its appropriations with the county auditor.

Contrary to Ohio Revised Code Section 5705.41(B), all expenditures exceeded appropriations.

**4. BUDGETARY ACTIVITY**

Budgetary activity for the year ended December 31, 2023 is as follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ -	\$ 63,662	\$ 63,662
Special Revenue	-	598,848	598,848
Permanent	-	2	2
<b>Total</b>	<b>\$ -</b>	<b>\$ 662,512</b>	<b>\$ 662,512</b>

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ -	\$ 47,737	\$ (47,737)
Special Revenue	-	578,573	(578,573)
<b>Total</b>	<b>\$ -</b>	<b>\$ 626,310</b>	<b>\$ (626,310)</b>

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

**ADAMS TOWNSHIP  
WASHINGTON COUNTY**

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

**5. DEPOSITS AND INVESTMENTS**

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

	<u>2023</u>
<i>Cash Management Pool</i>	
Demand deposits	<u>\$ 267,494</u>
Total Carrying Amount of Deposits and Investments held in Pool	<u>\$ 267,494</u>

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

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

**6. PROPERTY TAX**

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

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

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

**ADAMS TOWNSHIP  
WASHINGTON COUNTY**

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

**7. RISK MANAGEMENT**

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

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

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

	2023
Cash and investments	\$33,494,457
Actuarial liabilities	10,885,549

**8. DEFINED BENEFIT PENSION PLANS**

*Ohio Public Employees Retirement System*

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

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

**9. POSTEMPLOYMENT BENEFITS**

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

**ADAMS TOWNSHIP  
WASHINGTON COUNTY**

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

**10. PUBLIC ENTITY RISK POOL**

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

**11. FUND BALANCES**

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

Fund Balances	General	Special Revenue	Permanent	Total
Nonspendable:				
Corpus	\$ -	\$ -	\$ -	\$ -
Outstanding Encumbrances	-	-	-	-
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**12. CONTINGENT LIABILITIES**

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor. 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.

**13. FINANCIAL DIFFICULTIES**

At December 31, 2023 the Township's General Fund had a fund cash balance of \$27,931. However, the Township has unposted findings for adjustment from prior and current audits totaling \$401,497 against the General Fund and in favor of restricted funds. If the Township posted the findings for adjustment, the General Fund would have a deficit fund cash balance of \$373,566. Township management currently does not have a plan in place to address this matter.

**ADAMS TOWNSHIP  
WASHINGTON COUNTY**

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

	<b>Governmental Fund Types</b>			<b>Totals (Memorandum Only)</b>
	<b>General</b>	<b>Special Revenue</b>	<b>Permanent</b>	
<b>Cash Receipts:</b>				
Property and Other Local Taxes	\$ 14,213	\$ 196,996	\$ -	\$ 211,209
Licenses, Permits and Fees	- -	12,400	- -	12,400
Intergovernmental	29,244	223,666	- -	252,910
Earnings on Investments	42	33	1	76
Miscellaneous	- -	1,750	- -	1,750
<b>Total Cash Receipts</b>	<b>43,499</b>	<b>434,845</b>	<b>1</b>	<b>478,345</b>
<b>Cash Disbursements:</b>				
Current:				
General Government	31,610	52,012	- -	83,622
Public Works	- -	579,975	- -	579,975
Health	6,347	27,756	- -	34,103
Debt Service:				
Principal Retirement	- -	33,352	- -	33,352
Interest and Fiscal Charges	- -	1,091	- -	1,091
<b>Total Cash Disbursements</b>	<b>37,957</b>	<b>694,186</b>	<b>- -</b>	<b>732,143</b>
<b>Excess of Receipts Over/(Under) Disbursements</b>	<b>5,542</b>	<b>(259,341)</b>	<b>1</b>	<b>(253,798)</b>
<b>Other Financing Receipts (Disbursements)</b>				
Transfers In	- -	2,000	- -	2,000
Transfers Out	- -	(2,000)	- -	(2,000)
<b>Total Other Financing Receipts (Disbursements)</b>	<b>- -</b>	<b>- -</b>	<b>- -</b>	<b>- -</b>
<b>Net Change in Fund Cash Balance</b>	<b>5,542</b>	<b>(259,341)</b>	<b>1</b>	<b>(253,798)</b>
<b>Fund Cash Balances, January 1</b>	<b>6,464</b>	<b>457,696</b>	<b>20,930</b>	<b>485,090</b>
<b>Fund Cash Balances, December 31</b>	<b>\$ 12,006</b>	<b>\$ 198,355</b>	<b>\$ 20,931</b>	<b>\$ 231,292</b>

See notes to financial statements.

