

PICKAWAY TOWNSHIP

PICKAWAY COUNTY, OHIO

REGULAR AUDIT / SINGLE AUDIT

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



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

Members of the Board of Trustees
Pickaway Township
27905 Caldwell Rd
Circleville, OH 43113

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

Finding for Recovery Repaid Under Audit:

Ohio Rev. Code § 117.28 requires the Auditor of State to determine whether “public money has been illegally expended, any public money collected has not been accounted for, any public money due has not been collected, or any public property has been converted or misappropriated. . . .” Those determinations in an audit report constitute “findings for recovery.” Ohio Rev. Code § 9.24(H)(3).

Brian Barr, Fiscal officer processed OPERS payments late for November 2021 employee portion, six months of 2022 employer portions and four months of 2023 employer liability. As a result, the Township incurred and paid \$649.18 in penalties, late fees and interest. The failure to pay OPERS pension withholding payments timely is considered gross negligence. Late payment fees and related finance charges incurred through gross negligence are illegally expenditures which do not serve a proper public purpose. These late fee charges would have been avoided had the funds been remitted by the required due dates.

The fees for gross negligence occurring prior to 9/13/22 were \$147.33. Prior to 9/13/2022, a Township fiscal officer as a public official was strictly liable for all public money received or collected by them or their subordinates under color of law. Ohio Rev. Code § 9.39; *Cordray v. Internatl. Preparatory School*, 128 Ohio St.3d 50 (2010).

The fees for gross negligence occurring on or after 9/13/22 were \$501.85. Under Ohio Rev. Code 507.14, for loss of public funds occurring on or after 9/13/2022, a Township fiscal officer shall be liable only when a loss of public funds results from the township fiscal officer's or deputy fiscal officer's negligence or other wrongful act.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Brian Barr in the amount of \$649.18, and in favor of Pickaway Township, Pickaway County, General Fund, in the amount of \$649.18.

Members of the Board of Trustees
Pickaway Township
27905 Caldwell Rd
Circleville, OH 43113
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This amount was fully repaid by Mr. Barr on November 15, 2024.

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 Pickaway Township is responsible for compliance with these laws and regulations.



Keith Faber
Auditor of State
Columbus, Ohio

February 07, 2025

**PICKAWAY TOWNSHIP
PICKAWAY COUNTY, OHIO**

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FOR THE YEAR ENDED DECEMBER 31, 2023
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PICKAWAY TOWNSHIP

PICKAWAY COUNTY, OHIO

REGULAR AUDIT

**FOR THE YEAR ENDED
DECEMBER 31, 2023**

**PICKAWAY TOWNSHIP
PICKAWAY COUNTY, OHIO**

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Independent Auditor's Report

Pickaway Township
Pickaway County
6166 Zane Trail Rd.
Circleville, Ohio 43113

To the Members of the Board of Trustees:

Report on the Audit of the Financial Statement

Opinions

We have audited the accompanying financial statement of Pickaway Township, Pickaway County, Ohio, which comprises the cash balances, receipts, and disbursements for each governmental fund type as of and for the year ended December 31, 2023, and the related notes to the financial statement.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above present fairly, in all material respects, the cash balances, receipts, and disbursements for each governmental fund type of Pickaway Township, as of and for the year ended December 31, 2023, and the related notes to the financial statement, in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) as described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statement referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Pickaway Township, as of December 31, 2023, or changes in net position thereof for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Statement* section of our report. We are required to be independent of Pickaway 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 statement, the financial statement is prepared by Pickaway 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 a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 2 and GAAP, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statement

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

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Pickaway 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 Statement

Our objectives are to obtain reasonable assurance about whether the financial statement 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 generally accepted auditing standards 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 statement.

In performing an audit in accordance with generally accepted auditing standards 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 statement, 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 statement.
- 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 Pickaway 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 statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Pickaway Township's ability to continue as a going concern for a reasonable period of time.

Pickaway Township
Pickaway County
Independent Auditor's Report

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 October 28, 2024 on our consideration of Pickaway Township's internal control over financial reporting and on 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 Pickaway 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 Pickaway Township's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
October 28, 2024

Pickaway Township
Pickaway 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

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Permanent	
Cash Receipts				
Property and Other Local Taxes	\$ 230,970	\$ 118,042	\$ -	\$ 349,012
Charges for Services	-	290,001	-	290,001
Licenses, Permits and Fees	3,795	-	-	3,795
Intergovernmental	108,479	191,816	-	300,295
Earnings on Investments	3,812	-	-	3,812
Miscellaneous	1,032	35,100	-	36,132
<i>Total Cash Receipts</i>	<u>348,088</u>	<u>634,959</u>	<u>-</u>	<u>983,047</u>
Cash Disbursements				
Current:				
General Government	321,164	-	-	321,164
Public Safety	-	201,697	-	201,697
Public Works	-	367,127	-	367,127
Health	7,050	-	-	7,050
Capital Outlay	-	95,789	-	95,789
Debt Service:				
Principal Retirement	64,166	28,807	-	92,973
Interest and Fiscal Charges	592	3,907	-	4,499
<i>Total Cash Disbursements</i>	<u>392,972</u>	<u>697,327</u>	<u>-</u>	<u>1,090,299</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(44,884)</u>	<u>(62,368)</u>	<u>-</u>	<u>(107,252)</u>
Other Financing Receipts (Disbursements)				
Other Debt Proceeds	-	70,000	-	70,000
Sale of Assets	20,264	3,734	-	23,998
Other Financing Uses	-	(729)	-	(729)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>20,264</u>	<u>73,005</u>	<u>-</u>	<u>93,269</u>
<i>Net Change in Fund Cash Balances</i>	<u>(24,620)</u>	<u>10,637</u>	<u>-</u>	<u>(13,983)</u>
<i>Fund Cash Balances, January 1</i>	<u>262,587</u>	<u>348,433</u>	<u>1,352</u>	<u>612,372</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 237,967</u>	<u>\$ 359,070</u>	<u>\$ 1,352</u>	<u>\$ 598,389</u>

See accompanying notes to the financial statement

Pickaway Township
Pickaway County
Notes to the Financial Statement
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 Pickaway Township, Pickaway 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 has a contract to provide fire and ambulance services to Circleville Township.

Jointly Governed Organizations and Public Entity Risk Pools

The Township participates in a jointly governed organization and a public risk sharing pool. Notes 7 and 13 to the financial statement provides additional information for these entities.

The Township's management believes this financial statement presents all activities for which the Township is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Township's financial statement consists 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:

Gasoline 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.

Fire and Ambulance Fund This fund receives fire and ambulance contract for the operation of the volunteer fire and ambulance service.

Pickaway Township
Pickaway County
Notes to the Financial Statement
For the Year Ended December 31, 2023

Road and Bridge Fund This fund receives levy monies for constructing, maintaining and repairing Township roads and bridges.

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 permanent fund:

Cemetery Bequest Fund – The cemetery bequest fund accounts for and reports interest earned on the nonexpendable donation to the cemetery and is used for the general maintenance of the cemetery.

Basis of Accounting

The financial statement follows 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).

This statement includes 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 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

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.

Pickaway Township
Pickaway County
Notes to the Financial Statement
For the Year Ended December 31, 2023

Capital Assets

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

Leases

The Township is the lessor in various leases (as defined by GASB 87) related to equipment under noncancelable leases. Lease revenue/disbursements are recognized when they are received/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. For regulatory purposes, nonspendable fund balance includes the nonspendable portion of the corpus in permanent funds.

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

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

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

Pickaway Township
Pickaway County
Notes to the Financial Statement
For the Year Ended December 31, 2023

Note 3 – Budgetary Activity

Budgetary activity for the year ending 2023 follows:

2023 Budgeted Versus Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$333,757	\$368,352	\$34,595
Special Revenue	581,500	708,693	127,193
Total	<u>\$915,257</u>	<u>\$1,077,045</u>	<u>\$161,788</u>

2023 Budgeted Versus Actual Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$564,941	\$392,972	\$171,969
Special Revenue	858,894	698,056	160,838
Permanent	352	0	352
Total	<u>\$1,424,187</u>	<u>\$1,091,028</u>	<u>\$333,159</u>

Note 4 – Deposits

The Township maintains a deposit pool. The Ohio Revised Code prescribes allowable deposits. The carrying amount of deposits at December 31 was as follows:

	<u>2023</u>
Demand deposits	\$597,389
Certificates of deposit	<u>1,000</u>
Total deposits	<u>\$598,389</u>

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2023, with the exception of OPERS, the Township is holding unremitted employee payroll withholdings.

Deposits

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

Pickaway Township
Pickaway County
Notes to the Financial Statement
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 homestead and rollback deductions. The financial statement includes homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

Note 6 – Compliance

The Township did not record receipts in the proper funds in noncompliance with Ohio Revised Code Section 5705.10(I) and (D).

The Township did not comply with Ohio Administrative Code 117-2-02(D) regarding the required payroll records.

The Township did not file or remit federal withholding taxes in noncompliance with 26 US Code Sections 3102 and 3402.

The Township did not properly certify disbursements in noncompliance with Ohio Revised Code Section 5705.41(D).

The Township did not file or remit other withholdings (state and school district) taxes in noncompliance with Ohio Revised Code Sections 5747.06 and 5747.07(B).

The Township did not follow certain portions of the Sunshine Laws and Ohio Revised Code Sections 149.42 and 149.43.

The Township Fiscal Officer did not meet the requirements of Ohio Revised Code Section 135.14 with respect to continuing education requirements or exemption from, if applicable.

Pickaway Township
Pickaway County
Notes to the Financial Statement
For the Year Ended December 31, 2023

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 Township 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

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement

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 healthcare 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.

Note 9 – Postemployment Benefits

OPERS offers a 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.

Pickaway Township
Pickaway County
Notes to the Financial Statement
For the Year Ended December 31, 2023

Note 10 – Debt

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

	Principal
Ohio Public Works Commission	\$20,650
John Deere Lease	57,162
KNB - Tractor	13,870
Stryker	12,247
Total	<u>\$103,929</u>

During 2007 the Township entered into an Ohio Public Works Commission (OPWC) loan at 0% interest to finance the replacement of a Township road, to be repaid over a twenty-year period. During 2023 repayment was paid from the General fund and the Road and Bridge fund (Special Revenue Fund Type).

During 2018, the Township entered into a lease agreement to acquire a squad in the amount of \$256,855 with an annual payment being made over five years. The General fund paid the annual payment during 2023. There is no break down of principal and interest, all payments are applied to principal. This lease was retired in full in 2023.

During 2018, the Township entered into a loan agreement with Kansas State Bank (KS) to acquire a fill station in the amount of \$47,097 at 5.80% interest. The loan is to be repaid over a five year period. The General Fund paid the annual payment during 2023. This loan was retired in full in 2023.

During 2019, the Township entered into a loan agreement with KNB to acquire a Farmmall Tractor in the amount of \$66,018 at 3.00% interest, to be repaid over five years from the Road and Bridge fund (Special Revenue Fund Type).

During 2021, the Township entered into an agreement with Stryker to for life pack systems in the amount of \$18,370 at 0% interest to be repaid over three years from the Fire & Ambulance fund. The Township did not make its 2022 or 2023 payment as of the date of this report.

