



OHIO AUDITOR OF STATE
KEITH FABER



MARIETTA TOWNSHIP
WASHINGTON COUNTY

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Marietta Township
Washington County
260 Sandhill Road
Reno, Ohio 45773

To the Board of Trustees:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of Marietta Township, Washington County, Ohio (the Township), which comprises the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code § 117.38 and Ohio Administrative Code 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township, as of December 31, 2022 and 2021, or the changes in financial position thereof for the year then ended.

Basis for Opinions

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2024, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

May 17, 2024

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Marietta Township
Washington County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2022

	General	Special Revenue	Debt Service	Capital Projects	Combined Total
Cash Receipts					
Property and Other Local Taxes	\$176,893	\$436,734	\$0	\$0	\$613,627
Licenses, Permits and Fees	60,030	0	0	50	60,080
Intergovernmental	43,869	521,046	0	0	564,915
Special Assessments	0	15,515	0	0	15,515
Earnings on Investments	757	114	0	231	1,102
Miscellaneous	2,878	1,208	0	44,842	48,928
<i>Total Cash Receipts</i>	<u>284,427</u>	<u>974,617</u>	<u>0</u>	<u>45,123</u>	<u>1,304,167</u>
Cash Disbursements					
Current:					
General Government	136,376	56,372	0	49,030	241,778
Public Safety	5,530	340,558	0	0	346,088
Public Works	260	429,843	0	0	430,103
Health	24,561	0	0	0	24,561
Conservation-Recreation	0	0	0	18,691	18,691
Capital Outlay	0	203,305	0	0	203,305
Debt Service:					
Principal Retirement	0	0	20,990	0	20,990
Interest and Fiscal Charges	0	0	6,466	0	6,466
<i>Total Cash Disbursements</i>	<u>166,727</u>	<u>1,030,078</u>	<u>27,456</u>	<u>67,721</u>	<u>1,291,982</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>117,700</u>	<u>(55,461)</u>	<u>(27,456)</u>	<u>(22,598)</u>	<u>12,185</u>
Other Financing Receipts (Disbursements)					
Transfers In	0	0	25,571	3,478	29,049
Transfers Out	(29,049)	0	0	0	(29,049)
Other Financing Sources	0	0	0	400	400
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(29,049)</u>	<u>0</u>	<u>25,571</u>	<u>3,878</u>	<u>400</u>
<i>Net Change in Fund Cash Balances</i>	88,651	(55,461)	(1,885)	(18,720)	12,585
<i>Fund Cash Balances, January 1</i>	<u>21,434</u>	<u>614,027</u>	<u>12,240</u>	<u>198,535</u>	<u>846,236</u>
<i>Fund Cash Balances, December 31</i>	<u>\$110,085</u>	<u>\$558,566</u>	<u>\$10,355</u>	<u>\$179,815</u>	<u>\$858,821</u>

See accompanying notes to the basic financial statements

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Marietta Township
Washington County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Marietta Township, Washington County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the Reno Volunteer Fire Department to provide fire and emergency services.

Public Entity Risk Pool

The Township participates in a public entity risk pool. Note 7 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.

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 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:

Road and Bridge Fund The Road and Bridge Fund accounts for and reports that portion of inside millage restricted for maintenance and repair of roads within the Township.

Debt Service Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Township had the following significant Debt Service Funds:

Hadley Hollow Road Fund The Hadley Hollow Road Fund accounts for and reports resources restricted for the retirement of debt issued to finance public improvements.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant capital project funds:

Marietta Township
Washington County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

Marietta Township Park and Recreation This fund receives permit money and donations to make improvements to the Township Recreation Building.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code § 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 § 117.38 and Ohio Administrative Code 117-2-03 (C) permit.

Budgetary Process

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

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

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

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

A summary of 2022 budgetary activity appears in Note 4.

Deposits and Investments

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively. All available funds of the Township are in an interest bearing checking account.

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.

Marietta Township
Washington County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

Accumulated Leave

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

Fund Balance

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

Nonspendable The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable portion of the corpus in permanent funds.

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 12.

