



OHIO AUDITOR OF STATE
KEITH FABER



**VILLAGE OF MARTINSVILLE
CLINTON COUNTY
DECEMBER 31, 2023 AND 2022**

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REPORT ON THE FINANCIAL STATEMENTS, INTERNAL CONTROL, AND COMPLIANCE

Village of Martinsville
Clinton County
PO Box 177
Martinsville, Ohio 45146

To the Village Council:

We have selectively tested certain accounts, financial records, reports and other documentation of the Village of Martinsville, Clinton County, (the Village), as of and for the years ended December 31, 2023 and 2022. These procedures were designed to satisfy the audit requirements of Ohio Rev. Code § 117.11, and Ohio Admin. Code 117-4-02. Our engagement was not designed as a basis to opine on the accompanying financial statements, internal control over financial reporting, or compliance. We therefore express no opinions on these matters.

Internal Control Over Financial Reporting

Certain of the aforementioned tests relate to internal control over financial reporting. The results of those tests may allow us to identify internal control deficiencies. An internal control deficiency 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, whether caused by error or fraud.

Our internal control tests were not designed to identify all internal control deficiencies that might exist. Therefore, unidentified weaknesses may exist. However, we consider findings 2023-001 through 2023-014, 2023-022 and 2023-023 reported in the Schedule of Findings to be internal control deficiencies management and those charged with governance should address.

Compliance and Other Matters

We also tested compliance with certain provisions of laws, regulations, contracts, and grant agreements, applicable to the Village, noncompliance with which could directly and materially affect the determination of financial statement amounts. The results of our tests disclosed instances of noncompliance we believe could affect the determination of financial statement amounts that we reported in the Schedule of Findings as item 2023-002, 2023-006, 2023-008, 2023-009 through 2023-011 through 2023-021 and 2023-023.

KEITH FABER
Ohio Auditor of State

A handwritten signature in black ink that reads "Tiffany L. Ridenbaugh".

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

October 2, 2025

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Village of Martinsville, Ohio*Clinton County*

*Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2023*

	General	Special Revenue	Combined Total
Cash Receipts			
Unclassified	\$45,052	\$50,955	\$96,007
<i>Total Cash Receipts</i>	<u>45,052</u>	<u>50,955</u>	<u>96,007</u>
Cash Disbursements			
Unclassified	42,547	20,178	62,725
<i>Total Cash Disbursements</i>	<u>42,547</u>	<u>20,178</u>	<u>62,725</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>2,505</u>	<u>30,777</u>	<u>33,282</u>
Other Financing Receipts (Disbursements)			
Transfers In	0	400	400
Transfers Out	(400)	0	(400)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(400)</u>	<u>400</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	<u>2,105</u>	<u>31,177</u>	<u>33,282</u>
<i>Fund Cash Balances, January 1</i>	<u>38,728</u>	<u>66,708</u>	<u>105,436</u>
<i>Fund Cash Balances, December 31</i>	<u>\$40,833</u>	<u>\$97,885</u>	<u>\$138,718</u>

See accompanying notes to the basic financial statements

Village of Martinsville, Ohio
Clinton County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Proprietary Fund Types
For the Year Ended December 31, 2023

	<u>Enterprise</u>
Operating Cash Receipts	
Unclassified	<u>\$15,157</u>
<i>Total Operating Cash Receipts</i>	<u>15,157</u>
Operating Cash Disbursements	
Unclassified	<u>17,879</u>
<i>Total Operating Cash Disbursements</i>	<u>17,879</u>
<i>Operating Income (Loss)</i>	<u>(2,722)</u>
<i>Net Change in Fund Cash Balances</i>	<u>(2,722)</u>
<i>Fund Cash Balances, January 1</i>	<u>1,790</u>
<i>Fund Cash Balances, December 31</i>	<u><u><u>(\$932)</u></u></u>

See accompanying notes to the basic financial statements

Village of Martinsville, Ohio
Clinton County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 – Reporting Entity

The Village of Martinsville (the Village), Clinton County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly elected six-member Council directs the Village. The Village provides trash collection services. The Village contracts with the Clinton County Sheriff's department to provide security of persons and property. The Village contracts with the Clark Township Volunteer Fire Department to receive fire protection services.

Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations

The Village participates in the Public Entities Pool of Ohio public entity risk pool. Note 7 to the financial statements provides additional information for this entity. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Village'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 proprietary fund types which are organized on a fund type basis.

Fund Accounting

The Village 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 Village 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 Village 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 Village had the following significant Special Revenue Funds:

Street Maintenance and Repair The street maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

Street Lighting Fund The street lighting fund received special assessment money for maintaining and repairing the Village street lights.

Park Pavillion Fund The park pavillion fund accounts for and reports donations, grants, and general fund transfers that are committed to fund construction of the park.

Village of Martinsville, Ohio
Clinton County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies (continued)

Enterprise Funds These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Fund:

Refuse Operating Fund The refuse operating fund accounts for the charges for services from users located within the Village to cover the cost of providing this service.

Basis of Accounting

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

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

Budgetary Process

The Ohio Revised Code requires that each fund 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 Village Council must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

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

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

A summary of 2023 budgetary activity appears in Note 4.

Fund Balance

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

Village of Martinsville, Ohio
Clinton County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies (continued)

Nonspendable The Village 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 Village and the nonexpendable 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 Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends 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 Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 9.

Note 3 – Compliance

Contrary to Ohio law, budgetary documentation (such as appropriations and certificate of estimated resources) was not filed for the Village in 2023.

Note 4 – Budgetary Activity

Budgetary activity for the year ending 2023 follows:

Village of Martinsville, Ohio
Clinton County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 4 – Budgetary Activity (continued)

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$0	\$45,052	\$45,052
Special Revenue	0	51,355	51,355
Enterprise	0	15,157	15,157
Total	<u><u>\$0</u></u>	<u><u>\$111,564</u></u>	<u><u>\$111,564</u></u>

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$42,947	(\$42,947)
Special Revenue	0	20,178	(20,178)
Enterprise	0	17,879	(17,879)
Total	<u><u>\$0</u></u>	<u><u>\$81,004</u></u>	<u><u>(\$81,004)</u></u>

Note 5 – Deposits

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

	2023
Demand deposits*	<u><u>\$152,364</u></u>

*The Summary above reflects the Village Cash Balance at December 31, 2023, however, the Village was not able to post adjustments to the manual ledger, resulting in a Finding For Adjustments. Therefore, the above amount does not agree to the Financial Statements.

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.

Village of Martinsville, Ohio
Clinton County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 6 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council 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 Village.

Note 7 – Risk Management

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Village 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.

Risk Pool Membership

The Village is a member of the Public Entities Pool of Ohio (the Pool). The Pool assumes the risk of loss up to the limits of the Village'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 actuarially-measured liabilities and the assets available to pay those liabilities as of December 31:

	2023
Cash and investments	\$43,996,442
Actuarial Liabilities	\$19,743,401

Village of Martinsville, Ohio
Clinton County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Most Village 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 Village contributed an amount equaling 14 percent of participants' gross salaries.