During 2023, the Township entered into an agreement with John Deere Leasing for a tractor at 4.25% interest in the amount of \$70,000 to be repaid over five years from the Road and Bridge fund (Special Revenue Fund Type).

Amortization

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

Year Ending December 31:	OPWC	Stryker	John Deere Lease	KNB - Tractor
2024	\$5,162	\$12,247	\$15,871	\$14,287
2025	5,162	0	15,871	0
2026	5,162	0	15,871	0
2027	5,164	0	15,871	0
Total	<u>\$20,650</u>	<u>\$12,247</u>	<u>\$63,484</u>	<u>\$14,287</u>

Pickaway Township
Pickaway County
Notes to the Financial Statement
For the Year Ended December 31, 2023

Note 11 – Fund Balances

Included in fund balance are amounts the Township cannot spend, including the unexpendable corpus of the permanent funds. At year end, the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Permanent	Total
Nonspendable - Corpus	\$ -	\$ -	\$ 1,000	\$ 1,000
Total	\$ -	\$ -	\$ 1,000	\$ 1,000

The fund balance of special revenue funds is either restricted or committed. 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 and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned. The Township had no outstanding encumbrances at December 31, 2023.

Note 12 – Contingent Liabilities

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

Note 13 – Jointly Governed Organization

The City of Circleville - Pickaway Township Joint Economic Development District, Pickaway County, Ohio (the "District") is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District was formed in accordance with Ohio Revised Code (ORC) Sections 715.70 through 715.72 as a result of an agreement between the City of Circleville and Pickaway Township (the "JEDD Agreement"). The District is directed by a five member board of directors. The District's purpose is to promote economic development to create and/or preserve jobs and employment opportunities and to improve the economic welfare of the people of the State of Ohio, Pickaway County, City of Circleville and Pickaway Township. The District's geographic area is located entirely in Pickaway Township, Ohio and the primary source of revenue is a tax on income earned in the District. The Township received \$66,401, under the JEDD Agreement during 2023, which is included in the General Fund as Intergovernmental revenue.

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in Accordance With
*Government Auditing Standards***

Pickaway Township
Pickaway County
6166 Zane Trail Rd.
Circleville, Ohio 43113

To the Members of 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, the financial statement of the cash balances, receipts, and disbursements for each governmental fund type of Pickaway Township, Pickaway County, Ohio, as of and for the year ended December 31, 2023 and the related notes to the financial statement and have issued our report thereon dated October 28, 2024, wherein we noted Pickaway Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered Pickaway Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of Pickaway Township's internal control. Accordingly, we do not express an opinion on the effectiveness of Pickaway 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 Pickaway Township's financial statement 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 and responses as items 2023-001 through 2023-008 and 2023-010 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Pickaway Township's financial statement is 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 statement. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2023-002 through 2023-007 and 2023-009.

Pickaway Township

Pickaway County

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Pickaway Township's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Pickaway Township's responses to the findings identified in our audit and described in the accompanying schedule of findings and responses. Pickaway Township's responses were not subjected to the other auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on these 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 Pickaway 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 Pickaway Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.

October 28, 2024

**PICKAWAY TOWNSHIP
PICKAWAY COUNTY, OHIO**

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

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

Material Weakness - Financial Reporting

Accurate financial reporting is required in order to provide management and other stakeholders with objective and timely information to enable well-informed decisions. Presentation of materially correct financial statements and the related footnotes is the responsibility of management. This responsibility remains intact even if management decides to outsource this function for efficiency purposes or any other reason. In either case, it is important that control procedures are developed related to the financial statements that enable management to identify, prevent, detect and correct potential misstatements in the financial statements and footnotes. In general, an accounting and information system should be designed to provide management with accurate and timely information.

The following adjustments were made to the financial statements and notes:

- General Fund: other financing sources were decreased \$32,773, sale of assets were increased \$20,264, miscellaneous receipts were increased \$1,032, and cash was decreased \$11,477; Special Revenue Fund Type (Motor Vehicle License Tax Fund): intergovernmental receipts were increased \$10,595 and cash was increase \$10,595; Special Revenue Fund Type (Gasoline Tax Fund): intergovernmental receipts were increased \$480 and cash was increase \$480; Special Revenue Fund Type (Road and Bridge Fund): other financing sources were decreased \$3,834, sale of assets were increased \$3,734, and miscellaneous receipts were increased \$100; and Special Revenue Fund Type (Permissive Fund): intergovernmental receipts were increased \$402 and cash was increase \$402. These adjustments were necessary to correct the coding of various receipts.
- General Fund: property tax receipts were increased \$27,649, general government disbursements were increased \$26,410, intergovernmental receipts were increased \$20,518, and cash was increased \$21,757. These adjustments were necessary to correct the coding of property tax and homestead and rollback receipts.
- Special Revenue Fund Type (Road & Bridge Fund): property tax receipts were decreased \$31,466, public works disbursements were increased \$1,888, intergovernmental receipts were increased \$11,597, and cash was decreased \$21,757. These adjustments were necessary to correct the coding of property tax and homestead and rollback receipts.
- General Fund: property tax receipts were decreased and intergovernmental receipts were increased \$66,401, to properly record JEDD receipts.
- General Fund: principal retirement was increased \$64,166, interest disbursements were increased \$592, general government disbursements decreased \$64,758; Special Revenue Fund Type (Road and Bridge Fund): principal retirement was increased \$15,419, interest disbursements was increased \$3,033, capital outlay disbursements were decreased \$15,871, and public works disbursements were decreased \$2,581; Special Revenue Fund Type (Permissive Motor Vehicle License Tax Fund): principal retirement was increased \$13,388, interest disbursements were increased \$874, and public works disbursements were decreased \$14,262. Further, Special Revenue Fund Type (Road & Bridge Fund): other debt proceeds receipts and capital outlay were increased \$70,000 to properly record the lease agreement for a new tractor. These adjustments were to properly record debt activity.

The Township has posted all cash (fund balance) adjustments to its financial accounting system.

Control procedures not properly developed related to the financial statements limits management's ability to identify, prevent, detect, and correct potential misstatements in the financial statements and footnotes. Additionally, management will not have the necessary information to make timely and well-informed business decisions.

**PICKAWAY TOWNSHIP
PICKAWAY COUNTY, OHIO**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (Continued)	
Finding Number	2023-001 – (continued)

We recommend the Township implement additional control procedures that enable management to more timely prevent or detect and correct potential misstatements in the financial statements and related notes prior to presenting them to the auditors. A second review of the monthly cash activity and financial statements by someone other than the individual preparing them would be beneficial.

Client Response: The Township Fiscal Officer will more closely examine their report prior to filing with HINKLE and will work toward more accurate presentation in the future.

Finding Number	2023-002
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Material Weakness/Noncompliance – Receipt of Funds

Ohio Revised Code Section 5705.10(I) requires money paid into any fund shall be used only for the purposes for which such fund is established. Ohio Revised code Section 5705.10(D) states, in part that all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose.

The Township did not record receipts in the proper funds in relation to certain property taxes, homestead and rollback, permissive tax, and license and gas tax receipts. Adjustments were made to the financial statements related to this, see Finding 2023-001.

Not posting receipts in the proper funds can distort fund balances that are available for management to review and/or use for future disbursements.

We recommend the Township closely monitor the monthly reports to ensure the proper amounts are paid into and out of (if applicable) the proper funds.

Client Response: We will establish additional controls in 2024 to ensure receipts are posted to the proper funds.

Finding Number	2023-003
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Material Weakness/Noncompliance – Payroll Records

Ohio Admin. Code Section 117-2-02(D) provides all local public offices may maintain accounting records in a manual or computerized format. The records used should be based on the nature of operations and services the public office provides and should consider the degree of automation and other factors. Further, all local public offices should maintain or provide a report similar to the following accounting records:

a. Payroll records including:

- i. W-2's, W-4's and other withholding records and authorizations;
- ii. Payroll journal that records, assembles and classifies by pay period the name of employee, social security number, hours worked, wage rates, pay date, withholdings by type, net pay and other compensation paid to an employee (such as a termination payment), and the fund and account charged for the payments;

**PICKAWAY TOWNSHIP
PICKAWAY COUNTY, OHIO**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (Continued)	
Finding Number	2023-003 - (Continued)

- iii. Check register that includes, in numerical sequence, the check number, payee, net amount, and the date;
- iv. Information regarding nonmonetary benefits such as car usage and life insurance; and,
- v. Information, by employee, regarding leave balances and usage.

While the Township did maintain accounting records, regarding the payment of payroll, the Township lacked proper payroll records consisting of evidence of filing certain withholding and employer portion of payroll taxes. Additionally, the amounts for employee gross and withholdings, and net were originally only maintained on the check stubs.

The Township failed to file and submit payment for certain Federal, State, and School District payroll withholdings and applicable employer portions for payroll paid. Additionally, we were unable to be provided copies of filed W-3 and W-2s.

Lack of filing and making payments timely of certain payroll withholding and employer match payments could put the Township at risk for penalties and interest and additionally could lead to a more costly audit and increases the risk for misappropriations.

We recommend that the Township contact the applicable agencies and arrange to file and make payment or outstanding payroll tax withholdings and applicable employer match payments.

Client Response: The Fiscal Officer will work with the applicable agencies to file the late remittances. Additionally, the Township is beginning the process to utilize the UAN Payroll system.

Finding Number	2023-004
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Material Weakness/Noncompliance – Federal Withholdings

26 US Code Sections 3102 and 3402 require the employing government to withhold federal and employment-related taxes (such as Medicare and Social Security) from each employee. Furthermore, these chapters hold employers liable for reporting and payment of these taxes.

The Township did not file nor submit timely Federal withholdings and applicable employer match reports and payments to the IRS for the entire year. Total estimated withheld but unremitted and unpaid is \$7,800 for the year.

Lack of filing timely reports and taxes due to the IRS may result in additional fines and penalties.

We recommend that the Township contact the IRS and work to immediately submit all Federal withholdings/employer portions of taxes to the IRS in a timely fashion.

Client Response: The Fiscal Officer will work with the IRS and a CPA firm (if necessary) to resolve any discrepancies and expects to have all filings and remittances resolved. Additionally, the Township is beginning the process to utilize the UAN Payroll system.

**PICKAWAY TOWNSHIP
PICKAWAY COUNTY, OHIO**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (Continued)	
Finding Number	2023-005

Material Weakness/Noncompliance – Purchase Orders

Ohio Revised Code Section 5705.41(D) requires that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer certifying that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

Certain examined disbursements were either, not certified in a timely manner, or the purchase order was not signed/certified, or purchase orders were unable to be located/provided for the year.

Without timely certification, the Township may expend more funds than available in the treasury, or in the process of collection, or appropriated. This may also result in unnecessary purchases.

We recommend that all orders or contracts involving the expenditure of money be timely certified to ensure all monies expended are lawfully appropriated and available in the treasury or in the process of collection. The Township may also use “Then & Now” certification to approve a purchase order, when applicable.

Client Response: The Township will develop additional procedures to help ensure purchases are authorized through timely and appropriate purchase orders.