Marietta Township
Washington County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

Note 3 – Compliance

Contrary to Ohio law, 20 percent of budgetary expenditures were not certified by the Fiscal Officer at the time the commitment was incurred. In addition, \$75,002 in 2022 expenditures which were obligated in 2021 were not certified until 2022 without any then and now certificate utilized. Further, contrary to Ohio law, appropriations exceeded the amount certified as available by the budget commission in the General Fund, EMS Levy (1997/1 mill) Fund, Fire Levy (1997/.5 mill) Fund, Fire Levy (2012) Fund, Coronavirus Relief Fund, and OPWC Goose Run Road Fund by \$339,303, \$55,011, \$98,180, \$81,378, \$211,894, \$108,077, and \$9,597, respectively, for the year ended December 31, 2022.

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$239,895	\$284,427	\$44,532
Special Revenue	1,765,299	974,617	(790,682)
Debt Service	77,905	25,571	(52,334)
Capital Projects	992,411	49,001	(943,410)
Total	\$3,075,510	\$1,333,616	(\$1,741,894)

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$610,172	\$196,605	\$413,567
Special Revenue	1,671,905	1,031,190	640,715
Debt Service	27,456	27,456	0
Capital Projects	369,739	67,921	301,818
Total	\$2,679,272	\$1,323,172	\$1,356,100

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 and investments. A summary of the Township's deposit account is as follows:

	2022
Cash Management Pool:	
Demand Deposit	\$858,821

Marietta Township
Washington County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

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, 2022, the Township is holding \$2,142 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.

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 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

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

	2022
Cash and investments	\$32,288,098
Actuarial liabilities	\$9,146,434

Marietta Township
Washington County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

Workers' Compensation

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

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Note 9 – 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. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2022.

Note 10 – Debt

Debt outstanding at December 31, 2022, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Peoples Bank Loan	193,240	3.01%

The Peoples Bank loan was issued to finance repairs on Hadley Hollow Road Project. The loan is backed by the taxing authority of the Township.

Amortization

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

Marietta Township
Washington County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

Year Ending December 31:	Peoples Bank Loan
2023	\$27,455
2024	27,455
2025	27,455
2026	27,455
2027	27,455
2028-2030	82,369
Total	<u><u>\$219,644</u></u>

Note 11 – Contingent Liabilities

Amounts grantor agencies pay to the township are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 12 – Fund Balances

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Debt Service	Capital Projects	Total
Nonspendable:					
Unclaimed Monies	\$0	\$0	\$0	\$0	\$0
Corpus	0	0	0	0	0
Outstanding Encumbrances	829	1,112	0	200	2,141
Total	<u>\$829</u>	<u>\$1,112</u>	<u>\$0</u>	<u>\$200</u>	<u>\$2,141</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. These restricted, committed, and assigned amounts in the special revenue, debt service, and capital projects funds would including the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 13 – 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 held unexpended COVID-19 funding. The Township will continue to spend available COVID-19 funding consistent with the applicable program guidelines

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Marietta Township

Washington County

Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2021

	General	Special Revenue	Debt Service	Capital Projects	Combined Total
Cash Receipts					
Property and Other Local Taxes	\$171,852	\$454,214	\$0	\$0	\$626,066
Licenses, Permits and Fees	63,887	0	0	2,101	65,988
Intergovernmental	45,586	517,192	0	1,359	564,137
Special Assessments	266	24,330	0	0	24,596
Earnings on Investments	340	104	0	131	575
Miscellaneous	43,009	653	0	40,855	84,517
<i>Total Cash Receipts</i>	<u>324,940</u>	<u>996,493</u>	<u>0</u>	<u>44,446</u>	<u>1,365,879</u>
Cash Disbursements					
Current:					
General Government	188,131	133,405	0	44,430	365,966
Public Safety	1,233	370,738	0	0	371,971
Public Works	470	254,592	0	2,739	257,801
Health	22,968	0	0	0	22,968
Conservation-Recreation	0	0	0	17,570	17,570
Other	0	40,000	0	0	40,000
Debt Service:					
Principal Retirement	0	0	19,770	0	19,770
Interest and Fiscal Charges	0	0	7,686	0	7,686
<i>Total Cash Disbursements</i>	<u>212,802</u>	<u>798,735</u>	<u>27,456</u>	<u>64,739</u>	<u>1,103,732</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>112,138</u>	<u>197,758</u>	<u>(27,456)</u>	<u>(20,293)</u>	<u>262,147</u>
Other Financing Receipts (Disbursements)					
Transfers In	0	0	39,696	87,228	126,924
Transfers Out	(126,924)	0	0	0	(126,924)
Advances In	0	40,000	0	0	40,000
Advances Out	(40,000)	0	0	0	(40,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(166,924)</u>	<u>40,000</u>	<u>39,696</u>	<u>87,228</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	<u>(54,786)</u>	<u>237,758</u>	<u>12,240</u>	<u>66,935</u>	<u>262,147</u>
<i>Fund Cash Balances, January 1</i>	<u>76,220</u>	<u>376,269</u>	<u>0</u>	<u>131,600</u>	<u>584,089</u>
<i>Fund Cash Balances, December 31</i>	<u>\$21,434</u>	<u>\$614,027</u>	<u>\$12,240</u>	<u>\$198,535</u>	<u>\$846,236</u>

