



OHIO AUDITOR OF STATE
KEITH FABER



**BATH TOWNSHIP
SUMMIT COUNTY**

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INDEPENDENT AUDITOR'S REPORT

Bath Township
Summit County
3864 W. Bath Road
Akron, Ohio 44210

To the Board of Trustees:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Bath Township, Summit County, Ohio (the Township), which comprises the cash balances, receipts and disbursements for each governmental and the fiduciary fund type combined total as of and for the year ended December 31, 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 and the fiduciary fund type combined total as of and for the year ended December 31, 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, 2022, or the changes in financial position thereof for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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.

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 February 9, 2024, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

February 9, 2024

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Bath Township
Summit 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	Permanent	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$ 1,475,372	\$ 7,689,272	\$ -	\$ -	\$ 9,164,644
Charges for Services	48,652	299,261	-	-	347,913
Licenses, Permits and Fees	121,576	3,850	-	-	125,426
Fines and Forfeitures	8,801	9,833	-	-	18,634
Intergovernmental	1,203,216	1,678,197	-	-	2,881,413
Special Assessments	-	10,208	-	-	10,208
Earnings on Investments	138,393	76,087	-	1,929	216,409
Miscellaneous	75,245	125,811	-	-	201,056
<i>Total Cash Receipts</i>	<u>3,071,255</u>	<u>9,892,519</u>	<u>-</u>	<u>1,929</u>	<u>12,965,703</u>
Cash Disbursements					
Current:					
General Government	1,777,316	44,609	-	-	1,821,925
Public Safety	302,309	5,833,232	-	-	6,135,541
Public Works	7,776	1,687,879	-	-	1,695,655
Health	87,528	-	-	-	87,528
Conservation-Recreation	-	423,673	-	-	423,673
Other	-	(3,051)	-	11,107	8,056
Capital Outlay	101,180	523,205	332,573	-	956,958
<i>Total Cash Disbursements</i>	<u>2,276,109</u>	<u>8,509,547</u>	<u>332,573</u>	<u>11,107</u>	<u>11,129,336</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>795,146</u>	<u>1,382,972</u>	<u>(332,573)</u>	<u>(9,178)</u>	<u>1,836,367</u>
<i>Net Change in Fund Cash Balances</i>	795,146	1,382,972	(332,573)	(9,178)	1,836,367
<i>Fund Cash Balances, January 1, 2022</i>	<u>4,150,326</u>	<u>14,009,913</u>	<u>2,080,079</u>	<u>110,245</u>	<u>20,350,563</u>
<i>Fund Cash Balances, December 31, 2022</i>	<u>\$ 4,945,472</u>	<u>\$ 15,392,885</u>	<u>\$ 1,747,506</u>	<u>\$ 101,067</u>	<u>\$ 22,186,930</u>

See accompanying notes to the basic financial statements

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

	Other Custodial
Additions	
Deposits Received	\$ 7,150
<i>Total Additions</i>	<i>7,150</i>
Deductions	
Distributions of Deposits	(4,450)
<i>Total Deductions</i>	<i>(4,450)</i>
<i>Operating Income (Loss)</i>	<i>2,700</i>
<i>Fund Cash Balances, January 1, 2022</i>	<i>65,550</i>
<i>Fund Cash Balances, December 31, 2022</i>	<i>\$68,250</i>

Bath Township
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Bath Township, Summit County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services, police services, and park facilities.

Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations

The Township participates in a jointly governed organization and a joint venture. Notes 9 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 receipts, disbursements and changes in fund balances (regulatory cash basis) for all fiduciary fund types 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 expenditures for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

Road and Bridge Fund – This fund receives property tax money for constructing, maintaining, and repairing Township roads and bridges.

Police District Fund – This fund receives special levy tax money for providing police services to Township residents.

Fire District Fund – This fund receives special levy money for providing fire services to Township residents.

Bath Township
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Joint Economic Development District I and II (JEDD I and II Funds) – These funds are dedicated to preserving the rural character of Bath Township.

Park Levy Fund – This fund receives special levy money for the ongoing maintenance and improvements to the Township’s parks.

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 funds:

Permanent Improvement Fund – This fund is used for professional and engineering services for capital projects.

Permanent Funds These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Township had the following significant permanent fund:

Wilson Trust Fund – This fund receives interest earned on a \$100,000 nonexpendable amount from a trust agreement. These earnings are used for the training and equipment costs for safety forces.

Fiduciary Funds These funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria. The Township has no private purpose trust funds or investment trust funds.

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 funds account for road opening deposits and road bonds that are returned when construction is complete, and for security deposits for those sports organizations using the Township’s parks for recreational league activities.

