

BALLVILLE TOWNSHIP

SANDUSKY COUNTY, OHIO

REGULAR AUDIT

For the Years Ended December 31, 2022 and 2021





88 East Broad Street
Columbus, Ohio 43215
IPARreport@ohioauditor.gov
(800) 282-0370

Board of Trustees
Ballville Township
2220 Tiffin Road
Fremont, OH 43420

We have reviewed the *Independent Auditor's Report* of Ballville Township, Sandusky County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2021 through December 31, 2022. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber
Auditor of State
Columbus, Ohio

October 03, 2023

This page intentionally left blank.

BALLVILLE TOWNSHIP
SANDUSKY COUNTY, OHIO
Regular Audit
For the Years Ended December 31, 2022 and 2021

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Independent Auditor's Report	1-3
Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2022	4
Combined Statement of Additions, Deductions and Changes in Fund Balances (Regulatory Cash Basis) - All Fiduciary Fund Types - For the Year Ended December 31, 2022	5
Notes to the Financial Statements – For the Year Ended December 31, 2022	6-12
Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2021	13
Combined Statement of Additions, Deductions and Changes in Fund Balances (Regulatory Cash Basis) - All Fiduciary Fund Types - For the Year Ended December 31, 2021	14
Notes to the Financial Statements – For the Year Ended December 31, 2021	15-21
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	22-23
Schedule of Findings	24-26
Prepared by Management:	
Schedule of Prior Audit Findings	27
Corrective Action Plan	28

This page intentionally left blank.

INDEPENDENT AUDITOR'S REPORT

Ballville Township
Sandusky County
821 Third Avenue
Fremont, Ohio 43420

To the Board of Trustees:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of Ballville Township, Sandusky County, Ohio (the Township), which comprise 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, 2022 and 2021, 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, 2022 and 2021, 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, 2022 and 2021, 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 Matter

As discussed in Note 12 to the 2022 and 2021 financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township. We did not modify our opinions 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 opinion. 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.

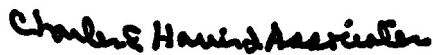
In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- 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 July 28, 2023, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



Charles E. Harris & Associates, Inc.
July 28, 2023

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

	General	Special Revenue	Capital Projects	Totals - Memorandum only
Cash Receipts				
Property and Other Local Taxes	\$ 374,652	\$ 676,363	\$ -	\$ 1,051,015
Licenses, Permits and Fees	19,879	71,314	-	91,193
Intergovernmental	66,558	577,246	-	643,804
Earnings on Investments	17,478	1,778	-	19,256
Miscellaneous	21,010	796,596	-	817,606
<i>Total Cash Receipts</i>	<u>499,577</u>	<u>2,123,297</u>	<u>-</u>	<u>2,622,874</u>
Cash Disbursements				
Current:				
General Government	177,939	-	-	177,939
Public Safety	-	233,258	-	233,258
Public Works	8,359	559,176	-	567,535
Health	415	228,597	-	229,012
Conservation-Recreation	112,576	-	-	112,576
Capital Outlay	4,312	44,291	-	48,603
<i>Total Cash Disbursements</i>	<u>303,601</u>	<u>1,065,322</u>	<u>-</u>	<u>1,368,923</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	195,976	1,057,975	-	1,253,951
Other Financing Receipts (Disbursements)				
Sale of Capital Assets	-	10,160	-	10,160
Other Financing Sources	484	-	-	484
<i>Total Other Financing Receipts (Disbursements)</i>	<u>484</u>	<u>10,160</u>	<u>-</u>	<u>10,644</u>
<i>Net Change in Fund Cash Balances</i>	196,460	1,068,135	-	1,264,595
<i>Fund Cash Balances, January 1, Restated</i>	<u>873,866</u>	<u>1,512,723</u>	<u>87,640</u>	<u>2,474,229</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 1,070,326</u>	<u>\$ 2,580,858</u>	<u>\$ 87,640</u>	<u>\$ 3,738,824</u>

See accompanying notes to the financial statements

Ballville Township
Sandusky County, Ohio
Combined Statement of Additions, Deductions
and Changes in Fund Balances (Regulatory Cash Basis)
All Fiduciary Fund Types
For the Year Ended December 31, 2022