Social Security

Some of Village employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries.

Note 9 – Fund Balances

Included in fund balance are amounts the Village 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:

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects fund are restricted committed or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed and assigned amounts in the special revenue, debt service, capital projects and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned. The Village did not have any outstanding encumbrances at December 31, 2023.

Village of Martinsville, Ohio*Clinton 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	Combined Total
Cash Receipts			
Unclassified	\$35,433	\$26,960	\$62,393
<i>Total Cash Receipts</i>	<u>35,433</u>	<u>26,960</u>	<u>62,393</u>
Cash Disbursements			
Unclassified	33,234	9,686	42,920
<i>Total Cash Disbursements</i>	<u>33,234</u>	<u>9,686</u>	<u>42,920</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>2,199</u>	<u>17,274</u>	<u>19,473</u>
Other Financing Sources (Uses)			
Transfer-In		5,000	5,000
Transfer-Out		(5,000)	(5,000)
Total Other Financing Sources (Uses)		0	0
<i>Net Change in Fund Cash Balances</i>	<u>2,199</u>	<u>17,274</u>	<u>19,473</u>
<i>Fund Cash Balances, January 1</i>	<u>36,526</u>	<u>49,434</u>	<u>85,960</u>
<i>Fund Cash Balances, December 31</i>	<u>\$38,725</u>	<u>\$66,708</u>	<u>\$105,433</u>

See accompanying notes to the basic financial statements

Village of Martinsville, Ohio

Clinton County

*Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Proprietary Fund Types
For the Year Ended December 31, 2022*

	Enterprise
Operating Cash Receipts	
Unclassified	<u>\$15,834</u>
<i>Total Operating Cash Receipts</i>	<u>15,834</u>
Operating Cash Disbursements	
Unclassified	<u>18,301</u>
<i>Total Operating Cash Disbursements</i>	<u>18,301</u>
<i>Operating Income (Loss)</i>	<u>(2,467)</u>
<i>Net Change in Fund Cash Balances</i>	<u>(2,467)</u>
<i>Fund Cash Balances, January 1</i>	<u>4,361</u>
<i>Fund Cash Balances, December 31</i>	<u>\$1,894</u>

See accompanying notes to the basic financial statements

Village of Martinsville, Ohio
Clinton County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 – Reporting Entity

The Village of Martinsville (the Village), Clinton County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly elected six-member Council directs the Village. The Village provides trash collection services. The Village contracts with the Clinton County Sheriff's department to provide security of persons and property. The Village contracts with the Clark Township Volunteer Fire Department to receive fire protection services.

Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations

The Village participates in the Public Entities Pool of Ohio public entity risk pool. Note 7 to the financial statements provides additional information for this entity. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Village'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 proprietary fund types which are organized on a fund type basis.

Fund Accounting

The Village 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 Village 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 Village 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 Village had the following significant Special Revenue Funds:

Street Maintenance and Repair The street maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

Street Lighting Fund The street lighting fund received special assessment money for maintaining and repairing the Village street lights.

Village of Martinsville, Ohio
Clinton County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (continued)

Enterprise Funds These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Fund:

Refuse Operating Fund The refuse operating fund accounts for the charges for services from users located within the Village to cover the cost of providing this service.

Basis of Accounting

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

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

Budgetary Process

The Ohio Revised Code requires that each fund 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 Village Council must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

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

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

A summary of 2022 budgetary activity appears in Note 4.

Fund Balance

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

Village of Martinsville, Ohio
Clinton County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (continued)

Nonspendable The Village 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 Village and the nonexpendable 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 Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends 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 Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 9.

Note 3 – Compliance

Contrary to Ohio law, budgetary documentation (such as appropriations and certificate of estimated resources) was not filed for the Village in 2022.

Note 4 – Budgetary Activity

Budgetary activity for the year ending 2022 follows:

Village of Martinsville, Ohio
Clinton County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 4 – Budgetary Activity (continued)

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$0	\$35,433	\$35,433
Special Revenue	0	31,960	31,960
Enterprise	0	15,834	15,834
Total	<u>\$0</u>	<u>\$83,227</u>	<u>\$83,227</u>

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$33,234	(\$33,234)
Special Revenue	0	14,686	(14,686)
Enterprise	0	18,301	(18,301)
Total	<u>\$0</u>	<u>\$66,221</u>	<u>(\$66,221)</u>

Note 5 – Deposits

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

Demand deposits *	2022
	<u>\$121,473</u>

*The Summary above reflects the Village Cash Balance at December 31, 2022, however, the Village was not able to post adjustments to the manual ledger, resulting in a Finding For Adjustments. Therefore, the above amount does not agree to the Financial Statements.

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.

Village of Martinsville, Ohio
Clinton County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 6 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council 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 Village.

Note 7 – Risk Management

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Village 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.

Risk Pool Membership

The Village is a member of the Public Entities Pool of Ohio (the Pool). The Pool assumes the risk of loss up to the limits of the Village'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 actuarially-measured liabilities and the assets available to pay those liabilities as of December 31:

	2022
Cash and investments	\$42,310,794
Actuarial Liabilities	\$15,724,479

Village of Martinsville, Ohio
Clinton County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Most Village 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 Village contributed an amount equaling 14 percent of participants' gross salaries.

Social Security

Some of Village employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries.

Note 9 – Fund Balances

Included in fund balance are amounts the Village 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:

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects fund are restricted committed or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed and assigned amounts in the special revenue, debt service, capital projects and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned. There were no outstanding encumbrances at December 31, 2022.

**VILLAGE OF MARTINSVILLE
CLINTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022**

<i>Finding Number</i>	2023-001
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Internal Control Deficiency - Segregation of Duties and Internal Controls

Ohio Administrative Code Section 117-2-01 states:

- (A) All public officials are responsible for the design and operation of a system of internal control that is adequate to provide reasonable assurance regarding the achievement of objectives for their respective public offices in certain categories.
- (B) "Internal control" means a process effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:
 - (1) Reliability of financial reporting.
 - (2) Effectiveness and efficiency of operations
 - (3) Compliance with applicable laws and regulations; and
 - (4) Safeguarding of assets against unauthorized acquisition, use or disposition.
- (C) Internal control consists of the following five interrelated components:
 - (1) Control environment sets the tone of an organization, influencing the control consciousness of its people. It is the foundation for all other components of internal control, providing discipline and structure.
 - (2) Risk assessment, which is the entity's identification and analysis of relevant risks to the achievement of its objectives, forming a basis for determining how the risks should be managed so as to identify and assess the risks of material misstatements, whether due to fraud or error, at the financial statement and relevant assertions levels.
 - (3) Control activities, which are policies and procedures that help ensure management directives are carried out so as to identify and assess the risks of material misstatements, whether due to fraud or error, at the financial statement and relevant assertions levels.
 - (4) Information and communication, which are the identification, capture, and exchange of information in a form and time frame that enable people to carry out their responsibilities.
 - (5) Monitoring, which is a process that assesses the quality of internal control performance over time.
- (D) When designing the public office's system of internal control and the specific control activities, management should consider the following:
 - (1) Ensure that all transactions are properly authorized in accordance with management's policies.
 - (2) Ensure that accounting records are properly designed

Village of Martinsville
Clinton County
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- (3) Ensure adequate security of assets and records
- (4) Plan for adequate segregation of duties or compensating controls.
- (5) Verify the existence and valuation of assets and liabilities and periodically reconcile them to accounting records.
- (6) Perform analytical procedures to determine the reasonableness of financial data.
- (7) Ensure the collection and compilation of the data needed for the timely preparation of financial statements.
- (8) Monitor activities performed by service organizations.

