

**MANCHESTER TOWNSHIP  
MORGAN COUNTY**

**REGULAR AUDIT**

**JANUARY 1, 2018 - DECEMBER 31, 2019**

**Wilson, Phillips & Agin, CPA's, Inc.  
1100 Brandywine Blvd. Building G  
Zanesville, Ohio 43701**





88 East Broad Street  
Columbus, Ohio 43215  
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Board of Trustees  
Manchester Township  
6037 North Blackburn Road  
McConnelsville, Ohio 43756

We have reviewed the *Independent Auditors' Report* of Manchester Township, Morgan County, prepared by Wilson, Phillips & Agin, CPA's, Inc., for the audit period January 1, 2018 through December 31, 2019. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

#### **Finding for Recovery – Resolved Under Audit**

***State ex rel. McClure v. Hagerman, 155 Ohio St. 320 (1951)***, provides that expenditures made by a governmental unit should serve a public purpose. Typically, the determination of what constitutes a "proper public purpose" rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable. Even if a purchase is reasonable, Ohio Attorney General Opinion 82-006 indicates that it must be memorialized by a duly enacted ordinance or resolution and may have a prospective effect only. Auditor of State Bulletin 2003-005 Expenditure of Public Funds/Proper Public Purpose states that the Auditor of State's Office will only question expenditures where the legislative determination of a public purpose is manifestly arbitrary and incorrect.

The law requires that employers withhold taxes from employees' paychecks and remit those taxes to the government. The United States Internal Revenue Code, for example, requires employers to deduct from wages paid to employees the employees' share of FICA taxes and individual income taxes. See 26 U.S.C. 3102(a) and 3402(a). Those withholdings are considered to be held in "a special fund in trust for the United States." See 26 U.S.C. 7501(a). The employer is liable for the withheld portion of the employee's wages and must pay over the full amount to the government each quarter. See *United States v. Farr*, 536 F.3d 1174, 1176 (10th Circ. 2008).

Additionally, Ohio Rev. Code § 5747.07 requires an employing government to remit taxes which it withheld pursuant to Ohio Rev. Code § 5747.02 (including the state income tax) to the appropriate authority. It also requires the employing government to report compensation paid and taxes withheld to the tax commissioner and to each of its own employees by January 31 of each year.

Anita Darlene Cain, the Township's Fiscal Officer, is the official responsible for withholding and remitting the required income taxes from Township employee earnings. Between the 3rd quarter of 2009 to the 4th quarter of 2016, Ms. Cain withheld, as required, federal income tax, state income tax and Medicare from the earnings of each Township employee. However, Ms. Cain failed to remit all required funds to the appropriate agency until late in 2016 and 2017. The repeated failure to properly remit these payments is considered gross negligence.

Board of Trustees  
Manchester Township  
6037 North Blackburn Road  
McConnelsville, Ohio 43756  
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As a result of the above mentioned instances regarding Ms. Cain, the Township incurred penalties and interest charges for the unpaid taxes from 2009 through 2016 from the federal and state government. Specifically, \$5,086 and \$6,153 paid to the federal and state governments, respectively, were attributed to Ms. Cain's failure to remit payments as required.

The penalties and interest charges paid by the Township serve no proper public purpose and could have been avoided had the funds been remitted as required by law.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Anita Darlene Cain, Township Fiscal Officer, in the amount of \$11,239, and in favor of the Township's General Fund for \$1,818, the Motor Vehicle License Tax Fund for \$1,896, the Gasoline Tax Fund for \$7,054 and the Road and Bridge Fund for \$471.

On January 28, 2023, Anita Darlene Cain entered into a legally enforceable settlement agreement and repayment plan with the Township whereby she agreed to repay the \$11,239 in monthly installments, within the terms of the repayment plan, with a final payment on or before February 1, 2025.

