



OHIO AUDITOR OF STATE
KEITH FABER



HOPEWELL TOWNSHIP
PERRY COUNTY

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OHIO AUDITOR OF STATE KEITH FABER



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

INDEPENDENT AUDITOR'S REPORT

Hopewell Township
Perry County
3520 Township Road 20
Glenford, Ohio 43739

To the Board of Trustees:

Report on the Audit of the Financial Statements

Unmodified, Qualified and Adverse Opinions

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

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for the General and Special Revenue Funds as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Additional Opinion Qualification on Regulatory Basis of Accounting

In our opinion, except for the possible effects of the matter described in the *Basis for Additional Opinion Qualification* section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for the Permanent Fund as of and for the years ended December 31, 2023 and 2022, and the related notes of Hopewell Township, Perry County, Ohio in accordance with the financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 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, 2023 and 2022, or the changes in financial position thereof for the years then ended.

Basis for Opinions

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

Basis for Additional Opinion Qualification

The Township's Permanent Fund balances are reported at \$1,260 and \$1,254 as of December 31, 2023 and 2022, respectively. We were unable to obtain sufficient appropriate audit evidence supporting the classification of the balances. Without maintaining the trust agreements to support this fund classification, we were unable to determine whether these amounts were bequeathed to hold in perpetuity for an individual or the cemetery overall. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

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.

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

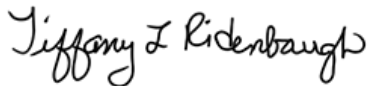
- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, 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 July 31, 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

July 31, 2025

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Hopewell Township
Perry 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, 2023*

	General	Special Revenue	Permanent	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$53,710	\$470,498	\$0	\$524,208
Charges for Services	0	199,711	0	199,711
Licenses, Permits and Fees	66,315	0	0	66,315
Intergovernmental	35,057	202,820	0	237,877
Earnings on Investments	695	0	6	701
Miscellaneous	0	23,736	0	23,736
<i>Total Cash Receipts</i>	<u>155,777</u>	<u>896,765</u>	<u>6</u>	<u>1,052,548</u>
Cash Disbursements				
Current:				
General Government	104,909	3,200	0	108,109
Public Safety	0	487,608	0	487,608
Public Works	81,000	401,162	0	482,162
Health	3,060	0	0	3,060
Debt Service:				
Principal Retirement	0	94,022	0	94,022
Interest and Fiscal Charges	0	18,196	0	18,196
<i>Total Cash Disbursements</i>	<u>188,969</u>	<u>1,004,188</u>	<u>0</u>	<u>1,193,157</u>
<i>Excess of Receipts Over Disbursements</i>	<u>(33,192)</u>	<u>(107,423)</u>	<u>6</u>	<u>(140,609)</u>
Other Financing Receipts (Disbursements)				
Other Financing Uses	(1,698)	0	0	(1,698)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(1,698)</u>	<u>0</u>	<u>0</u>	<u>(1,698)</u>
<i>Net Change in Fund Cash Balances</i>	<u>(34,890)</u>	<u>(107,423)</u>	<u>6</u>	<u>(142,307)</u>
<i>Fund Cash Balances, January 1</i>	<u>162,986</u>	<u>878,435</u>	<u>1,254</u>	<u>1,042,675</u>
<i>Fund Cash Balances, December 31</i>	<u>\$128,096</u>	<u>\$771,012</u>	<u>\$1,260</u>	<u>\$900,368</u>

See accompanying notes to the basic financial statements.

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Hopewell Township
Perry County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Hopewell Township, Perry 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, cemetery maintenance, fire protection and emergency medical services.

The Township participates in a public entity risk pool. Note 7 to the financial statements provide 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

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.

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:

Fire Levy Fund This fund received property tax money for the purpose of providing and maintaining fire apparatus and emergency ambulance and medical services.

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:

Permanent 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 cemetery. The Township was unable to supporting trust agreements to support the fund classification.