See accompanying notes to the basic financial statements

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Marietta Township
Washington County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Marietta Township, Washington County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the Reno Volunteer Fire Department to provide fire and emergency services.

Public Entity Risk Pool

The Township participates in a public entity risk pool. Note 7 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.

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 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:

Fire Levy (1.6 Mill) Fund The Fire Levy (1.6 Mill) Fund accounts for and reports levied property tax monies restricted for the provision of fire protection and emergency services.

Debt Service Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Township had the following significant Debt Service Funds:

Hadley Hollow Road Fund The Hadley Hollow Road Fund accounts for and reports resources restricted for the retirement of debt issued to finance public improvements.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant capital project funds:

Marietta Township
Washington County
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Continued)

Marietta Township Park and Recreation This fund receives permit money and donations to make improvements to the Township Recreation Building.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code § 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 § 117.38 and Ohio Administrative Code 117-2-03 (C) permit.

Budgetary Process

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

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

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

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

A summary of 2021 budgetary activity appears in Note 4.

Deposits and Investments

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively. All available funds of the Township are in an interest bearing checking account.

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.

Marietta Township
Washington County
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Continued)

Accumulated Leave

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

Fund Balance

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

Nonspendable The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable portion of the corpus in permanent funds.

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 12.

Marietta Township
Washington County
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Continued)

Note 3 – Compliance

Contrary to Ohio law, 40 percent of budgetary expenditures were not certified by the Fiscal Officer at the time the commitment was incurred. Further, the Board approved a \$5,000 limit on blanket certificates by resolution. However, there were two blanket certificates in 2021 (\$122,938 and \$29,218) which were in excess of the approved limit. Further, contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the General Fund, EMS Levy (1997/1 mill) Fund, Fire Levy (2012) Fund, and Hadley Hollow Loan Fund by \$265,231, \$75,480, \$116,814, and \$13,728, respectively, for the year ended December 31, 2021. Also, the Board posted \$109,473 in transfers in 2021 and \$29,048 in 2022 without a resolution specifying amounts passed by a simple majority of the Board of Trustees.

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$334,442	\$324,940	(\$9,502)
Special Revenue	1,288,013	1,036,493	(251,520)
Debt Service	27,456	39,696	12,240
Capital Projects	239,563	131,674	(107,889)
Total	\$1,889,474	\$1,532,803	(\$356,671)

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$116,221	\$380,516	(\$264,295)
Special Revenue	835,498	799,805	35,693
Debt Service	13,728	27,456	(13,728)
Capital Projects	248,939	64,948	183,991
Total	\$1,214,386	\$1,272,725	(\$58,339)

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 and investments. A summary of the Township’s deposit account is as follows:

	2021
<i>Cash Management Pool:</i>	
Demand Deposit	\$846,236

Marietta Township
Washington County
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Continued)

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2021, the Township is holding \$2,223 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.

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 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

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

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

Marietta Township
Washington County
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Continued)

Workers' Compensation

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

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Note 9 – 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. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2021. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2021.

Note 10 – Debt

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

	<u>Principal</u>	<u>Interest Rate</u>
Peoples Bank Loan	214,230	3.01%

The Peoples Bank loan was issued to finance repairs on Hadley Hollow Road Project. The loan is backed by the taxing authority of the Township.