**ADAMS TOWNSHIP  
WASHINGTON COUNTY**

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

**1. REPORTING ENTITY**

**Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Adams Township, Washington County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides general government services, road and bridge maintenance, cemetery maintenance and fire protection.

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA) public entity risk pool. Note 7 to the financial statements provides additional information for this entity.

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation**

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

**B. Fund Accounting**

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

**General Fund**

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

**Special Revenue Funds**

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

**Gasoline Tax Fund** – This fund receives gasoline tax monies to pay for constructing, maintaining, and repairing Township roads.

**Road & Bridge Fund** - This fund receives property tax money for constructing, maintaining and repairing Township roads and bridges.

**Permissive Sales Tax Fund** – This fund receives sales tax money from the County Commissioners restricted for maintenance and repair of roads within the Township.

**ADAMS TOWNSHIP  
WASHINGTON COUNTY**

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

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

**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 the following significant Permanent Fund:

**Greenlawn Cemetery Bequest Fund** – This fund receives interest earned on the nonexpendable corpus from a trust agreement. These earnings are used for the general maintenance and upkeep of the Township's Greenlawn cemetery.

**C. Basis of Accounting**

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

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

**D. Budgetary Process**

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

**Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function and object level of control and appropriations may not exceed estimated resources. The Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered 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 canceled, and reappropriated in the subsequent year.

A summary of 2022 budgetary activity appears in Note 4.

**ADAMS TOWNSHIP  
WASHINGTON COUNTY**

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

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

**E. Deposits and Investments**

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

**F. Capital Assets**

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

**G. Accumulated Leave**

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

**H. 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*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

**ADAMS TOWNSHIP  
WASHINGTON COUNTY**

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

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

**Unassigned**

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

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

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

**3. COMPLIANCE**

Contrary to Ohio Revised Code Section 5705.36, the Township did not certify its total amount from all sources available for expenditure with the county auditor.

Contrary to Ohio Revised Code Section 5705.38(A), the township did not certify/file its appropriations with the county auditor.

Contrary to Ohio Revised Code Section 5705.41(B), all expenditures exceeded appropriations.

**4. BUDGETARY ACTIVITY**

Budgetary activity for the year ended December 31, 2022 is as follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ -	\$ 43,499	\$ 43,499
Special Revenue	-	436,845	436,845
Permanent	-	1	1
<b>Total</b>	<b>\$ -</b>	<b>\$ 480,345</b>	<b>\$ 480,345</b>

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ -	\$ 37,957	\$ (37,957)
Special Revenue	-	696,186	(696,186)
<b>Total</b>	<b>\$ -</b>	<b>\$ 734,143</b>	<b>\$ (734,143)</b>

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

**ADAMS TOWNSHIP  
WASHINGTON COUNTY**

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

**5. DEPOSITS AND INVESTMENTS**

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

	<u>2022</u>
<i>Cash Management Pool</i>	
Demand deposits	<u>\$ 231,292</u>
Total Carrying Amount of Deposits and Investments held in Pool	<u>\$ 231,292</u>

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2022, the Township is holding \$0 in unremitted employee payroll withholdings.

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

**6. PROPERTY TAX**

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

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

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

**ADAMS TOWNSHIP  
WASHINGTON COUNTY**

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

**7. RISK MANAGEMENT**

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

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

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

	<u>2022</u>
Cash and investments	\$32,288,098
Actuarial liabilities	9,146,434

**8. DEFINED BENEFIT PENSION PLANS**

*Ohio Public Employees Retirement System*

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

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

**9. POSTEMPLOYMENT BENEFITS**

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

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

**ADAMS TOWNSHIP  
WASHINGTON COUNTY**

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

**10. DEBT**

Debt outstanding at December 31, 2022 was as follows:

	Principal	Interest rate
KS State Bank	\$ 27,420	3.12%
Total	<u>\$ 27,420</u>	

The Township issued debt to finance the purchase of a Case 580SN Backhoe with Hopper for use on Township roads during fiscal year 2019. The Township's taxing authority collateralized the debt.

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

Year Ended December 31	KS State Bank
2023	<u>\$ 28,269</u>
Total	<u>\$ 28,269</u>

**11. PUBLIC ENTITY RISK POOL**

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

**12. FUND BALANCES**

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

Fund Balances	Special Revenue			Total
	General	Revenue	Permanent	
Nonspendable:				
Corpus	\$ -	\$ -	\$ -	\$ -
Outstanding Encumbrances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**ADAMS TOWNSHIP  
WASHINGTON COUNTY**

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

**13. COVID-19**

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

The Township received \$54,694 from the American Rescue Relief Fund in 2022.

