



OHIO AUDITOR OF STATE  
**KEITH FABER**





**LIBERTY TOWNSHIP  
VAN WERT COUNTY  
DECEMBER 31, 2024 AND 2023**

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# OHIO AUDITOR OF STATE KEITH FABER



65 East State Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
800-282-0370

## INDEPENDENT AUDITOR'S REPORT

Liberty Township  
Van Wert County  
13833 St. Rt. 118  
Van Wert, Ohio 45891

To the Board of Trustees:

### Report on the Audit of the Financial Statements

#### ***Unmodified and Adverse Opinions***

We have audited the financial statements of Liberty Township, Van Wert County, Ohio (the Township), which comprises the cash balances, receipts and disbursements for each governmental fund type and fiduciary fund type combined total as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements.

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type and fiduciary fund type combined total as of and for the years ended December 31, 2024 and 2023, 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, 2024 and 2023, 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.

***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 *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 December 4, 2025, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

KEITH FABER  
Ohio Auditor of State



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

December 4, 2025

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**Liberty Township**  
*Van Wert 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, 2024*

	General	Special Revenue	Capital Projects	Combined Total
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$30,329	\$140,474	\$4,949	\$175,752
Charges for Services		36,705		36,705
Licenses, Permits and Fees	1,150			1,150
Intergovernmental	24,722	181,356	529	206,607
Earnings on Investments	445	539		984
Miscellaneous	82	627		709
<i>Total Cash Receipts</i>	<u>56,728</u>	<u>359,701</u>	<u>5,478</u>	<u>421,907</u>
<b>Cash Disbursements</b>				
Current:				
General Government	44,627			44,627
Public Safety	1,797	32,972		34,769
Public Works		234,588	3,000	237,588
Health	15,200	31,312		46,512
Debt Service:				
Principal Retirement		25,000		25,000
<i>Total Cash Disbursements</i>	<u>61,624</u>	<u>323,872</u>	<u>3,000</u>	<u>388,496</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(4,896)</u>	<u>35,829</u>	<u>2,478</u>	<u>33,411</u>
<i>Fund Cash Balances, January 1</i>	<u>30,557</u>	<u>310,261</u>	<u>911</u>	<u>341,729</u>
<i>Fund Cash Balances, December 31</i>	<u>\$25,661</u>	<u>\$346,090</u>	<u>\$3,389</u>	<u>375,140</u>

*See accompanying notes to the basic financial statements*

**Liberty Township**  
*Van Wert County, Ohio*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*Fiduciary Fund Type*  
*For the Year Ended December 31, 2024*

	Private Purpose Trust
<b>Additions</b>	
Property and Other Local Taxes Collected for Distribution	
<i>Total Additions</i>	-
<b>Deductions</b>	
Distributions as Fiscal Agent	
<i>Total Deductions</i>	-
<i>Net Change in Fund Balances</i>	-
<i>Fund Cash Balances, January 1</i>	563
<i>Fund Cash Balances, December 31</i>	\$563
<i>See accompanying notes to the basic financial statements</i>	

**Liberty Township**  
*Van Wert County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2024*

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**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Liberty Township, Van Wert 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. The Township contracts with the Village of Ohio City to provide fire service and ambulance services.

***Public Entity Risk Pool***

The Township belongs to the Ohio Township Association Risk Management Authority, a public entity risk pool, to provide property and liability insurance. Note 7 to the financial statements provides additional information for the entity. The Township's management believes these financial statements present all activities for which the Township is financially accountable.

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

***Basis of Presentation***

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) 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 expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

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

***Capital Project Fund*** 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:

***TIF Fund*** This fund accounts for and reports Tax Increment Financing funds that are received by the Township and used for road projects.

**Liberty Township**  
*Van Wert County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2024*

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***Fiduciary Funds*** Fiduciary funds include private purpose trust funds. Trust funds account for assets held under a trust agreement meeting certain criteria for individuals, private organizations, or other governments which are not available to support the Township's own programs.

***Basis of Accounting***

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

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

***Budgetary Process***

The Ohio Revised Code requires that each fund (except certain custodial funds) be budgeted annually.

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

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

***Encumbrances*** The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year. The Township did not use the encumbrance method of accounting.