The following conditions were noted:

- The small size of the Village does not allow for an adequate segregation of duties. The Fiscal Officer performs all the financial record keeping including the receiving, posting, and reconciling to the depository. Bookkeeping errors occurred without the detection of management.
- Purchase Orders were not completed for disbursements for either year. (See Finding Number 2023-012)
- The Village did not issue a duplicate receipt for any revenue received by the Village.
- The Village does not have controls in place to assure proper reporting or safeguarding of Village assets
- The Village had four out of eleven checks (36%) that did not match the information recorded in the cash journal (check date, payee, etc.) in 2023.
- The Fiscal Officer did not cash a check written to her in the amount of \$58 in 2022. This check should have been voided and reissued.
- The Village had two out of eleven checks (18%) that had not cleared by February 29, 2024; therefore, we were unable to ensure the information entered on the Village ledgers for this check was recorded correctly in 2023.
- Accurate Payroll records were not maintained (See Finding Number 2023-005)
- The Village paid \$185 in deposit fees to the bank and \$18 in sales tax in 2022. The Village paid \$5 in sales tax in 2023.

Village of Martinsville
Clinton County
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- The Village's Policy/Procedures over Refuse Receipts state that for each check, the log date, check number, name of paying party, customer number and amount paid shall be entered into the check register and, once all line items have been completed, the grand total should be entered in the "total receipt's" filed at the bottom of the check register, along with a signature and date of which the checks were received. The Fiscal Officer did not keep a log or check register with this information.
- The Village did not approve transfers in the amount of \$5,000 and \$400 made in 2022 or 2023, respectively. (See Finding Number 2023-023)
- The Village failed to update their accounting records (i.e. cashbook and bank reconciliation) to reflect a returned check written to Charter Communications by mistake in 2023. The Village should remove this check from the outstanding check list and also update the Village's cashbook accordingly.

It is, therefore, important that Council monitor financial activity and assets of the Village and ensure reporting is accurate. Failure to accurately prepare the accounting records:

- (1) reduces the accountability of Village funds,
- (2) reduces Council's ability to monitor financial activity and make informed financial decisions,
- (3) increases the likelihood that money will be misappropriated and not detected, and
- (4) increases the likelihood that the financial statements will be misstated.

To help strengthen the Village's internal control structure and reduce the likelihood of undetected errors, the Village's officials and management should implement the following controls:

- Officials should periodically review the accounting records and financial statements to determine accuracy and to ensure that proper procedures are followed by the Fiscal Officer.
- The Village should ensure monthly bank reconciliations are accurate, variances are investigated and outstanding/voided checks are updated accurately on the reconciliation. The Village Council should review monthly bank reconciliations and include evidence of review.
- The Village should reconcile monthly trash reports to the amounts deposited to the refuse account every month.

Officials' Response:

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

<i>Finding Number</i>	2023-002
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Internal Control Deficiency and Noncompliance - Required Accounting Records

Ohio Revised Code § 733.28, states that the Village Fiscal Officer shall keep the books of the Village, exhibit accurate statements of all moneys received and expended, of all property owned by the Village and income derived therefrom, and of all taxes and assessments.

Ohio Admin. Code § 117-2-02 (C)(1) states that all local public offices should integrate the budgetary accounts, at the legal level of control or lower, into the financial accounting system. This means designing an accounting system to provide ongoing and timely information on unrealized budgetary receipts and remaining uncommitted balances of appropriations.

Ohio Admin. Code § 117-2-02 (D) states all local public offices may maintain accounting records in a manual or computerized format. The records used should be based on the nature of operations and services the public office provides and should consider the degree of automation and other factors. Such records should include the following:

- Cash journal, which typically contains the following information: The amount, date, receipt number, check or electronic fund transfer number, account code, purchase order number, and any other information necessary to properly classify the transaction.
- Receipts ledger, which typically assembles and classifies receipts into separate accounts for each type of receipt of each fund the public office uses. The amount, date, name of the payor, purpose, receipt number, and other information required for the transactions can be recorded on this ledger.
- Appropriation ledger, which may assemble and classify disbursements or expenditure/expenses into separate accounts for, at a minimum, each account listed in the appropriation resolution. The amount, fund, date, check or electronic fund transfer number, purchase order number, encumbrance amount, unencumbered balance, amount of disbursement, uncommitted balance of appropriations, and any other information required may be entered in the appropriate columns.
- In addition, all local public offices should maintain or provide a report similar to the following accounting records:
 - Payroll records including:
 - W-2's, W-4's, I-9s and other withholding records and authorizations.
 - Payroll journal that records, assembles and classifies by pay period the name of employee, the employee's identification number, hours worked, wage rates, pay date, withholdings by type, net pay and other compensation paid to an employee (such as a termination payment), and the fund and account charged for the payments.
 - Check register that includes, in numerical sequence, the check or electronic fund transfer number, payee, net amount, and the date.
 - Information regarding nonmonetary benefits such as car usage, employer provided cell phones, life insurance, and health insurance.
 - Information, by employee, regarding leave balances and usage.

- Utility billing records including:
 - Master file of service address, account numbers, billing address, type of services provided, and billing rates.
 - Accounts receivable ledger for each service type, including for each customer account, the outstanding balance due as of the end of each billing period (with an aging schedule for past due amounts), current usage and billing amount, delinquent or late fees due, payments received and non-cash adjustments, each maintained by date and amount.
 - Cash receipts records, recording cash received and date received on each account. This information should be used to post payments to individual accounts in the accounts receivable ledger described above.