Finding Number	2023-006
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Material Weakness/Noncompliance – Other Withholdings

Ohio Revised Code Section 5747.06 requires every employer, including political subdivisions, maintaining an office or transacting business within this state and making payment of any compensation to any employee who is a taxpayer shall deduct and withhold from such compensation for each payroll period a tax computed in such manner as to result, as far as practicable, in withholding from the employee’s compensation during each calendar year an amount substantially equivalent to the tax reasonably estimated to be due from the employee under this chapter and Chapter 5748 of the Revised Code with respect to the amount of such compensation included in the employee’s adjusted gross income during the calendar year.

Ohio Revised Code Section 5747.07(B) provides that, with certain exceptions, every employer is required to deduct and withhold any amount under Ohio Revised Code Section 5747.06 shall file a return and shall pay the amount required by law in accordance with guidelines provided by this section.

The Township did not remit any required State and School District income tax withholdings to the required agencies for the entire year. Total estimated unremitted and unpaid for both years is estimated at \$2,700 for Ohio withholdings and \$800 for School District withholdings.

Lack of filing timely reports and taxes due to the applicable agencies may result in additional fines and penalties.

We recommend that the Township immediately contact the agencies delinquent and submit/remit any filings/payments due for employee withholding taxes.

**PICKAWAY TOWNSHIP
PICKAWAY COUNTY, OHIO**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (Continued)	
Finding Number	2023-006 - (Continued)

Client Response: The Fiscal Officer will work with the applicable agencies and will work with a CPA firm (if necessary) to resolve any discrepancies and expects to have all filings and remittances resolved. Additionally, the Township is beginning the process to utilize the UAN Payroll system.

Finding Number	2023-007
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Material Weakness/Noncompliance – Sunshine Laws

Ohio Sunshine Laws governed by certain Ohio Revised Code Sections in part require the following:

- (1) Ohio Revised Code Section 149.43(B)(2) requires the Township to have a copy of its current records retention schedule at a location readily available to the public.
- (2) Ohio Revised Code Section 149.43(E)(2) requires the Township to have a public records policy and acknowledgement of the public record policy by the records custodian.
- (3) Ohio Revised Code Section 149.43(E)(2) requires the Township to create a poster describing their public records policy and shall post it in a conspicuous place in all public locations of that office.
- (4) Ohio Revised Code Section 149.42 requires the appropriate records commission to review the schedules of records retention and disposition, as well as any applications for one-time disposal of obsolete records. This commission shall meet once every twelve months and upon the call of the chairperson.

We noted the following conditions:

- (1) The Township was unable to provide evidence of its current records retention schedule at a location readily available to the public.
- (2) The Township was unable to provide a public records policy, thus it could not be acknowledged by the records custodian.
- (3) The Township did not have a poster that described their public records policy posted in a conspicuous location in their public office.
- (4) The Township was unable to provide evidence that the appropriate records commission reviewed the schedules of records retention and disposition, as well as any applications for the one-time disposal of obsolete records nor that this commission met every twelve months and upon the call of the chairperson.

The effect of the above conditions are as follows:

- (1) By not maintaining a current records retention schedule at a location readily available to the public, the Township risks prematurely disposing essential documents.
- (2) By not having a public records policy that is acknowledged by the custodian of the public records, the Township could risk not properly completing a request or informing the public of the appropriation information regarding its public records
- (3) By not posting a poster of the public records policy, the community could not be aware of the Township's policy.
- (4) By not maintaining an appropriate records commission that reviews the schedules of records retention and disposition, as well as any applications for the one-time disposal of obsolete records and meets once every twelve months and upon the call of the chairperson, the Township risks prematurely disposing of essential documents.

**PICKAWAY TOWNSHIP
PICKAWAY COUNTY, OHIO**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (Continued)	
Finding Number	2023-007 - (Continued)

We recommend the following:

- (1) We recommend the Township maintain a current records retention schedule at a location readily available to the public, to assist the public in knowing what records are available and or when they are expected to be submitted for proper disposal.
- (2) We recommend the Township clearly identify its public records custodian and have them review and acknowledge the policy by signing a copy and maintaining it in their personnel file.
- (3) We recommend the Township create a poster of the adopted public records policy to display in the Township office.
- (4) We recommend that a public records commission be established and meet regularly as prescribed in the Ohio Revised Code to assist in proper disposal of applicable records.

Client Response: The Fiscal Officer will review the public record laws and work to ensure the Township meets all the requirements.

Finding Number	2023-008
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Material Weakness – Service Organization

When designing the public office's system of internal control and the specific control activities, management should:

- Ensure that all transactions are properly authorized in accordance with management's policies.
- Ensure that accounting records are properly designed
- Ensure adequate security of assets and records
- Plan for adequate segregation of duties or compensating controls
- Verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records
- Perform analytical procedures to determine the reasonableness of financial data
- Ensure the collection and compilation of that data needed for the timely preparation of financial statements
- Monitor activities performed by service organizations.

The Township has delegated ambulance service billing processing, which is a significant accounting function to a third-party administrator (Medicount Management, Inc.). SSAE No. 16 requires service organizations to have a report conducted in accordance with American Institute of Certified Public Accountants' (AICPA) standards by a firm registered and considered in "good standing" with the Accountancy Board of the respective state.

Medicount Management, Inc. does have the SSAE No. 16 report, however the Township did not review the report. Furthermore, the Township has not implemented internal controls to monitor the ambulance service billing process.

Lack of internal controls over EMS receipts could result in missing receipts or recording receipts that are not due to the Township.

**PICKAWAY TOWNSHIP
PICKAWAY COUNTY, OHIO**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (Continued)	
Finding Number	2023-008 - (Continued)

The Township should implement internal control measures to monitor the ambulance service billing process. The Township should receive or request monthly EMS billing reports from Medicount Management, Inc, and document supervisory review of these monthly reports. To improve internal controls, we recommend that the Township document their review of the monthly billing reports received from Medicount Management, Inc.. The monthly billing reports should be marked with the reviewer's initials (or signature) and the date. The monthly billing reports should also be compared to the EMS run sheets or run logs to ensure they are accurate and complete. Additionally, the Township should reconcile to the receipts received and posted by the Township and report to Medicount Management, Inc. as received to ensure all revenue is reported correctly by Medicount on the monthly reports.

Client Response: The Township Fiscal Officer will work to develop internal controls over the EMS receipts and request and review annual SSAE No. 16 reports.

Finding Number	2023-009
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Noncompliance

Subdivision treasurers must complete annual continuing education programs provided by the Treasurer of State (TOS). The TOS issues certificates indicating that the treasurer has successfully completed the continuing education program.

The continuing education requirement does not apply to a subdivision treasurer who annually provides a notice of exemption to the Auditor of State, certified by the Treasurer of State (and confirmable through the TOS searchable database weblink below) that the treasurer is not subject to the continuing education requirements because the treasurer invests or deposits public funds in the following investments only (Ohio Rev. Code § 135.22):

- (1) Interim deposits pursuant to Ohio Rev. Code §§ 135.14(B)(3) or 135.145 (CDAR and similar programs);
- (2) STAR Ohio pursuant to Ohio Rev. Code § 135.14(B)(6);
- (3) No-load money market mutual funds pursuant to Ohio Rev. Code § 135.14 (B)(5)

Because the Township only has interim deposits they are not required to take the TOS required training course. However, an exemption should be filed with the AOS.

During testing of compliance, it was noted that the Fiscal Officer was unable to provide a training exemption.

Not submitting the exemption would result in it appearing that training should have been completed.

We recommend that the Fiscal Officer annually obtain the required training or provide a notice of exemption, if applicable.

Client Response: The Fiscal Officer will obtain the required training in 2024 or apply for an exemption certificate.

**PICKAWAY TOWNSHIP
PICKAWAY COUNTY, OHIO**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (Continued)	
Finding Number	2023-010

Material Weakness – Disbursements

When designing the public office’s system of internal control and the specific control activities, management should:

- Ensure that all transactions are properly authorized in accordance with management’s policies.
- Ensure that accounting records are properly designed
- Ensure adequate security of assets and records
- Plan for adequate segregation of duties or compensating controls
- Perform analytical procedures to determine the reasonableness of financial data
- Ensure the collection and compilation of that data needed for the timely preparation of financial statements
- Payments should be absent of any late penalties or interest accrued due to late payments
- Records should include all support for the payment secured to the voucher and organized in a chronological order

Late Fees, Penalties, and Interest Paid:

Public funds were used to pay late fees. The Township paid \$401 in late fees, penalties and interest to Ohio Public Employers Retirement System for late filings and submission of withholding payments. The Township Fiscal Officer has reimbursed the Township this amount in 2024.

Disbursements:

The Township disbursements were not maintained in an orderly fashion (ie. check order number) and certain disbursements lacked supporting invoices upon initial review.

Improper use of funds (late fees, penalties, and interest paid) was not detected in a timely manner by the Township’s internal controls and represents a material weakness in the Township’s internal control environment which caused misuse of Township monies. Lack of original supporting documentation and documentation in an orderly fashion caused the audit to extend past the original due date.

To ensure public monies are used for the purposes for which they were raised, Township management should review the Ohio Revised Code and perform a more detailed review of purchases before they are made. Professional services should be sought out if management is unsure of a financial decision. We further recommend the Township develop internal controls to ensure all payments are presented and approved with original supporting documentation. Disbursements should be organized in chronological order with notations of any missing items and the reason for the item missing.

Client Response: The Township Fiscal Officer will develop a more thorough and organized system for disbursements and review items closer prior to payment to ensure no late fees are paid.

**PICKAWAY TOWNSHIP
PICKAWAY COUNTY, OHIO**

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

Finding Number	Year Initially Occurred	Finding Summary	Status	Additional Information
2022-001	2007	<u>Material Weakness – Financial Reporting:</u> Sound financial reporting is the responsibility of the fiscal officer and Board of Trustees and is essential to ensure information provided to the readers of the financial statements is complete and accurate. Material and immaterial misstatements were identified during the course of the audit which have not been prevented or detected by the Township’s internal controls over financial reporting.	Not Corrected	Repeated as Finding 2023-001; as adjustments to the financial statements and related notes were necessary to properly state financial activity.
2022-002	2021	<u>Material Weakness/Noncompliance – Integration of Budgetary Information:</u> Ohio Administrative Code 117-2-02(C)(1) states that all public offices should integrate the budgetary accounts, at the legal level of control or lower, into the financial accounting system. This means designing an accounting system to provide ongoing and timely information on unrealized budgetary receipts and remaining uncommitted appropriation balances. By not correctly including accurate (approved) budgetary accounts into the financial software, it could become challenging for the Township to easily monitor its budgeted activity in comparison with its actual amounts. The Township is also at risk for overspending in excess of available funds, which could possibly result in negative fund balances. The Township did not integrate certain budgetary information into its financial accounting system.	Corrective Action Taken and Finding is Fully Corrected	N/A
2022-003	2017	<u>Material Weakness/Noncompliance - Receipt of Funds:</u> Ohio Revised Code 5705.10(I) and (D) state that money paid into a fund shall only be used for the purposes for which the fund is established. The Township recorded property taxes and homestead and rollback receipts in improper funds.	Not Corrected	Repeated as Finding 2023-002; as the Township did not record receipts in the proper funds in relation to certain property taxes, homestead and rollback, permissive tax, and license and gas tax receipts.

