



**AMBOY TOWNSHIP
FULTON COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2021-2020

**AMBOY TOWNSHIP
FULTON COUNTY**

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INDEPENDENT AUDITOR'S REPORT

Amboy Township
Fulton County
2650 County Road S
P.O. Box 172
Metamora, Ohio 43540-0172

To the Board of Trustees:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of Amboy Township, Fulton County, Ohio (the Township), which comprises the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2021 and 2020, 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 as of and for the years ended December 31, 2021 and 2020, 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, 2021 and 2020, or the changes in financial position thereof for the years then ended.

Basis for Opinions

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

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

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

Emphasis of Matters

As discussed in Note 11 to the 2021 and 2020 financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. Our opinion is not modified with respect to this matter.

As discussed in Note 13 to the financial statements, during 2020, the Township restated its beginning fund balance to reclassify a fund to more appropriately reflect the purpose of the fund. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2022 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

November 17, 2022

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Amboy Township
Fulton County
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	\$65,422	\$264,688		\$330,110
Charges for Services		215,787		215,787
Licenses, Permits and Fees		250		250
Intergovernmental	29,034	246,629	\$57,817	333,480
Earnings on Investments	1,323	288		1,611
Miscellaneous	761	18,242		19,003
<i>Total Cash Receipts</i>	<u>96,540</u>	<u>745,884</u>	<u>57,817</u>	<u>900,241</u>
Cash Disbursements				
Current:				
General Government	84,177	40,757		124,934
Public Safety		265,555		265,555
Public Works	2,661	200,160		202,821
Health		25,069		25,069
Capital Outlay		13,721	196,117	209,838
Debt Service:				
Principal Retirement		25,592		25,592
Interest and Fiscal Charges		6,166		6,166
<i>Total Cash Disbursements</i>	<u>86,838</u>	<u>577,020</u>	<u>196,117</u>	<u>859,975</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>9,702</u>	<u>168,864</u>	<u>(138,300)</u>	<u>40,266</u>
Other Financing Receipts				
Loan Proceeds			\$138,300	138,300
<i>Net Change in Fund Cash Balances</i>	9,702	168,864		178,566
<i>Fund Cash Balances, January 1</i>	<u>411,542</u>	<u>1,636,855</u>		<u>2,048,397</u>
<i>Fund Cash Balances, December 31</i>	<u>\$421,244</u>	<u>\$1,805,719</u>		<u>\$2,226,963</u>

See accompanying notes to the basic financial statements

AMBOY TOWNSHIP
FULTON 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 Gorham Township, Fulton 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, fire protection and emergency medical services.

Public Entity Risk Pool

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA) a public entity risk pool. Note 6 to the financial statements provide additional information for this entity.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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

Gas Tax Fund The gas tax fund receives gas tax money for constructing, maintaining and repairing Township roads.

Fire Levy Fund This fund receives property tax money to provide fire protection services to residents of the Township.

Ambulance EMS Service Fund The ambulance EMS service fund receives contract monies from Fulton County to provide fire and EMS services within the Township.

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:

Issue II Fund The Township received a grant from the sale for capital improvements. The proceeds are restricted for capital improvement.

AMBOY TOWNSHIP
FULTON COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2021

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 (D). 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 (D) permit.

Budgetary Process

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

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

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

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

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.

AMBOY TOWNSHIP
FULTON COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2021

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.

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 9.

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	\$88,330	\$96,540	\$8,210
Special Revenue	658,006	745,884	87,878
Custodial	196,117	196,117	
Total	\$942,453	\$1,038,541	\$96,088

AMBOY TOWNSHIP
FULTON COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2021

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$452,870	\$86,838	\$366,032
Special Revenue	2,226,785	577,020	1,649,765
Custodial	196,117	196,117	
Total	\$2,875,772	\$859,975	\$2,015,797

Note 4 – Deposits and Investments

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

	2021
Cash Management Pool:	
Demand deposits	\$182,523
STAR Plus	1,843,152
Total deposits	2,025,675
STAR Ohio	201,288
Total carrying amount of deposits and investments held in the Pool	\$2,226,963

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 is holding no unremitted employee withholdings.

Deposits

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

Investments

Investments in STAR Ohio 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.

AMBOY TOWNSHIP
FULTON COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2021

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
- Automobile liability
- Vehicle
- Property
- Equipment breakdown

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

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

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.

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Social Security

Some Township employees 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, 2021.

AMBOY TOWNSHIP
FULTON COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 8 – Postemployment Benefits

OPERS 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 2021. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2021.

Note 9 – Fund Balances

The fund balance of special revenue funds is either restricted or committed.

Note 10 – Debt

Debt outstanding at December 31, 2021, was as follows:

	Principal	Interest Rate
OPWC - Village of Metamora Loan	\$34,572	0%
OPWC Loan	138,300	0%
Bank Loan	129,129	4.155%
Total	\$302,001	

The Township has an interest free loan from the Ohio Public Works Commission (OPWC) jointly with the Village of Metamora for road work done on County Road 2 within the Township.