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



Keith Faber  
Auditor of State  
Columbus, Ohio

December 18, 2023

**MANCHESTER TOWNSHIP  
MORGAN COUNTY  
JANUARY 1, 2018 - DECEMBER 31, 2019**

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**WILSON, PHILLIPS & AGIN, CPA'S, INC.  
1100 BRANDYWINE BLVD. BUILDING G  
ZANESVILLE, OHIO 43701**

**INDEPENDENT AUDITORS' REPORT**

Manchester Township  
Morgan County  
6037 N. Blackburn Road  
McConnelsville, Ohio 43756-9512

To the Township Trustees:

**Report on the Financial Statements**

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type and related notes of Manchester Township, Morgan County, as of and for the years ended December 31, 2019 and 2018.

**Management's Responsibility For the Financial Statements**

Management is responsible for preparing and fairly presenting these 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; 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.

**Auditor's Responsibility**

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Township's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

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

As described in Note 2 of the financial statements, the Township prepared these financial statements using 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), which is an accounting basis other than accounting principles generally accepted in the United States (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Township does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Our opinion on this accounting basis permitted is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

#### **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* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Manchester Township, Morgan County as of December 31, 2019 and 2018, or changes in financial position thereof for the years then ended.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of Manchester Township, Morgan County as of December 31, 2019 and 2018, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

#### **Emphasis of Matter**

As discussed in Note 10 to the 2019 financial statements and Note 11 to the 2018 financial statements, during 2020, the impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township. We did not modify our opinion regarding this matter.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report dated May 27, 2023, on our consideration of Manchester 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. That report describes the scope of our internal control testing over financial reporting and compliance and the results of that testing, and does not opine on 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.

***Wilson, Phillips & Agin, CPA's, Inc.***  
Zanesville, Ohio  
May 27, 2023



**MANCHESTER TOWNSHIP  
MORGAN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Governmental Fund Type</u>		<u>Fiduciary</u>	<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Private-Purpose Trust</u>	
<b>Cash Receipts:</b>				
Property and Other Local Taxes	\$ 17,208	\$ 15,614	\$ -	\$ 32,822
Intergovernmental	11,971	140,521	-	152,492
Earnings on Investments	413	2,015	-	2,428
Miscellaneous	1,765	3,003	-	4,768
<b>Total Cash Receipts</b>	<u>31,357</u>	<u>161,153</u>	-	<u>192,510</u>
<b>Cash Disbursements:</b>				
Current:				
General Government	28,821	213	-	29,034
Public Safety	-	150	-	150
Public Works	-	91,283	-	91,283
Health	-	367	-	367
Conservation-Recreation	-	5,960	-	5,960
Debt Service				
Principal Retirement	-	3,412	-	3,412
Interest and Fiscal Charges	-	30	-	30
<b>Total Cash Disbursements</b>	<u>28,821</u>	<u>101,415</u>	-	<u>130,236</u>
<b>Excess of Receipts Over (Under) Disbursements</b>	2,536	59,738	-	62,274
<b>Other Financing Receipts (Disbursements)</b>				
Other Financing Sources	655	-	-	655
<b>Total Other Financing Receipts (Disbursements)</b>	<u>655</u>	<u>-</u>	<u>-</u>	<u>655</u>
<b>Net Change in Fund cash Balance</b>	3,191	59,738	-	62,929
<b>Fund Cash Balances, January 1</b>	<u>31,383</u>	<u>150,251</u>	<u>2,797</u>	<u>184,431</u>
<b>Fund Cash Balances, December 31</b>				
Nonspendable	-	-	2,797	2,797
Restricted	-	209,989	-	209,989
Assigned	7,512	-	-	7,512
Unassigned (Deficit)	27,062	-	-	27,062
<b>Fund Cash Balances, December 31</b>	<u>\$ 34,574</u>	<u>\$ 209,989</u>	<u>\$ 2,797</u>	<u>\$ 247,360</u>

See notes to financial statements.

