

SALEM TOWNSHIP  
MEIGS COUNTY  
REGULAR AUDIT  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022



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ContactUs@ohioauditor.gov  
800-282-0370

Board of Trustees  
Salem Township  
28560 State Route 124  
Langsville, OH 45741

We have reviewed the *Independent Auditor's Report* of Salem Township, Meigs County, prepared by Millhuff-Stang, CPA, 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.

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

KEITH FABER  
Ohio Auditor of State

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

January 30, 2026

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**Salem Township**  
**Meigs County**  
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*For the Years Ended December 31, 2023 and 2022*

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**Independent Auditor's Report**

Board of Trustees  
Salem Township  
Meigs County  
28560 State Route 124  
Langsville, Ohio 45741

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

***Unmodified and Adverse Opinions***

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

***Unmodified Opinion on Regulatory Basis of Accounting***

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

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township, as of December 31, 2023 and 2022, or the changes in financial position thereof for the years then ended.

***Basis for Opinions***

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

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

As described in Note 2 of the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

***Emphasis of Matters***

As discussed in Note 13 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. We did not modify our opinion regarding this matter.

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

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

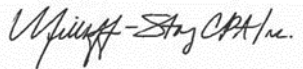


- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2025, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



Millhuff-Stang, CPA, Inc.  
Wheelersburg, Ohio

October 15, 2025

**Salem Township**  
**Meigs County**  
*Combined Statement of Receipts, Disbursements and*  
*Changes in Fund Balances (Regulatory Cash Basis)*  
*All Governmental Fund Types*  
*For the Year Ended December 31, 2023*

	General	Special Revenue	Combined Total
Cash Receipts:			
Property and Other Local Taxes	\$14,022	\$165,705	\$179,727
Intergovernmental	32,324	180,412	212,736
Earnings on Investments	1,605	3,722	5,327
Miscellaneous	91	1,490	1,581
Total Cash Receipts	48,042	351,329	399,371
Cash Disbursements:			
Current:			
General Government	46,357	52,071	98,428
Public Safety	0	16,807	16,807
Public Works	0	220,487	220,487
Health	110	34,975	35,085
Capital Outlay	0	26,100	26,100
Total Cash Disbursements	46,467	350,440	396,907
Net Change in Fund Cash Balances	1,575	889	2,464
Fund Cash Balances, January 1	35,317	224,398	259,715
Fund Cash Balances, December 31	\$36,892	\$225,287	\$262,179

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

**Salem Township**  
**Meigs County**  
*Statement of Additions, Deductions and*  
*Changes in Fund Balances (Regulatory Cash Basis)*  
*Fiduciary Fund Type*  
*For the Year Ended December 31, 2023*

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	Private Purpose Trust
	<hr/>
Fund Cash Balances, January 1	<hr/> \$5,060
Fund Cash Balances, December 31	<hr/> <hr/> \$5,060

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

**Salem Township**  
*Meigs County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 1 - Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Salem Township, Meigs County, Ohio (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, and fire protection services.

***Public Entity Risk Pool***

The Township participates in the Ohio Township Risk Management Authority (OTARMA), a public entity risk pool. Note 9 to the financial statements provides additional information for this entity.

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

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

***Basis of Presentation***

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

***Fund Accounting***

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

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

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

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

*Road Levy Fund* This fund receives property tax money for constructing, maintaining, and repairing the Township roads and bridges.

*Fiduciary Funds*- Fiduciary funds include private purpose trust funds. Trust funds account for assets held under a trust agreement meeting certain criteria. The Township's private purpose trust fund is for the benefit of certain individuals for the care and upkeep of their graves.

**Salem Township**  
*Meigs County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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

***Basis of Accounting***

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

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

***Budgetary Process***

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

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

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

*Encumbrances* The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year-end are carried over and need not be reappropriated.

A summary of 2023 budgetary activity appears in Note 4.

***Deposits and Investments***

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively. The Township had one primary interest bearing checking account during the year.

***Capital Assets***

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

***Accumulated Leave***

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

***Fund Balance***

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

**Salem Township**  
*Meigs County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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

*Nonspendable* The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

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

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

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

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

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

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

**Note 3 - Compliance**

Contrary to Ohio law, total budgetary expenditures exceeded total appropriations in the Road Levy fund for the year ending December 31, 2023.

Contrary to Ohio law, the Township did not always certify the availability of funds prior to the commitment being incurred.

Contrary to Ohio law, the Township did not maintain the original, signed copies of minute records for various meetings held in 2023.