Amortization

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

Marietta Township
Washington County
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Continued)

Year Ending December 31:	Peoples Bank Loan
2022	\$27,455
2023	27,455
2024	27,455
2025	27,455
2026	27,455
2027-2030	109,824
Total	<u>\$247,099</u>

Note 11 – Contingent Liabilities

Amounts grantor agencies pay to the township are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 12 – Fund Balances

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Debt Service	Capital Projects	Total
Nonspendable:					
Unclaimed Monies	\$0	\$0	\$0	\$0	\$0
Corpus	0	0	0	0	0
Outstanding Encumbrances	790	1,070	0	209	2,069
Total	\$790	\$1,070	\$0	\$209	\$2,069

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. These restricted, committed, and assigned amounts in the special revenue, debt service, and capital projects funds would including the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 13 – 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 2021, the Township expended 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



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

Marietta Township
Washington County
260 Sandhill Road
Reno, Ohio 45773

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 as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statements of Marietta Township, Washington County, Ohio (the Township) and have issued our report thereon dated May 17, 2024, 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 2022-001 through 2022-003 and 2022-005 through 2022-007 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings as items 2022-001 through 2022-004.

Township's Response to Findings

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

Purpose of this Report

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



Keith Faber
Auditor of State
Columbus, Ohio

May 17, 2024

**MARIETTA TOWNSHIP
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2022 AND 2021**

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

FINDING NUMBER 2022-001

Noncompliance and Material Weakness

Ohio Rev. Code § 5705.14 provides, in part, that no transfer shall be made from one fund of a subdivision to any other fund, except in specific situations. Ohio Rev. Code § 5705.14(E) provides that money may be transferred from the general fund to any other fund of the subdivision. According to 1989 Op. Att’y. Gen. No. 89-075, a resolution passed by a simple majority of the legislative authority is required to transfer moneys from the general fund to any other fund of the subdivision. When moneys are transferred from a fund other than the general fund in accordance with Ohio Rev. Code § 5705.14, a resolution passed by a two-thirds majority is required.

The Fiscal Officer executed the following transfers without a resolution specifying amounts passed by a simple majority of the Board of Trustees:

- In 2021:
 - \$5,478 from the General Fund (1000) to the OPWC CO-OP Goose Run Road Fund (4401).
 - \$64,299 from the General Fund (1000) to the Marietta Township Park and Recreational Fund (4901).
 - \$39,696 from the General Fund (1000) to the Hadley Hollow Loan Fund (3901).
- In 2022:
 - \$3,478 from the General Fund (1000) to the Marietta Township Park and Recreational Fund (4901).
 - \$25,570 from the General Fund (1000) to the Hadley Hollow Loan Fund (3901).

The failure to properly document approvals, including funds and amounts, of transfers in Township resolutions and the Board minute records leads to audit adjustments. In addition, this failure could result in a misuse of public funds and management monitoring based on incorrect balances.

The Board should document transfers, including fund and amounts, in the Township resolutions, as well as the approval of such resolutions in the Board minute record.

Officials’ Response: The Township will correct this in the future.

FINDING NUMBER 2022-002

Noncompliance and Material Weakness

Ohio Rev. Code § 5705.39 provides that total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure there-from, as certified by the county budget commission, or in case of appeal, by the board of tax appeals. No appropriation measure shall become effective until the county auditor files with the appropriating authority a certificate that the total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed such official estimate or amended official estimate. For purposes of this section of the Ohio Revised Code, estimated revenue is commonly referred to as “estimated resources” because it includes unencumbered fund balances.

At December 31, 2022, the Township's appropriations exceeded the amount certified as available by the budget commission as follows:

**MARIETTA TOWNSHIP
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2022 AND 2021
(Continued)**

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

FINDING NUMBER 2022-002 (Continued)

Noncompliance and Material Weakness - Ohio Rev. Code § 5705.39 (Continued)

Fund	Fund #	Amount by which Appropriations Exceed Estimated Resources
General Fund	1000	\$339,303
Gasoline Tax Fund	2021	55,011
Fire Levy (1998/.5 Mill) Fund	2191	51,627
EMS Levy (2192/1 Mill) Fund	2192	98,180
Fire Levy (1997/.5 Mill) Fund	2193	81,378
Fire Levy (1.6 Mill/2012) Fund	2194	211,894
Coronavirus Relief Fund	2272	108,077
OPWC Co-Op Goose Run Road Fund	4401	9,597

Failure to limit appropriations to the amount certified by the Budget Commission due to deficiencies in the Township's compliance monitoring policies and procedures could result in overspending and negative cash fund balances.

The Township should draft, approve, and implement procedures to compare appropriations to estimated resources and, if adequate resources are available for additional appropriations, the Township should submit an amended certificate of estimated resources to the budget commission for certification. If the resources are not available to cover the appropriations, an amendment to the appropriation resolution should be passed by the Board to reduce the appropriations.