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 expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund/department and within each department, the amount of personal services level

Bath Township
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2022

for all funds, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

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

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

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.

The Township values U.S. Treasury Notes at cost. Money market mutual funds are recorded at share values the mutual funds report.

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.

Accumulated Leave

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

Fund Balance

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

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

Bath Township
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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 – Budgetary Activity

Budgetary activity for the year ending 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 2,241,590	\$ 3,071,255	\$ 829,665
Special Revenue	9,830,022	9,892,519	62,497
Capital Projects	200,000	-	(200,000)
Permanent	50	1,929	1,879
Fiduciary	16,000	7,150	(8,850)
Total	\$ 12,287,662	\$ 12,972,853	\$ 685,191

Bath Township
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2022

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 2,926,767	\$ 2,405,551	\$ 521,216
Special Revenue	11,297,170	8,971,508	2,325,662
Capital Projects	821,197	442,932	378,265
Permanent	12,201	11,107	1,094
Fiduciary	64,000	4,450	59,550
Total	\$ 15,121,335	\$ 11,835,548	\$ 3,285,787

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. The Township also has segregated accounts, which include the JEDD funds, clearing accounts, and amounts with fiscal and escrow agents that are not part of this pool. A summary of the Township's deposit and investment accounts are as follows:

	2022
<i>Cash Management Pool:</i>	
Demand deposits	\$ 5,500,747
Meeder General Investment Trust (cash portion 12/31)	113,553
Meeder JEDD Investment Trust (cash portion 12/31)	5,104
Total deposits	5,619,404
Investments	
Meeder General Investment Trust (investment balance less unposted interest)	3,904,564
Meeder JEDD Investment Trust (investment balance less unposted interest)	2,001,792
STAR Ohio	10,729,415
Total investments	16,635,771
<i>Total carrying amount of deposits and investments held in the Pool</i>	\$ 22,255,175

Segregated Accounts – Not held in the Pool:

The Township has a payroll clearing account that is held outside of the deposit pool where gross payroll is held for distribution. The expenditures included in the accompanying financial statements reflect gross payroll. The balance in the Township's payroll clearing account represents unremitted employee payroll withholdings.

Deposits

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

Bath Township
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Investments

A financial institution's trust department holds the Township's equity securities in book-entry form in the name of the Township. The financial institution maintains records identifying the Township as owner of these securities.

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.

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

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

Note 6 – Risk Management

Workers' Compensation

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

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles;
- Public officials' liabilities;
- Law enforcement liabilities; and
- Errors and omissions

There were no significant changes in coverage from the prior year.

Bath Township
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some Township’s 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 post-retirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants’ gross salaries. OPERS Law Enforcement members contributed 13 percent of their gross salaries, and the Township contributed 18.10 percent. The Township has paid all contributions required through December 31, 2022.

Ohio Police and Fire Retirement System

The Township’s certified Fire Fighters belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include post-retirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Township contributed to OP&F an amount equal to 24 percent of full-time fire fighters’ wages. The Township has paid all contributions required through December 31, 2022.

Social Security

The Township’s 23 part-time firefighters and 2 elected officials contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

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

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2022. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

Bath Township
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 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 – Joint Ventures

The Township jointly operates a fire station with Copley Township. All operating and maintenance costs were paid equally by the two townships. For the year ended December 31, 2022, the Township's expenditures for the fire station were \$459,586.

Note 10 – Jointly Governed Organizations

The Township is a member of a Joint Economic Development District (JEDD) with the Cities of Akron and Fairlawn. The City of Akron provides water services to businesses within the JEDD while the JEDD is permitted to collect income taxes on those businesses. In addition, the Township receives income tax and real and property tax monies, reported as JEDD revenues, as a result of its participation in the Bath-Akron-Fairlawn JEDD. The JEDD levies an income tax of 2.5 % on gross salaries, wages and other personal service compensation earned by the residents of the JEDD and on the earnings of non-residents working within the JEDD. This tax also applies to the net income of business operations within the JEDD. Akron is responsible for the administration, collection, and enforcement of the income tax for the JEDD. The Township is entitled to one-third of all tax receipts attributable to the increase of the tax rate above the initial 2% rate in effect at the time of this agreement. The Township receives 100% of the Real Estate and Personal Property Taxes including Bed Taxes levied on property within the District. At the same time, the JEDD prevents annexation of Township property by either city and maintains the Township's rural character and property tax base.

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. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Capital Projects	Permanent	Total
Nonspendable: Corpus	\$ -	\$ -	\$ -	\$ 100,000	\$ -
Outstanding Encumbrances	129,442	461,961	110,359	-	701,762
Total	<u>\$ 129,442</u>	<u>\$ 461,961</u>	<u>\$ 110,359</u>	<u>\$ 100,000</u>	<u>\$ 701,762</u>

Bath Township
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2022

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue, debt service, capital projects, and permanent funds would including the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

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 emergency funding, either federal or state, cannot be estimated. The Township's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined.

