

**JEFFERSON TOWNSHIP**

**NOBLE COUNTY, OHIO**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**





# OHIO AUDITOR OF STATE KEITH FABER



65 East State Street  
Columbus, Ohio 43215  
[ContactUs@ohioauditor.gov](mailto:ContactUs@ohioauditor.gov)  
800-282-0370

Township Trustees  
Jefferson Township  
38916 Sheep Skin Ridge Rd  
Lower Salam, OH 45745

We have reviewed the *Independent Auditor's Report* of the Jefferson Township, Noble County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2023 through December 31, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

KEITH FABER  
Ohio Auditor of State

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

December 17, 2025

**This page intentionally left blank.**

**JEFFERSON TOWNSHIP  
NOBLE COUNTY**

**TABLE OF CONTENTS**

<b><u>TITLE</u></b>	<b><u>PAGE</u></b>
Independent Auditor's Report .....	1
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types – For the Year Ended December 31, 2024 .....	4
Notes to the Financial Statements – 2024 .....	5
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types – For the Year Ended December 31, 2023 .....	12
Notes to the Financial Statements – 2023 .....	13
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	20
Schedule of Findings .....	22
Summary Schedule of Prior Findings (Prepared by Management) .....	23
Corrective Action Plan (Prepared by Management) .....	24

**This page intentionally left blank.**

**INDEPENDENT AUDITOR'S REPORT**

Jefferson Township  
Noble County  
38916 Sheep Skin Ridge Road  
Lower Salem, Ohio 45745

To the Board of Trustees:

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

***Qualified and Adverse Opinions***

We have audited the financial statements of Jefferson Township, Noble County, Ohio (the Township), which comprise the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements.

***Qualified Opinion 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 each governmental fund type as of and for the years ended December 31, 2024 and 2023, and the related notes of the Township, 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, 2024 and 2023, 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 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.

***Basis for Additional Opinion Qualification***

During prior audit periods from January 1, 2009 to December 31, 2010, and January 1, 2007 to December 31, 2008, the Township's audit report contained several adjustments that have not been made by the Township as of the date of this report. The cumulative effect of these adjustments not made would decrease the General Fund cash balance by \$22,027 and increase the Special Revenue Fund cash balance by \$22,027. The Township declined to make these adjustments.

***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 29, 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.



***Charles E. Harris & Associates, Inc.***  
July 29, 2025

**JEFFERSON TOWNSHIP  
NOBLE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND  
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$ 6,206	\$ 12,233	\$ 18,439
Intergovernmental	21,270	157,567	178,837
Miscellaneous	-	200	200
<i>Total Cash Receipts</i>	<i>27,476</i>	<i>170,000</i>	<i>197,476</i>
<b>Cash Disbursements</b>			
Current:			
General Government	13,258	23,083	36,341
Public Safety	9,668	-	9,668
Public Works	-	103,774	103,774
Health	-	6,132	6,132
Other	-	26,000	26,000
Debt Service:			
Principal Retirement	-	10,114	10,114
Interest and Fiscal Charges	-	2,183	2,183
<i>Total Cash Disbursements</i>	<i>22,926</i>	<i>171,286</i>	<i>194,212</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>4,550</i>	<i>(1,286)</i>	<i>3,264</i>
<b>Other Financing Receipts (Disbursements)</b>			
Other Financing Sources	4,365	-	4,365
<i>Total Other Financing Receipts (Disbursements)</i>	<i>4,365</i>	<i>-</i>	<i>4,365</i>
<i>Net Change in Fund Cash Balances</i>	<i>8,915</i>	<i>(1,286)</i>	<i>7,629</i>
<i>Fund Cash Balances, January 1</i>	<i>13,153</i>	<i>131,729</i>	<i>144,882</i>
<b>Fund Cash Balances, December 31</b>	<b><u>\$ 22,068</u></b>	<b><u>\$ 130,443</u></b>	<b><u>\$ 152,511</u></b>

The notes to the financial statements are an integral part of this statement.

**JEFFERSON TOWNSHIP**  
**NOBLE COUNTY**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2024*

---

**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Jefferson Township, Noble 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 contracts with the Caldwell Volunteer Fire Department to provide fire services.

***Public Entity Risk Pool***

The Township participates in Ohio Township Association Risk Management Authority (OTARMA), a public entity risk pool. Note 6 to the financial statements provide additional information for these entities. The Township's management believes these financial statements present all activities for which the Township is financially accountable.

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

***Basis of Presentation***

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

***Fund Accounting***

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

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

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

***Gas Tax Fund*** The gas tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

***Motor Vehicle License Tax Fund*** The motor vehicle license tax fund accounts for and reports that portion of motor vehicle license registration fees restricted for maintenance and repair of roads within the Township.