The following conditions existed during the audit period:

- The Village did not perform a monthly reconciliation of monthly trash reports to the amounts deposited to the refuse account.
- The Village is not maintaining personnel files for all employees with proper signed withholding documentation. (See Finding Number 2023-005)
- The Village did not provide the most recently updated copy of the Village's cashbook for 2022 or 2023 when the audit began. The Village provided an outdated copy of the cashbook that did not reflect the prior audit's adjustments. The correct copies were provided, after the start of the audit. Several footing errors were noted. Several funds prior year audit adjustments were not included in the manual ledger calculated balance.
- The Village manual ledgers do not contain the required information such as receipt numbers, account codes, purchase order numbers. The Village also did not keep a separate receipt ledger.
- The Village is not assigning sequential numbers to automatic debits coming out of the Village's bank account. These disbursements should have their own number sequence to identify them as a disbursement. The Village also did not list the vendor for several of these disbursements.
- The Village did not maintain a Receipt Ledger or Appropriation Ledger; therefore, appropriations and estimated resources were not recorded in a trackable system. Additionally, appropriations, estimated receipts, and actual receipts and expenditures reported in the budgetary presentation did not agree to official budgetary documents or the Cash Journal. (See Finding Number 2023-011)

Failure to accurately prepare and reconcile the accounting records 1) reduces the accountability over Village funds; 2) reduces the Council's ability to monitor financial activity and make informed decisions; 3) increases the likelihood that money will be misappropriated and not detected, and 4) increases the likelihood that the Village's financial statements will be misstated.

The Village should maintain proper accounting records: receipt ledger, appropriation ledger, payroll records, and utility billing records in accordance with the Ohio Rev. Code and Ohio Admin. Code.

Officials' Response:

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

<i>Finding Number</i>	2023-003
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Internal Control Deficiency - Cash Reconciliation

Sound accounting practices require that when designing the public office's system of internal control and the specific control activities, management should ensure adequate security of assets and records and verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records.

The reconciliation of cash (bank) balances to accounting system records (book) is the most basic and primary control process performed. Lack of completing an accurate and timely reconciliation may allow for accounting errors, theft and fraud to occur without timely detection.

The Fiscal Officer is responsible for reconciling the book (fund) balance to the total bank balance monthly, and the Board/Council and/or other administrator are responsible for reviewing the reconciliations and related support.

Monthly bank-to-book reconciliations were completed each month of 2023 and 2022, however, no review was noted by Council. The monthly reconciliations contained hidden cells and errors in the outstanding checklist.

Failure to accurately reconcile monthly increases the possibility that the Village will not be able to identify, assemble, analyze, classify, and record its transactions correctly or to document compliance with finance related legal and contractual requirements. Further, the lack of accurate monthly reconciliations increases the risk of theft/fraud over the cash cycle and could lead to inaccurate reporting in the annual financial statements.

The Fiscal Officer should record all transactions and prepare a monthly bank to book cash reconciliations, which are complete and accurate. Variances should be investigated, documented and corrected. In addition, the Board/Council should review the monthly cash reconciliations including the related support (such as reconciling items) and document the reviews.

Officials' Response:

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

<i>Finding Number</i>	2023-004
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Internal Control Deficiency - Maintaining Supporting Documentation – Expenditures

Maintaining organized documentation and support for financial transactions is essential in assuring the Village financial statements are not materially misstated and that all expenditures are made for a proper public purpose.

The Village did not maintain underlying documentation and support for three out of thirteen checks (23%) totaling \$687 in 2022, and one out of eleven checks (9%) totaling \$118 in 2023. Alternative audit procedures to gain the necessary audit assurances for one of the checks in 2022 was able to be performed. The Village also did not maintain accurate payroll records (See finding number 2023-005)

Failure to maintain underlying documentation and support of financial transactions can increase the risk of fraud, result in financial statement misstatements, and expenditures that are not for a proper public purpose.

The Village should maintain all invoices, purchase orders, timesheets, and employee forms for all financial transactions and records should be maintained in an orderly manner to support all transactions.

Officials' Response:

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

<i>Finding Number</i>	2023-005
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Internal Control Deficiency - Payroll

All public officials and management are responsible for the design and operation of a system of internal control that is adequate to provide reasonable assurance regarding the operations of their respective public offices, and to maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions.

The following conditions were noted during payroll testing:

2022 Payroll Conditions:

- Three employees did not have State or Federal Taxes deducted from their paychecks. Two employees did not have OPERS deducted from their paychecks. One employee also had social security deducted from his paychecks in addition to OPERS.
- The Village does not have the required signed withholding documentation to support employee deductions. The Village should ensure all employees sign proper withholding documentation and retain these items in employee personnel files. See Finding Number 2023-017, regarding withholdings.
- The Village did not maintain OPERS payment documentation to show monthly payments. As a result, individual months' payment amounts could not be tested. The Village should maintain a breakdown of OPERS payments for every month of the year.

- One employee's April and July paychecks were calculated incorrectly. In April, the employee was paid 9.15 hours; however, he should have only been paid 7.5 hours. This caused a gross overpayment of \$20. In July, the employee was paid 16.25 hours; however, he should have only been paid 11.1 hours. This caused a gross overpayment of \$62. We also noted several errors when calculating the withholding amounts for these paychecks.
- The Village did not have a formal written Council approval/resolution for two employees pay rate, nor did they have a resolution for standard labor pay rate.
- Two Council members were overpaid, causing a total overpayment of \$90.
- Two Council members were underpaid, causing a total underpayment of \$60.

2023

- The Village did not retain OPERS payment documentation. Because of this we were not able to test payments for individual months. The Village should retain all monthly OPERS submissions for review.
- Three employees did not have State or Federal Taxes deducted from their paychecks. Two employees did not have OPERS deducted from their paychecks. One employee, also, had social security deducted from his paychecks in addition to OPERS.
- The Village does not have the required signed withholding documentation to support employee deductions. The Village should ensure all employees sign proper withholding documentation and retain these items in employee personnel files. See Finding Number 2023-017, regarding withholdings.
- One employee's April paycheck was calculated incorrectly. In April, one employee was paid for 24.5 hours; however, he should have only been paid for 20.25 hours. This caused a gross overpayment of \$51. Several errors were noted when calculating withholding amounts for this paycheck.
- The Fiscal Officer was overpaid \$4 for the months of January-December, causing a total overpayment of \$48.
- The Village did not have a formal written council approval/resolution for two employees pay rate, nor did they have a resolution for standard labor pay rate.
- The Village did not retain a timesheet or proper supporting documentation for one employee's pay of \$144 in 2023.
- The Village only paid \$2,299 to OPERS in 2023 when they should have paid \$2,567, leaving \$268 unpaid to OPERS for the year.

Failure to maintain accurate payroll records results in a lack of financial accountability, could cause employees to be paid incorrect amounts, and increases the risk that theft, fraud, or errors could occur and not be detected in a timely manner. Controls should be put in place to help ensure that all payroll disbursements are properly accounted for.

The Village should formally approve employee pay rates in the minutes annually, maintain accurate payroll journals, and verify amounts remitted for federal and state taxes as well as OPERS agree to the amounts withheld from employee pay. The Village should review those employees paying into social security to determine if they should be paying into OPERS instead.

Officials' Response:

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

<i>Finding Number</i>	2023-006
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Internal Control Deficiency and Noncompliance - Permissive Motor Vehicle Fund

Ohio Rev. Code § 5705.09 requires that each subdivision shall establish a special fund for each class of revenues derived from a source other than the general property tax, which the law requires to be used for a particular purpose.