**PICKAWAY TOWNSHIP
PICKAWAY COUNTY, OHIO**

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

Finding Number	Year Initially Occurred	Finding Summary	Status	Additional Information
2022-004	2021	<u>Material Weakness/Noncompliance - Certification of Fund Balances:</u> Ohio Revised Code Section 5705.36, in part, requires Fiscal Officers to certify to the County Auditor the total amount from all sources which are available for expenditures from each fund in the tax budget along with any unencumbered balances that existed at the end of the preceding year. Furthermore, it requires subdivisions to request increased or reduced amended certificates of estimated resources upon determination by the fiscal officer that revenue to be collected be greater or less than the amount in the last certified amended certificate. By not accurately certifying beginning unencumbered balances and timely amending its certificate of estimated resources to the County Auditor, the Township is basing appropriation and expenditure decisions on outdated information. The Township did not properly certify beginning unencumbered fund balances, obtain any or enough amended certificates and had appropriations in excess of estimated resources.	Corrective Action Taken and Finding is Fully Corrected	N/A
2022-005	2021	<u>Material Weakness/Noncompliance – Payroll Records:</u> Ohio Admin. Code Section 117-2-02(D) provides all local public offices may maintain accounting records in a manual or computerized format. The records used should be based on the nature of operations and services the public office provides and should consider the degree of automation and other factors. While the Township did maintain accounting records, regarding the payment of payroll, the Township lacked proper payroll records consisting of evidence of filing certain withholding and employer portion of payroll taxes.	Not Corrected	Repeated as Finding 2023-003; as the Township lacked proper payroll records consisting of evidence of filing certain withholding and employer portion of payroll taxes and additionally, the amounts for employee gross and withholdings, and net were only originally maintained on the check stubs.

**PICKAWAY TOWNSHIP
PICKAWAY COUNTY, OHIO**

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

Finding Number	Year Initially Occurred	Finding Summary	Status	Additional Information
2022-006	2017	<u>Material Weakness/Noncompliance - Federal Withholdings:</u> 26 US Codes require the withholding of employment related taxes and the filing of certain forms and the timely remittance of withholdings and applicable employer matches. The Township was unable to provide filed 941 quarterly reports and proof of remitted withholdings and applicable employer matches. Federal taxes were withheld from employees' and elected official's wages. However, there was no indication or documentation that the amounts withheld were remitted.	Not Corrected	Repeated as Finding 2023-004; as the Township did not file nor submit timely Federal withholdings and applicable employer match reports and payments to the IRS.
2022-007	2013	<u>Material Weakness/Noncompliance - Purchase Orders:</u> Ohio Revised Code 575.41(D) requires that no expenditure of monies be made unless a certification of the fiscal officer certifying appropriation. The Township's Fiscal Officer did not certify the availability of funds prior to making commitments in noncompliance with Ohio Revised Code Section 5705.41(D). Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.	Not Corrected	Repeated as Finding 2023-005; as certain examined disbursements were either, not certified in a timely manner, or the purchase order was not signed/certified, or purchase orders were unable to be located/provided.
2022-008	2017	<u>Material Weakness/Noncompliance – Other Withholdings:</u> Ohio Revised Code Section 5747.06 and .07(B) require certain withholdings and remittances from employees salary for state and school district income taxes. State income taxes were withheld from employees' and elected official's wages. However, there was no indication or documentation that the amounts withheld were remitted.	Not Corrected	Repeated as Finding 2023-006; as the Township did not remit all required State and School District income tax withholdings to the required agencies.
2022-009	2017	<u>Material Weakness/Noncompliance – Sunshine Laws:</u> The Township did not comply with various Sunshine Laws : 149.43(B)(2) - record retention schedule, 149.43(E)(2) - public record policy acknowledgment and posted poster, and 149.42 - record commission and schedules of records retention and dispositions, which caused noncompliance with other Sunshine Laws.	Not Corrected	Repeated as Finding 2023-007; as the Township did not comply with various requirements of the Sunshine Laws.

**PICKAWAY TOWNSHIP
PICKAWAY COUNTY, OHIO**

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

Finding Number	Year Initially Occurred	Finding Summary	Status	Additional Information
2022-010	2017	<u>Material Weakness – Service Organization:</u> When delegating internal controls over specific activities, management should monitor activities performed by service organizations. The Township has delegated ambulance service billing processing, which is a significant accounting function to a third-party administrator (Medicount). The Township has not implemented internal controls to monitor the ambulance service billing process or reviewed its SSAE No. 16 SOC-1 report.	Not Corrected	Repeated as Finding 2023-008; as Medicount Management, Inc. does have the SSAE No. 16 report, however the Township did not review the report and has not implemented internal controls to monitor the ambulance service billing process.
2022-011	2017	<u>Noncompliance:</u> Ohio Revised Code Section 135.22 requires certain training or an exemption form, if applicable for subdivisions. The Fiscal Officer did not have the required training or provide a training exemption.	Not Corrected	Repeated as Finding 2023-009; as the Fiscal Officer was unable to provide a training exemption.
2022-012	2017	<u>Material Weakness – Disbursements:</u> Disbursement internal controls are significant to an entities operations, this includes but is not limited to organization of supporting documentation and payments of only proper public purposes. Public funds were used to pay late fees.	Not Corrected	Repeated as Finding 2023-010; as improper use of funds (late fees, penalties, and interest paid) was not detected in a timely manner and there was a lack of original supporting documentation and documentation in an orderly fashion.

**PICKAWAY TOWNSHIP
PICKAWAY COUNTY, OHIO**

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

Finding Number	Year Initially Occurred	Finding Summary	Status	Additional Information
2022-013	2022	<u>Material Weakness/Noncompliance - Amended and Supplemental Appropriations:</u> Ohio Revised Code Section 5705.41(B) requires that no subdivision is to expend money unless it has been appropriated. In addition, Ohio Revised Code Section 5705.40 outlines the requirements for amending and supplementing appropriations. This section states that any amendments to an appropriation measure be made by Board resolution and comply with the same provisions of the law as used in making the original appropriations. The Township did not properly modify its appropriations at the legal level of control in certain funds. Due to not properly modifying appropriations, disbursements exceeded appropriations in certain funds.	Corrective Action Taken and Finding is Fully Corrected	N/A
2022-014	2022	<u>Material Weakness/Noncompliance – Other:</u> 2 CFR §200.510(b) states, in part, that the auditee must prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with §200.502 Basis for determining Federal awards expended. The Township did not prepare a Schedule of Expenditures of Federal Awards.	Finding No Longer Valid	N/A

PICKAWAY TOWNSHIP

PICKAWAY COUNTY, OHIO

SINGLE AUDIT

**FOR THE YEAR ENDED
DECEMBER 31, 2022**

**PICKAWAY TOWNSHIP
PICKAWAY COUNTY, OHIO**

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Independent Auditor's Report

Pickaway Township
Pickaway County
6166 Zane Trail Rd.
Circleville, Ohio 43113

To the Members of the Board of Trustees:

Report on the Audit of the Financial Statement***Opinions***

We have audited the accompanying financial statement of Pickaway Township, Pickaway County, Ohio, which comprises the cash balances, receipts, and disbursements for each governmental fund type as of and for the year ended December 31, 2022, and the related notes to the financial statement.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above present fairly, in all material respects, the cash balances, receipts, and disbursements for each governmental fund type of Pickaway Township, as of and for the year ended December 31, 2022, and the related notes to the financial statement, in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) as described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for *Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statement referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Pickaway Township, as of December 31, 2022, or changes in net position thereof for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Statement* section of our report. We are required to be independent of Pickaway 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 statement, the financial statement is prepared by Pickaway 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 a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 2 and GAAP, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statement

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

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Pickaway 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 Statement

Our objectives are to obtain reasonable assurance about whether the financial statement 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 generally accepted auditing standards 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 statement.

In performing an audit in accordance with generally accepted auditing standards 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 statement, 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 statement.
- 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 Pickaway 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 statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Pickaway Township's ability to continue as a going concern for a reasonable period of time.

Pickaway Township
Pickaway County
Independent Auditor's Report

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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statement that collectively comprises Pickaway Township's financial statement. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statement as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2024 on our consideration of Pickaway Township's internal control over financial reporting and on 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 Pickaway 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 Pickaway Township's internal control over financial reporting and compliance.



Julian & Grube, Inc.
October 28, 2024

Pickaway Township
Pickaway 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

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Permanent	
Cash Receipts				
Property and Other Local Taxes	\$ 237,154	\$ 121,586	\$ -	\$ 358,740
Charges for Services	-	170,513	-	170,513
Licenses, Permits and Fees	7,202	-	-	7,202
Intergovernmental	96,401	1,248,246	-	1,344,647
Earnings on Investments	584	-	-	584
<i>Total Cash Receipts</i>	<u>341,341</u>	<u>1,540,345</u>	<u>-</u>	<u>1,881,686</u>
Cash Disbursements				
Current:				
General Government	483,007	-	-	483,007
Public Safety	-	1,389,120	-	1,389,120
Public Works	-	254,274	-	254,274
Health	8,413	-	-	8,413
Capital Outlay	-	2,750	-	2,750
Debt Service:				
Principal Retirement	63,360	27,888	-	91,248
Interest and Fiscal Charges	401	2,341	-	2,742
<i>Total Cash Disbursements</i>	<u>555,181</u>	<u>1,676,373</u>	<u>-</u>	<u>2,231,554</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(213,840)</u>	<u>(136,028)</u>	<u>-</u>	<u>(349,868)</u>
Other Financing Receipts (Disbursements)				
Other Financing Sources	<u>8,633</u>	<u>777</u>	<u>-</u>	<u>9,410</u>
<i>Total Other Financing Receipts (Disbursements)</i>	<u>8,633</u>	<u>777</u>	<u>-</u>	<u>9,410</u>
<i>Net Change in Fund Cash Balances</i>	<u>(205,207)</u>	<u>(135,251)</u>	<u>-</u>	<u>(340,458)</u>
<i>Restated Fund Cash Balances, January 1</i>	<u>467,794</u>	<u>483,684</u>	<u>1,352</u>	<u>952,830</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 262,587</u>	<u>\$ 348,433</u>	<u>\$ 1,352</u>	<u>\$ 612,372</u>

See accompanying notes to the financial statement

Pickaway Township
Pickaway County
Notes to the Financial Statement
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 Pickaway Township, Pickaway 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 has a contract to provide fire and ambulance services to Circleville Township.

Jointly Governed Organizations and Public Entity Risk Pools

The Township participates in a jointly governed organization and a public risk sharing pool. Notes 7 and 13 to the financial statement provides additional information for these entities.

The Township's management believes this financial statement presents all activities for which the Township is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Township's financial statement consists 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:

Gasoline 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.

Fire and Ambulance Fund This fund receives fire and ambulance contract for the operation of the volunteer fire and ambulance service.

Pickaway Township
Pickaway County
Notes to the Financial Statement
For the Year Ended December 31, 2022

Road and Bridge Fund This fund receives levy monies for constructing, maintaining and repairing Township roads and bridges.