**Note 4 - Budgetary Activity**

Budgetary activity for the years ending December 31, 2023 as follows:

**Salem Township**  
*Meigs County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 4 - Budgetary Activity (Continued)**

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$55,000	\$48,042	(\$6,958)
Special Revenue	286,500	351,329	64,829
Fiduciary	0	0	0
Total	<u>\$341,500</u>	<u>\$399,371</u>	<u>\$57,871</u>

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$90,203	\$46,467	\$43,736
Special Revenue	368,043	350,440	17,603
Fiduciary	0	0	0
Total	<u>\$458,246</u>	<u>\$396,907</u>	<u>\$61,339</u>

**Note 5 - Deposits**

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

	2023
Demand deposits	<u>\$267,239</u>

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

**Note 6 - Property Taxes**

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

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

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

**Salem Township**  
*Meigs County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 7 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Township employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement 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 8 - Postemployment Benefits**

OPERS offers cost-sharing, multiple-employer defined benefit post-employment 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 the employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

**Note 9 - Risk Management**

***Risk Pool Membership***

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

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

The Pool reported the following summary of 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 10 – Contingent Liabilities**

The Township is not currently a defendant in any lawsuits.



**Salem Township**  
*Meigs County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 10 – Contingent Liabilities (Continued)**

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 11 – Fund Balances**

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control.

The fund balance of special revenue funds is either restricted or committed. These restricted and committed amounts in the special revenue funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned. The Township did not have any outstanding encumbrances as of December 31, 2023.

**Note 12 – Subsequent Events**

In August 2024, the Township entered into a \$77,260 loan agreement with KS State Bank for the purchase of a Massy 5711 tractor with a Brush Hog 4110 and sprayer for a seven-year term at 6.3% interest rate. The first payment is due one year from close. Additionally, in November 2024, the Township passed a cemetery tax levy of 0.5 mills. The levy will be effective for a period of five years beginning in calendar year 2025.

**Note 13 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. The Township did not receive any COVID-19 funding in 2023. The Township will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

**Salem Township**  
**Meigs County**  
*Combined Statement of Receipts, Disbursements and*  
*Changes in Fund Balances (Regulatory Cash Basis)*  
*All Governmental Fund Types*  
*For the Year Ended December 31, 2022*

	General	Special Revenue	Combined Total
Cash Receipts:			
Property and Other Local Taxes	\$11,517	\$181,343	\$192,860
Intergovernmental	25,462	264,742	290,204
Earnings on Investments	689	1,598	2,287
Miscellaneous	793	12,945	13,738
Total Cash Receipts	38,461	460,628	499,089
Cash Disbursements:			
Current:			
General Government	32,011	56,259	88,270
Public Safety	0	22,580	22,580
Public Works	0	279,958	279,958
Health	0	23,820	23,820
Capital Outlay	0	15,594	15,594
Debt Service:			
Redemption of Principal	0	13,752	13,752
Interest and Other Fiscal Charges	0	515	515
Total Cash Disbursements	32,011	412,478	444,489
Net Change in Fund Cash Balances	6,450	48,150	54,600
Fund Cash Balances, January 1	28,867	176,248	205,115
Fund Cash Balances, December 31	\$35,317	\$224,398	\$259,715

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

**Salem Township**  
**Meigs County**  
*Statement of Additions, Deductions and*  
*Changes in Fund Balances (Regulatory Cash Basis)*  
*Fiduciary Fund Type*  
*For the Year Ended December 31, 2022*

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	Private Purpose Trust
	<hr/>
Fund Cash Balances, January 1	<hr/> \$5,060
Fund Cash Balances, December 31	<hr/> <hr/> \$5,060

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

**Salem Township**  
*Meigs County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 1 - Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Salem Township, Meigs County, Ohio (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 and fire protection services.

***Public Entity Risk Pool***

The Township participates in the Ohio Township Risk Management Authority (OTARMA), a public entity risk pool. Note 9 to the financial statements provides additional information for this entity.

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

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

***Basis of Presentation***

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

***Fund Accounting***

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

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

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

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

*Road Levy Fund* This fund receives property tax money for constructing, maintaining, and repairing the Township roads and bridges.

*Fiduciary Funds*- Fiduciary funds include private purpose trust funds. Trust funds account for assets held under a trust agreement meeting certain criteria. The Township's private purpose trust fund is for the benefit of certain individuals for the care and upkeep of their graves.

**Salem Township**  
*Meigs County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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

***Basis of Accounting***

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

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

***Budgetary Process***

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

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

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

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

A summary of 2022 budgetary activity appears in Note 4.

***Deposits and Investments***

The Township 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. The Township had one primary interest bearing checking account during the year.

***Capital Assets***

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

***Accumulated Leave***

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

***Fund Balance***

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

**Salem Township**  
*Meigs County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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

*Nonspendable* The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

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

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

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

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

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

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

**Note 3 - Compliance**

Contrary to Ohio law, total budgetary expenditures exceeded total appropriations in the Road Levy fund for the year ended December 31, 2022.