A summary of 2024 budgetary activity appears in Note 4.

***Deposits***

The Township values certificates of deposit at cost.

***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.

**Liberty Township**  
*Van Wert County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2024*

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***Accumulated Leave***

Township employees earn sick and vacation time that can be used for time off. In certain circumstances, such as upon leaving employment or retirement, 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.

***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 – Compliance**

Contrary to Ohio law, appropriations that exceeded estimated resources in the General fund by \$56,943, Road & Bridge fund by \$57,629, the Cemetery fund by \$8,464 and the TIF fund by \$4,100. for the year ended December 31, 2024.

**Liberty Township**  
*Van Wert County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2024*

**Note 4 – Budgetary Activity**

Budgetary activity for the year ending 12/31/2024 follows:

2024 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$65,000	\$56,728	(\$8,272)
Special Revenue	384,268	359,701	(24,567)
Capital Projects	7,000	5,478	(1,522)
Fiduciary	1	0	(1)
Total	<u>\$456,269</u>	<u>\$421,907</u>	<u>(\$34,362)</u>

2024 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$173,720	\$61,624	\$112,096
Special Revenue	555,000	323,872	231,128
Capital Projects	12,000	3,000	9,000
Fiduciary	525	0	525
Total	<u>\$741,245</u>	<u>\$388,496</u>	<u>\$352,749</u>

**Note 5 – Deposits**

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. A summary of the Township's deposit are as follows:

	2024
Demand deposits	\$375,140
Certificates of deposit	563
Total deposits	<u>375,703</u>
<i>Total carrying amount of deposits and investments held in the Pool</i>	<u><u>\$375,703</u></u>

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, 2024, the Township is holding \$0 in unremitted employee payroll withholdings.

**Liberty Township**  
*Van Wert County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2024*

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***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.

At December 31, 2024, \$0 of deposits were not insured or collateralized, contrary to Ohio law.

**Note 6 – Property Taxes**

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

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

**Note 7 – Risk Management**

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

***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 (local entity's) policy. The Pool covers the following risks:

- General liability
- Automobile Liability
- Automobile Physical Damage
- Public Officials Liability
- Property and Inland Marine
- Law enforcement liability
- Fidelity and Crime
- Employment Practices Liability
- Cyber Breach and Liability

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

**Liberty Township**  
*Van Wert County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2024*

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	2024
Cash and investments	\$32,822,076
Actuarial liabilities	\$12,568,762

***Casualty and Property Coverage***

The Pool is a member of American Public Entity Excess Pool (APEEP) which is also administered by York. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2024 OTARMA retained \$350,000 for casualty claims and \$250,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge OTARMA'S primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

**Note 8 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% 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, 2024.

**Note 9 – Postemployment Benefits**

OPERS offer cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

For calendar year 2024, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2024, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

**Note 10 – Debt**

Debt outstanding at December 31, 2024, was as follows:

	Principal
OPWC Road Repair Loan	412,500
Total	\$412,500



**Liberty Township**  
*Van Wert County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2024*

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***Amortization***

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

Year Ending December 31:	OPWC Road Repair Loan
2025	\$25,000
2026	\$25,000
2027	\$25,000
2028	\$25,000
2029	\$25,000
2030-2034	125,000
2035-2039	125,000
2040-2041	37,500
Total	<u>\$412,500</u>

**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.

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

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**Liberty Township**  
*Van Wert 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, 2023*