Local motor vehicle license taxes are governed by Ohio Rev. Code Chapters 4504, 4503, and 4501, and these chapters require the tax to be used for particular purposes.

The Village did not establish a Permissive Motor Vehicle License Tax Fund. The Village posted Permissive Motor Vehicle License Tax money in the amount of \$8,412 to the General Fund, which caused permissive funds to be comingled.

The Village should establish the Permissive Motor Vehicle License Tax Fund and post all Permissive Motor Vehicle License Tax received to this fund accordingly, as well as all related disbursements.

Officials' Response:

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

<i>Finding Number</i>	2023-007
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Internal Control Deficiency - Refuse Receipts

The Village's Refuse Receipt Policy/Procedure states that once a week, the Fiscal Officer or other appointed council member(s) will check the post office (PO) Box for received refuse mail and record all received checks in the Check Register.

The Village did not keep a log or check register for refuse payments received. Because of this, we were unable to determine if trash payments were deposited timely to the bank.

The Village should be recording all dates that the Village PO Box is being checked for refuse receipts to ensure compliance with the Village receipt policy. If there are no receipts received during that week, this should be notated in the log/check register.

The average amount of customers for the Village between both years is eighty-eight and the current charge is \$15.25, for a total of \$1,342 in monthly receipts. The Village's monthly refuse disbursement is \$1,468. The Village is not charging a rate that will cover the cost of trash collection disbursements.

The Village should review the trash rates being charged and consider increasing the monthly fee, so all trash collection disbursements are covered.

The Village had customer accounts with remaining balance amounts that were written off.

The Fiscal Officer should be obtaining approval from the Village Council to write off any amounts and/or any adjustments on customer accounts. The Village should implement a review/approval system for such customer account changes/adjustments.

Additionally, the following issues were noted relating to refuse receipts:

- In 2022 the Village had four out of eight (50%) customers' accounts that were not recorded properly in the year-end trash activity report. In 2023, the Village had three out of ten (30%) customers' accounts that were not recorded properly in the year-end trash activity report. This could be due to December payments not being posted to the trash sub-system until after the year-end.
- In 2023, the Village charged each customer for 13 months rather than 12 months, leaving each customer with an ending balance that is \$15.25 overstated.

The Village should ensure all customer payments made during the year are recorded in the trash sub-system before year-end. The Village should also be reconciling the Trash Activity Report to manual cash journal ledger every month to ensure all payments made are being posted properly to the cash journal. Lastly, the Village should correct all customer ending balances to reflect the correct amount charged for the year.

Officials' Response:

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

<i>Finding Number</i>	2023-008
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Internal Control Deficiency and Noncompliance - Timely Deposits

Ohio Rev. Code § 9.38 provides in part, all public monies received shall be deposited with the treasurer of the public office or designated depository on the business day next following the day of receipt, if the total amount of such monies received exceeds \$1,000. If the total amount of public moneys so received does not exceed \$1,000, the person shall deposit the moneys on the business day next following the day of receipt, unless the public office adopts a policy permitting a different time period, not to exceed three business days next following the day of receipt, for making such deposits, and the person is able to safeguard the moneys until such time as the moneys are deposited. The policy shall include provisions and procedures to safeguard the public monies until they are deposited.

To date the Village has not approved a policy to extend the time between collection and deposit beyond one business day, other than for refuse.

In 2023, three out of four (75%) Miscellaneous receipts tested, totaling \$1,818, were not deposited with the Fiscal Officer or designated depository for a period ranging from ten to twenty-one business days after initial receipt of the monies. In 2022, one out of two (50%) Miscellaneous receipts tested, totaling \$656, were not deposited with the Fiscal Officer or designated depository for a period of nine business days after initial receipt of the monies. Delays of this nature resulting from deficiencies in internal control procedures could cause receipts to be lost, misplaced, or stolen without being detected in a timely manner.

The Village did not retain a log or check register stating when trash payments were retrieved from the Village's PO Box; therefore, we were unable to determine if trash receipts were deposited timely.

The Village should draft, approve, and implement policies and procedures to help ensure timely depositing of public monies in accordance with Ohio Rev. Code § 9.38.

Officials' Response:

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

<i>Finding Number</i>	2023-009
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Internal Control Deficiency and Noncompliance – Minutes

Ohio Rev. Code § 121.22(C) requires minutes of meetings to be promptly prepared, filed, maintained, and open for public inspection.

It is recommended the Village minutes should be signed by at least two Village officials certifying the minutes are approved as prepared.

The following conditions were noted relating to the Village's minutes:

- A complete set of minutes was not maintained; minutes for November 2022 and March 2023 were not provided for audit. Amended minutes for June 2022 were not provided.
- The Village minutes were not printed on pre-numbered forms and controls to mitigate completeness issues from not using the pre-numbered forms had not been implemented.
- All bills and financial information were approved in each meeting; however, the financial reports were not provided/included with the meetings when reviewing.
- Minute records did not document the council's approval of pay rates and stipend increases.

Failure to properly maintain and approve accurate minutes could lead to possible omissions or alterations to the minutes record without Council's knowledge, and discrepancies in ordinances and resolutions being passed by Council resulting in disputes between the Village and the public over funds and laws. Not receiving and approving detailed monthly financial reports inhibits Council's ability to properly monitor the Village's funds and could result in deficit spending.

The Village should prepare all minutes promptly after each meeting, approve them the subsequent meeting, have Village officials sign the minutes, and maintain a complete minute's book. In addition, the Village should be receiving a monthly financial report presenting month and year-to-date budgeted and actual revenues and expenditures, and fund balances for all Village funds. This financial report should be approved in the minutes and a copy maintained with the minutes record.

Officials' Response:

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

<i>Finding Number</i>	2023-010
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Internal Control Deficiency and Noncompliance – Posting Errors/Finding For Adjustment

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

Ohio Admin. Code § 117-2-01(D)(2) and (5) states that when public offices are designing their system of internal control that they should ensure that accounting records are properly designed and also verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records.

Ohio Rev. Code § 5705.10(D) requires all revenue derived from a source other than the general property tax and which the law prescribes, shall be used for a particular purpose is to be paid into a special fund for such purpose.

Monies collected under **Ohio Rev. Code §§ 4501.04 and 5735.27** must be deposited into a special fund for the purpose of street construction and maintenance. This includes gas tax and license taxes distributed through the county.