Federal Fire Grant Fund This fund receives assistance to firefighters grant monies for use on specified firefighter related disbursements.

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 permanent fund:

Cemetery Bequest Fund – The cemetery bequest fund accounts for and reports interest earned on the nonexpendable donation to the cemetery and is used for the general maintenance of the cemetery.

Basis of Accounting

The financial statement follows 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).

This statement includes 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 2022 budgetary activity appears in Note 3.

Pickaway Township
Pickaway County
Notes to the Financial Statement
For the Year Ended December 31, 2022

Deposits

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 statement does not report these items as assets.

Leases

The Township is the lessor in various leases (as defined by GASB 87) related to equipment under noncancelable leases. Lease revenue/disbursements are recognized when they are received/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. For regulatory purposes, nonspendable fund balance includes the nonspendable portion of the corpus in permanent funds.

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

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

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

Pickaway Township
Pickaway County
Notes to the Financial Statement
For the Year Ended December 31, 2022

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

Note 3 – Budgetary Activity

Budgetary activity for the year ending 2022 follows:

2022 Budgeted Versus Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$340,757	\$349,974	\$9,217
Special Revenue	1,648,020	1,541,122	(106,898)
Total	<u>\$1,988,777</u>	<u>\$1,891,096</u>	<u>(\$97,681)</u>

2022 Budgeted Versus Actual Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$343,441	\$555,181	(\$211,740)
Special Revenue	1,721,095	1,676,373	44,722
Total	<u>\$2,064,536</u>	<u>\$2,231,554</u>	<u>(\$167,018)</u>

Note 4 – Deposits

The Township maintains a deposit pool. The Ohio Revised Code prescribes allowable deposits. The carrying amount of deposits at December 31 was as follows:

	<u>2022</u>
Demand deposits	\$611,372
Certificates of deposit	<u>1,000</u>
Total deposits	<u>\$612,372</u>

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2022, with the exception of OPERS, the Township is holding unremitted employee payroll withholdings.

Deposits

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

Pickaway Township
Pickaway County
Notes to the Financial Statement
For the Year Ended December 31, 2022

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 homestead and rollback deductions. The financial statement includes homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

Note 6 – Compliance

The Township did not properly include estimated receipts in their financial accounting system in noncompliance with Ohio Administrative Code 117-2-02(C)(1).

The Township did not record receipts in the proper funds in noncompliance with Ohio Revised Code Section 5705.10(I) and (D).

The Township did not properly certify its unencumbered balances in noncompliance with Ohio Revised Code Section 5705.36.

The Township did not comply with Ohio Administrative Code 117-2-02(D) regarding the required payroll records.

The Township did not file or remit federal withholding taxes in noncompliance with 26 US Code Sections 3102 and 3402.

The Township did not properly certify disbursements in noncompliance with Ohio Revised Code Section 5705.41(D).

The Township did not file or remit other withholdings (state and school district) taxes in noncompliance with Ohio Revised Code Sections 5747.06 and 5747.07(B).

The Township did not follow certain portions of the Sunshine Laws and Ohio Revised Code Sections 149.42 and 149.43.

The Township Fiscal Officer did not meet the requirements of Ohio Revised Code Section 135.14 with respect to continuing education requirements or exemption from, if applicable.

The Township had expenditures in excess of appropriations in noncompliance with Ohio Revised Code Sections 5705.40 and 5705.41(B).

Pickaway Township
Pickaway County
Notes to the Financial Statement
For the Year Ended December 31, 2022

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 Township 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

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement

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 healthcare 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.

Note 9 – Postemployment Benefits

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

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

Pickaway Township
Pickaway County
Notes to the Financial Statement
For the Year Ended December 31, 2022

Note 10 – Debt

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

	<u>Principal</u>
Ohio Public Works Commission	\$25,812
Squad Lease	51,371
KS - Fill Station	10,214
KNB - Tractor	27,258
Stryker	12,247
Total	<u><u>\$126,902</u></u>

During 2007, the Township entered into an Ohio Public Works Commission (OPWC) loan at 0% interest to finance the replacement of a Township road, to be repaid over a twenty-year period. During 2022 repayment was paid from the Road and Bridge fund (Special Revenue Fund Type).

During 2018, the Township entered into a loan agreement with KNB for Power Cots in the amount of \$56,631 at 3.50% interest. The loan is to be repaid over a five year period. The General fund paid the principal and interest payments during 2022. This loan was retired in full in 2022.

During 2018, the Township entered into a lease agreement to acquire a squad in the amount of \$256,855 with an annual payment being made over five years. The General fund paid the annual payment during 2022. There is no break down of principal and interest, all payments are applied to principal.

During 2018, the Township entered into a loan agreement with Kansas State Bank (KS) to acquire a fill station in the amount of \$47,097 at 5.80% interest. The loan is to be repaid over a five year period from the Fire & Ambulance fund (Special Revenue Fund Type).

During 2019, the Township entered into a loan agreement with KNB to acquire a Farmmall Tractor in the amount of \$66,018 at 3.00% interest, to be repaid over five years from the Road and Bridge fund (Special Revenue Fund Type).

During 2021, the Township entered into an agreement with Stryker to for life pack systems in the amount of \$18,370 at 0% interest to be repaid over three years from the Fire & Ambulance fund. The Township did not make its required 2022 payment as of the date of this report.

Pickaway Township
Pickaway County
Notes to the Financial Statement
For the Year Ended December 31, 2022

Amortization

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

Year Ending December 31:	OPWC	Stryker	Squad Lease	KS - Fill Station	KNB - Tractor
2023	5,162	12,247	51,371	10,806	14,262
2024	5,162	0	0	0	14,287
2025	5,162	0	0	0	0
2026	5,162	0	0	0	0
2027	5,164	0	0	0	0
Total	25,812	12,247	51,371	10,806	28,549

Note 11 – Fund Balances

Included in fund balance are amounts the Township cannot spend, including the unexpendable corpus of the permanent funds. At year end, the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Permanent	Total
Nonspendable - Corpus	\$ -	\$ -	\$ 1,000	\$ 1,000
Total	\$ -	\$ -	\$ 1,000	\$ 1,000

The fund balance of special revenue funds is either restricted or committed. 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 and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned. The Township had no outstanding encumbrances at December 31, 2022.

Note 12 – Contingent Liabilities

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

Note 13 – Jointly Governed Organization

The City of Circleville - Pickaway Township Joint Economic Development District, Pickaway County, Ohio (the "District") is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District was formed in accordance with Ohio Revised Code (ORC) Sections 715.70 through 715.72 as a result of an agreement between the City of Circleville and Pickaway Township (the "JEDD Agreement"). The District is directed by a five member board of directors. The District's purpose is to promote economic development to create and/or preserve jobs and employment opportunities and to improve the economic welfare of the people of the State of Ohio, Pickaway County, City of Circleville and Pickaway Township. The District's geographic area is located entirely in Pickaway Township, Ohio and the primary source of revenue is a tax on income earned in the District. The Township received \$58,980, under the JEDD Agreement during 2022, which is included in the General Fund as Intergovernmental revenue.

Pickaway Township
Pickaway County
Notes to the Financial Statement
For the Year Ended December 31, 2022

Note 14 – Prior Period Restatement

During 2022, the Township determined the need to void prior year outstanding checks. The determination had the following effect on the general fund and the special revenue fund type fund cash balance at January 1, 2022:

	<u>General</u>	<u>Special Revenue</u>
<u>Fund cash balance</u>		
December 31, 2021	\$ 460,042	\$ 467,686
Voided Prior Year Outstanding Checks	<u>7,752</u>	<u>15,998</u>
January 1, 2022, restated	<u>\$ 467,794</u>	<u>\$ 483,684</u>

SUPPLEMENTARY INFORMATION

**PICKAWAY TOWNSHIP
PICKAWAY COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM/CLUSTER TITLE	PASS-THROUGH ENTITY IDENTIFYING NUMBER / ADDITIONAL AWARD IDENTIFICATION	ASSISTANCE LISTING NUMBER	EXPENDITURES OF FEDERAL AWARDS
<u>U.S. DEPARTMENT OF TREASURY</u>			
<i>Direct</i>			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	COVID-19	21.027	\$ 222,621
Total U.S. Department of Treasury			<u>222,621</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
<i>Direct</i>			
Assistance to Firefighters Grant	EMW-2019-FG-07316	97.044	886,190
Assistance to Firefighters Grant	EMW-2019-FG-07393	97.044	76,726
Total Assistance to Firefighters Grant and U.S. Department of Homeland Security			<u>962,916</u>
Total			
Total Expenditures of Federal Awards			<u>\$ 1,185,537</u>

The accompanying notes are an integral part of this schedule.

**PICKAWAY TOWNSHIP
PICKAWAY COUNTY, OHIO**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 1 – BASIS OF PRESENTATION & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Pickaway Township (the “Township”) under programs of the federal government for the year ended December 31, 2022. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Township, it is not intended to and does not present the financial position, changes in net position of the Township. Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be limited as to reimbursement.

NOTE 2 – DE MINIMIS INDIRECT COST RATE

The Township has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 – MATCHING REQUIREMENTS

Certain Federal programs require the Township to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Township has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in Accordance With
*Government Auditing Standards***

Pickaway Township
Pickaway County
6166 Zane Trail Rd.
Circleville, Ohio 43113

To the Members of 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, the financial statement of the cash balances, receipts, and disbursements for each governmental fund type of Pickaway Township, Pickaway County, Ohio, as of and for the year ended December 31, 2022 and the related notes to the financial statement and have issued our report thereon dated October 28, 2024, wherein we noted Pickaway Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered Pickaway Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of Pickaway Township's internal control. Accordingly, we do not express an opinion on the effectiveness of Pickaway 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 Pickaway Township's financial statement 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 2022-001 through 2022-010 and 2022-012 through 2022-013 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Pickaway Township's financial statement is 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 statement. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2022-002 through 2022-009, 2022-011, and 2022-013.

Pickaway Township

Pickaway County

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Pickaway Township's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Pickaway Township's responses to the findings identified in our audit and described in the corrective action plan. Pickaway Township's responses were not subjected to the other auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on these 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 Pickaway 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 Pickaway Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.

October 28, 2024

**Independent Auditor's Report on Compliance for Each Major Federal Program
and on Internal Control Over Compliance Required by the Uniform Guidance**

Pickaway Township
Pickaway County
6166 Zane Trail Rd.
Circleville, Ohio 43113

To the Members of the Board of Trustees:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Pickaway Township's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Pickaway Township's major federal programs for the year ended December 31, 2022. Pickaway Township's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings.