Officials' Response: The Township will correct this in the future by submitting an amended certificate of estimated resources to the budget commission for certification.

FINDING NUMBER 2022-003

Noncompliance and Material Weakness

Ohio Rev. Code § 5705.41(B) prohibits a subdivision or taxing authority unit from making any expenditure of money unless it has been appropriated in accordance with the Ohio Revised Code.

Due to inadequate policies and procedures in approving and reviewing budget versus actual information, the following funds had expenditures in excess of appropriations in 2021:

Fund	Fund #	Amount by which Budgetary Expenditures Exceed Appropriations
General Fund	1000	\$264,295
Fire Levy (1998/.5 Mill) Fund	2191	31,193
EMS Levy (2192/1 Mill) Fund	2192	75,480
Fire Levy (1997/.5 Mill) Fund	2193	8,491
Fire Levy (1.6 Mill/2012) Fund	2194	116,814
Hadley Hollow Loan Fund	3901	13,728

**MARIETTA TOWNSHIP
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2022 AND 2021
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2022-003 (Continued)

Noncompliance and Material Weakness - Ohio Rev. Code § 5705.41(B) (Continued)

Failure to have adequate appropriations in place at the time expenditures are made could cause expenditures to exceed available resources, further resulting in deficit spending practices.

The Board should closely monitor expenditures and appropriations and make the necessary appropriation amendments, if possible, to reduce the likelihood of expenditures exceeding appropriations. Additionally, the Fiscal Officer should deny payment requests exceeding appropriations when appropriations are inadequate to cover the expenditures.

Officials' Response: The Township will correct this in the future.

FINDING NUMBER 2022-004

Noncompliance

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 for the order or contract 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 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 Rev. Code.

- "Then and Now" certificate – If the chief 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 Board of Trustees can authorize the drawing of a warrant for the payment of the amount due. The Board of Trustees 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 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.

MARIETTA TOWNSHIP
WASHINGTON COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2022 AND 2021
(Continued)

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2022-004 (Continued)

Noncompliance - Ohio Rev. Code § 5705.41(D)(1) (Continued)

- Blanket Certificate – The auditor or 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.
- Super Blanket Certificate – The Board of 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 over purchasing and expenditures, 2 of 5 (40 percent) of transactions tested in 2021 and 4 of 10 (40 percent) in 2022 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. Further, the Board approved a \$5,000 limit on blanket certificates by resolution. However, there were two blanket certificates in 2021 (\$122,938 and \$29,218) and two blankets in 2022 (\$30,000 and \$10,000), which were in excess of the approved limit. This was an oversight by management.

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: The Township will correct this in the future by making sure all blanket certificates so not exceed the \$5,000 mark set forth by the Board.

MARIETTA TOWNSHIP
WASHINGTON COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2022 AND 2021
(Continued)

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2022-005

Material Weakness - Timesheet Approval

Individual employees of the Township completed time sheets to reflect the number of hours worked in their respective positions. However, the Township does not have a policy requiring supervisory review and approval of those time sheets. This could result in improperly recorded hours, questioned payments to employees, and potential misuse of public funds.

The Township should develop and implement a formal policy regarding the approvals of timesheets. The Board should establish procedures for payroll processing which include supervisory review and approval of time sheets, as indicated by signature. The supervisor should have first-hand knowledge of the activities of the Township employees to ensure the accuracy of hours and activities presented.

Officials' Response: The Township will correct this in the future by making sure all signatures are on each of the employee timecards.

FINDING NUMBER 2022-006

Material Weakness - Financial Reporting

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

The Fiscal Officer classified/posted certain transactions incorrectly resulting in material audit adjustments.

For the year ended December 31, 2022:

- The principal portion of two debt payments to Peoples Bank for the Hadley Hollow Loan Fund totaling \$20,990 were recorded as Interest and Fiscal Charges instead of Principal Retirement, resulting in audit adjustment to properly classify this amount.

For the year ended December 31, 2021:

- The Fiscal Officer posted \$9,541 of intergovernmental receipts to the General Fund that pertained to the Motor Vehicle License Tax Fund. This resulted in a decrease in General Fund Intergovernmental receipts and an increase in Motor Vehicle License Tax Fund Intergovernmental receipts of \$9,541.
- The debt payment to Peoples Bank for the Hadley Hollow Loan Fund was recorded in the wrong fund and classification. This resulted in a decrease in Road and Bridge Fund Public Works of \$13,728, a decrease in Hadley Hollow Loan Fund Interest and Fiscal Charges of \$6,042, and an increase in the Hadley Hollow Loan Fund Principal Retirement of \$19,770.