The Township portion to pay is \$2,881 a year. The loan began in 2014 and will mature in 2034.

The Township entered into an interest free loan from the Ohio Public Works Commission (OPWC) for Road 6 and Road 4-1 Reclamation and Resurfacing. The Township paid off the loan in 2022.

Contrary to Ohio law, the Township has a 4.155 percent loan from Metamora State Bank in Sylvania, Ohio, for the purchase of a fire truck for the Township.

The loan began in 2019 in the amount of \$191,188 for a term of 8 years. The loan is collateralized by a mortgage on the fire truck.

Amortization

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

AMBOY TOWNSHIP
FULTON COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2021

Year Ending December 31:	OPWC - Village of Metamora		Bank Loan	
	Loan	OPWC Loan	Principal	Interest
	Principal	Principal	Principal	Interest
2022	\$1,441	\$138,300	\$26,666	\$5,092
2023	2,881		27,786	3,972
2024	2,881		28,952	2,806
2025	2,881		30,169	1,590
2026	2,881		15,556	322
2027-2031	14,405			
2032-2034	7,202			
Total	<u>\$34,572</u>	<u>\$138,300</u>	<u>\$129,129</u>	<u>\$13,782</u>

Note 11 – 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. 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.

Amboy Township
Fulton County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2020

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$68,319	\$275,515		\$343,834
Charges for Services		215,786		215,786
Licenses, Permits and Fees		450		450
Intergovernmental	26,839	244,533	\$267,183	538,555
Earnings on Investments	8,419	2,196		10,615
Miscellaneous	46,010	51,551		97,561
<i>Total Cash Receipts</i>	<u>149,587</u>	<u>790,031</u>	<u>267,183</u>	<u>1,206,801</u>
Cash Disbursements				
Current:				
General Government	87,886	41,295		129,181
Public Safety		442,440		442,440
Public Works	2,600	260,428		263,028
Health		18,616		18,616
Capital Outlay		13,100	267,183	280,283
Debt Service:				
Principal Retirement		24,561		24,561
Interest and Fiscal Charges		7,197		7,197
<i>Total Cash Disbursements</i>	<u>90,486</u>	<u>807,637</u>	<u>\$267,183</u>	<u>1,165,306</u>
<i>Net Change in Fund Cash Balances</i>	59,101	(17,606)		41,495
<i>Fund Cash Balances, January 1 (restated)</i>	<u>352,441</u>	<u>1,654,461</u>		<u>2,006,902</u>
<i>Fund Cash Balances, December 31</i>	<u>\$411,542</u>	<u>\$1,636,855</u>		<u>\$2,048,397</u>

See accompanying notes to the basic financial statements

AMBOY TOWNSHIP
FULTON COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Amboy Township, Fulton 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, fire protection and emergency medical services.

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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

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Gas Tax Fund The gas tax fund receives gas tax money for constructing, maintaining and repairing Township roads.

Fire Levy Fund This fund receives property tax money to provide fire protection services to residents of the Township.

Ambulance EMS Service Fund The ambulance EMS service fund receives contract monies from Fulton County to provide fire and EMS services within the Township.

Coronavirus Relief Fund The coronavirus relief fund received federal funds for payroll expenses for emergency personnel.

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:

Issue II Fund The Township received a grant from the sale for capital improvements. The proceeds are restricted for capital improvement.

AMBOY TOWNSHIP
FULTON COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2020

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 (D). 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 (D) permit.

Budgetary Process

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

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

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

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

A summary of 2020 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.

AMBOY TOWNSHIP
FULTON COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2020

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.

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 9.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$92,740	\$149,587	\$56,847
Special Revenue	756,829	790,031	33,202
Custodial	267,183	267,183	
Total	\$1,116,752	\$1,206,801	\$90,049

AMBOY TOWNSHIP
FULTON COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2020

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$445,180	\$90,486	\$354,694
Special Revenue	2,411,286	807,637	1,603,649
Custodial	267,183	267,183	
Total	\$3,123,649	\$1,165,306	\$1,958,343

Note 4 – Deposits and Investments

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

	2020
Cash Management Pool:	
Demand deposits	\$205,514
STAR Plus	1,841,726
Total deposits	2,047,240
STAR Ohio	1,157
<i>Total carrying amount of deposits and investments held in the Pool</i>	<i>\$2,048,397</i>

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, 2020, the Township is holding no unremitted employee withholdings.

Deposits

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

Investments

Investments in STAR Ohio 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.

AMBOY TOWNSHIP
FULTON COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2020

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
- Automobile liability
- Vehicle
- Property
- Equipment breakdown

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

	<u>2020</u>
Cash and investments	\$36,348,066
Actuarial liabilities	\$10,894,146

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.

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2020.

Social Security

Some Township employees 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, 2020.

AMBOY TOWNSHIP
FULTON COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 8 – Postemployment Benefits

OPERS 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 2020. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2020.

Note 9 – Fund Balances

The fund balance of special revenue funds is either restricted or committed.