Basis of Accounting

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

Hopewell Township
Perry County
Notes to the Financial Statements
For the Year Ended December 31, 2023

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code §117.38 and Ohio Administrative Code 117-2-03 (D) 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. 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 carried over, and need not be reappropriated. The Township failed to adopt permanent appropriations, therefore any outstanding encumbrances at year-end are invalid.

A summary of 2023 budgetary activity appears in Note 4.

Deposits and Investments

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

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.

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.

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.

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.

Hopewell Township
Perry County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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

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

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

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

Note 3 – Compliance

Contrary to Ohio law, the Township did not approve permanent appropriations in 2023. Therefore, expenditures exceeded appropriations for all funds.

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2023 follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$166,400	\$155,777	(\$10,623)
Special Revenue	1,115,550	896,765	(218,785)
Permanent	6	6	0
Total	<u>\$1,281,956</u>	<u>\$1,052,548</u>	<u>(\$229,408)</u>

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$190,667	(\$190,667)
Special Revenue	0	1,004,188	(1,004,188)
Permanent	0	0	0
Total	<u>\$0</u>	<u>\$1,194,855</u>	<u>(\$1,194,855)</u>

Hopewell Township
Perry County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 5 – Deposits and Investments

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

	<u>2023</u>
Demand Deposits	\$873,536
Certificates of deposit	<u>26,832</u>
Total deposits	<u><u>\$900,368</u></u>

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Township.

Note 6 – Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts.

Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20. The County is responsible for assessing property and for billing, collecting, and distributing all property taxes on behalf of the Township.

Note 7 – Risk Management

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

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

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, if material

Hopewell Township
Perry County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2023.

Social Security

Some Township employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants. Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2023.

Note 9 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2023. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2023.

Note 10 – Debt

Debt outstanding at December 31, 2023, was as follows:

	Principal	<u>Interest Rate</u>
Tax Anticipation Note - Ambulance	\$ 44,000	3.32%
Tax Anticipation Note - Dump Truck	100,000	3.13%
Tax Anticipation Note - Fire Truck	<u>376,172</u>	2.80%
	<u><u>\$ 520,172</u></u>	

In 2020, the Township issued a Tax Anticipation Note for the purchase of an ambulance for use in providing emergency services to Township residents. The note is collateralized by the ambulance and the Township's taxing authority.

In 2021, the Township issued Tax Anticipation notes to finance the purchase of a new dump truck used for Township road maintenance. A promissory note was also issued in 2022 for the purchase of a Fire Truck for use in providing emergency services to township residents. The Township's taxing authority, dump truck and ambulance collateralized the notes.

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

Hopewell Township
Perry County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Year ending December 31:	Ambulance	Dump Truck	Fire Truck
2024	23,485	28,177	57,730
2025	22,741	27,376	56,366
2026	-	26,584	55,031
2027	-	25,792	53,696
2028	-	-	52,376
2027-2031	-	-	149,073
Total	\$ 46,226	\$ 107,929	\$ 424,272

Note 11 – COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may 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. During 2023, the Township received American Rescue Plan Act funding.

Note 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 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.

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. The Township had no outstanding encumbrances due to the Township not approving appropriations for fiscal year 2023.

Note 13 – 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.

Note 14 – Subsequent Event

On September 12, 2024, the Township established a lodging excise tax of 3% on all transactions by which lodging is or is to be furnished to transient guests by a hotel, in the unincorporated area of the Township effective January 1, 2025.

