



OHIO AUDITOR OF STATE
KEITH FABER



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BASIC AUDIT REPORT

Blackcreek Township
Mercer County
PO Box 521
Rockford, Ohio 45882

We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of Blackcreek Township, Mercer County, (the Township) for the years ended December 31, 2021 and 2020.

Our procedures were designed solely to satisfy the audit requirements of Ohio Rev. Code Section 117.11(A). Because our procedures were not designed to opine on the Township's financial statements, we did not follow *generally accepted auditing standards*. We do not provide any assurance on the Township's financial statements, transactions or balances for the years ended December 31, 2021 and 2020.

The Township's management is responsible for preparing and maintaining its accounting records and related documents. Our responsibility under Ohio Rev. Code Section 117.11(A) is to examine, analyze and inspect these records and documents.

Based on the results of our procedures, we found the following significant compliance or accounting issues to report.

Current Year Observations

1. **Ohio Rev. Code § 5739.02(B)(1)** states that sales tax does not apply to the sales to the state or any of its political subdivisions, or to any other state or its political subdivisions if the laws of that state exempt from taxation sales made to this state and its political subdivisions. In addition, **State ex rel. McClure v. Hagerman, 155 Ohio St. 320 (1951)**, provides that expenditures made by a governmental unit should serve a public purpose. The Township reimbursed the fiscal officer for sales tax paid totaling \$415 in 2020. Sales tax is not considered a proper public purpose. The Township should establish and implement procedures to verify that state sales tax is not paid or reimbursed for using public funds. Failure to do so could result in findings for recovery being issued in future audits.
2. **Ohio Rev. Code § 507.12 (C)(2)** states a township fiscal officer who is elected to a subsequent term of office shall complete twelve hours of continuing education courses in each subsequent term of office. The Fiscal Officer did not complete twelve hours of continuing education courses for his term ended 3/31/2020. The Township should establish and implement procedures to verify that the Fiscal Officer attends the required training during each term.
3. The CARES Act, **42 U.S.C. § 801(d)** states that a unit of local government shall use the funds provided under a payment made under this section to cover only those costs of the unit of local government that: (1) are necessary expenditures incurred due to the public health emergency with respect to Coronavirus Disease 2019 (COVID-19); (2) were not accounted for in the governments most recently approved budget as of March 27, 2020; and (3) were incurred during the period that begins on March 1, 2020 and ends on December 31, 2021.

Current Year Observations (Continued)

The Township used COVID-19 monies to reimburse for sales taxes paid in the amount of \$415, which does not meet requirement (1). The Township should establish and implement procedures to verify that federal funds are expended only for purposes as established by law.



Keith Faber
Auditor of State
Columbus, Ohio

August 25, 2022

OHIO AUDITOR OF STATE KEITH FABER



BLACKCREEK TOWNSHIP

MERCER 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 9/8/2022

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This report is a matter of public record and is available online at
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