In our opinion, Pickaway Township complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of Pickaway Township and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Pickaway Township's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Pickaway Township's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Pickaway Township's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Pickaway Township's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Pickaway Township's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Pickaway Township's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Pickaway Township's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings as item 2022-014. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on Pickaway Township's responses to the internal control over compliance findings identified in our audit described in the accompanying corrective action plan. Pickaway Township's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

Pickaway Township
Pickaway County
Independent Auditor's Report on Compliance for Each Major Federal Program
and on Internal Control Over Compliance Required by the Uniform Guidance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider this deficiency in internal control over compliance described in the accompanying schedule of findings as item 2022-014, to be a material weakness.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Pickaway Township's responses to the internal control over compliance findings identified in our audit described in the accompanying corrective action plan. Pickaway Township's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Julian & Grube, Inc.
October 28, 2024

**PICKAWAY TOWNSHIP
PICKAWAY COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2022**

1. SUMMARY OF AUDITOR'S RESULTS		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Adverse under GAAP Unmodified under the regulatory basis
<i>(d)(1)(ii)</i>	<i>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</i>	Yes
<i>(d)(1)(ii)</i>	<i>Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	None Reported
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	Yes
<i>(d)(1)(iv)</i>	<i>Were there any material weaknesses in internal control reported for major federal programs?</i>	Yes
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	None Reported
<i>(d)(1)(v)</i>	<i>Type of Major Program's Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under 2 CFR §200.516(a)?</i>	Yes
<i>(d)(1)(vii)</i>	<i>Major Program(s) (listed):</i>	Assistance to Firefighters Grant (ALN – 97.044)
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: > \$750,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee under 2 CFR § 200.520?</i>	No

**PICKAWAY TOWNSHIP
PICKAWAY COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2022**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2022-001

Material Weakness - Financial Reporting

Accurate financial reporting is required in order to provide management and other stakeholders with objective and timely information to enable well-informed decisions. Presentation of materially correct financial statements and the related footnotes is the responsibility of management. This responsibility remains intact even if management decides to outsource this function for efficiency purposes or any other reason. In either case, it is important that control procedures are developed related to the financial statements that enable management to identify, prevent, detect and correct potential misstatements in the financial statements and footnotes. In general, an accounting and information system should be designed to provide management with accurate and timely information.

The following adjustments were made to the financial statements and notes:

- General Fund: property tax receipts were increased \$37,692, general government disbursements were increased \$27,084, intergovernmental receipts were increased \$20,795 and cash was increased \$31,403. These adjustments were necessary to correct the coding of property tax and homestead and rollback receipts.
- Special Revenue Fund Type (Road & Bridge Fund): property tax receipts were decreased \$41,267, public works disbursements were increased \$1,889, intergovernmental receipts were increased \$11,753, and cash was decreased \$31,403. These adjustments were necessary to correct the coding of property tax and homestead and rollback receipts.
- General Fund: property tax receipts were decreased and intergovernmental receipts were increased \$58,980, to properly record JEDD receipts.
- General Fund: principal retirement was increased \$63,360, interest disbursements were increased \$401, general government disbursements decreased \$63,761; Special Revenue Fund Type (Road and Bridge Fund): principal retirement was increased \$18,233, interest disbursements was increased \$1,190, capital outlay disbursements were decreased \$14,261, and public works disbursements were decreased \$5,162; Special Revenue Fund Type (Fire and Ambulance Fund): principal retirement was increased \$9,655, interest disbursements were increased \$1,151, and public safety disbursements were decreased \$10,806. These adjustments were to properly record debt activity.

The Township has posted all cash (fund balance) adjustments to its financial accounting system.

Control procedures not properly developed related to the financial statements limits management's ability to identify, prevent, detect, and correct potential misstatements in the financial statements and footnotes. Additionally, management will not have the necessary information to make timely and well-informed business decisions.

We recommend the Township implement additional control procedures that enable management to more timely prevent or detect and correct potential misstatements in the financial statements and related notes prior to presenting them to the auditors. A second review of the monthly cash activity and financial statements by someone other than the individual preparing them would be beneficial.

**PICKAWAY TOWNSHIP
PICKAWAY COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2022**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (CONTINUED)

Finding Number	2022-002
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Material Weakness/Noncompliance - Integration of Budgetary Information

Ohio Administrative Code 117-2-02(C)(1) states that all public offices should integrate the budgetary accounts, at the legal level of control or lower, into the financial accounting system. This means designing an accounting system to provide ongoing and timely information on unrealized budgetary receipts and remaining uncommitted appropriation balances.

The Township's County approved estimated receipts didn't agree to the budgetary amounts in the financial accounting system.

By not correctly including accurate (approved) budgetary accounts into the financial software, it could become challenging for the Township to easily monitor its budgeted activity in comparison with its actual amounts. The Township is also at risk for overspending in excess of available funds, which could possibly result in negative fund balances.

We recommend that approved budgetary modifications be incorporated into the UAN system by the Fiscal Officer in a timely manner. This will aid the Board of Trustees and Fiscal Officer in their review of budgetary versus actual information and help ensure budgetary requirements are followed.

Finding Number	2022-003
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Material Weakness/Noncompliance – Receipt of Funds

Ohio Revised Code Section 5705.10(I) requires money paid into any fund shall be used only for the purposes for which such fund is established. Ohio Revised code Section 5705.10(D) states, in part that all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose.

The Township did not record receipts in the proper funds in relation to certain property taxes and homestead and rollback receipts.

Not posting receipts in the proper funds can distort fund balances that are available for management to review and/or use for future disbursements.

We recommend the Township closely monitor the monthly reports to ensure the proper amounts are paid into and out of (if applicable) the proper funds.

Finding Number	2022-004
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Material Weakness/Noncompliance - Certification of Fund Balances

Ohio Revised Code Section 5705.36, in part, requires Fiscal Officers to certify to the County Auditor the total amount from all sources which are available for expenditures from each fund in the tax budget along with any unencumbered balances that existed at the end of the preceding year. Furthermore, it requires subdivisions to request increased or reduced amended certificates of estimated resources upon determination by the fiscal officer that revenue to be collected be greater or less than the amount in the last certified amended certificate.

**PICKAWAY TOWNSHIP
PICKAWAY COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2022**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (CONTINUED)	
Finding Number	2022-004 - (Continued)

The Township is not properly certifying its audited balances to the appropriate authorities as required by law.

By not accurately certifying beginning unencumbered balances and timely amending its certificate of estimated resources to the County Auditor, the Township is basing appropriation and expenditure decisions on outdated information.

We recommend the Township consult the Ohio Compliance Supplement, the Township's Manual and its auditors to ensure that Township fund balances agree to audited reports. We further recommend the Township certify its available sources at year end and file amended certificates as necessary throughout the year. This will facilitate the Township's appropriation process.

Finding Number	2022-005
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Material Weakness/Noncompliance – Payroll Records

Ohio Admin. Code Section 117-2-02(D) provides all local public offices may maintain accounting records in a manual or computerized format. The records used should be based on the nature of operations and services the public office provides and should consider the degree of automation and other factors. Further, all local public offices should maintain or provide a report similar to the following accounting records:

a. Payroll records including:

- i. W-2's, W-4's and other withholding records and authorizations;
- ii. Payroll journal that records, assembles and classifies by pay period the name of employee, social security number, hours worked, wage rates, pay date, withholdings by type, net pay and other compensation paid to an employee (such as a termination payment), and the fund and account charged for the payments;
- iii. Check register that includes, in numerical sequence, the check number, payee, net amount, and the date;
- iv. Information regarding nonmonetary benefits such as car usage and life insurance; and,
- v. Information, by employee, regarding leave balances and usage.

While the Township did maintain accounting records, regarding the payment of payroll, the Township lacked proper payroll records consisting of evidence of filing certain withholding and employer portion of payroll taxes. Additionally, the amounts for employee gross and withholdings, and net were originally only maintained on the check stubs.

The Township failed to file and submit payment for certain Federal, State, and School District payroll withholdings and applicable employer portions for payroll paid. Additionally, we were unable to be provided copies of filed W-3 and W-2s.

**PICKAWAY TOWNSHIP
PICKAWAY COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2022**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (CONTINUED)

Finding Number	2022-005 - (Continued)
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Lack of filing and making payments timely of certain payroll withholding and employer match payments could put the Township at risk for penalties and interest and additionally could lead to a more costly audit and increases the risk for misappropriations.

We recommend that the Township contact the applicable agencies and arrange to file and make payment or outstanding payroll tax withholdings and applicable employer match payments.

Finding Number	2022-006
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Material Weakness/Noncompliance – Federal Withholdings

26 US Code Sections 3102 and 3402 require the employing government to withhold federal and employment-related taxes (such as Medicare and Social Security) from each employee. Furthermore, these chapters hold employers liable for reporting and payment of these taxes.

The Township did not file nor submit timely Federal withholdings and applicable employer match reports and payments to the IRS for the entire year. Total estimated withheld but unremitted and unpaid is \$7,200 for the year.

Lack of filing timely reports and taxes due to the IRS may result in additional fines and penalties.

We recommend that the Township contact the IRS and work to immediately submit all Federal withholdings/employer portions of taxes to the IRS in a timely fashion.

Finding Number	2022-007
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Material Weakness/Noncompliance – Purchase Orders

Ohio Revised Code Section 5705.41(D) requires that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer certifying that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

Certain examined disbursements were either, not certified in a timely manner, or the purchase order was not signed/certified, or purchase orders were unable to be located/provided for the year.

Without timely certification, the Township may expend more funds than available in the treasury, or in the process of collection, or appropriated. This may also result in unnecessary purchases.

We recommend that all orders or contracts involving the expenditure of money be timely certified to ensure all monies expended are lawfully appropriated and available in the treasury or in the process of collection. The Township may also use “Then & Now” certification to approve a purchase order, when applicable.

**PICKAWAY TOWNSHIP
PICKAWAY COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2022**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (CONTINUED)	
Finding Number	2022-008

Material Weakness/Noncompliance – Other Withholdings

Ohio Revised Code Section 5747.06 requires every employer, including political subdivisions, maintaining an office or transacting business within this state and making payment of any compensation to any employee who is a taxpayer shall deduct and withhold from such compensation for each payroll period a tax computed in such manner as to result, as far as practicable, in withholding from the employee's compensation during each calendar year an amount substantially equivalent to the tax reasonably estimated to be due from the employee under this chapter and Chapter 5748 of the Revised Code with respect to the amount of such compensation included in the employee's adjusted gross income during the calendar year.

Ohio Revised Code Section 5747.07(B) provides that, with certain exceptions, every employer is required to deduct and withhold any amount under Ohio Revised Code Section 5747.06 shall file a return and shall pay the amount required by law in accordance with guidelines provided by this section.

The Township did not remit any required State and School District income tax withholdings to the required agencies for the entire year. Total estimated unremitted and unpaid for both years is estimated at \$2,300 for Ohio withholdings and \$700 for School District withholdings.

Lack of filing timely reports and taxes due to the applicable agencies may result in additional fines and penalties.

We recommend that the Township immediately contact the agencies delinquent and submit/remit any filings/payments due for employee withholding taxes.

Finding Number	2022-009
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Material Weakness/Noncompliance – Sunshine Laws

Ohio Sunshine Laws governed by certain Ohio Revised Code Sections in part require the following:

- (1) Ohio Revised Code Section 149.43(B)(2) requires the Township to have a copy of its current records retention schedule at a location readily available to the public.
- (2) Ohio Revised Code Section 149.43(E)(2) requires the Township to have a public records policy and acknowledgement of the public record policy by the records custodian.
- (3) Ohio Revised Code Section 149.43(E)(2) requires the Township to create a poster describing their public records policy and shall post it in a conspicuous place in all public locations of that office.
- (4) Ohio Revised Code Section 149.42 requires the appropriate records commission to review the schedules of records retention and disposition, as well as any applications for one-time disposal of obsolete records. This commission shall meet once every twelve months and upon the call of the chairperson.