Note 10 – Debt

Debt outstanding at December 31, 2020, was as follows:

	Principal	Interest Rate
OPWC - Village of Metamora Loan	\$37,453	0%
Bank Loan	154,721	4.155%
Total	\$192,174	

The Township has an interest free loan from the Ohio Public Works Commission (OPWC) jointly with the Village of Metamora for road work done on County Road 2 within the Township.

The Township portion to pay is \$2,881 a year. The loan began in 2014 and will mature in 2034.

Contrary to Ohio law, the Township has a 4.155 percent loan from Metamora State Bank in Sylvania, Ohio, for the purchase of a fire truck for the Township.

The loan began in 2019 in the amount of \$191,188 for a term of 8 years. The loan is collateralized by a mortgage on the fire truck.

Amortization

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

AMBOY TOWNSHIP
FULTON COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2020

Year Ending December 31:	OPWC - Village of Metamora		
	Loan	Bank Loan	
	Principal	Principal	Interest
2021	\$1,441	\$25,592	\$6,166
2022	2,881	26,666	5,092
2023	2,881	27,786	3,972
2024	2,881	28,952	2,806
2025	2,881	30,169	1,590
2026-2030	14,405	15,556	322
2031-2034	10,083		
Total	<u>\$37,453</u>	<u>\$154,721</u>	<u>\$19,948</u>

Note 11 – 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. 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.

Note 12 – Miscellaneous Revenues

Miscellaneous receipts in the General Fund and Special Revenue Fund primarily consisted of Ohio Bureau of Workers' compensation (OBWC) refunds.

Note 13 – Restatement of Fund Balance

Beginning in 2020 the Fire Department Fund previously classified as a Capital Project Fund was reclassified to a Special Revenue Fund as the Township deemed this classification more appropriate based on the purpose of the fund. This change in fund classifications had the following effect on fund balances previously reported for the year ended December 31, 2019:

	<u>Special Revenue</u>	<u>Capital Projects</u>
Fund cash balance previously reported	\$ 1,395,273	\$ 259,188
To properly present beginning fund balance	<u>259,188</u>	<u>(259,188)</u>
Restated fund cash balance at December 31, 2019	<u>\$ 1,654,461</u>	<u>\$ -</u>

Note 14 – Change in Accounting Principle

For 2020, the Township has made a change to their cash basis reporting model. This change includes removing the fund balance classifications from the combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) – all governmental fund types.

OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
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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

Amboy Township
Fulton County
2650 County Road S
P.O. Box 172
Metamora, Ohio 43540-0172

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type as of and for the years ended December 31, 2021 and 2020 and the related notes to the financial statements of Amboy Township, Fulton County, Ohio (the Township) and have issued our report thereon dated November 17, 2022, wherein we noted the Township followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures, which may impact subsequent periods of the Township. In addition, we noted the Township restated its beginning fund balance to reclassify a fund to more appropriately reflect the purpose of the fund.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2021-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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

November 17, 2022

**AMBOY TOWNSHIP
FULTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2021 AND 2020**

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

FINDING NUMBER 2021-001

Material Weakness – Financial Reporting

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

Ohio Public Works Commission loan proceeds in the amount of \$138,300 were misclassified as intergovernmental receipts rather than as other loan proceeds in the Capital Projects fund in 2021.

This error was not identified and corrected prior to the Township preparing its financial statements due to deficiencies in the Township's internal controls over financial statement monitoring. The accompanying financial statements have been adjusted to correct this error. Failing to complete accurate financial statements could lead the Board of Trustees to making misinformed decisions. In addition to the adjustment noted above, we also identified additional immaterial misstatements ranging from \$2,345 to \$16,057 that we have brought to the Township's attention.

To help ensure the Township's financial statements and notes to the financial statements are complete and accurate, the Township should adopt policies and procedures over financial reporting, including a final review of the financial statements and notes to the financial statements by the Fiscal Officer and the Board of Trustees, to help identify and correct errors and omissions.

Officials' Response:

We did not receive a response from Officials to the above finding.

AMBOY TOWNSHIP

Fulton County, Ohio

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS DECEMBER 31, 2021 AND 2020

Finding Number	Finding Summary	Status	Additional Information
2019-001	The finding was first reported in 2019. Material weakness due to financial statement reporting errors.	Not corrected and repeated as Finding 2021-001 in this report.	Additional errors occurred and were not corrected. Management is aware and understands the importance of the information presented on the financial statements and will ensure the financial statements are properly presented.
2019-002	The finding was first reported in 2019. Material weakness and noncompliance with Ohio Rev. Code Chapter 133 and 505 for incurring debt through methods not authorized for a Township.	Partially corrected and repeated in the management letter.	Recurrence due to the Township still having the bank loan in less significant amounts. Fiscal Officer and Trustees are aware of the compliance issue and will no longer obtain bank loan debt in the future.
2019-003	The finding was first reported in 2019. Material weakness and noncompliance with Ohio Rev. Code § 5705.10(F) for inappropriately recording sale of capital assets in the General fund.	Fully corrected.	

OHIO AUDITOR OF STATE KEITH FABER



AMBOY TOWNSHIP

FULTON COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 12/6/2022

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