Hopewell Township
Perry 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, 2022*

	General	Special Revenue	Permanent	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$62,506	\$449,008	\$0	\$511,514
Charges for Services	0	138,410	0	138,410
Licenses, Permits and Fees	72,050	0	0	72,050
Intergovernmental	23,791	336,039	0	359,830
Earnings on Investments	741	0	6	747
Miscellaneous	2,931	39,063	0	41,994
<i>Total Cash Receipts</i>	<u>162,019</u>	<u>962,520</u>	<u>6</u>	<u>1,124,545</u>
Cash Disbursements				
Current:				
General Government	106,911	1,556	0	108,467
Public Safety	0	491,765	0	491,765
Public Works	75,692	198,835	0	274,527
Health	2,880	0	0	2,880
Capital Outlay	6,897	0	0	6,897
Debt Service:				
Principal Retirement	0	94,022	0	94,022
Interest and Fiscal Charges	0	9,531	0	9,531
<i>Total Cash Disbursements</i>	<u>192,380</u>	<u>795,709</u>	<u>0</u>	<u>988,089</u>
<i>Excess of Receipts Over Disbursements</i>	<u>(30,361)</u>	<u>166,811</u>	<u>6</u>	<u>136,456</u>
Other Financing Receipts (Disbursements)				
Transfers In	0	10,200	0	10,200
Transfers Out	(10,200)	0	0	(10,200)
Advances In	10,200	0	0	10,200
Advances Out	0	(10,200)	0	(10,200)
Other Financing Uses	(297)	0	0	(297)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(297)</u>	<u>0</u>	<u>0</u>	<u>(297)</u>
<i>Net Change in Fund Cash Balances</i>	<u>(30,658)</u>	<u>166,811</u>	<u>6</u>	<u>136,159</u>
<i>Fund Cash Balances, January 1</i>	<u>193,644</u>	<u>711,624</u>	<u>1,248</u>	<u>906,516</u>
<i>Fund Cash Balances, December 31</i>	<u>\$162,986</u>	<u>\$878,435</u>	<u>\$1,254</u>	<u>\$1,042,675</u>

See accompanying notes to the basic financial statements.

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Hopewell Township
Perry County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Hopewell Township, Perry 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, cemetery maintenance, fire protection and emergency medical services.

The Township participates in a public entity risk pool. Note 7 to the financial statements provide 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

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.

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:

Fire Levy Fund This fund received property tax money for the purpose of providing and maintaining fire apparatus and emergency ambulance and medical services.

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:

Permanent 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 cemetery. The Township was unable to supporting trust agreements to support the fund classification

Basis of Accounting

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

Hopewell Township
Perry County
Notes to the Financial Statements
For the Year Ended December 31, 2022

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code §117.38 and Ohio Administrative Code 117-2-03 (D) 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 Deof control, and appropriations may not exceed estimated resources. The Board of 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 carried over, and need not be reappropriated. The Township failed to adopt permanent appropriations, therefore any outstanding encumbrances at year-end are invalid.

A summary of 2022 budgetary activity appears in Note 4.

Deposits and Investments

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

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.

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.

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.

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.

Hopewell Township
Perry County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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

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

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

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

Note 3 – Compliance

Contrary to Ohio law, the Township did not obtain an Official Certificate of Estimated Resources from the Budget Commission in 2022. Additionally, the Township did not approve permanent appropriations in 2022. Because the Township did not certify the amount available to the budget commission, nor approve permanent appropriations, no Official or Amended Certificate of Estimated Resources were issued and therefore all appropriations exceed the amount certified as available by the budget commission during 2022 for all funds. Additionally, expenditures exceed appropriations for all funds.

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$0	\$162,019	\$162,019
Special Revenue	0	962,520	962,520
Permanent	0	6	6
Total	<u>\$0</u>	<u>\$1,124,545</u>	<u>\$1,124,545</u>

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$192,677	(\$192,677)
Special Revenue	0	795,709	(795,709)
Permanent	0	0	0
Total	<u>\$0</u>	<u>\$988,386</u>	<u>(\$988,386)</u>

Hopewell Township
Perry County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 5 – Deposits and Investments

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

	<u>2022</u>
Demand Deposits	\$1,015,843
Certificates of deposit	<u>26,832</u>
Total deposits	<u><u>\$1,042,675</u></u>

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Township.

Note 6 – Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts.

Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20. The County is responsible for assessing property and for billing, collecting, and distributing all property taxes on behalf of the Township.