We noted the following conditions:

- (1) The Township was unable to provide evidence of its current records retention schedule at a location readily available to the public.
- (2) The Township was unable to provide a public records policy, thus it could not be acknowledged by the records custodian.
- (3) The Township did not have a poster that described their public records policy posted in a conspicuous location in their public office.

**PICKAWAY TOWNSHIP
PICKAWAY COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2022**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (CONTINUED)

Finding Number	2022-009 - (Continued)
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- (4) The Township was unable to provide evidence that the appropriate records commission reviewed the schedules of records retention and disposition, as well as any applications for the one-time disposal of obsolete records nor that this commission met every twelve months and upon the call of the chairperson.

The effect of the above conditions are as follows:

- (1) By not maintaining a current records retention schedule at a location readily available to the public, the Township risks prematurely disposing essential documents.
- (2) By not having a public records policy that is acknowledged by the custodian of the public records, the Township could risk not properly completing a request or informing the public of the appropriation information regarding its public records
- (3) By not posting a poster of the public records policy, the community could not be aware of the Township's policy.
- (4) By not maintaining an appropriate records commission that reviews the schedules of records retention and disposition, as well as any applications for the one-time disposal of obsolete records and meets once every twelve months and upon the call of the chairperson, the Township risks prematurely disposing of essential documents.

We recommend the following:

- (1) We recommend the Township maintain a current records retention schedule at a location readily available to the public, to assist the public in knowing what records are available and or when they are expected to be submitted for proper disposal.
- (2) We recommend the Township clearly identify its public records custodian and have them review and acknowledge the policy by signing a copy and maintaining it in their personnel file.
- (3) We recommend the Township create a poster of the adopted public records policy to display in the Township office.
- (4) We recommend that a public records commission be established and meet regularly as prescribed in the Ohio Revised Code to assist in proper disposal of applicable records.

Finding Number	2022-010
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Material Weakness – Service Organization

When designing the public office's system of internal control and the specific control activities, management should:

- Ensure that all transactions are properly authorized in accordance with management's policies.
- Ensure that accounting records are properly designed
- Ensure adequate security of assets and records
- Plan for adequate segregation of duties or compensating controls
- Verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records
- Perform analytical procedures to determine the reasonableness of financial data
- Ensure the collection and compilation of that data needed for the timely preparation of financial statements
- Monitor activities performed by service organizations.

**PICKAWAY TOWNSHIP
PICKAWAY COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2022**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (CONTINUED)

Finding Number	2022-010 - (Continued)
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The Township has delegated ambulance service billing processing, which is a significant accounting function to a third-party administrator (Medicount Management, Inc.). SSAE No. 16 requires service organizations to have a report conducted in accordance with American Institute of Certified Public Accountants' (AICPA) standards by a firm registered and considered in "good standing" with the Accountancy Board of the respective state.

Medicount Management, Inc. does have the SSAE No. 16 report, however the Township did not review the report. Furthermore, the Township has not implemented internal controls to monitor the ambulance service billing process.

Lack of internal controls over EMS receipts could result in missing receipts or recording receipts that are not due to the Township.

The Township should implement internal control measures to monitor the ambulance service billing process. The Township should receive or request monthly EMS billing reports from Medicount Management, Inc. and document supervisory review of these monthly reports. To improve internal controls, we recommend that the Township document their review of the monthly billing reports received from Medicount Management, Inc.. The monthly billing reports should be marked with the reviewer's initials (or signature) and the date. The monthly billing reports should also be compared to the EMS run sheets or run logs to ensure they are accurate and complete. Additionally, the Township should reconcile to the receipts received and posted by the Township and report to Medicount Management, Inc. as received to ensure all revenue is reported correctly by Medicount on the monthly reports.

Finding Number	2022-011
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Noncompliance

Subdivision treasurers must complete annual continuing education programs provided by the Treasurer of State (TOS). The TOS issues certificates indicating that the treasurer has successfully completed the continuing education program.

The continuing education requirement does not apply to a subdivision treasurer who annually provides a notice of exemption to the Auditor of State, certified by the Treasurer of State (and confirmable through the TOS searchable database weblink below) that the treasurer is not subject to the continuing education requirements because the treasurer invests or deposits public funds in the following investments only (Ohio Rev. Code § 135.22):

- (1) Interim deposits pursuant to Ohio Rev. Code §§ 135.14(B)(3) or 135.145 (CDAR and similar programs);
- (2) STAR Ohio pursuant to Ohio Rev. Code § 135.14(B)(6);
- (3) No-load money market mutual funds pursuant to Ohio Rev. Code § 135.14 (B)(5)

Because the Township only has interim deposits they are not required to take the TOS required training course. However, an exemption should be filed with the AOS.

During testing of compliance, it was noted that the Fiscal Officer was unable to provide a training exemption.

Not submitting the exemption would result in it appearing that training should have been completed.

We recommend that the Fiscal Officer annually obtain the required training or provide a notice of exemption, if applicable.

**PICKAWAY TOWNSHIP
PICKAWAY COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2022**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (CONTINUED)	
Finding Number	2022-012

Material Weakness – Disbursements

When designing the public office's system of internal control and the specific control activities, management should:

- Ensure that all transactions are properly authorized in accordance with management's policies.
- Ensure that accounting records are properly designed
- Ensure adequate security of assets and records
- Plan for adequate segregation of duties or compensating controls
- Perform analytical procedures to determine the reasonableness of financial data
- Ensure the collection and compilation of that data needed for the timely preparation of financial statements
- Payments should be absent of any late penalties or interest accrued due to late payments
- Records should include all support for the payment secured to the voucher and organized in a chronological order

Late Fees, Penalties, and Interest Paid:

Public funds were used to pay late fees. The Township paid \$248 in late fees, penalties and interest to Ohio Public Employers Retirement System for late filings and submission of withholding payments. The Township Fiscal Officer has reimbursed the Township this amount in 2024.

Disbursements:

The Township disbursements were not maintained in an orderly fashion (ie. check order number) and certain disbursements lacked supporting invoices upon initial review.

Improper use of funds (late fees, penalties, and interest paid) was not detected in a timely manner by the Township's internal controls and represents a material weakness in the Township's internal control environment which caused misuse of Township monies. Lack of original supporting documentation and documentation in an orderly fashion caused the audit to extend past the original due date.

To ensure public monies are used for the purposes for which they were raised, Township management should review the Ohio Revised Code and perform a more detailed review of purchases before they are made. Professional services should be sought out if management is unsure of a financial decision. We further recommend the Township develop internal controls to ensure all payments are presented and approved with original supporting documentation. Disbursements should be organized in chronological order with notations of any missing items and the reason for the item missing.

Finding Number	2022-013
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Material Weakness/Noncompliance - Amended and Supplemental Appropriations

Ohio Revised Code Section 5705.41(B) requires that no subdivision is to expend money unless it has been appropriated. In addition, Ohio Revised Code Section 5705.40 outlines the requirements for amending and supplementing appropriations. This section states that any amendments to an appropriation measure be made by Board resolution and comply with the same provisions of the law as used in making the original appropriations.

The Township did not properly modify its appropriations at the legal level of control in certain funds. Due to not properly modifying appropriations, disbursements exceeded appropriations in certain funds.

**PICKAWAY TOWNSHIP
PICKAWAY COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2022**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (CONTINUED)	
Finding Number	2022-013 (Continued)

By not timely and properly modifying the Township's appropriations, the Township may not adequately monitor appropriations versus disbursements. With disbursements exceeding appropriations, overspending may occur which may result in a negative fund balance.

We recommend the Township comply with Ohio Revised Code by monitoring disbursements, so they do not exceed lawful appropriations. This may be achieved by monitoring the budget more closely on a continual basis and making appropriation amendments as necessary, subsequent to the passage of permanent appropriations.

**PICKAWAY TOWNSHIP
PICKAWAY COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2022**

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS			
Finding Number	2022-014		
ALN Title and Number	All Programs		
Federal Award Identification Number/Year	All		
Federal Agency	U.S. Department of Treasury, U.S. Department of Homeland Security		
Compliance Requirement	Other		
Pass-Through Entity	N/A		
Repeat Finding from Prior Audit	No	Prior Finding Number	N/A

Material Weakness/Noncompliance – Other

2 CFR §200.510(b) states, in part, that the auditee must prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with §200.502 Basis for determining Federal awards expended. At a minimum, the schedule must:

- a. List individual federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- b. For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- c. Provide total Federal awards expended for each individual Federal program and the Assistance Listing Number or other identifying number when the Assistance Listings information is not available. For a cluster of programs also provide the total for the cluster.
- d. Include the total amount provided to subrecipients from each Federal program.
- e. For loan or loan guarantee programs described in §200.502(b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- f. Include notes that describe that significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in §200.414.

The Township did not prepare a Schedule of Expenditures of Federal Awards.

Not preparing the Schedule of Expenditures of Federal Awards could lead to inaccurate reporting of federal expenditures by the Township and could jeopardize future federal funding. Adjustments were made to the Schedule of Expenditures of Federal Awards.

We recommend the Township review/update their current policies and procedures, including, prior to submitting the federal schedule to the auditors, a second review of data, support and amounts be reported, to help ensure accurate information is provided.

**PICKAWAY TOWNSHIP
PICKAWAY COUNTY, OHIO**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
DECEMBER 31, 2022**

Finding Number	Year Initially Occurred	Finding Summary	Status	Additional Information
2021-001	2007	<u>Material Weakness – Financial Reporting:</u> Sound financial reporting is the responsibility of the fiscal officer and Board of Trustees and is essential to ensure information provided to the readers of the financial statements is complete and accurate. Material and immaterial misstatements were identified during the course of the audit which have not been prevented or detected by the Township’s internal controls over financial reporting.	Not Corrected	Repeated as Finding 2022-001; as adjustments to the financial statements and related notes were necessary to properly state financial activity.
2021-002	2021	<u>Material Weakness/Noncompliance – Integration of Budgetary Information:</u> Ohio Administrative Code 117-2-02(C)(1) states that all public offices should integrate the budgetary accounts, at the legal level of control or lower, into the financial accounting system. This means designing an accounting system to provide ongoing and timely information on unrealized budgetary receipts and remaining uncommitted appropriation balances. By not correctly including accurate (approved) budgetary accounts into the financial software, it could become challenging for the Township to easily monitor its budgeted activity in comparison with its actual amounts. The Township is also at risk for overspending in excess of available funds, which could possibly result in negative fund balances. The Township did not integrate certain budgetary information into its financial accounting system.	Not Corrected	Repeated as Finding 2022-002; as the Township’s County approved estimated receipts didn’t agree to the budgetary amounts in the financial accounting system.
2021-003	2021	<u>Material Weakness/Noncompliance – Establishment of Funds:</u> Ohio Revised Code Section 5705.09(F) requires a special fund for each class of revenues derived from a source other than the general property tax, which the law requires to be used for a particular purpose. The Township did not establish a separate fund in 2021 for the Local Fiscal Recovery monies. By not establishing a separate fund, the Township is in noncompliance with the Ohio Revised Code and guidance put forth by the federal government and Ohio Auditor of State. It additionally provides for difficulty in segregating allowable costs.	Corrective Action Taken and Finding is Fully Corrected	N/A
2021-004	2017	<u>Material Weakness/Noncompliance - Receipt of Funds:</u> Ohio Revised Code 5705.10(I) and (D) state that money paid into a fund shall only be used for the purposes for which the fund is established. The Township recorded property taxes, homestead and rollback and permissive motor vehicle license fees and motor vehicle receipts in improper funds.	Not Corrected	Repeated as Finding 2022-003; as the Township did not record receipts in the proper funds in relation to certain property taxes and homestead and rollback receipts.