	General	Special Revenue	Capital Projects	Combined Total
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$20,000	\$99,784	\$5,477	\$125,261
Charges for Services		24,759		24,759
Licenses, Permits and Fees	750			750
Intergovernmental	24,756	174,572	614	199,942
Earnings on Investments	472	619		1,091
Miscellaneous	1,359	27,293		28,652
<i>Total Cash Receipts</i>	<u>47,337</u>	<u>327,027</u>	<u>6,091</u>	<u>380,455</u>
<b>Cash Disbursements</b>				
Current:				
General Government	115,766			115,766
Public Safety	1,457	32,381		33,838
Public Works		461,600	8,000	469,600
Health	15,384	37,002		52,386
Debt Service:				
Principal Retirement		25,000		25,000
<i>Total Cash Disbursements</i>	<u>132,607</u>	<u>555,983</u>	<u>8,000</u>	<u>696,590</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(85,270)</u>	<u>(228,956)</u>	<u>(1,909)</u>	<u>(316,135)</u>
<b>Other Financing Receipts (Disbursements)</b>				
Sale of Capital Assets		13,020		13,020
<i>Total Other Financing Receipts (Disbursements)</i>		<u>13,020</u>		<u>13,020</u>
<i>Net Change in Fund Cash Balances</i>	<u>(85,270)</u>	<u>(215,936)</u>	<u>(1,909)</u>	<u>(303,115)</u>
<i>Fund Cash Balances, January 1</i>	<u>115,827</u>	<u>526,197</u>	<u>2,820</u>	<u>644,844</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$30,557</u></u>	<u><u>\$310,261</u></u>	<u><u>\$911</u></u>	<u><u>\$341,729</u></u>

*See accompanying notes to the basic financial statements*

**Liberty Township**  
*Van Wert County, Ohio*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*Fiduciary Fund Type*  
*For the Year Ended December 31, 2023*

	Fiduciary Fund Types
	Private Purpose
	Trust
<b>Additions</b>	
Earnings on Investments (trust funds only)	\$1
<i>Total Additions</i>	1
<b>Deductions</b>	
Other Distributions	
<i>Total Deductions</i>	
<i>Net Change in Fund Balances</i>	1
<i>Fund Cash Balances, January 1</i>	562
<i>Fund Cash Balances, December 31</i>	\$563
<i>See accompanying notes to the basic financial statements</i>	

**Liberty Township**  
*Van Wert County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

---

**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Liberty Township, Van Wert 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. The Township contracts with the Village of Ohio City to provide fire service and provides ambulance services.

***Public Entity Risk Pool***

The Township belongs to the Ohio Township Association Risk Management Authority, a public entity risk pool, to provide property and liability insurance. Note 7 to the financial statements provides additional information for the entity. The Township's management believes these financial statements present all activities for which the Township is financially accountable.

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

***Basis of Presentation***

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) 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 expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

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

***Capital Project Fund*** 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:

***TIF Fund*** This fund accounts for and reports Tax Increment Financing funds that are received by the Township and used for road projects.

**Liberty Township**  
*Van Wert County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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***Fiduciary Funds*** Fiduciary funds include private purpose trust funds. Trust funds account for assets held under a trust agreement meeting certain criteria for individuals, private organizations, or other governments which are not available to support the Township's own programs.

The Township's private purpose trust fund received interest for the maintenance and flowers for graves.

***Basis of Accounting***

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

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

***Budgetary Process***

The Ohio Revised Code requires that each fund (except certain custodial funds) be budgeted annually.

***Appropriations*** Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function and 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. The Township did not use the encumbrance method of accounting.

A summary of 2023 budgetary activity appears in Note 4.

***Deposits***

The Township values certificates of deposit at cost.

***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.

**Liberty Township**  
*Van Wert County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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***Accumulated Leave***

Township employees earn sick and vacation time that can be used for time off. In certain circumstances, such as upon leaving employment or retirement, 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.

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

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

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

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

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

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

**Note 3 – Compliance**

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Motor Vehicle License Tax fund by \$11,032, Gasoline Tax Fund by \$58,426, and the Permissive Motor Vehicle License Tax Fund by \$6,956 for the year ended December 31, 2023. Also contrary to Ohio law, at December 31,

**Liberty Township**  
*Van Wert County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

2023, the following funds had appropriations that exceeded estimated resources General fund by \$28,717, COVID ARPA fund by \$177 and the TIF fund by \$8,381.

**Note 4 – Budgetary Activity**

Budgetary activity for the year ending 12/31/2023 follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$63,305	\$47,337	(\$15,968)
Special Revenue	381,602	327,026	(54,576)
Capital Projects	7,000	6,091	(909)
Fiduciary	2	1	(1)
Total	<u>\$451,909</u>	<u>\$380,455</u>	<u>(\$71,454)</u>

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$174,178	\$132,607	\$41,571
Special Revenue	580,553	555,984	24,569
Capital Projects	20,000	8,000	12,000
Fiduciary	525	0	525
Total	<u>\$775,256</u>	<u>\$696,591</u>	<u>\$78,665</u>

**Note 5 – Deposits**

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

	2023
Demand deposits	\$341,727
Certificates of deposit	563
Total deposits	<u>342,290</u>
<i>Total carrying amount of deposits held in the Pool</i>	<u><u>\$342,290</u></u>



**Liberty Township**  
*Van Wert County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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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, 2023, the Township is holding \$0 in 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.