Note 7 – Risk Management

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

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

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, if material

Hopewell Township
Perry County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Social Security

Some Township employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants. Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2022.

Note 9 – Postemployment Benefits

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

Note 10 – Debt

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

	Principal	<u>Interest Rate</u>
Tax Anticipation Note - Ambulance	\$ 66,000	3.32%
Tax Anticipation Note - Dump Truck	125,000	3.13%
Tax Anticipation Note - Fire Truck	423,194	2.80%
	<u>\$ 614,194</u>	

In 2020, the Township issued a Tax Anticipation Note for the purchase of an ambulance for use in providing emergency services to Township residents. The note is collateralized by the ambulance and the Township's taxing authority.

In 2021, the Township issued Tax Anticipation notes to finance the purchase of a new dump truck used for Township road maintenance.

A promissory note was also issued in 2022 for the purchase of a Fire Truck for use in providing emergency services to township residents.

The Township's taxing authority, dump truck and ambulance collateralized the notes.

Hopewell Township
Perry County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 10 – Debt (Continued)

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

Year ending December 31:	Ambulance	Dump Truck	Fire Truck
2023	24,222	28,961	59,035
2024	23,485	28,177	57,730
2025	22,741	27,376	56,366
2026	-	26,584	55,031
2027	-	25,792	53,696
2028-2031	-	-	201,449
Total	<u>\$ 70,448</u>	<u>\$ 136,890</u>	<u>\$ 483,307</u>

Note 11 – COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may 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. During 2022, the Township received American Rescue Plan Act funding.

Note 12 – Interfund Balances

During 2022, the Township converted a previously made advance to a Transfers. The Advance was originally made in 2017. This activity is presented on the Financial Statements as an Advance In and Transfer Out in the General Fund and an Advance Out and Transfer In in the Road & Bridge Fund for the amount of \$10,200.

Note 13 – 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 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.

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 including the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned. The Township had no outstanding encumbrances due to the Township not approving appropriations for fiscal year 2022.

Note 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.



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**

Hopewell Township
Perry County
3520 Township Road 20
Glenford, Ohio 43739

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 years ended December 31, 2023 and 2022 and the related notes to the financial statements of Hopewell Township, Perry County, Ohio (the Township) and have issued our report thereon dated July 31, 2025, wherein we noted the Township followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We qualified our opinion due to the lack of sufficient appropriate audit evidence supporting the amounts recorded as fund balance as of December 31, 2023 and 2022 for the Permanent Fund.

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 certain deficiencies in internal control, described in the accompanying Schedule of Findings as items 2023-001 through 2023-004 that we consider to be material weaknesses.

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 matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings as item 2023-003.

Township's Response to Findings

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

Purpose of this Report

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

KEITH FABER
Ohio Auditor of State



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

July 31, 2025

**HOPEWELL TOWNSHIP
PERRY COUNTY**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2023-001

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.

Our audit identified the following misstatements for the year ended December 31, 2023:

- A portion of a Homestead and Rollback Receipt from the State was incorrectly recorded in the General Fund rather than the Fire & EMS Special Levy Fund in the amount of \$10,026.
- State and Local Fiscal Recovery Fund disbursements were recorded as Other Financing Uses rather than Public Works in the amount of \$156,082.

Errors and omissions within the notes to the financial statements required revision due to incorrect or omitted information in the Debt and Fund Balance Notes for the years ending December 31, 2023 and 2022.

The reclassifications, adjustments and revisions noted above were agreed to by management, and the financial statements and notes to the financial statements have been adjusted accordingly. The Township has also posted the related adjustment to their accounting system.

In addition, other misstatements relating to mis-postings of receipts ranging from \$684 to \$9,380 were identified, however due to their immaterial nature, were not adjusted on the accompanying financial statements. These instances have been brought to the Township's attention.