**MANCHESTER TOWNSHIP  
MORGAN COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**1. REPORTING ENTITY**

**Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Manchester Township, Morgan County, (the Township) as a body corporate and politic. A publically-elected three-member Board of Trustees directs the Township. The Township provides general government services, road and bridge maintenance, fire protection and cemetery maintenance. Township contracts with the Reinersville Voluntary Fire Department to provide fire protection.

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation**

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

**B. 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 receives gasoline tax monies to pay for constructing, maintaining, and repairing Township roads.

**Fiduciary Funds**

These funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individual, private organizations, or other governments which are not available to support the township's own programs.

**MANCHESTER TOWNSHIP  
MORGAN COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The Township's private purpose trust fund is for the benefit of the Phyllis family grave sites at Reinersville Cemetery.

**C. 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 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 117-2-03(C) permit.

**D. 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 and object level of control and appropriations may not exceed estimated resources. The Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

**Estimated Resources**

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

**Encumbrances**

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

A summary of 2019 budgetary activity appears in Note 3.

**E. Deposits and Investments**

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

**F. 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.

**MANCHESTER TOWNSHIP  
MORGAN COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**G. Accumulated Leave**

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

**H. 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.

**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*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

**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.

**MANCHESTER TOWNSHIP  
MORGAN COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the year ended December 31, 2019 is as follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ -	\$ 32,012	\$ 32,012
Special Revenue	-	161,153	161,153
Total	\$ -	\$ 193,165	\$ 193,165

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 8,244	\$ 36,333	\$ (28,089)
Special Revenue	15,069	118,187	(103,118)
Total	\$ 23,313	\$ 154,520	\$ (131,207)

Contrary to ORC 5705.36, the Township did not certify available resources with the County Auditor.

Contrary to ORC 5705.38(A), the Township did not file appropriations with the County Auditor.

Contrary to ORC 5705.41(B), all disbursements exceeded appropriations.

Contrary to ORC 5705.41(D), the Township made expenditures prior to certification.

**4. EQUITY IN POOLED CASH**

The Township maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits at December 31 was as follows:

	2019
Demand Deposits	\$ 247,360
Total	\$ 247,360

**Deposits:** Deposits are either insured by the Federal Depository 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.

**5. PROPERTY TAX**

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

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

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

**MANCHESTER TOWNSHIP  
MORGAN COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**6. RISK MANAGEMENT**

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool covers the following risks:

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

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

	<u>2019</u>
Cash and investments	\$35,207,320
Actuarial liabilities	10,519,942

**7. DEFINED BENEFIT PENSION PLANS**

*Ohio Public Employees Retirement System*

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

The Ohio Revised Code also prescribes contribution rates. For 2019, OPERS members contributed 10.0% of their gross wages and the Township contributed an amount equal to 14.0% of participant's gross salaries. The Township has paid all contributions required through December 31, 2019.

**8. POSTEMPLOYMENT BENEFITS**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. OPERS contributes 2 percent of the employer contribution to fund these benefits. 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 2019. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2019.

**MANCHESTER TOWNSHIP  
MORGAN COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**9. PUBLIC ENTITY RISK POOL**

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio local governments. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims exceeding the member's deductible.

**10. SUBSEQUENT EVENTS**

The United State and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township. The impact on the Township's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