	<u>Fiduciary Fund Types</u>		Totals - Memorandum Only
	<u>Private Purpose Trust</u>	<u>Custodial Fund</u>	
Additions			
<i>Total Additions</i>	\$ -	\$ -	\$ -
Deductions			
<i>Total Deductions</i>	-	-	-
<i>Net Change in Fund Balances</i>	-	-	-
<i>Fund Cash Balances, January 1</i>	2,115	287	2,402
<i>Fund Cash Balances, December 31</i>	<u>\$ 2,115</u>	<u>\$ 287</u>	<u>\$ 2,402</u>

See accompanying notes to the financial statements

Ballville Township
Sandusky County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Ballville Township, Sandusky 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. The Township contracts with the Ballville Volunteer Fire Department and Green Springs Rural Volunteer Fire Department to provide fire services.

Public Entity Risk Pools

The Township participates in two public entity risk pools. Notes 6 and 10 to the financial statements provide additional information for these entities.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Township’s financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) for all fiduciary 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:

Road & Bridge Fund The road and bridge fund accounts for and reports receipts of property tax money and grants for constructing, maintaining and repairing Township roads and bridges.

Fire & Rescue, Ambulance & EMS Fund The Fire & Rescue, Ambulance & EMS fund accounts for and reports receipts of property tax money and grants for the purpose of providing fire protection and EMS services to the citizens of the Township.

Ballville Township
Sandusky County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (continued)

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant Capital Project Fund:

Park Development Fund The park development fund accounts for and reports receipts of monies for the acquisition, development and rehabilitation of recreational areas to providing proper accommodations to the citizens of the Township.

Fiduciary Funds Fiduciary funds include private purpose trust funds and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

The Township’s private purpose trust fund accounts for and reports interest earned on the non-expendable corpus from a trust agreement restricted for the placement of a wreath at the Overmyer Crypts on Decoration Day each year at a minimum of \$20 cost for the wreath as needed.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Township’s custodial fund accounts for monies held by the Township for the reimbursement of employee insurance premiums.

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 Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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 disbursements (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.

Ballville Township
Sandusky County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (continued)

A summary of 2022 budgetary activity appears in Note 3.

Deposits and Investments

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

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

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.

Fund Balance

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

Nonspendable The Township classifies assets as nonspendable when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable portion of the corpus in permanent funds.

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

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

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. 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.

Ballville Township
Sandusky County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (continued)

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 – Budgetary Activity

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

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 394,960	\$ 500,061	\$ 105,101
Special Revenue	1,054,950	2,133,457	1,078,507
Capital Projects	9,000	-	(9,000)

2022 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 701,024	\$ 323,132	\$ 377,892
Special Revenue	1,481,925	1,097,414	384,511
Capital Projects	-	-	-

Contrary to Ohio Revised Code Section 5705.41(D), the Township had purchases made before the encumbrance of funds.

Note 4 – Deposits and Investments

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

	2022
Demand deposits	\$ 917,825
Total deposits	917,825
STAR Ohio	2,823,401
Total investments	2,823,401
Total deposits and investments	\$3,741,226

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

Ballville Township
Sandusky County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 4 – Deposits and Investments (continued)

Deposits

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

Investments

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

Note 5 – Property Taxes

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

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

Note 6 – Risk Management

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 (the latest information available):

Ballville Township
Sandusky County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 6 – Risk Management (continued)

	2021
Cash and investments	\$ 34,880,599
Actuarial liabilities	10,601,444

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Social Security

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

Employees contributed 6.2% of their gross salaries. The Township contributed an amount equal to 6.2% of participants' gross salaries. The Township has paid all contributions required through December 31, 2022.

Note 8 – 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% during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4% 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.

Note 9 – Contingent Liabilities

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

Ballville Township
Sandusky County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 10 – Public Entity Risk Pool

The Township participates in the Ohio Municipal League Group Rating Plan (GRP) for worker’s compensation. The pool’s business and affairs are conducted by a twenty-six-member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

Note 11 – Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the Township had the following fund balances:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Outstanding Encumbrances	\$ 19,531	\$ 32,092	\$ 51,623

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

Note 12 – 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 continues. During 2022, the Township received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. The impact on the Township’s future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

Note 13 – Fund Balance Adjustments

In 2022, uncashed/void checks were put back in the system. This increased the General Fund balance by \$311 and the Special Revenue – Gasoline Tax Fund balance by \$372.