Due to lack of controls over financial activity and reporting, we noted the following errors:

2022

- The Village provided updated manual ledgers and included the prior year audit adjustments on the excel files, however, the amounts were not included in the fund balance calculation on the spreadsheets, which resulted in the 2022 beginning fund balances in the Street Maintenance Fund to be understated \$46,503 and the State Highway, Street Lighting, and Refuse funds to be overstated \$20,771, \$9,238, and \$3,766, respectively.
- The Village manual ledgers had errors as a result of not correctly posting transactions, this resulted in an understatement of \$1,396 in receipts and overstatement of expenditures in the amount of \$87, in the General fund. In addition, the total receipts in the Refuse fund were overstated by \$65.
- The Village improperly posted Street Lighting special assessments totaling \$7,905 to the General Fund rather than the Street Lighting Fund.
- The Village improperly posted the second half Real Estate Tax totaling \$722 to the Street Maintenance and State Highway Fund rather than the General Fund. This resulted in the Street Maintenance Fund being understated by \$415 and the State Highway being understated by \$307

- The Village improperly posted all Motor Vehicle License Tax totaling \$3,162 to the General Fund rather than the Street Maintenance Fund and State Highway Fund. This resulted in the Street Maintenance Fund being understated by \$2,925 and the State Highway being understated by \$237.
- The Village improperly posted Refuse Receipts totaling \$2,388 to the General Fund rather than the Refuse Fund.
- The Village improperly allocated Gasoline Excise Tax, the Village should have recorded it at 92.5% to the Street Maintenance Fund and 7.5% to the State Highway Fund. This resulted in the Street Maintenance fund being understated by \$8,712 and the State Highway Fund overstated by \$9,434.

2023

- The Village manual ledgers had errors as a result of not correctly posting transactions, this resulted in an understatement of \$31 in receipts and overstatement of expenditures in the amount of \$82, in the General fund. In addition, the total receipts in the Refuse fund were understated by \$218.
- The Village improperly posted all Motor Vehicle License Tax totaling \$3,660 to the General Fund rather than the Street Maintenance Fund and State Highway Fund. This resulted in the Street Maintenance Fund being understated by \$3,385 and the State Highway being understated by \$275.
- The Village improperly posted Street Lighting special assessments totaling \$7,740 to the General Fund rather than the Street Lighting Fund.
- The Village improperly posted Refuse Receipts totaling \$1,318 to the General Fund rather than the Refuse Fund.
- The Village improperly allocated Gasoline Excise Tax to the State Highway, Street Lighting and in one instance the Refuse fund, the Village should have recorded it at 92.5% to the Street Maintenance Fund and 7.5% to the State Highway Fund. This resulted in the Street Maintenance fund being understated by \$23,202, the State Highway Fund overstated by \$12,260, the Street Lighting fund overstated by \$9,955 and the Refuse Fund overstated by \$987.
- The Village improperly posted a pavilion receipt totaling \$105 to the Refuse Fund rather than the Pavillion Project Fund.

In addition, during 2023 and 2022, the Village incorrectly posted their real estate, special assessment, and manufactured home tax settlement receipts net of fees rather than gross. These receipts should be recorded at gross, and the fee deductions should be recorded as payments in the Village books.

The following combined adjustments were proposed to allocate the 2022 and 2023 activity proportionately to the proper funds:

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 Clinton County
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Year	General Fund	Street Maintenance and Repair Fund	State Highway Fund	Street Lighting Fund	Pavilion Fund	Refuse Fund
2022 (PY Audit Adjustments not posted, formula issue)	\$0	\$46,503	(\$20,771)	(\$9,238)	\$0	(\$3,766)
2022	(\$6,475)	\$16,637	(\$9,196)	\$2,905	\$0	(\$2,349)
2023	(\$9,972)	\$26,588	(\$11,986)	(\$2,215)	\$105	(\$2,192)
Total:	(\$16,447)	\$89,728	(\$41,953)	(\$8,548)	\$105	(\$8,307)

The following table illustrates the December 31, 2023 fund balance if the Village posted all the above fund balance adjustments to their manual ledgers and financial statements:

Fund	Fund Balance in Manual Ledger	Fund Balance Adjustments	Final Fund Balances After Adjustments
General	\$40,833	(\$16,447)	\$24,386
Street Maintenance and Repair	\$17,712	\$89,728	\$107,440
State Highway	\$62,513	(\$41,953)	\$20,560
Street Lighting	\$4,532	(\$8,548)	(\$4,016)
Pavilion	\$13,128	\$105	\$13,233
Refuse	(\$932)	(\$8,307)	(\$9,239)

The Village did not have the balances available in the manual ledgers and did not make adjustments to their accounting records or to the financial statements to reflect the above amounts.

In accordance with the foregoing facts, we hereby issue a finding for adjustment against the Village to decrease the General Fund by \$16,447, increase the Street Maintenance and Repair Fund by \$89,728, decrease the State Highway Fund by \$41,953, decrease the Street Lighting Fund by \$8,548, increase the Pavilion Fund by \$105 and decrease the Refuse Fund by \$8,307.

Failure to accurately post and report transactions could result in material errors in the Village's financial statements and reduces the Village's ability to monitor financial activity and to make sound decisions which effect the overall cash of the Village.

The Village should establish and implement internal controls over financial activity and reporting to help ensure accurate recording of financial transactions and calculation of the manual records and balances. The Village officials should update control procedures for review of financial activity so that errors can be detected and corrected in a timely manner.

Officials' Response:

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

<i>Finding Number</i>	2023-011
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Internal Control Deficiency and Noncompliance - Budgetary Compliance

Ohio Rev. Code § 5705.36(A)(1) provides, in part, on or about the first day of each fiscal year, the fiscal officer of each subdivision and other taxing unit shall certify to the county auditor the total amount from all sources available for expenditures from each fund set up in the tax budget or, if adoption of a tax budget was waived under section 5705.281 of the Revised Code, from each fund created by or on behalf of the taxing authority.

The budget commission, taking into consideration the balances and revenues to be derived from taxation and other sources, shall revise its estimate of the amounts that will be credited to each fund from such sources, and shall certify to the taxing authority of each subdivision an amended official certificate of estimated resources.

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. If the taxing authority wants to postpone the passage of the annual appropriation measure until an amended certificate is received from the county budget commission based upon the actual year end balances, it may pass a temporary appropriation measure for meeting the ordinary expenses until no later than April 1.

The Fiscal Officer did not certify to the County Auditor the total amount from all sources available for expenditures from each fund or obtain a certificate of estimated resources from the Budget Commission in 2023 or 2022. Additionally, the Village did not file appropriations for 2023 or 2022 with the county auditor.

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.

As a result of not filing required budgetary documentation, appropriations were not in place at the time expenditures were made.

Failure to approve and file their appropriations did not allow Village officials to monitor budgetary position and could result in overspending and negative fund balances. The Village should file the appropriate budgetary documentation with the county auditor and Budget Commission as required by Ohio Law.

Officials' Response:

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

<i>Finding Number</i>	2023-012
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Internal Control Deficiency and Noncompliance - 5705.41(D) Improper Certification of Expenditures

Ohio Rev. Code § 5705.41(D)(1) provides that no orders or contracts involving the expenditure of money are to be made unless there is attached thereto a certificate of the fiscal officer certifying that the amount required to meet the obligation or, in the case of continuing contract to be performed in whole or in part in an ensuing year, the amount required to meet the obligation in the fiscal year in which the contract is made has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. Every such contract made without such a certificate shall be void and no warrant shall be issued in payment of any amount due thereon.