Contrary to Ohio law, the Township did not always certify the availability of funds prior to the commitment being incurred.

**Note 4 - Budgetary Activity**

Budgetary activity for the years ending December 31, 2022 as follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted	Actual	Variance
	Receipts	Receipts	
General	\$38,510	\$38,461	(\$49)
Special Revenue	270,413	460,628	190,215
Fiduciary	0	0	0
Total	\$308,923	\$499,089	\$190,166

**Salem Township**  
*Meigs County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

**Note 4 - Budgetary Activity (Continued)**

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$67,377	\$32,011	\$35,366
Special Revenue	447,075	412,478	34,597
Fiduciary	0	0	0
Total	\$514,452	\$444,489	\$69,963

**Note 5 - Deposits**

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

	2022
Demand deposits	\$264,775

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

**Note 6 - Property Taxes**

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

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

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

**Note 7 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

**Salem Township**  
*Meigs County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 8 - Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes 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 the employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during the calendar year 2022. The portion of the employer contributions allocated to health care for OPERS members in the member-direct plan was 4.0 percent during the calendar year 2022.

**Note 9 - Risk Management**

***Risk Pool Membership***

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

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

The Pool reported the following summary of 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 10 - Debt**

In 2015, the Township obtained a loan through KS State Bank to finance the purchase of a new backhoe loader for township road maintenance. The purchased equipment collateralized the loan. Additionally, in 2018, the Township obtained a loan through Farmers Bank to finance the purchase of a Jaws of Life tool. The tool collateralized the loan. The Township made the final principal payments on both of these loans during 2022.

**Note 11 – Contingent Liabilities**

The Township is not currently a defendant in any lawsuits.

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 12 – Fund Balances**

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpended corpus of the permanent funds. Encumbrances are commitments



**Salem Township**  
*Meigs County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 12 – Fund Balances (Continued)**

related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control.

The fund balance of special revenue funds is either restricted or committed. These restricted and committed amounts in the special revenue funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned. The Township did not have any outstanding encumbrances as of December 31, 2022.

**Note 13 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During 2022, the Township received \$53,956 in COVID-19 funding. The Township will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

**Note 14 – Subsequent Events**

In August 2024, the Township entered into a \$77,260 loan agreement with KS State Bank for the purchase of a Massey 5711 tractor with a Brush Hog 4110 and sprayer for a seven-year term at 6.3% interest rate. The first payment is due one year from close. Additionally, in November 2024, the Township passed a cemetery tax levy of 0.5 mills. The levy will be effective for a period of five years beginning in calendar year 2025.

**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***

Independent Auditor's Report

Board of Trustees  
Salem Township  
Meigs County  
28560 State Route 124  
Langsville, Ohio 45741

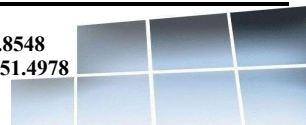
We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Salem Township, Meigs County (the Township) as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements and have issued our report thereon dated October 15, 2025, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code 117-2-03(C) permit. We also noted that the financial impact of COVID-19 and the ensuing emergency measures may impact subsequent periods of the Township.

**Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2023-001 and 2023-002 that we consider to be material weaknesses.



Salem Township

Meigs County

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*

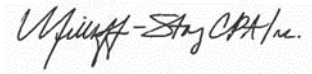
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### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 2023-003 through 2023-005.

### **Purpose of This Report**

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



Millhuff-Stang, CPA, Inc.  
Wheelersburg, Ohio

October 15, 2025

**Salem Township**  
**Meigs County**  
*Schedule of Findings and Responses*  
*For the Years Ended December 31, 2023 and 2022*

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<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**Finding Number 2023-001**

**Material Weakness – Financial Reporting**

A monitoring system by the Township should be in place to prevent or detect misstatements for the accurate presentation of the Township's financial statements. During the audit period, we noted various misstatements within the financial statements. These misstatements included the following:

- Debt activity was misclassified
- Intergovernmental revenue and property tax revenue, in instances, were posted to incorrect funds and misclassified.
- Various nonpayroll disbursements were misclassified.
- A reduction of expenditure was identified due to an OPERS credit that was never properly applied to the Township's records.
- Interest revenue earned in 2022 was not properly recorded.

Additionally, several changes were required in order to fairly present note disclosures for each year.

These misstatements, misclassifications, and errors in disclosures were corrected in the accompanying financial statements.

We recommend the Township implement additional control procedures related to financial reporting that enable management to identify, prevent, detect, and correct potential misstatements and misclassifications in the financial statements and note disclosures.

*Township Response:*

Township officials chose not to respond.