***Road and Bridge Fund*** The road and bridge fund receives property tax money for constructing, maintaining, and repairing Township roads and bridges.

**JEFFERSON TOWNSHIP**  
**NOBLE COUNTY**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2024*

---

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Basis of Accounting***

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

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

***Budgetary Process***

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

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

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

***Encumbrances*** The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled and reappropriated in the subsequent year.

A summary of 2024 budgetary activity appears in Note 3.

***Deposits and Investments***

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

***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.

***Leases***

The Township is the lessor in a lease (as defined by GASB 87) related to other equipment under noncancelable leases. Lease disbursements are recognized when they are paid.

**JEFFERSON TOWNSHIP**  
**NOBLE COUNTY**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2024*

---

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***SBITAs***

The Township has entered into noncancelable Subscription-Based Information Technology Arrangements (SBITA) contracts (as defined by GASB 96) for several types of software including contracts related to financial systems. Subscription disbursements are recognized when they are paid.

***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.

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

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

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 11.

**JEFFERSON TOWNSHIP**  
**NOBLE COUNTY**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2024*

---

**Note 3 – Budgetary Activity**

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

2024 Budgeted vs. Actual Receipts					
Fund Type	Budgeted		Actual		
	Receipts		Receipts		Variance
General	\$ 21,464		\$ 31,841		\$ 10,377
Special Revenue		165,049		170,000	4,951

  

2024 Budgeted vs. Actual Budgetary Basis Disbursements					
Fund Type	Appropriation		Budgetary		
	Authority		Disbursements		Variance
General	\$ 61,149		\$ 22,926		\$ 38,223
Special Revenue		270,196		171,286	98,910

**Note 4 – Deposits**

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

<b>Cash Management Pool:</b>	<b>2024</b>
Demand Deposits	<u>\$ 152,511</u>

The Township does not use a separate payroll clearing account. The disbursements included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2024, the Township is holding \$0 in unremitted employee payroll withholdings.

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation.

**JEFFERSON TOWNSHIP**  
**NOBLE COUNTY**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2024*

---

**Note 5 – Property Taxes**

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

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.

**Note 6 – Risk Management**

***Workers' Compensation***

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

***Risk Pool Membership***

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

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

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

	<b>2023</b>
Cash and Investments	\$ 33,494,457
Actuarial Liabilities	\$ 10,885,549

**JEFFERSON TOWNSHIP**  
**NOBLE COUNTY**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2024*

---

**Note 7 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

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

***Social Security***

Two Township employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

The 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, 2024.

**Note 8 – Postemployment Benefits**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2024, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2024, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

**Note 9 – Financed Purchases**

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

	Interest	
	Principal	Rate
Financed purchase	\$ 9,376	3.95%

The Township has entered into a financed purchase agreement for other equipment where ownership of the underlying asset transfers to the Township by the end of the contract. The Township disbursed \$12,297 to pay these costs for the year ended December 31, 2024.

**JEFFERSON TOWNSHIP**  
**NOBLE COUNTY**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2024*

---

**Note 9 – Financed Purchases (Continued)**

***Amortization***

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

Year Ending <u>December 31:</u>	Tractor Lease
2025	\$ 9,493
Total	<u>\$ 9,493</u>

**Note 10 – Contingent Liabilities**

The Township may be a defendant in lawsuits. Although management cannot presently determine the outcome of any suite, management believes that the resolution of any matter will not materially adversely affect the Township's financial condition.

**Note 11 – Fund Balances**

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the Township had no encumbrances outstanding.

The fund balance of special revenue funds is either restricted or committed. These restricted and committed amounts in the special revenue would include the outstanding encumbrances. In the general fund, outstanding encumbrances would be considered assigned.

**JEFFERSON TOWNSHIP  
NOBLE COUNTY**

**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	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$ 5,771	\$ 11,415	\$ 17,186
Intergovernmental	<u>19,363</u>	<u>155,896</u>	<u>175,259</u>
<i>Total Cash Receipts</i>	<i>25,134</i>	<i>167,311</i>	<i>192,445</i>
<b>Cash Disbursements</b>			
Current:			
General Government	22,559	23,480	46,039
Public Safety	968	-	968
Public Works	-	125,304	125,304
Health	-	4,500	4,500
Debt Service:			
Principal Retirement	-	10,114	10,114
Interest and Fiscal Charges	<u>-</u>	<u>2,183</u>	<u>2,183</u>
<i>Total Cash Disbursements</i>	<i>23,527</i>	<i>165,581</i>	<i>189,108</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>1,607</i>	<i>1,730</i>	<i>3,337</i>
<b>Other Financing Receipts (Disbursements)</b>			
Other Financing Sources	<u>284</u>	<u>-</u>	<u>284</u>
<i>Total Other Financing Receipts (Disbursements)</i>	<i>284</i>	<i>-</i>	<i>284</i>
<i>Net Change in Fund Cash Balances</i>	<i>1,891</i>	<i>1,730</i>	<i>3,621</i>
<i>Fund Cash Balances, January 1</i>	<i>11,262</i>	<i>129,999</i>	<i>141,261</i>
<b>Fund Cash Balances, December 31</b>	<b><u>\$ 13,153</u></b>	<b><u>\$ 131,729</u></b>	<b><u>\$ 144,882</u></b>

The notes to the financial statements are an integral part of this statement.