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

1. "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 Council can authorize the drawing of a warrant for the payment of the amount due. The Council 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 Village.

2. 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.

3. Super Blanket Certificate – The Council 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, in 2023 11 of 11 (or 100 percent) and in 2022 13 of 13 (or 100 percent) of the transactions tested at year-end were not certified by the Fiscal Officer and Village Council at the time the commitment was incurred, and there was no evidence the Village followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

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

Officials' Response:

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

<i>Finding Number</i>	2023-013
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Internal Control Deficiency - Pavillion Fund Number

Upon establishing a fund, estimated receipts should be certified to the County Auditor as available for expenditure, and anticipated expenditure should be included in the Village's appropriations.

The Village failed to use the correct fund type when creating a fund number for the Pavillion fund, per the Village handbook requirements. The Village created the Pavillion fund under fund number 1500; however, per the Village handbook, this fund number should start with a two due to being a special revenue fund.

The Village should modify the Pavillion Fund's fund number to reflect the correct fund type. The Village should also ensure they are utilizing the Village handbook to ensure all future funds are created using the correct fund numbers.

Officials' Response:

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

<i>Finding Number</i>	2023-014
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Internal Control Deficiency and Noncompliance - 5705.10(I) Negative Fund Balance

Ohio Rev. Code § 5705.10(I) requires that money paid into any fund shall be used only for the purposes for which such fund is established. Therefore, a negative fund cash balance in any fund indicates that money from another fund or funds has been used to pay the obligations of the fund carrying the deficit balance.

The Street Lighting and Refuse funds had a deficit fund balance of \$5,521 and \$4,325 at December 31, 2022, respectively. The Street Lighting and Refuse funds had a deficit fund balance of \$4,016 and \$9,239 at December 31, 2023, respectively. Negative fund balances could result in the use of restricted receipts for unallowable purposes. A procedure(s) and control(s), such as the Management and/or Board's periodic review of reports that show cash fund balances, and budgeted versus actual receipts and disbursements, should be implemented to identify those funds that may potentially develop a negative balance.

Advances or transfers should be made for these funds or appropriations modified to prevent a negative cash balance. The Village should refer to Ohio Compliance Supplement (OCS) Chapter 1 and/or Auditor of State Bulletin 97-003 for information regarding the accounting treatment and approval process for advances.

Officials' Response:

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

<i>Finding Number</i>	2023-015
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Noncompliance - 117.38 Timely Filing of Annual Reports

Ohio Rev. Code § 117.38 states, in part, that each public office, other than a state agency, shall file a financial report for each fiscal year. The Auditor of State may prescribe forms by rule or may issue guidelines, or both, for such reports. If the Auditor of State has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office. The report shall be certified by the proper officer or board and filed with the auditor of state within 60 days after the close of the fiscal year, except that public offices reporting pursuant to generally accepted accounting principles shall file their reports within 150 days after the close of the fiscal year. The Auditor of State may extend the deadline for filing a financial report and establish terms and conditions for any such extension.

The Village's December 31, 2023 and 2022 annual financial reports due by, February 29, 2024 and March 1, 2023, respectively, were not filed with the Auditor of State until November 25, 2024. It was also determined that the reports filed for both years were not in the required format. The Village did not file their footnotes with the financial statements.

Failure to file a complete report by the established deadline, without an extension, could result in the assessment of penalties against the Village.

The Village should implement procedures to verify its annual financial report is filed with the Auditor of State by the required deadline. If the Village is unable to meet the deadline, the Village should file an extension request through the Auditor of State.

Officials' Response:

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

<i>Finding Number</i>	2023-016
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Noncompliance - Employee vs. Independent Contractor Status

IRS Publication 15-A states generally an employer must withhold and pay federal income tax, social security and Medicare taxes, and pay unemployment taxes on wages paid to an employee. This is generally not the case with an independent contractor. However, to determine whether an individual is an employee or an independent contractor, under common law, the relationship of the worker and the business must be examined. Facts that provide the evidence of the degree of control and degree of independence must be considered.

The Village has employees that are being compensated as if they were independent contractors for various duties. Although the contract may demonstrate the intention of the parties, it alone does not define the type of business relationship. The Village has not performed an evaluation to determine if this individual should be treated as an employee or an independent contractor.

Payment of an individual as an independent contractor instead of as an employee results in benefits not being paid or offered and taxes not being withheld from wages. If an entity is classified as an employee rather than as an independent contractor and has no reasonable basis for doing so, they can be liable for employment taxes for that worker.

The Village should review the guidance noted in IRS Publication 15-A before declaring any worker as an employee or independent contractor upon soliciting their services. In the event that such worker is considered an independent contractor, the Village should have evidence to support the determination in line with the criteria as defined in the IRS Publication 15-A.

This matter will be referred to the Internal Revenue Service, Ohio Department of Taxation, Bureau of Workers' Compensation, Ohio Public Employees Retirement System and Ohio Office of Unemployment Compensation.

Officials' Response:

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

<i>Finding Number</i>	2023-017
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Noncompliance - 26 CFR Noncompliance - Not Withholding Taxes

26 U.S.C. §3102 states that Medicare taxes should be deducted from employees' compensation for all employees hired after March 31, 1986. Furthermore, employers are liable for reporting and remitting these taxes.

26 U.S.C. § 3402(a)(1) states in general, except as otherwise provided in this section, every employer making payment of wages shall deduct and withhold upon such wages a tax determined in accordance with tables or computational procedures prescribed by the Secretary.

26 U.S.C. § 3403 states that the employer shall be liable for the payment of the tax required to be deducted and withheld under this chapter and shall not be liable to any person for the amount of any such payment.

Ohio Rev. Code § 5747.06 requires the employing government to withhold state income taxes. It also requires the government to report and remit those tax matters to the appropriate tax authorities and to the recipients. Failure to file and pay the required tax could result in penalties and interest levied against the Village.

- The Village did not withhold Federal Income tax for three employees tested during the audit period, because the Village is not maintaining W-4 forms a determination could not be made if Federal taxes were applicable to employees, based on gross wages.
- Federal Income tax was withheld from the Fiscal Officer but was not remitted in the amount of \$720 and \$528, during 2023 and 2022.
- Medicare was withheld from the Fiscal Officer and three employees, but was not remitted in the amount of \$167 and \$122, during 2023 and 2022.
- State Income Tax was withheld from the Fiscal Officer but was not remitted in the amount of \$90 and \$66, during 2023 and 2022. The Village did not withhold State Income Tax from three employees in both years.

The Village should withhold federal and state income taxes from all applicable officials and employees' compensation and remit payments to the Internal Revenue Service and the Ohio Department of Taxation in a timely manner. (See Finding Number 2023-005).

This matter will be referred to the Internal Revenue Service and the Ohio Department of Taxation.