**MANCHESTER TOWNSHIP  
MORGAN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Governmental Fund Type</u>		<u>Fiduciary</u>	<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Private-Purpose Trust</u>	
<b>Cash Receipts:</b>				
Property and Other Local Taxes	\$ 16,603	\$ 13,396	\$ -	\$ 29,999
Intergovernmental	10,531	98,137	-	108,668
Charges for Services	150	-	-	150
Earnings on Investments	537	1,649	4	2,190
Miscellaneous	2,115	4,217	-	6,332
<b>Total Cash Receipts</b>	<u>29,936</u>	<u>117,399</u>	<u>4</u>	<u>147,339</u>
<b>Cash Disbursements:</b>				
Current:				
General Government	22,718	300	-	23,018
Public Safety	-	8,211	-	8,211
Public Works	-	81,438	-	81,438
Health	2,241	1,724	-	3,965
Conservation-Recreation	-	3,632	-	3,632
Debt Service				
Principal Retirement	-	7,898	-	7,898
Interest and Fiscal Charges	-	272	-	272
<b>Total Cash Disbursements</b>	<u>24,959</u>	<u>103,475</u>	<u>-</u>	<u>128,434</u>
<b>Excess of Receipts Over (Under) Disbursements</b>	4,977	13,924	4	18,905
<b>Other Financing Receipts (Disbursements)</b>				
Other Financing Sources	244	-	-	244
<b>Total Other Financing Receipts (Disbursements)</b>	<u>244</u>	<u>-</u>	<u>-</u>	<u>244</u>
<b>Net Change in Fund cash Balance</b>	5,221	13,924	4	19,149
<b>Fund Cash Balances, January 1</b>	<u>26,162</u>	<u>136,327</u>	<u>2,793</u>	<u>165,282</u>
<b>Fund Cash Balances, December 31</b>				
Nonspendable	-	-	2,797	2,797
Restricted	-	150,251	-	150,251
Assigned	8,244	-	-	8,244
Unassigned (Deficit)	23,139	-	-	23,139
<b>Fund Cash Balances, December 31</b>	<u>\$ 31,383</u>	<u>\$ 150,251</u>	<u>\$ 2,797</u>	<u>\$ 184,431</u>

See notes to financial statements.



**MANCHESTER TOWNSHIP  
MORGAN COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**1. REPORTING ENTITY**

**Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Manchester Township, Morgan County, (the Township) as a body corporate and politic. A publically-elected three-member Board of Trustees directs the Township. The Township provides general government services, road and bridge maintenance, fire protection and cemetery maintenance. Township contracts with the Reinersville Voluntary Fire Department to provide fire protection.

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation**

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

**B. Fund Accounting**

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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 receives gasoline tax monies to pay for constructing, maintaining, and repairing Township roads.

**Fiduciary Funds**

These funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individual, private organizations, or other governments which are not available to support the township's own programs.

**MANCHESTER TOWNSHIP  
MORGAN COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The Township's private purpose trust fund is for the benefit of the Phyllis family grave sites at Reinersville Cemetery.

**C. 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 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 117-2-03(C) permit.

**D. 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 and object level of control and appropriations may not exceed estimated resources. The Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

**Estimated Resources**

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

**Encumbrances**

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

A summary of 2018 budgetary activity appears in Note 3.

**E. Deposits and Investments**

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

**F. 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.

**MANCHESTER TOWNSHIP  
MORGAN COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**G. Accumulated Leave**

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

**H. 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.

**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*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

**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.

**MANCHESTER TOWNSHIP  
MORGAN COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the year ended December 31, 2018 is as follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 26,469	\$ 30,180	\$ 3,711
Special Revenue	98,657	117,399	18,742
Fiduciary	50	4	(46)
Total	\$ 125,176	\$ 147,583	\$ 22,407

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 51,240	\$ 33,203	\$ 18,037
Special Revenue	237,377	117,169	120,208
Fiduciary	2,827	-	2,827
Total	\$ 291,444	\$ 150,372	\$ 141,072

Contrary to ORC 5705.41(D), the Township made expenditures prior to certification.

Contrary to ORC 5705.39, the Townships had funds where appropriations exceeded estimated resources.

**4. EQUITY IN POOLED CASH**

The Township maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits at December 31 was as follows:

Demand Deposits	2018 \$ 184,431
Total	\$ 184,431

**Deposits:** Deposits are either insured by the Federal Depository 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.