Ballville Township
Sandusky 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, 2021

	General	Special Revenue	Capital Projects	Totals - Memorandum Only
Cash Receipts				
Property and Other Local Taxes	\$ 348,759	\$ 599,478	\$ -	\$ 948,237
Licenses, Permits and Fees	21,172	16,949	-	38,121
Intergovernmental	44,452	582,156	-	626,608
Earnings on Investments	919	119	-	1,038
Miscellaneous	2,500	19,091	-	21,591
<i>Total Cash Receipts</i>	<u>417,802</u>	<u>1,217,793</u>	<u>-</u>	<u>1,635,595</u>
Cash Disbursements				
Current:				
General Government	150,955	-	-	150,955
Public Safety	-	330,315	-	330,315
Public Works	7,619	427,043	-	434,662
Health	-	18,798	-	18,798
Conservation-Recreation	81,408	-	-	81,408
Capital Outlay	1,642	177,843	-	179,485
<i>Total Cash Disbursements</i>	<u>241,624</u>	<u>953,999</u>	<u>-</u>	<u>1,195,623</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	176,178	263,794	-	439,972
Other Financing Receipts (Disbursements)				
Other Financing Sources	494	-	-	494
<i>Total Other Financing Receipts (Disbursements)</i>	<u>494</u>	<u>-</u>	<u>-</u>	<u>494</u>
<i>Net Change in Fund Cash Balances</i>	176,672	263,794	-	440,466
<i>Fund Cash Balances, January 1</i>	<u>696,883</u>	<u>1,248,557</u>	<u>87,640</u>	<u>2,033,080</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 873,555</u>	<u>\$ 1,512,351</u>	<u>\$ 87,640</u>	<u>\$ 2,473,546</u>

See accompanying notes to the financial statements

Ballville Township
Sandusky County, Ohio
Combined Statement of Additions, Deductions
and Changes in Fund Balances (Regulatory Cash Basis)
All Fiduciary Fund Types
For the Year Ended December 31, 2021

	<u>Fiduciary Fund Types</u>		Totals - Memorandum Only
	<u>Private Purpose Trust</u>	<u>Custodial Fund</u>	
Additions			
<i>Total Additions</i>	\$ -	\$ -	\$ -
Deductions			
<i>Total Deductions</i>	-	-	-
<i>Net Change in Fund Balances</i>	-	-	-
<i>Fund Cash Balances, January 1</i>	2,115	287	2,402
<i>Fund Cash Balances, December 31</i>	<u>\$ 2,115</u>	<u>\$ 287</u>	<u>\$ 2,402</u>

See accompanying notes to the financial statements

Ballville Township
Sandusky County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Ballville Township, Sandusky 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. The Township contracts with the Ballville Volunteer Fire Department and Green Springs Rural Volunteer Fire Department to provide fire services.

Public Entity Risk Pools

The Township participates in two public entity risk pools. Notes 6 and 10 to the financial statements provide additional information for these entities.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Township’s financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) for all fiduciary 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:

Road & Bridge Fund The road and bridge fund accounts for and reports receipts of property tax money and grants for constructing, maintaining and repairing Township roads and bridges.

Fire & Rescue, Ambulance & EMS Fund The Fire & Rescue, Ambulance & EMS fund accounts for and reports receipts of property tax money and grants for the purpose of providing fire protection and EMS services to the citizens of the Township.

Ballville Township
Sandusky County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies (continued)

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant Capital Project Fund:

Park Development Fund The park development fund accounts for and reports receipts of monies for the acquisition, development and rehabilitation of recreational areas to providing proper accommodations to the citizens of the Township.

Fiduciary Funds Fiduciary funds include private purpose trust funds and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

The Township's private purpose trust fund accounts for and reports interest earned on the non-expendable corpus from a trust agreement restricted for the placement of a wreath at the Overmyer Crypts on Decoration Day each year at a minimum of \$20 cost for the wreath as needed.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Township's custodial fund accounts for monies held by the Township for the reimbursement of employee insurance premiums.

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 Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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 disbursements (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.