**14. CONTINGENT LIABILITIES**

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor. 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.

**15. FINANCIAL DIFFICULTIES**

At December 31, 2022 the Township's General Fund had a fund cash balance of \$12,006. However, the Township has unposted findings for adjustment from prior and current audits totaling \$376,786 against the General Fund and in favor of restricted funds. If the Township posted the findings for adjustment, the General Fund would have a deficit fund cash balance of \$364,780. Township management currently does not have a plan in place to address this matter.

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

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

Adams Township  
Washington County  
P.O. Box 384  
Lowell, Ohio 45744

To the Township Trustees:

We have audited, in accordance with auditing standards general accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standard* issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type combined total as of and for the years ended December 31, 2023 and 2022 and the related notes to the financial statements of Adams Township, Washington County (the Township) and have issued our report thereon dated November 18, 2024, where we issued an adverse opinion on the General and Special Revenue Fund Type due to payroll not being posted to the proper fund and a qualified opinion on the Permanent Fund due to interest not being posted properly, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the ensuing emergency measures may impact subsequent periods of the Township.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Adams 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 certain deficiencies in internal control, described in the accompanying Schedule of Findings as items 2023-001, 2023-002, 2023-003 and 2023-006 that we consider to be material weaknesses.

Independent Auditors' Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by Government Auditing Standards  
Page Two

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Adams Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed four instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings as items 2023-001, 2023-002, 2023-004 and 2023-005.

***Purpose of this Report***

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

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

Zanesville, Ohio  
November 18, 2024

**ADAMS TOWNSHIP  
WASHINGTON COUNTY**

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

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

**FINDING NUMBER 2023-001**

**Noncompliance and Material Weakness**

Ohio Revised Code Section 505.24(C) states, in part, by unanimous vote, a board of township trustees may adopt a method of compensation consisting of an annual salary to be paid in equal monthly payments. The amount of the annual salary approved by the board shall be no more than the maximum amount that could be received annually by a trustee if the trustee were paid on a per diem basis as specified in this division, and shall be paid from the township General Fund or from other township funds in such proportion as the board may specify by resolution. Each trustee shall certify the percentage of time spent working on matters to be paid from the township General Fund and from other township funds in such proportions as the kinds of services performed.

The Township's Board of Trustees did not unanimously pass a resolution to allow being paid on a salary basis in equal monthly installments or approve to be paid from funds other than the General Fund. During 2023 and 2022, the Board of Trustees were paid on a salary basis without the required approval. In 2023, Trustees were improperly paid \$2,721 from the MVL Tax Fund, \$13,606 from the Gasoline Tax Fund and \$13,606 from the Road and Bridge Fund for a total of \$29,933. In 2022, the Trustees were improperly paid \$4,011 from the MVL Tax Fund, \$12,034 from the Gasoline Tax Fund and \$12,034 from the Road and Bridge Fund for a total of \$28,079.

Additionally, adjustments were proposed in the previous 2020-2021, 2018-2019, 2016-2017, 2014-2015, 2012-2013 and 2010-2011 audit reports and the Township declined to make these adjustments totaling \$243,419. The total \$243,419 was against the General Fund, in favor of the MVL Tax Fund totaling \$58,496, in favor of the Gasoline Tax Fund totaling \$176,802 and in favor of the Road & Bridge Fund totaling \$8,121.

The Township did not have control procedures in place to ensure the Trustees completed the required certifications. Not having procedures in place to ensure proper posting of Trustee compensation could result in material errors to the financial statements, which may go undetected.

The Township has not posted these adjustments to the Township records and, therefore, these adjustments are not reflected in the accompanying financial statements.

The Township should, by unanimous vote, adopt the salary method of compensation to be paid in equal monthly payments as well as, adopt a resolution that specifies the proportions of the salary that are to be paid from each fund. Additionally, Trustees should complete the appropriate certifications prior to receiving his/her pay for that pay period if they are being paid from funds other than the General Fund.

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

**ADAMS TOWNSHIP  
WASHINGTON COUNTY**

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

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

**FINDING NUMBER 2023-002**

**Noncompliance/ Material Weakness – Financial Reporting**

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

The Ohio Township Handbook provides suggested account and fund balance classifications and clarifies the existing governmental fund type definitions. These accounts classify receipts by fund and source (taxes or charges for services, for example) and classify disbursements by fund, program (general government, for example) or object (personal services, for example). The fund balance classifications relate to constraints placed upon the use of resources reported in governmental funds. The five classifications are nonspendable, restricted, committed, assigned and unassigned. Using these classifications will provide the Township with information required to monitor compliance with the budget, and prepare annual reports in the format required by the Auditor of State.