The Township's financial statement oversight and review procedures were not sufficient to ensure activity was properly recorded and reported in the financial statements and notes to the financial statements, which resulted in the errors noted above. Oversight and review procedures are the responsibility of the Township and is essential to ensure the information provided to the readers of the 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 for oversight and reviews to identify and correct errors and omissions. In addition, the Township should review the financial statements and notes to the financial statements prior to submission for audit.

Officials' Response: We completed the adjustment. A further review of the financial statements and notes will be completed.

FINDING NUMBER 2023-002

Material Weakness

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

**HOPEWELL TOWNSHIP
PERRY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2023-002 (Continued)

Material Weakness (Continued)

The appropriation resolution and subsequent amendments establish the legal spending authority of the Township, and the appropriation ledger provides the process by which the Township controls spending, it is therefore necessary the amounts appropriated by the Board are precisely stated and accurately posted to the appropriation ledger.

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

The Township did not have procedures in place to accurately post authorized budgetary measures to the accounting system. The Township had appropriations posted to the accounting system in 2023 and 2022; however, as noted in Finding Number 2023-003, the Township could not provide evidence of appropriations approved by the Board. Additionally, the Township had estimated receipts posted to the accounting system in 2023 and 2022, however the Township did not obtain a Certificate of Estimated Resources for 2022. This resulted in adjustments, as approved by the Township, to the Budgetary note disclosures.

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

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

Officials' Response: We will review the budget vs. actual reports to help ensure amended certificates of resources and appropriations have been properly posted to the ledgers.

FINDING NUMBER 2023-003

Material Weakness and Noncompliance

Ohio Rev. Code § 5705.36(A)(1) provides, in part, on or about the first day of each fiscal year, the fiscal officer of each subdivision and other taxing unit shall certify to the County Auditor the total amount from all sources available for expenditures from each fund set up in the tax budget or, if adoption of a tax budget was waived under section 5705.281 of the Revised Code, from each fund created by or on behalf of the taxing authority.

The budget commission, taking into consideration the balances and revenues to be derived from taxation and other sources, shall revise its estimate of the amounts that will be credited to each fund from such sources, and shall certify to the taxing authority of each subdivision an amended official certificate of estimated resources.

**HOPEWELL TOWNSHIP
PERRY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2023-003 (Continued)

Material Weakness and Noncompliance (Continued)

Ohio Rev. Code § 5705.38 requires the taxing authority of each subdivision of other taxing unit shall pass an appropriation measure, and thereafter during the year it may pass any supplemental appropriation measures as it finds necessary, based on the revised tax budget or the official certificate of estimated resources or amendments of the certificate. If it desires to postpone the passage of the annual appropriation measure until an amended certificate is received based on the actual balances, it may pass a temporary appropriation measure for meeting the ordinary expenses of the taxing unit until no later than the first day of April.

For purposes of this section of the Ohio Rev. Code, estimated revenue is commonly referred to as “estimated resources” because it includes unencumbered fund balances.

Ohio Rev. Code § 5705.41(B) prohibits a subdivision or taxing authority unit from making any expenditure of money unless it has been appropriated in accordance with the Ohio Revised Code.

Due to inadequate policies and procedures over approving and monitoring budgetary requirements and budget activity, the Township had the following noncompliance:

- The Fiscal Officer did not certify to the County Auditor the total amount from all sources available for expenditures from each fund from the Budget Commission in 2023 and 2022. Additionally, the township did not obtain a certificate of estimated resources from the Budget Commission in 2022. Because the Township did not certify the amounts available to the budget commission no amended certificate of estimated resources was issued;
- Township failed to adopt permanent appropriations for 2023 and 2022;
- Due to the lack of approved appropriations, all Township expenditures exceeded appropriations for 2023 and 2022.

Failure to obtain the required amended certificate of estimated resources can lead to improper budgeting and limits the effectiveness of management monitoring. Failure to have adequate appropriations in place at the time expenditures are made could result in expenditures exceeding available resources, further resulting in deficit spending practices.