**JEFFERSON TOWNSHIP**  
**NOBLE 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 Jefferson Township, Noble 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 contracts with the Caldwell Volunteer Fire Department to provide fire services.

***Public Entity Risk Pool***

The Township participates in Ohio Township Association Risk Management Authority (OTARMA), a public entity risk pool. Note 6 to the financial statements provide additional information for these entities. The Township's management believes these financial statements present all activities for which the Township is financially accountable.

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

***Basis of Presentation***

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

***Fund Accounting***

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

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

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

***Gas Tax Fund*** The gas tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

***Motor Vehicle License Tax Fund*** The motor vehicle license tax fund accounts for and reports that portion of motor vehicle license registration fees restricted for maintenance and repair of roads within the Township.

***Road and Bridge Fund*** The road and bridge fund receives property tax money for constructing, maintaining, and repairing Township roads and bridges.

**JEFFERSON TOWNSHIP**  
**NOBLE COUNTY**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

---

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Basis of Accounting***

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

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

***Budgetary Process***

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

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

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

***Encumbrances*** The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled and reappropriated in the subsequent year.

A summary of 2023 budgetary activity appears in Note 3.

***Deposits and Investments***

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

***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.

**JEFFERSON TOWNSHIP**  
**NOBLE COUNTY**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

---

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Leases***

The Township is the lessor in a lease (as defined by GASB 87) related to other equipment under noncancelable leases. Lease disbursements are recognized when they are paid.

***SBITAs***

The Township has entered into noncancelable Subscription-Based Information Technology Arrangements (SBITA) contracts (as defined by GASB 96) for several types of software including contracts related to financial systems. Subscription disbursements are recognized when they are paid.

***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.

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

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

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 11.

**JEFFERSON TOWNSHIP**  
**NOBLE COUNTY**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

---

**Note 3 – Budgetary Activity**

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

2023 Budgeted vs. Actual Receipts					
Fund Type	Budgeted		Actual		
	Receipts		Receipts		Variance
General	\$ 18,450		\$ 25,418		\$ 6,968
Special Revenue		161,100		167,311	6,211

  

2023 Budgeted vs. Actual Budgetary Basis Disbursements					
Fund Type	Appropriation		Budgetary		
	Authority		Disbursements		Variance
General	\$ 55,310		\$ 23,527		\$ 31,783
Special Revenue		265,824		165,581	100,243

**Note 4 – Deposits**

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

<b>Cash Management Pool:</b>	<b>2023</b>
Demand Deposits	<u>\$ 144,882</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 insured by the Federal Deposit Insurance Corporation.

**JEFFERSON TOWNSHIP**  
**NOBLE COUNTY**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

---

**Note 5 – Property Taxes**

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

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.

**Note 6 – Risk Management**

***Workers' Compensation***

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

***Risk Pool Membership***

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

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

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

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

**JEFFERSON TOWNSHIP**  
**NOBLE COUNTY**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

---

**Note 7 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

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

***Social Security***

Two Township employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

The 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 8 – Postemployment Benefits**

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

**Note 9 – Financed Purchases**

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

	Interest	
	Principal	Rate
Financed purchase	\$ 19,490	3.95%

The Township has entered into a financed purchase agreement for other equipment where ownership of the underlying asset transfers to the Township by the end of the contract. The Township disbursed \$12,297 to pay these costs for the year ended December 31, 2023.

**JEFFERSON TOWNSHIP**  
**NOBLE COUNTY**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

---

**Note 9 – Financed Purchases (Continued)**

***Amortization***

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

Year Ending <u>December 31:</u>	Tractor Lease
2024	12,297
2025	9,493
Total	<u><u>\$ 21,790</u></u>

**Note 10 – Contingent Liabilities**

The Township may be a defendant in lawsuits. Although management cannot presently determine the outcome of any suite, management believes that the resolution of any matter will not materially adversely affect the Township's financial condition.

**Note 11 – Fund Balances**

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the Township had no encumbrances outstanding.