Ohio Revised Code 5705.10(D) states, in part, that all revenues derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose.

The Township did not properly post all receipts and expenditures. Errors were made in recording various transactions. Amounts were not always posted to the correct fund and/or line item. The following reclassifications were made to the financial statements and accounting records, adjustments were not made to the financial statements and accounting records, except for the recording of Debt and the associated Capital Outlay.

The following is related to 2023:

- The Township posted Rollback and Homestead monies in the amount of \$2,515 to the Road and Bridge Fund which should have been posted to the General Fund. This is adjustment is not posted by the Township.
- The Township posted Real Estate Tax monies in the amount of \$2,707 to the Road and Bridge Fund which should have been posted to the General Fund. This adjustment is not posted by the Township.
- The Township recorded Real Estate Tax at net, resulting in the grossing up of Property and Other Local Taxes and General Government by \$7,178 in the General Fund and grossing up Property and Other Local Taxes and Public Works by \$1,920 in the Road & Bridge Fund. This adjustment is not posted by the Township.
- A reclassification of \$15,155 and \$56,714 was made to decrease Intergovernmental Revenue and increase Property and Other Local Taxes in the General and Road and Bridge Funds, respectively.
- A reclassification of \$40,701 was made to decrease Intergovernmental Revenue and increase Miscellaneous Revenue in the MVL Tax Fund.
- A reclassification of \$14,000 to decrease Intergovernmental Revenue and increase Sale of Assets in the Road and Bridge Fund.
- A reclassification of \$63,840 from Property and Other Taxes to Intergovernmental Revenue in the Permissive Sales Tax Fund.
- A reclassification of \$24,000 and \$14,000 to decrease Public Works and Increase Capital Outlay in the Gasoline Tax Fund and Road and Bridge Fund, respectively.

**ADAMS TOWNSHIP  
WASHINGTON COUNTY**

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

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

**FINDING NUMBER 2023-002 (Continued)**

The following is related to 2022:

- The Township posted Rollback and Homestead monies in the amount of \$1,080 to the Road & Bridge Fund which should have been posted to the General Fund. This adjustment is not posted by the Township.
- Township posted Real Estate Taxes monies in the amount of \$13,412 to the Road and Bridge Fund which should have been posted to the General Fund. This adjustment is not posted by the Township.
- The Township recorded Real Estate Tax at net, resulting in the grossing up of Property and Other Local Taxes and General Government by \$3,077 in the General Fund and grossing up Property and Other Local Taxes by \$1,493 in the Road & Bridge Fund. This adjustment was not posted by the Township.
- A reclassification in the amount of \$8,347 and \$1,681 to decrease Property and Other Taxes and increase Intergovernmental Revenue in the General Fund and Road and Bridge Fund, respectively.
- A reclassification in the amount of \$390 to decrease Interest and Fiscal Charges and increase Principal Retirement in the Gasoline Tax Fund.

Additionally, adjustments were proposed in the previous 2020-2021, 2018-2019, 2016-2017, 2014-2015, 2012-2013 and 2010-2011 audit reports and the Township declined to make these adjustments totaling \$119,780. Of this total, \$119,780 was against the General Fund, \$4,556 was against the Motor Vehicle License Tax Fund, \$11,811 was against the Cemetery Fund and \$31,931 was against the Permissive Sales Tax Fund and in favor of the Gasoline Tax Fund for \$13,700, the Road and Bridge Fund for \$154,250 and the Vangelder Permanent Fund for \$128.

Reclassifications are reflected within the accompanying financial statements and posted to the accounting system.

Sound financial reporting is the responsibility of the Township and is essential to help ensure the information provided to the readers of financial statements is complete and accurate. To help ensure the Township's financial statements and notes to the financial statements are complete and accurate, the Township should adopt policies and procedures to identify and correct errors and omissions. In addition, the Township should review the financial statements and notes prior to submission for audit.

**Client Response:** We received no response from the client.

**ADAMS TOWNSHIP  
WASHINGTON COUNTY**

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

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

**FINDING NUMBER 2023-003**

**Material Weakness**

Management is responsible for designing and implementing internal control policies and procedures to reasonably ensure specific financial objectives will be achieved. This includes maintaining sufficient supporting documentation to support the classification, accuracy and completeness of receipts reported by the Township.