Ballville Township
Sandusky County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies (continued)

A summary of 2021 budgetary activity appears in Note 3.

Deposits and Investments

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

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

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.

Fund Balance

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

Nonspendable The Township classifies assets as nonspendable when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable portion of the corpus in permanent funds.

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

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

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. 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.

Ballville Township
Sandusky County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies (continued)

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 – Budgetary Activity

Budgetary activity for the year ending December 31, 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 430,575	\$ 418,296	\$ (12,279)
Special Revenue	985,294	1,217,793	232,499
Capital Projects	-	-	-

2021 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 679,192	\$ 253,089	\$426,103
Special Revenue	1,622,527	963,824	658,703
Capital Projects	87,640	-	87,640

Contrary to Ohio Revised Code Section 5705.41(D), the Township had purchases made before the encumbrance of funds.

Note 4 – Deposits and Investments

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

	2021
Demand deposits	\$1,671,082
Total deposits	1,671,082
STAR Ohio	804,866
Total investments	804,866
Total deposits and investments	\$2,475,948

Ballville Township
Sandusky County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 4 – Deposits and Investments (continued)

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2021, the Township does not have any unremitted employee payroll withholdings.

Deposits

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

Investments

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

Note 5 – Property Taxes

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

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

Note 6 – Risk Management

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

Ballville Township
Sandusky County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 6 – Risk Management (continued)

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

	<u>2021</u>
Cash and investments	\$ 34,880,599
Actuarial liabilities	10,601,444

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries, and the Township contributed an amount equaling 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2021.

Social Security

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

Employees contributed 6.2% of their gross salaries. The Township contributed an amount equal to 6.2% of participants' gross salaries. The Township has paid all contributions required through December 31, 2021.

Note 8 – 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% during calendar year 2021. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4% during calendar year 2021.

Note 9 – Contingent Liabilities

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

Ballville Township
Sandusky County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 10 – Public Entity Risk Pool

The Township participates in the Ohio Municipal League Group Rating Plan (GRP) for worker’s compensation. The pool’s business and affairs are conducted by a twenty-six-member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

Note 11 – Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the Township had the following fund balances:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Outstanding Encumbrances	\$ 11,465	\$ 9,825	\$ 21,290

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

Note 12 – 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 continues. During 2021, the Township received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. The impact on the Township’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

**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**

Ballville Township
Sandusky County
821 Third Avenue
Fremont, Ohio 43420

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts and disbursements of each governmental fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statements of Ballville Township, Sandusky County (the Township) and have issued our report thereon dated June 28, 2023, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township.

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) to determine the audit procedures 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 Township's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings that we consider material weaknesses. We consider items 2022-001 and 002 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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*, which are described in the accompanying Schedule of Findings as items 2022-001 and 003.

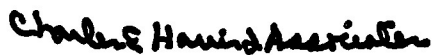
We also noted certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated June 28, 2023.

Township's Responses to Findings

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

Purpose of this Report

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



Charles E. Harris and Associates, Inc.
July 28, 2023

**BALLVILLE TOWNSHIP
SANDUSKY COUNTY
SCHEDULE OF FINDINGS
December 31, 2022 and 2021**

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

Finding Number: 2022-001 – Material Weakness and Non-Compliance

Payroll Certification: Allocating township trustee and fiscal officer compensation

Ohio Rev. Code § 505.24(C)) requires that for trustees and fiscal officers to be paid from funds other than the general fund, a resolution must be passed unanimously to allow it. The resolution shall the proportions of the salaries that are to be paid from each fund. Trustees and fiscal officers must complete a certification prior to receiving his/her pay for that pay period. The certification must be done individually, but is not required to be notarized. The certification is not required to be a time log. Rather, all that is required is a statement detailing the percentage of time that the trustee/fiscal officer spent during that pay period providing services related to each fund to be charged. A sample certification form can be found at the Auditor of State website. If 100% of the compensation of the township trustee and fiscal officer is to be paid to from the general fund, no certification is required.

In 2021 and 2022, the Township charged \$7,619 and \$8,359, respectively, of trustee payroll to the Road and Bridge Fund without proper certification of percentage of time spent working on matters that are to be paid from the Road and Bridge Fund as required by Ohio Rev. Code § 505.24(C)). The improper charging of payroll to the Road and Bridge Fund was adjusted in the audited financial statements and the Township's records.