The fund balance of special revenue funds is either restricted or committed. These restricted and committed amounts in the special revenue would include the outstanding encumbrances. In the general fund, outstanding encumbrances would be considered assigned.

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

Jefferson Township  
Noble County  
38916 Sheep Skin Ridge Road  
Lower Salem, Ohio 45745

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued 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 of Jefferson Township, Noble County, Ohio (the Township) as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, and have issued our report thereon dated July 29, 2025, 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 qualified our opinion due to the Township not making prior period audit adjustments.

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

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings as item 2024-001 that we consider to be a material weakness.

Jefferson Township  
Noble County  
Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards*  
Page 2

***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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain other matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated July 29, 2025.

***Township's Response to Finding***

*Government Auditing Standards* requires the auditor to perform limited procedures on the Township's response to the finding identified in our audit and described in the accompanying Corrective Action Plan. The Township's response was not subjected to the other auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on the response.

***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.

*Charles E. Harris & Associates*

***Charles E. Harris & Associates, Inc.***  
July 29, 2025

**JEFFERSON TOWNSHIP  
NOBLE COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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

**FINDING 2024-001 – Material Weakness**

**Financial Reporting - Posting Receipts and Prior Year Audit Adjustments**

The Township should have procedures and controls in place to prevent and detect errors in financial reporting. During 2024 and 2023, Receipts were not always classified correctly, and the beginning fund balances did not match the ending audited fund balances. The following errors were noted:

**For 2024**

- Property Tax Rollback receipts received from the State of Ohio were improperly recorded as Property Tax in the General Fund in the amount of \$2,037 instead of Intergovernmental in the amounts of \$672 and \$1,365 in the General Fund and Special Revenue Funds respectively.

**For 2023**

- Property Tax Rollback receipts received from the State of Ohio were improperly recorded as Property Tax in the General Fund in the amount of \$1,892 instead of Intergovernmental in the amounts of \$624 and \$1,268 in the General Fund and Special Revenue Funds respectively.

Not posting receipts correctly resulted in the financial statements requiring reclassification and adjusting entries. The financial statements and Township's records reflect all adjustments and reclassifications.

There were adjustments from prior audits were not made by the Township:

- During January 1, 2009 to December 31, 2010, the Township paid various obligations from Special Revenue road funds, the Motor Vehicle License Tax Fund in the amount of \$3,461, the Gasoline Tax Fund in the amount of \$13,959, and the Road and Bridge Fund in the amount of \$946, that should have been paid from the General Fund, in the amount of \$18,366.
- During the years 2007 through 2010, the Township posted gasoline excise tax receipts in the amount of \$358 and \$2,368 to the General Fund and Motor Vehicle License Tax Fund, respectively, instead of the Gasoline Tax Fund. Also, a real estate settlement in the amount of \$3,303 was posted to the General Fund instead of the Road and Bridge Fund.

These errors resulted in misstatements to the financial statements as the Fiscal Officer has not posted these adjustments to the Township's Uniform Accounting Network (UAN) system and therefore, these adjustments are not reflected in the accompanying financial statements.

We recommend the Fiscal Officer refer to the Ohio Township Handbook, Uniform Accounting Network (UAN) manual and other Auditor of State guidance to determine the proper establishment of receipt accounts and proper posting. Also, to help ensure accuracy and reliability in the financial reporting process, we recommend management perform a detailed review of its draft financial statements and notes to the financial statements. Such review should include procedures to ensure that all receipts are properly identified and classified on the financial statements. We further recommend the Township post the prior year fund balance adjustments.

**Management's Response** – See Corrective Action Plan.

**JEFFERSON TOWNSHIP  
NOBLE COUNTY**

**SUMMARY SCHEDULE OF PRIOR FINDINGS –  
PREPARED BY MANAGEMENT  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2022-001	Finding for Adjustment/Noncompliance/Material Weakness – Related to the Township not making prior year audit adjustments	Not Corrected	N/A
2022-002	Finding for Adjustment/Noncompliance/Material Weakness – Related to the Township not making prior year audit adjustments.	Not Corrected	N/A
2022-003	Material Weakness- Posting approved Budgetary Information	Corrected	N/A

**JEFFERSON TOWNSHIP  
NOBLE COUNTY**

**CORRECTIVE ACTION PLAN  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(PREPARED BY MANAGEMENT)**

<b>Finding Number</b>	<b>Planned Corrective Action</b>	<b>Anticipated Completion Date</b>	<b>Responsible Contact Person</b>
2024-001	Fiscal Officer will follow guidance to properly post receipts and will make prior audit adjustments to the fund balances.	Immediately	Mary Guy – Fiscal Officer

# OHIO AUDITOR OF STATE KEITH FABER



JEFFERSON TOWNSHIP

NOBLE 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 12/30/2025

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)