**Finding Number 2023-002**

**Material Weakness – Budgetary Information Within Accounting System**

Accurate budgetary information within the Township's accounting system is pertinent to ensure that the Township has accurate and complete information for decision-making processes. During testing of budgetary information within the system, for both years of the audit period we noted that the amounts within the system did not agree to amounts on file with the County Auditor, including differences in estimated resources and appropriations as well as differences in beginning balances due to prior year audit adjustments that were not reflected in amended certificates of estimated resources. In addition, the Township received federal funding that was "deemed appropriated" in accordance with Ohio laws, but these amounts were not incorporated into filings with the County Auditor in 2022. The Township should review budgeting and accounting processes to ensure that all authorized budgetary amendments are properly documented within the minutes record and accurately posted to the system.

*Township Response:*

Township officials chose not to respond.

**Salem Township**  
**Meigs County**  
*Schedule of Findings and Responses*  
*For the Years Ended December 31, 2023 and 2022*

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**Finding Number 2023-003**

**Noncompliance Citation – Ohio Revised Code Section 5705.41(B)**

Ohio Revised Code Section 5705.41(B) states that no subdivision or taxing unit is to expend money unless it has been appropriated. Contrary to Ohio law, we noted expenditures in excess of appropriations for the Road Levy fund in both 2022 and 2023. The Township should adopt additional procedures to ensure that expenditures do not exceed appropriated amounts.

*Township Response:*

Township officials chose not to respond.

**Finding Number 2023-004**

**Noncompliance Citation – Ohio Revised Code Section 5705.41(D)**

Ohio Revised Code Section 5705.41(D)(1) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the Fiscal Officer is attached thereto. The Fiscal Officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrances. Further, contracts and orders for expenditures lacking prior certification shall be null and void. There are several exceptions to the standard requirement stated above that a Fiscal Officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in Sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. "Then and Now" Certificate – If the Fiscal Officer can certify that both at the time that the contract or order was made ("then"), and at the time that the Fiscal Officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the organization can authorize the drawing of a warrant for the payment of the amount due. The organization has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution, amounts of less than \$3,000 may be paid by the Fiscal Officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the organization.
2. Blanket Certificate – Fiscal Officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

**Salem Township**  
**Meigs County**  
*Schedule of Findings and Responses*  
*For the Years Ended December 31, 2023 and 2022*

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**Finding Number 2023-004 (Continued)**

**Noncompliance Citation – Ohio Revised Code Section 5705.41(D) (Continued)**

3. Super Blanket Certificate – The Board may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the Fiscal Officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

During testing we noted multiple instances in which the Fiscal Officer failed to certify the availability of funds before ordering the expenditure of money. Failure to certify the availability of funds properly can result in overspending funds and negative cash balances. We recommend the Fiscal Officer obtain the certification of the availability of funds prior to the commitment being incurred.

*Township Response:*

Township officials chose not to respond.

**Finding Number 2023-005**

**Noncompliance Citation – Ohio Revised Code Section 122.22(C)**

Ohio Revised Code Section 121.22(C) states, in part, that the minutes of a regular or special meeting of any public body shall be promptly prepared, filed, and maintained and shall be open to public inspection.

We noted that the Township did not maintain the original, signed copies of the minutes for various meetings in 2023. The Township should implement the appropriate procedures to ensure that original, signed copies of the minutes are maintained for every meeting held by the Trustees.

*Township Response:*

Township officials chose not to respond.

**Salem Township**  
**Meigs County**  
*Schedule of Prior Audit Findings*  
*For the Years Ended December 31, 2023 and 2022*

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i><b>Explain</b></i>
Finding 2021-001	Material Weakness – Financial Reporting	No	Reissued as Finding 2023-001
Finding 2021-002	Material Weakness – Budgetary Information Within Accounting System	No	Reissued as Finding 2023-002
Finding 2021-003	Noncompliance Citation – Ohio Revised Code Section 5705.41(B)	No	Reissued as Finding 2023-003
Finding 2021-004	Noncompliance Citation – Ohio Revised Code Section 5705.41(D)	No	Reissued as Finding 2023-004
Finding 2021-005	Noncompliance Citation – Ohio Revised Code Section 133	No	Reissued in Management Letter
Finding 2021-006	Noncompliance Citation – Ohio Revised Code Section 4115	Yes	Finding No Longer Valid
Finding 2021-007	Noncompliance Citation – Ohio Revised Code Section 122.22(C)	No	Reissued as Finding 2023-005
Finding 2021-008	Noncompliance Citation- Ohio Revised Code Section 5705.38(A)	No	Reissued in Management Letter

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# OHIO AUDITOR OF STATE KEITH FABER



**SALEM TOWNSHIP**

**MEIGS 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 2/12/2026**

65 East State Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)