The Township was unable to provide the board approved fee schedule for the audit period to support the amount charged for burials. Additionally, the support provided did not document the reason for the variation in charges for opening and closing fees (i.e. resident, non-resident).

The Township did not have internal controls in place to ensure that fees charged for burials were correct. By not having an approved fee schedule in place, the fees charged for various burial expenses can vary and may result in lost revenue to the Township.

The Board of Trustees should formally approve the cemetery fee schedule, which includes grave purchases, open and closing fees, and any additional fees. Additionally the Fiscal Officer should maintain documentation for the grave opening and closing receipts received to support the placement on the fee schedule.

**Client Response:** We received no response from the client.

**FINDING NUMBER 2023-004**

**Noncompliance**

Ohio Rev. Code § 5705.38(A) requires that on or about the first day of each fiscal year, an appropriation measure is to be passed. Ohio Rev. Code § 5705.41(B) prohibits subdivisions or taxing authorities from expending money unless it has been appropriated,

The Township's minute record documents approval of 2023 and 2022 appropriations, however, no appropriation measures could be found in the Township records and they were not filed with the County Auditor's office. This results in appropriations being considered \$0 due to no evidence existing to support the appropriation amounts approved by the Board.

With no appropriation measures being filed with the County Auditor, all expenditures in all funds have exceeded the appropriations, which is in violation of 5705.41(B).

The Fiscal Officer should, after approval of appropriations in the minutes, take that resolution and file it with the County Auditor and to maintain a copy on file, once that is completed, expenditure should not exceed the amounts established by the appropriation measure

**Client Response:** We have received no response from the client.

**ADAMS TOWNSHIP  
WASHINGTON COUNTY**

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

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

**FINDING NUMBER 2023-005**

**Noncompliance**

Ohio Rev. Code § 5705.36 states that on or about the first day of each fiscal year, the fiscal officers of subdivisions and other taxing units are to certify to the county auditor the total amount from all sources available for expenditures from each fund in the tax budget along with any unencumbered balances existing at the end of the preceding year. Changes can be made to this throughout the year if revenue to be collected is determined to be greater or deficient to the amount previously stated.

For the years ended December 31, 2023 and 2022, the Township did not file/certify with the county auditor the amount from all sources available for expenditures. This was confirmed with the County Auditor's office.

**Client Response:** We have received no response from the client.

**FINDING NUMBER 2023-006**

**Material Weakness**

All local public offices should integrate the budgetary accounts at the legal level of control or lower, into the financial accounting system. This means designing an accounting system to provide ongoing and timely information on unrealized budgetary receipts and remaining uncommitted balances of appropriations. Since there were no certified appropriation presented in the accounting records or filed with the County Auditor, all appropriation amounts posted to the accounting system are incorrectly stated along with estimated resources as no such document was filed with the county auditor.

Without information properly entered into the system, the management of the Township lost some degree of budgetary control. This also resulted in adjustments to the budgetary note disclosure.

We recommend the Fiscal Officer accurately post appropriations as approved by the Board of Trustees and filed with the County Auditor along with the certified revenues once filed with the county auditor into the computer system. This procedure will help ensure more useful comparisons of budget versus actual activity, as well as provide management with an accurate monitoring tool throughout the year.

**Client Response:** We have received no response from the client.

**ADAMS TOWNSHIP**  
**WASHINGTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS**  
**DECEMBER 31, 2023**

Finding Number	Finding Summary	Fully Corrected	Not Corrected, Partially Corrected Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2021-001	Finding for Adjustment Material Weakness Noncompliance Trustees salaries	No	Not Corrected - Refer to Findng 2023-001
2021-002	Finding for Adjustment Material Weakness Noncompliance Improper Postings	No	Not Corrected - Refer to Findng 2023-002
2017-004	Finding for Adjustment Material Weakness Noncompliance Interest in Permanent FD	No	Not Corrected - Refer to Findng 2023-002 Adjustment has not been made
2021-002	Material Weakness Financial Reporting	No	Not Corrected - Refer to Findng 2023-002
2021-003	Material Weakness Cemetery Fees	No	Not Corrected - Refer to Findng 2023-003
2021-004	Noncompliance ORC 5705.39 appropriations exceed estimated resources	Yes	Finding No Longer Valid

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# OHIO AUDITOR OF STATE KEITH FABER



ADAMS TOWNSHIP

WASHINGTON 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 8/26/2025

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](http://www.ohioauditor.gov)