The Township should draft, approve, and implement procedures over budgetary compliance and budgetary activity. The Fiscal Officer should adopt annual permanent appropriations at the appropriate legal level of control by the required date as indicated in the Ohio Revised Code. The Township should compare appropriations to estimated resources and, if adequate resources are available for additional appropriations, the County should submit an amended certificate of estimated resources to the budget commission for certification. If the resources are not available to cover the appropriations, an amended to the appropriation resolution should be passed by the Trustees to reduce the appropriations. Finally, expenditures made should be compared to approved appropriations to ensure expenditures are not exceeding appropriations as to reduce the risk of overspending that could result in deficit balances.

Officials’ Response: We have been working with the County Auditor's office to ensure the required budgetary files are submitted and approved.

**HOPEWELL TOWNSHIP
PERRY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2023-004

Material Weakness

GASB Statement 54, paragraph 35 (GASB Codification 1300.108) states permanent funds should be used to 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—that is, for the benefit of the government or its citizenry. Permanent funds do not include private-purpose trust funds, which should be used to report situations in which the government is required to use the principal or earnings for the benefit of individuals, private organizations, or other governments.

The Township presented a cemetery endowment fund as a permanent fund, however, did not maintain original trust agreements to support the fund / account classification for financial reporting. Due to the lack of documentation, we were unable to obtain sufficient audit evidence to support the fund cash balances reported in the permanent fund.

The Permanent Fund represented 100% of the Permanent fund cash balance, with fund cash balances of \$1,260 and \$1,254 at December 31, 2023 and 2022, respectively. Without the original trust agreement(s), it is not possible to determine whether this fund should be presented as a Permanent Fund, Private Purpose Trust Fund, Special Revenue Fund, or Custodial Fund. The inability to determine if this fund balance was properly reported resulted in a modified opinion on the Township's financial statements.

The Township should consult their legal counsel to determine how to proceed with the classification of this fund. This would allow the Township to utilize restricted resources for the purpose they were donated. Failure to do so could also result in modified audit opinions in future engagements. For any new trust funds received, the Township should retain copies of the documentation establishing these trust funds to identify the original principal and purpose of each Trust. In addition, the Township would be able to identify whether or not the principal must be maintained in perpetuity and whether or not the trust is to benefit the Township or other organizations, governments, or individuals. Furthermore, the Township should review Governmental Accounting Standards Board (GASB) 1300 (GASB 54 codification), Auditor of State Bulletin 2011-004, and Auditor of State Bulletin 2020-003 (GASB 84 bulletin) for fund classification guidance.

Officials' Response: This was determined previously by previous counsel and the Board that this fund was set up correctly. I will do some more research to try to find that determination.

HOPEWELL TOWNSHIP
P.O.BOX 94
GLENFORD, OHIO 43739
740-659-2080

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2023 AND 2022**

Finding Number	Finding Summary	Status	Additional Information
2021-001	Material Weakness – Various adjustments and reclassifications were necessary to the financial statements	Not Corrected	The Township will post things more accurately by seeking additional training in this area and referring to the Township Handbook for guidance.
2021-002	Material Weakness – Budgetary Amounts (estimated resources and appropriations) posted to accounting system did not agree to those formally approved.	Not Corrected	The Township has this completed for 2024 and will complete for 2025.
2021-003	Noncompliance of Ohio Rev. Code 133.24(D) – Tax Anticipation Notes were not recorded in a bond retirement fund.	Partially Corrected, reported in Management Letter	Note was paid off in 2025.
2021-004	Noncompliance of Ohio Rev. Code 5705.36(A)(1), 5705.38, and 5705.41(B) – Failure to certify total amount from all sources available for expenditures and obtain a certificate of estimated resources, therefore did not receive amended certificate of estimated resources. Failure to adopt permanent appropriations, therefore all expenditures exceeded appropriations.	Not Corrected	The Township has this completed for 2024 and 2025 and are working with the County Auditor staff on this.

OHIO AUDITOR OF STATE KEITH FABER



HOPEWELL TOWNSHIP

PERRY 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 8/12/2025

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