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

Bath Township
Summit County
3864 W. Bath Road
Akron, Ohio 44210

To the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the cash-basis financial statements of Bath Township, Summit County, (the Township) as of and for the year ended December 31, 2022, and the related notes to the financial statements which collectively comprise the Township's basic financial statements and have issued our report thereon dated February 9, 2024, wherein we noted the Township uses a special purpose framework other than generally accepted accounting principles.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings as item 2022-001.

Township's Response to Findings

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

Purpose of This Report

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



Keith Faber
Auditor of State
Columbus, Ohio

February 9, 2024

**BATH TOWNSHIP
SUMMIT COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2022**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding for Recovery - Public Money Illegally Expended – Resolved Under Audit

FINDING NUMBER 2022-001

NONCOMPLIANCE

Section 3.11 of the Township's Personnel Policy Manual specifies any part time employee who is scheduled and works on the actual traditional holiday will be paid his or her applicable hourly rate in addition to receiving up to eight hours of holiday pay.

During 2022 the part time employees listed below received holiday pay in excess of the 8 hours per holiday shift authorized by the policy:

Part Time Employee Name	Hourly Rate	Holiday Hours Paid Exceeding Eight Authorized by Policy	Overpayment
Anthony Agoston	\$ 22.63	4	\$ 90
Stephen Albertson	\$ 27.40	12	328
Robert Benza	\$ 23.67	8.5	201
Ryan Bowers	\$ 23.67	4	94
Brent Boyko	\$ 21.31	4	85
Terry Brock	\$ 24.77	4	99
Joseph D'Ambrosia	\$ 23.67	4	94
Janette Friend	\$ 23.67	8	189
Caden Hayward	\$ 21.31	12.5	266
Timothy Lefevre	\$ 23.67	11.5	272
Robert Motz	\$ 22.63	13.25	299
Jeremy Parkhurst	\$ 23.67	12.5	295
Blaine Schooley	\$ 23.67	32.5	769
Chad Warner	\$ 23.96	11.75	<u>281</u>
Total Overpaid			\$ <u>3,362</u>

Ohio Rev. Code § 117.24 requires the Auditor of State to determine whether “public money has been illegally expended, any public money collected has not been accounted for, any public money due has not been collected, or any public property has been converted or misappropriated. . . .” Those determinations in an audit report constitute “findings for recovery.” Ohio Rev. Code § 9.24(H)(3).

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against the above listed individuals and Vito Sinopoli, Township Administrator, and his insurance company, Travelers Bond & Specialty Insurance, jointly and severally, in the amount of \$3,144, and in favor of the Bath Township Fire District Fund and in the amount of \$218 in favor of the Bath Township Police District Fund.

On December 18, 2023, the Township Trustees approved resolution 2023-49. This resolution retroactively amended Section 3.11 of the Township's Personnel Policy Manual to allow part time employees to receive holiday pay for all holiday hours actually worked throughout 2022. Therefore, the Finding for Recovery is considered resolved under audit.

Official's Response: See the next page.



Trustees

Elaina E. Goodrich
Sharon A. Troike
Sean F. Gaffney

January 19, 2024

Ms. Michelle Sweitzer

Senior Audit Manager

Auditor of State, Keith Faber

Fiscal Officer

Gregory R. Thewes

Re: Finding for Recovery- Resolved Under Audit- Holiday Compensation- PT Employees

**Township
Administrator**

Vito F. Sinopoli

Dear Michelle,

In the Schedule of Findings related to the Bath Township 2022 FY Audit and a listed Finding for Recovery, staff members from the Auditor of State identified overpayments to part time fire employees concerning holiday pay. The 2022 Bath Township Personnel Manual Section 3.11 -Holiday Compensation- limited pay for part time employees to 8 hours on an eligible holiday. Bath Township appreciates working with AOS staff and legal counsel for the Auditor of State during a virtual call on December 14, 2023 to resolve the issue during the audit. An amendment to Section 3.11 of the 2022 Personnel Policy Manual was adopted by the Bath Township Board of Trustees through resolution (2023-49: Approved 12/18/23), and retroactively applied to January 1, 2022.

Sincerely,

Vito F. Sinopoli

Administrator/Chief of Police

BATH TOWNSHIP
Summit County, Ohio

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P.O. Box 1188
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OHIO AUDITOR OF STATE KEITH FABER



BATH TOWNSHIP

SUMMIT 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 4/16/2024

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