**5. PROPERTY TAX**

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

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

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

**MANCHESTER TOWNSHIP  
MORGAN COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**6. RISK MANAGEMENT**

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool covers the following risks:

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

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

	<u>2018</u>
Cash and investments	\$33,097,416
Actuarial liabilities	7,874,610

**7. DEFINED BENEFIT PENSION PLANS**

*Ohio Public Employees Retirement System*

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

The Ohio Revised Code also prescribes contribution rates. For 2018, OPERS members contributed 10.0% of their gross wages and the Township contributed an amount equal to 14.0% of participant's gross salaries. The Township has paid all contributions required through December 31, 2018.

**8. POSTEMPLOYMENT BENEFITS**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. OPERS contributes 2 percent of the employer contribution to fund these benefits.

**MANCHESTER TOWNSHIP  
MORGAN COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**9. DEBT**

Debt outstanding at December 31, 2018, was as follows:

	Principal	Interest Rate
2013 RAM Dump Truck	\$ 3,412	3.50%

In May 2013, the Township issued a loan with The First National Bank in the amount of \$44,650 for the purpose of acquiring a 2013 Dump Truck. The loan will be re-paid monthly over 6 years with an interest rate of 3.50% paid from the Gasoline Tax Fund.

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

Year Ending December 31:	Dump Truck
2019	3,442
Total	\$ 3,442

**10. PUBLIC ENTITY RISK POOL**

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio local governments. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims exceeding the member's deductible.

**11. SUBSEQUENT EVENTS**

The United State and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township. The impact on the Township's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

**WILSON, PHILLIPS & AGIN, CPA'S, INC.  
1100 BRANDYWINE BLVD. BUILDING G  
ZANESVILLE, OHIO 43701**

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

Manchester Township  
Morgan County  
6037 N. Blackburn Road  
McConnelsville, Ohio 43756-9512

To the Township Trustees:

We have audited, in accordance with auditing standards general accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of Manchester Township, Morgan County as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements and have issued our report thereon dated May 27, 2023, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered Manchester Township's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Township's internal control. Accordingly, we have not opined on it.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Township's financial statements. 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 and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over financial reporting, that we consider to be material weaknesses. We consider Finding 2019-001, 2019-002 and 2019-006 described in the accompanying schedule of findings to be material weaknesses.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Manchester Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed six instances of noncompliance or other matters we must report under *Government Auditing Standards* described in the accompanying Schedule of Findings as item 2019-001, 2019-002, 2019-003, 2019-004, 2019-005 and 2019-007.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

***Wilson, Phillips & Agin, CPA's, Inc.***  
Zanesville, Ohio  
May 27, 2023



**MANCHESTER TOWNSHIP  
MORGAN COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2019 AND 2018**

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

**Finding Number 2019-001**

**Noncompliance/Material Weakness – Financial Reporting**

Ohio Admin. Code Section 117-2-02 (A) states that all local public offices shall maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transaction, maintain accountability for the related assets (and liabilities, if generally accepted accounting principles apply), document compliance with finance-related legal and contractual requirements and prepare financial statements required by Ohio Admin. Code Section 117-2-03.

As a result of audit procedures, errors were noted that required reclassification to the financial statement as follows:

The following is related to 2019:

- A reclassification of \$2,003, \$174, \$152, \$918 and \$460 was made to increase Intergovernmental Revenue and decrease Property and Other Local Taxes in the General Fund, Road & Bridge Fund, Cemetery Fund, Fire Levy Fund and Recreational Levy Fund, respectively.
- A reclassification of \$3,442 to reduce Public Works and to increase Principal Retirement by \$3,442 and increase Interest and Fiscal Charges by \$30 in the Gasoline Tax Fund for debt payments.
- Reclassification of fund balance in the General Fund to increase Assigned Fund Balance and reduce Restricted Fund Balance by \$7,512 for encumbrances outstanding at year end.