We recommend that the Township use the payroll certification form stating the percentage of time that the trustee/fiscal officer spent during the pay period providing services related to each fund to be charged if they intend to charge other funds besides the General Fund.

Management Response:

See Corrective Action Plan.

**BALLVILLE TOWNSHIP
SANDUSKY COUNTY
SCHEDULE OF FINDINGS - continued
December 31, 2022 and 2021**

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

Finding Number: 2022-002 – Material Weakness

Accounting for American Rescue Plan Grant

Generally, federal programs with new or expanded COVID-19 assistance require separate accountability and local government will need to establish one of the following to separately account for the receipt and expenditure activity of the COVID-19 funding:

- a separate fund (usually a Special Revenue Fund, however, there may be exceptions where other fund types are appropriate) for a new program, or
- a subfund/special cost center for expanded assistance within an existing federal program.

The Township received American Rescue Plan Grant (ARPA) in 2022 and 2021 which it recorded in a capital projects fund but could not provide a clear explanation for its basis of accounting it in the capital projects fund. The ARPA grant was reclassified as a Special Revenue fund – ARPA grant.

We recommend that the Township follow the federal program guidelines in accounting for the federal grants it receives and record federal grants with restrictions in the Special Revenue Fund.

Management Response:

See Corrective Action Plan.

Finding Number: 2022-003 – Noncompliance

Certification of Funds

Ohio Rev. Code Section 5705.41(D)(1) prohibits a subdivision or taxing entity from making a contract or ordering any expenditure of money unless a certificate signed by a 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 encumbrance.

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 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 Certificates” – If the fiscal officer can certify that both at the time that contract or order was made (“then”) and at the time that the fiscal officer was completing the certification (“now”), that sufficient funds were available or in the process of collection, to credit of a proper fund, properly appropriated and free from any previous encumbrance, the Township can authorize the drawing of a warrant for payment of the amount due. The Township has thirty days from the receipt of the “then and now” certificate to approve payment by resolution.

**BALLVILLE TOWNSHIP
SANDUSKY COUNTY
SCHEDULE OF FINDINGS - continued
December 31, 2022 and 2021**

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

Finding Number: 2022-003 – Noncompliance - continued

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution 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 Township.

2. Blanket Certificates - Fiscal officers may prepare “blanket” certificates for a certain sum of money not in excess of an amount established by resolution adopted by a majority of members of the legislative authority against any specific line item amount 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.

3. Super Blanket Certificates – The Township may also make expenditures and contracts for any amount for a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most profession 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.

The Township did not make the proper certification of funds for 35% of total disbursements tested in 2022 and 2021. Incurring obligations prior to the fiscal officer’s certification could result in the Township spending more than appropriated.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Township’s expenditures exceeding budgetary spending limitations, we recommend that the Township certify expenditures prior to incurring the liability. Also, we recommend the Township only use “then and now” certificates for items under \$3,000 and to have all certificates approved by the Board of Trustees. This will assist in keeping adequate controls over disbursements and encumbrances.

Management Response:

See Corrective Action Plan.

**BALLVILLE TOWNSHIP
SANDUSKY COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
For the Years Ended December 31, 2022 and 2021
Prepared by Management**

Finding Number	Finding Summary	Status	Additional Information
2020-001	Material Weakness and Noncompliance- Audit adjustment and reclassifications	Corrected	

**BALLVILLE TOWNSHIP
SANDUSKY COUNTY**

**CORRECTIVE ACTION PLAN
For the Years Ended December 31, 2022 and 2021
Prepared by Management**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2022-001	We will discuss at next Board meeting and put a plan together to correct this.	Immediately	Tom Ackerman, Fiscal Officer
2022-002	We will discuss at next Board meeting and put a plan together to correct this.	Immediately	Tom Ackerman, Fiscal Officer
2022-003	We will discuss at next Board meeting and put a plan together to correct this.	Immediately	Tom Ackerman, Fiscal Officer

OHIO AUDITOR OF STATE KEITH FABER



BALLVILLE TOWNSHIP

SANDUSKY 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 10/17/2023

88 East Broad 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