**MARIETTA TOWNSHIP
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2022 AND 2021
(Continued)**

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

FINDING NUMBER 2022-006 (Continued)

Material Weakness - Financial Reporting (Continued)

The Township's financial statement oversight and review procedures were not sufficient to help ensure activity is properly recorded and reported in the financial statements. As a result, these adjustments and reclassifications and some additional immaterial adjustments, with which the Township's management agrees, were made to the Township ledgers and are reflected in the accompanying financial statements. Adjustments are also reflected in the footnotes to the financial statements to properly reflect the modifications made above.

When financial transactions are not properly recorded, inaccurate financial reports could be disseminated to the Board and management, as well as financial statement users and potentially used in decision making processes.

The Fiscal Officer should refer to the Township Handbook for guidance regarding proper fund and classification of receipts and disbursements and should take additional care in posting transactions to the Township's ledgers in order to ensure the financial statements reflect the appropriate classifications. The Township should implement financial activity and statement oversight and review procedures to help ensure the completeness and accuracy of the Township financial activity and statements.

Officials' Response: The Township has since corrected this issue. These postings were to the wrong fund due to the Fiscal Officer being new.

FINDING NUMBER 2022-007

Material Weakness - Budgetary Amounts in Uniform Accounting Network

Sound accounting practices require accurately posting estimated receipts and appropriations to the ledgers to provide information for budget versus actual comparison and to allow the Board of Trustees to make informed decisions regarding budgetary matters.

The Appropriation resolution and subsequent amendments establish the legal spending authority of the Township, and the appropriation ledger provides the process by which the Township controls spending, it is therefore necessary the amounts appropriated by the Board of Trustee are precisely stated and accurately posted to the appropriation ledger.

The original certificate and amendments establish the amounts available for expenditures for the Township and the receipts ledger provides the process by which the Township controls what is available, it is therefore necessary the amounts estimated by the County Budget Commission are posted accurately to the receipts ledger.

The budgetary amounts as posted in the accounting system varied from the approved amounts as followed:

**MARIETTA TOWNSHIP
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2022 AND 2021
(Continued)**

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

FINDING NUMBER 2022-007 (Continued)

Material Weakness - Budgetary Amounts in Uniform Accounting Network (Continued)

Year	Fund	Fund #	Appropriations in the Accounting System	Approved Appropriations	Variance
2021	General Fund	1000	390,635	116,221	(274,414)
2021	Motor Vehicle License Tax Fund	2011	65,889	45,000	(20,889)
2021	Gasoline Tax Fund	2021	250,639	152,835	(97,804)
2021	Road and Bridge Fund	2031	300,715	181,452	(119,263)
2021	Fire Levy (1998/.5 Mill) Fund	2191	51,627	20,435	(31,192)
2021	EMS Levy (1997/1 Mill) Fund	2192	98,180	22,700	(75,480)
2021	Fire Levy (1997/.5 Mill) Fund	2193	81,378	40,600	(40,778)
2021	Fire Levy (1.6 Mill/2012) Fund	2194	211,894	95,025	(116,869)
2021	Permissive Sales Tax Fund	2241	242,579	165,760	(76,819)
2021	Lighting Assessment Fund	2401	36,010	23,110	(12,900)
2021	Coronavirus Relief Fund	2272	112,579	87,886	(24,693)
2021	OPWC Co-Op Goose Run Road	4401	9,597	2,739	(6,858)
2021	Marietta Township Park and	4901	360,133	246,200	(113,933)
2021	Hadley Hollow Loan Fund	3901	27,455	13,728	(13,727)

Year	Fund	Fund #	Estimated Receipts in the Accounting System	Estimated Receipts per Certificate of Estimated Resources	Variance
2021	Fire Levy (1.6 Mill/2012) Fund	2194	184,081	176,407	(7,674)