The following is related to 2018

- A reclassification of \$1,910, \$166, \$154, \$936 and \$468 was made to increase Intergovernmental Revenue and decrease Property and Other Local Taxes in the General Fund, Road & Bridge Fund, Cemetery Fund, Fire Levy Fund and Recreational Levy Fund, respectively.
- A reclassification of \$8,170 to reduce Public Works and to increase Principal Retirement by \$7,898 and increase Interest and Fiscal Charges by \$272 in the Gasoline Tax Fund for debt payments.
- Reclassification of fund balance in the General Fund to increase Assigned Fund Balance and reduce Restricted Fund Balance by \$8,244 for encumbrances outstanding at year end.

Sound financial reporting is the responsibility of the Township and is essential to help ensure the information provided to the readers of financial statements is complete and accurate. 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 to identify and correct errors and omissions.

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

**MANCHESTER TOWNSHIP  
MORGAN COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2019 AND 2018**

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

**Finding Number 2019-002**

**Noncompliance/Material Weakness – Payroll Taxes**

26 U.S.C. Section 3404 provides if the employer is in the United States, or a state, or political subdivision thereof, or the District of Columbia, or any agency instrumentality of any one or more of the foregoing, the return of the amount deducted and withheld upon any wages may be made by any officer or employee of the United States, or of such state, or political subdivision, or the District of Columbia, or of such agency or instrumentality, as the case may be, having control of the payment of such wages, or appropriately designated for that purpose.

Ohio Revised Code Section 5747.06 (A) requires, in part, that every employer, including the state and its political subdivisions, shall deduct and withhold from compensation, state income tax paid to each employee for each pay period.

Ohio Revised Code Section 5747.13 (A) states, in part, if any employer collects the tax imposed by Section 5747.02 and fails to remit the tax as required by law, or fail to collect the tax, the employer is personally liable for any amount collected that the employer fails to remit, or any amount that the employer fails to collect.

While the payroll records indicated Medicare, state and federal income taxes were withheld from the employees' and officials' gross pay, the amounts withheld, along with any employer matches were not remitted all remitted to the appropriate agencies as required. As of December 31, 2019 the amount collected and not remitted to the federal government was \$8,507.16 and the amount collected and not remitted to the State of Ohio was \$6,888.05.

This can result in a significant tax liability, plus penalty and interest to the township.

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

**MANCHESTER TOWNSHIP  
MORGAN COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2019 AND 2018**

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

**Finding Number 2019-003**

**Noncompliance – Certification of Funds**

Ohio Revised Code Section 5705.41(D) prohibits a subdivision or taxing authority from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates and super blanket certificates, which are provided for in Sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

- If the fiscal officer can certify that both at the time that the contract or order was made ("then") and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Township can authorize the drawing of a warrant for the payment of the amount due. The Township has 30 days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution. Amounts less than \$3,000 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 the expenditures by the Township.
- Blanket Certificates. Fiscal officers may prepare "blanket" certificates if the Township has approved their use and established maximum amounts.
- Super Blanket Certificates. The Township 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, food items, and any other specific recurring and reasonable predictable operation expense. This certification is not to extend beyond the current year. More than one so-called "super blanket" certificate may be outstanding at a particular time for any line item appropriation.

The Township did not certify the availability of funds prior to the purchase commitment for 45% of expenditures tested. For these items the Township also did not prepare blanket certificates, super blanket certificates or then and now certificates in accordance with the Ohio Revised Code. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

**MANCHESTER TOWNSHIP  
MORGAN COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2019 AND 2018**

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

**Finding Number 2019-003 (Continued)**

We recommend the Township certify purchases to which Section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language 5705.41(D) requires to authorize disbursements. The Fiscal Officer should sign the certification at the time the Township incurs a commitment and only when the requirements of 5705.41(D) are satisfied. The Fiscal Officer should post approved purchase commitments to the proper code, to reduce available appropriations.