At December 31, 2023, \$0 of deposits were not insured or collateralized, contrary to Ohio law.

**Note 6 – Property Taxes**

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

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

**Note 7 – Risk Management**

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

***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 (local entity's) policy. The Pool covers the following risks:

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

**Liberty Township**  
*Van Wert County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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

	<u>2023</u>
Cash and investments	\$33,494,457
Actuarial liabilities	\$10,885,549

***Casualty and Property Coverage***

The Pool is a member of American Public Entity Excess Pool (APEEP) which is also administered by York. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2023 OTARMA retained \$350,000 for casualty claims and \$250,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge OTARMA'S primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

**Note 8 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2023.

**Note 9 – Postemployment Benefits**

OPERS offer cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

**Liberty Township**  
*Van Wert County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 10 – Debt**

Debt outstanding at December 31, 2023, was as follows:

	<u>Principal</u>
OPWC Road Repair Loan	<u>437,500</u>
Total	<u>\$437,500</u>

***Amortization***

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

<u>Year Ending December 31:</u>	<u>OPWC Road Repair Loan</u>
2024	\$25,000
2025	\$25,000
2026	\$25,000
2027	\$25,000
2028	\$25,000
2029-2033	125,000
2034-2038	125,000
2039-2041	62,500
Total	<u><u>\$437,500</u></u>

**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.

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

**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 ended in April 2023. During 2022, the Township received COVID-19 funding. The Township will continue to spend available COVID-19 funding consistent with the applicable program guidelines

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# OHIO AUDITOR OF STATE KEITH FABER

65 East State Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
800-282-0370

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

Liberty Township  
Van Wert County  
13833 St. Rt. 118  
Van Wert, Ohio 45891

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 financial statements of the cash balances, receipts, and disbursements for each governmental fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2024 and 2023 and the related notes to the financial statements of Liberty Township, Van Wert County, Ohio (the Township) and have issued our report thereon dated December 4, 2025, wherein we noted the Township followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

### ***Report on Internal Control Over Financial Reporting***

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 certain deficiencies in internal control, described in the accompanying schedule of findings as items 2024-001 and 2024-002 that we consider to be material weaknesses.

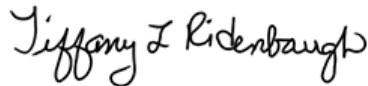
***Report on Compliance and Other Matters***

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 is required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings as item 2024-002.

***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  
Ohio Auditor of State



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

December 4, 2025

**LIBERTY TOWNSHIP  
VAN WERT COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2024 AND 2023**

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

**FINDING NUMBER 2024-001**

**Accuracy of Financial Reporting – Material Weakness**

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.

Due to a lack of procedures to review financial classifications, the following errors were noted in 2023:

- Loan payments in the Gasoline Tax fund were incorrectly recorded as Public Works disbursements instead of Debt Principal. This resulted in overstatement of Public Works disbursements and an understatement of Debt Principal disbursements of \$25,000.
- Homestead and Rollback receipts were posted to Property Tax receipts instead of Intergovernmental receipts for the Capital Projects fund. This led to an overstatement of Property Tax receipts and an understatement of Intergovernmental receipts of \$614.
- COVID ARPA Capital projects fund receipts were posted as Miscellaneous receipts in 2023; however, these funds were actually received and posted in 2022. This led to an overstatement of Miscellaneous receipts by \$88,553.
- Cemetery receipts were improperly classified as Miscellaneous receipts instead of Charges for Services in the Cemetery Special Revenue fund. This led to an overstatement of Miscellaneous receipts and an understatement of Charges for Services \$7,300.
- COVID ARPA fund balances were improperly included as an opinion unit instead of part of the Special Revenue opinion unit. This led to an understatement of Special Revenue Other disbursements and an understatement of Special Revenue Beginning Fund Balance by \$88,553.
- The sale of a vehicle was improperly recorded as Miscellaneous receipts in the Road and Bridge fund instead of Other Financing Receipts - Sale of Capital Asset. This led to an overstatement of Miscellaneous receipts and an understatement of Other Financing Receipts - Sale of Capital Asset by \$13,020.