**PICKAWAY TOWNSHIP
PICKAWAY COUNTY, OHIO**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
DECEMBER 31, 2022**

Finding Number	Year Initially Occurred	Finding Summary	Status	Additional Information
2021-005	2021	<u>Material Weakness/Noncompliance - Certification of Fund Balances:</u> Ohio Revised Code Section 5705.36, in part, requires Fiscal Officers to certify to the County Auditor the total amount from all sources which are available for expenditures from each fund in the tax budget along with any unencumbered balances that existed at the end of the preceding year. Furthermore, it requires subdivisions to request increased or reduced amended certificates of estimated resources upon determination by the fiscal officer that revenue to be collected be greater or less than the amount in the last certified amended certificate. By not accurately certifying beginning unencumbered balances and timely amending its certificate of estimated resources to the County Auditor, the Township is basing appropriation and expenditure decisions on outdated information. The Township did not properly certify beginning unencumbered fund balances, obtain any or enough amended certificates and had appropriations in excess of estimated resources.	Not Corrected	Repeated as Finding 2022-004; as the Township is not properly certifying its audited balances to the appropriate authorities as required by law.
2021-006	2017	<u>Material Weakness/Noncompliance - Appropriations over Estimated Resources:</u> Ohio Revised Code Section 5705.39 in part requires that total appropriations from each fund should not exceed total estimated resources. The Township had appropriations in excess of estimated resources.	Corrective Action Taken and Finding is Fully Corrected	N/A
2021-007	2021	<u>Material Weakness/Noncompliance – Payroll Records:</u> Ohio Admin. Code Section 117-2-02(D) provides all local public offices may maintain accounting records in a manual or computerized format. The records used should be based on the nature of operations and services the public office provides and should consider the degree of automation and other factors. While the Township did maintain accounting records, regarding the payment of payroll, the Township lacked proper payroll records consisting of evidence of filing certain withholding and employer portion of payroll taxes.	Not Corrected	Repeated as Finding 2022-005; as the Township lacked proper payroll records consisting of evidence of filing certain withholding and employer portion of payroll taxes and additionally, the amounts for employee gross and withholdings, and net were only originally maintained on the check stubs.

**PICKAWAY TOWNSHIP
PICKAWAY COUNTY, OHIO**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
DECEMBER 31, 2022**

Finding Number	Year Initially Occurred	Finding Summary	Status	Additional Information
2021-008	2017	<u>Material Weakness/Noncompliance - Federal Withholdings:</u> 26 US Codes require the withholding of employment related taxes and the filing of certain forms and the timely remittance of withholdings and applicable employer matches. The Township was unable to provide filed 941 quarterly reports and proof of remitted withholdings and applicable employer matches. Federal taxes were withheld from employees' and elected official's wages. However, there was no indication or documentation that the amounts withheld were remitted.	Not Corrected	Repeated as Finding 2022-006; as the Township did not file nor submit timely Federal withholdings and applicable employer match reports and payments to the IRS.
2021-009	2013	<u>Material Weakness/Noncompliance - Purchase Orders:</u> Ohio Revised Code 575.41(D) requires that no expenditure of monies be made unless a certification of the fiscal officer certifying appropriation. The Township's Fiscal Officer did not certify the availability of funds prior to making commitments in noncompliance with Ohio Revised Code Section 5705.41(D). Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.	Not Corrected	Repeated as Finding 2022-007; as certain examined disbursements were either, not certified in a timely manner, or the purchase order was not signed/certified, or purchase orders were unable to be located/provided.
2021-010	2017	<u>Material Weakness/Noncompliance – Other Withholdings:</u> Ohio Revised Code Section 5747.06 and .07(B) require certain withholdings and remittances from employees salary for state and school district income taxes. State income taxes were withheld from employees' and elected official's wages. However, there was no indication or documentation that the amounts withheld were remitted.	Not Corrected	Repeated as Finding 2022-008; as the Township did not remit all required State and School District income tax withholdings to the required agencies.
2021-011	2017	<u>Material Weakness/ Noncompliance - Sunshine Laws:</u> The Township did not comply with various Sunshine Laws : 149.43(B)(2) - record retention schedule, 149.43(E)(2) - public record policy acknowledgment and posted poster, and 149.42 - record commission and schedules of records retention and dispositions, which caused noncompliance with other Sunshine Laws.	Not Corrected	Repeated as Finding 2022-009; as the Township did not comply with various requirements of the Sunshine Laws.

**PICKAWAY TOWNSHIP
PICKAWAY COUNTY, OHIO**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
DECEMBER 31, 2022**

Finding Number	Year Initially Occurred	Finding Summary	Status	Additional Information
2021-012	2017	<u>Material Weakness – Service Organization:</u> When delegating internal controls over specific activities, management should monitor activities performed by service organizations. The Township has delegated ambulance service billing processing, which is a significant accounting function to a third-party administrator (Medicount). The Township has not implemented internal controls to monitor the ambulance service billing process or reviewed its SSAE No. 16 SOC-1 report.	Not Corrected	Repeated as Finding 2022-010; as Medicount Management, Inc. does have the SSAE No. 16 report, however the Township did not review the report and has not implemented internal controls to monitor the ambulance service billing process.
2021-013	2017	<u>Material Weakness - Cash Reconciliations:</u> Bank reconciliations are a critical internal control for any entity. Timely concise bank reconciliations should be performed monthly. The Township's outstanding check included checks dating back to 1999 and outstanding deposits in transit dating back to 2015. In addition, there's no policy or procedures to address older outstanding checks.	Partially Corrected	Moved to Management Letter
2021-014	2017	<u>Noncompliance:</u> Ohio Revised Code Section 135.22 requires certain training or an exemption form, if applicable for subdivisions. The Fiscal Officer did not have the required training or provide a training exemption.	Not Corrected	Repeated as Finding 2022-011; as the Fiscal Officer was unable to provide a training exemption.
2021-015	2017	<u>Material Weakness – Disbursements:</u> Disbursement internal controls are significant to an entities operations, this includes but is not limited to organization of supporting documentation and payments of only proper public purposes. Public funds were used to pay late fees and other fees and credit card payments lacked detailed receipts, and disbursements were not maintained in an orderly fashion, nor were supporting documents provided in a timely manner.	Partially Corrected	Partially Repeated as Finding 2022-012; as improper use of funds (late fees, penalties, and interest paid) was not detected in a timely manner and there was a lack of original supporting documentation and documentation in an orderly fashion.

**PICKAWAY TOWNSHIP
PICKAWAY COUNTY, OHIO**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
DECEMBER 31, 2022**

Finding Number	Year Initially Occurred	Finding Summary	Status	Additional Information
2021-016	2021	<u>Material Weakness/Noncompliance – Receipts</u> : Ohio Revised Code Section 9.38 details the requirements for the deposits of public money. Public money must be deposited with the Fiscal Officer or to a designated depository on the business day following the day of receipt. Public money must be deposited by the first business day following the date of receipt. If the amount of the daily receipt does not exceed \$1,000 and the receipts can be safeguarded, the Township may adopt a policy by the governing board permitting those that receive this money to hold it past the next business day, but the deposit must be made no later than three business days after receiving it. Further, receipt internal controls are significant to an entities operations, this includes but is not limited to organization of supporting documentation. The Township receipts were not maintained in an orderly fashion (ie. numeric order) and certain receipts lacked supporting documentation upon initial review. Furthermore, there was either no indication of when the receipt was received by the Township to determine if funds were deposited timely.	Corrective Action Taken and Finding is Fully Corrected	N/A

**PICKAWAY TOWNSHIP
PICKAWAY COUNTY, OHIO**

**CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2022**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2022-001	The Township Fiscal Officer will more closely examine their report prior to filing with HINKLE and will work toward more accurate presentation in the future.	2024	Brian Barr, Fiscal Officer
2022-002	The Township Fiscal Officer will ensure budgetary modifications are accurately posted to the financial accounting system going forward.	2024	Brian Barr, Fiscal Officer
2022-003	We will establish additional controls in 2024 to ensure receipts are posted to the proper funds.	2024	Brian Barr, Fiscal Officer
2022-004	The Township will re-certify beginning fund balances to the County at the completion of audits.	2024	Brian Barr, Fiscal Officer
2022-005	The Fiscal Officer will work with the applicable agencies to file the late remittances. Additionally, the Township is beginning the process to utilize the UAN Payroll system.	2024	Brian Barr, Fiscal Officer
2022-006	The Fiscal Officer will work with the IRS and a CPA firm (if necessary) to resolve any discrepancies and expects to have all filings and remittances resolved. Additionally, the Township is beginning the process to utilize the UAN Payroll system.	2024	Brian Barr, Fiscal Officer
2022-007	The Township will develop additional procedures to help ensure purchases are authorized through timely and appropriate purchase orders.	2024	Brian Barr, Fiscal Officer
2022-008	The Fiscal Officer will work with the applicable agencies and will work with a CPA firm (if necessary) to resolve any discrepancies and expects to have all filings and remittances resolved. Additionally, the Township is beginning the process to utilize the UAN Payroll system.	2024	Brian Barr, Fiscal Officer

**PICKAWAY TOWNSHIP
PICKAWAY COUNTY, OHIO**

**CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2022**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2022-009	The Fiscal Officer will review the public record laws and work to ensure the Township meets all the requirements.	2024	Brian Barr, Fiscal Officer
2022-010	The Township Fiscal Officer will work to develop internal controls over the EMS receipts and request and review annual SSAE No. 16 reports.	2024	Brian Barr, Fiscal Officer
2022-011	The Fiscal Officer will obtain the required training in 2024 or apply for an exemption certificate.	2024	Brian Barr, Fiscal Officer
2022-012	The Township Fiscal Officer will develop a more thorough and organized system for disbursements and review items closer prior to payment to ensure no late fees are paid.	2024	Brian Barr, Fiscal Officer
2022-013	We are aware of the requirement for the Board of Trustees to approve all appropriation amendments and are currently implementing additional policies and procedures to have all supplemental appropriations properly approved prior to including them in the Township's accounting system and to review more closely that expenditures do not exceed appropriations.	2024	Brian Barr, Fiscal Officer
2022-014	The Township Fiscal Officer will prepare the SEFA or contract with a CPA firm to have the SEFA prepared going forward.	2024	Brian Barr, Fiscal Officer

OHIO AUDITOR OF STATE KEITH FABER



PICKAWAY TOWNSHIP

PICKAWAY 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 2/20/2025

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