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

**Finding Number 2019-004**

**Noncompliance – Certification of available revenue**

Ohio Revised Code Section 5705.36 states on or about the first day of each fiscal year, the fiscal officers of subdivisions and other taxing units are to certify to the County Auditor the total amount from all sources available for expenditures from each fund along with any unencumbered balances existing at the end of the preceding year.

The Township did not file with the County Auditor the total amount from all sources available for expenditures in 2019.

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

**FINDING NUMBER 2019-005**

**Noncompliance - Appropriations**

Ohio Rev. Code § 5705.38(A) requires that on or about the first day of each fiscal year, an appropriation measure is to be passed. Ohio Rev. Code § 5705.41(B) prohibits subdivisions or taxing authorities from expending money unless it has been appropriated,

The Township's minute record documents approval of 2019 appropriations, however, no appropriation measures could be found in the Township records and they were not filed with the County Auditor's office. This results in appropriations being considered \$0 due to no evidence existing to support the appropriation amounts approved by the Board.

With no appropriation measures being filed with the County Auditor, all expenditures in all funds have exceeded the appropriations for 2019 which is in violation of 5705.41(B).

The Fiscal Officer should, after approval of appropriations in the minutes, take that resolution and file it with the County Auditor and to maintain a copy on file, once that is completed, expenditure should not exceed the amounts established by the appropriation measure

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

**MANCHESTER TOWNSHIP  
MORGAN COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2019 AND 2018**

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

**Finding Number 2019-006**

**Material Weakness**

The Fiscal Officer prepared monthly bank reconciliations during the audit period. However, these reconciliations were not accurate. The monthly bank reconciliations contained “other Adjusting Factors” throughout the entire audit period which were carried forward instead of being investigated and corrected. The lack of proper reconciliations resulted in numerous errors which remained undetected and/or uncorrected until the audit.

The “Other Adjusting Factors” at 12/31/19 was \$728 and at 12/31/18 it was \$728. These differences have now been investigated and reconciled by a third party hired to help with the reconciliations and they have been posted to the township records and financial statements.

We recommend the Township review, identify and adjust any “Other Adjusting Factors” to each monthly bank reconciliation, if they occur. This will keep the monthly bank reconciliations correctly prepared and will stop the carrying forward of any “Other Adjusting Factors”.

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

**Finding Number 2019-007**

**Noncompliance**

Ohio Revised Code Section 5705.39 provides that total appropriations from each fund shall not exceed the total of the estimated revenues available for expenditure as certified by the budget commission. In addition, no appropriation measure is to become effective until the County Auditor files a certificate that the total appropriations from each fund do not exceed the total estimate or amended official estimate.

Fund	Year	Estimated Resources	Appropriations	Variance
Gasoline Tax	2018	\$ 182,124	\$ 182,339	\$ (215)
Recreation Levy	2018	10,189	15,901	(5,344)

We recommend the Trustees review estimated resources versus appropriations throughout the year. Also, the Trustees should not approve appropriations greater than estimated resources. This could result in the Township spending more money than it receives and could cause possible negative fund balances.

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

**MANCHESTER TOWNSHIP  
MORGAN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED DECEMBER 31, 2019**

Finding Number	Finding Summary	Fully Corrected	Not Corrected, Partially Corrected Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b>Explain:</b>
2017-001	Noncompliance/Material Weakness Financial Reporting	No	Not Corrected: Cited in current report as Finding Number 2019-001
2017-002	Noncompliance/Material Weakness payroll taxes	No	Not Corrected: Cited in current report as Finding Number 2019-002
2019-003	Noncompliance ORC 5705.41(D) expenditures made prior to certification	No	Not Corrected: Cited in current report as Finding Number 2019-003
2019-004	Material Weakness Bank Reconciliations	No	Not Corrected: Cited in current report as Finding Number 2019-006

# OHIO AUDITOR OF STATE KEITH FABER



**MANCHESTER TOWNSHIP**

**MORGAN 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 12/28/2023**

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

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