Year	Fund	Fund #	Appropriations in the Accounting System	Approved Appropriations	Variance
2022	General Fund	1000	302,989	610,172	307,183
2022	Motor Vehicle License Tax Fund	2011	115,950	65,889	(50,061)
2022	Gasoline Tax Fund	2021	174,872	267,053	92,181
2022	Road and Bridge Fund	2031	479,556	300,715	(178,841)
2022	Lighting Assessment Fund	2401	63,367	36,010	(27,357)
2022	Coronavirus Relief Fund	2272	2,251	112,579	110,328
2022	American Rescue Plan Fund	2273	702,827	203,305	(499,522)
2022	OPWC Co-Op Goose Run Road Fund	4401	0	9,597	9,597
2022	Marietta Township Park and Recreation Fund	4901	992,620	360,142	(632,478)
2022	Hadley Hollow Loan Fund	3901	77,905	27,455	(50,450)

**MARIETTA TOWNSHIP
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2022 AND 2021
(Continued)**

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

FINDING NUMBER 2022-007 (Continued)

Material Weakness - Budgetary Amounts in Uniform Accounting Network (Continued)

Year	Fund	Fund #	Estimated Receipts in the Accounting System	Estimated Receipts per Certificate of Estimated Resources	Variance
2022	General Fund	1000	281,556	239,895	(41,661)
2022	Motor Vehicle License Tax Fund	2011	77,298	115,950	38,652
2022	Gasoline Tax Fund	2021	125,331	158,762	33,431
2022	Road and Bridge Fund	2031	319,704	479,556	159,852
2022	Fire Levy (1998/.5 Mill) Fund	2191	51,627	0	(51,627)
2022	EMS Levy (1997/1 Mill) Fund	2192	98,180	0	(98,180)
2022	Fire Levy (1997/.5 Mill) Fund	2193	81,378	0	(81,378)
2022	Fire Levy (1.6 Mill/2012) Fund	2194	211,894	0	(211,894)
2022	Permissive Sales Tax Fund	2241	161,261	241,892	80,631
2022	Lighting Assessment Fund	2401	42,245	63,367	21,122
2022	Coronavirus Relief Fund	2272	0	2,251	2,251
2022	American Rescue Plan Fund	2273	468,552	702,827	234,275
2022	Marietta Township Park and Recre:	4901	794,085	992,411	198,326
2022	Hadley Hollow Loan Fund	3901	51,937	77,905	25,968

The Township did not have procedures in place to ensure it accurately posted authorized budgetary measures to the accounting system. The appropriations (and/or amendments thereof) approved by Board of Trustees were not properly posted to the accounting system. Additionally, the approved Certificate of Estimated Resources (and/or amendments thereof) was not posted correctly to the accounting system.

Failure to accurately post the appropriations and estimated resources to the ledgers could result in overspending and negative cash balances. In addition, this could lead to inaccurate reporting of the budgetary information in the financial statements and notes to the financial statements.

To effectively control the budgetary cycle and to maintain accountability over receipts and expenditures, the Township should post to the ledgers, on a timely basis, estimated resources as certified by the budget commission and appropriations approved by the Board. The Township should then monitor budget versus actual reports to help ensure amended certificates of resources and appropriations have been properly posted to the ledgers.

Officials' Response: The Township has since corrected this issue.

**MARIETTA TOWNSHIP
WASHINGTON COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2022**

Finding Number	Finding Summary	Status	Additional Information
2020-001	Noncompliance and Material Weakness relating to Ohio Rev. Code § 5705.41(B) for expenditures exceeding Appropriations.	Not Corrected	The Township will correct this in the future.
2020-002	Material Weakness relating to Financial Reporting due to material audit adjustments identified.	Not Corrected	The Township has since corrected this issue. These postings were to the wrong fund due to the Fiscal Officer being new.
2020-003	Material Weakness relating to Financial Monitoring due to insufficient Board monitoring.	Corrected	N/A
2020-004	Material Weakness relating to budgetary amounts in the accounting system differing from approved amounts.	Not Corrected	The Township has since corrected this issue.
2020-005	Material Weakness relating to timesheet approvals due to lack of supervisory review indicated by signatures.	Not Corrected	The Township will correct this in the future by making sure all signatures are on each of the employee timecards.
2020-006	Noncompliance with Ohio Rev. Code § 5705.41(D)(1) due to improperly encumbered amounts and blankets exceeding established thresholds.	Not Corrected	The Township will correct this in the future by making sure all blanket certificates so not exceed the \$5,000 mark set forth by the Board.

OHIO AUDITOR OF STATE KEITH FABER



MARIETTA TOWNSHIP

WASHINGTON 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 6/20/2024

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