Due to a lack of procedures to review financial classifications, the following errors were noted in 2024:

- Loan payments in the Gasoline Tax fund were incorrectly recorded as Public Works disbursements instead of Debt Principal. This resulted in overstatement of Public Works disbursements and understatement of Debt Principal disbursements of \$25,000.
- Cemetery receipts were improperly classified as Miscellaneous receipts instead of Charges for Services receipts in the Cemetery Special Revenue fund. This led to an overstatement of Miscellaneous receipts and an understatement of Charges for Services receipts by \$14,050.

**FINDING NUMBER 2024-001**  
**(Continued)**

- Homestead and Rollback receipts were posted to Property Tax receipts instead of Intergovernmental for Capital Projects funds. This led to an overstatement of Property Tax receipts and an understatement of Intergovernmental receipts by \$529.
- The Township received a duplicate payment from the County by mistake. The Township recorded the receipt as an Intergovernmental receipt and an Other disbursement when the receipt was returned to the County. The Township should have recorded an adjusting entry or a negative receipt for the amount. This led to an overstatement of Intergovernmental receipts and Other disbursements both by \$26,633.
- Cemetery fund disbursements were improperly recorded as Human Service disbursements instead of Health disbursements. This led to an overstatement of Human Service disbursements and an understatement of Health disbursements by \$31,312.
- Capital Projects TIF fund disbursements were improperly recorded as Other disbursements instead of Public Works disbursements. This led to an overstatement of Other disbursements and an understatement Public Works disbursements by \$3,000.

The accompanying financial statements have been adjusted to correctly report the items identified above. In addition to the adjustments listed above, we identified misstatements ranging from \$1,393 to \$2,013 that were not material to the financial statements however, we have brought to the Township's attention.

By not properly classifying receipts and disbursements, the Township is not presenting accurate financial information. This could result in inaccurate financial reports being disseminated to Township Trustees as well as other financial statement users.

The Township should establish and implement procedures to verify that management review the errors identified during the audit to ensure similar errors are not made in future periods. In addition, the Township should implement procedures for an independent review of the financial statements to identify and correct errors and omissions prior to filing in the HINKLE system.

**Officials' Response**

We did not receive a response from Officials to this finding.

**FINDING NUMBER 2024-002**

**Lack of Encumbrance Accounting - Noncompliance and Material Weakness**

**Ohio Rev. Code § 5705.41(D)(1)** provides that no orders or contracts involving the expenditure of money are to be made unless there is attached thereto a certificate of the fiscal officer certifying that the amount required to meet the obligation or, in the case of a continuing contract to be performed in whole or in part in an ensuing fiscal year, the amount required to meet the obligation in the fiscal year in which the contract is made has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. Every such contract made without such a certificate shall be void and no warrant shall be issued in payment of any amount due thereon. There are several exceptions to the standard requirement stated above that the treasurer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in Ohio Rev. Code §§ 5705.41(D)(1) and 5705.41(D)(3), respectively.



**FINDING NUMBER 2024-002**  
**(Continued)**

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

Amounts less than \$100 in counties and less than \$3,000 in all other subdivisions or taxing units may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Township.

2. Blanket Certificate – The fiscal officer may prepare "blanket" certificates for a certain sum of money, not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority, against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

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

Due to deficiencies in internal controls, all of the transactions in 2024 and 2023 were not certified by the Fiscal Officer at the time the commitment was incurred, and there was no evidence the Township followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to help ensure purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Township's funds exceeding budgetary spending limitations, the Fiscal Officer should certify the funds are or will be available prior to obligation by the Township. When prior certification is not possible, "then and now" certification should be used.

**Officials' Response**

We did not receive a response from Officials to this finding.

# OHIO AUDITOR OF STATE KEITH FABER



**LIBERTY TOWNSHIP**

**VAN WERT 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 12/30/2025**

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

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