Officials' Response:

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

<i>Finding Number</i>	2023-018
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Noncompliance - 1099 Forms

26 CFR § 1.6041-1 states that you must file Form 1099-NEC to report payments of \$600 or more to persons not treated as employees (for example, independent contractors) for services performed for your trade or business, as well as, payments of \$600 or more to attorneys for legal services.

The Village did not prepare a 1099-NEC form for all eligible independent contractors or attorneys whose compensation exceeded the \$600 threshold in 2023 and 2022, respectively. Failure to prepare the required forms could result in fines and penalties being levied against the Village.

The Village should establish policies and procedures to verify that payments in excess of \$600 to its independent contractors are reported on the 1099-NEC form.

This matter will be referred to the Internal Revenue Service.

Officials' Response:

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

<i>Finding Number</i>	2023-019
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Noncompliance - Continuing Education Requirements

Ohio Rev. Code § 135.22(B) states that to enhance the background and working knowledge of treasurers in investments, cash management, ethics, and in any other subject area that the treasurer of state determines is reasonably related to the duties of a treasurer, the treasurer of state shall provide annual continuing education programs for treasurers. A treasurer annually shall complete the continuing education programs described, unless the treasurer annually provides a notice of exemption.

The Fiscal Officer did not attend the required annual continuing education programs or provide a notice of exemption described in division (E) of this section.

In order to maintain and/or enhance the working knowledge and prevent future occurrences of noncompliance, the Fiscal Officer shall attend the annual training or complete an annual exemption and submit to the Auditor of State's office.

Officials' Response:

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

<i>Finding Number</i>	2023-020
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Noncompliance - Fraud Reporting System

Ohio Rev. Code § 117.103(B)(1) states that a public office shall provide information about the Ohio fraud-reporting system and the means of reporting fraud to each new employee upon employment with the public office. Each new employee shall confirm receipt of this information within thirty days after beginning employment. Since May 4, 2012, Ohio Rev. Code § 117.103(B)(2), has also required each public office to make all its employees aware of the fraud-reporting system. Ohio Rev. Code § 117.103(B)(3) provides that a public office satisfies these notification requirements by providing information about the fraud-reporting system and means of reporting fraud in the employee handbook or manual. Employees must sign and verify receipt of the handbook or manual.

For 2023 and 2022, the Village neither made its current employees aware of the new fraud reporting system nor made new employees confirm receipt of this information. Failure to notify employees of the fraud reporting system could lead to instances of unreported fraud..

In order to prevent unreported instances of fraud, the Village should communicate the fraud reporting system to its current employees and implement a process for informing new employees. The Village should also review the Auditor of State Bulletin 2024-005 for the updated requirements.

Officials' Response:

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

<i>Finding Number</i>	2023-021
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Noncompliance - Public Records Policy and Public Records Law Training

Ohio Rev. Code § 149.43(E)(2) provides that every public office must have a policy in place for responding to public records requests. Generally, a public records policy cannot: (1) limit the number of public records the office will make available to a single person; (2) limit the number of public records the office will make available during a fixed period of time; and (3) establish a fixed period of time before the office will respond to a request for inspection/copying of public records unless that period is less than eight hours. However, pursuant to Ohio Rev. Code § 149.43(B)(7)(c), the policy may limit the number of public records the public office will physically deliver by U.S. Mail or other delivery service to ten per month unless the person certifies to the office in writing that the person does not intend to use or forward the requested records, or the information contained in them, for commercial purposes. "Commercial" is narrowly construed and does not include reporting or gathering news, reporting or gathering information to assist citizen oversight or understanding of the operation or activities of government, or nonprofit educational research.

Ohio Rev. Code § 149.43(E)(2) further requires all public offices take certain actions with regard to their public record policy. Public offices must distribute their Public Records Policy to the employee who is the records custodian/manager or otherwise has custody of the records of that office and have that employee acknowledge receipt of the Public Records Policy; create and display in a conspicuous place in all locations where the public office has branch offices a poster describing the public records policy; and, if the public office has a manual or handbook of its general policies and procedures for all employees, include the public records policy in that manual or handbook.

The Village has no formal written policy that would demonstrate compliance with the Ohio Revised Code. This could result in records requests not being fulfilled in accordance with Ohio law.

The Village should establish a public records policy. The policy should be distributed to the records custodian/manager and the Village should have a written acknowledgement of receipt from the records custodian/manager. In addition, a poster describing the public records policy should be conspicuously displayed in all of the Village's branch offices and the public records policy should be included in policy manuals or handbooks if any exist.

Ohio Rev. Code §§ 109.43(B) and 149.43(E)(1) require all state and local elected officials, or their designees, to attend 3 hours of training on Ohio's Public Records Laws during each term of office. The training received must be certified by the Ohio Attorney General.

None of the Village's elected officials attended a required Certified Public Records Training or had an appropriate designee attend a training during their term in office, due to deficiencies in internal controls over public record laws training procedures and monitoring. This could result in improper education of public offices regarding the offices' duties related to public records requests as well as improper withholding of information from stakeholders.

The elected officials, or their designee(s), should, during their term of office, attend public records training and maintain proof of completion of the training.

Ohio Rev. Code § 149.43(B)(2) requires a public office to have a copy of its current records retention schedule at a location readily available to the public.

The Village has not established or created a records retention schedule; therefore it is not readily available to the public. Public records could be improperly maintained or destroyed as a result of the deficiencies. The Village should create a records retention schedule and ensure it is readily available to the public.

Officials' Response:

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

<i>Finding Number</i>	2023-022
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Internal Control Deficiency Political Activities Policy

Public funds should not be used to support political activities. However, public funds may be used to publish information about the political subdivision's finances, activities and governmental actions in a manner that is not designed to influence the outcome of an election or the passage of a levy or bond issue. Public funds may also be used to compensate an employee for attending a public meeting to present such information in such a manner even though the election, levy or bond issue is discussed or debated at the meeting.

The Village did not adopt a policy or publish notification to employees regarding the prohibition of political activities.

The Village should adopt a policy and/or publish notification to employees regarding the prohibition of political activities.

Officials' Response:

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

<i>Finding Number</i>	2023-023
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Internal Control Deficiency and Noncompliance - Transfers

Ohio Rev. Code §§ 5705.14, 5705.15, and 5705.16 establish legal methods of transferring monies between funds. **Ohio Rev. Code § 5705.14(D)** permits the transfer of an unexpended balance in any special fund to be transferred to the general fund, sinking fund, or bond retirement fund after the termination of the activity, service, or other undertaking for which such special fund existed, but only after the payment of all obligations incurred and payable from such special fund. Additionally, except for transfers from the general fund, **Ohio Rev. Code § 5705.14(D)** requires transfers authorized by this section to only be made by resolution of the taxing authority passed with the affirmative vote of two-thirds of the members.

Ohio Rev. Code § 5705.14(E) permits monies to be transferred from the general fund to any other fund of the subdivision pursuant to a resolution passed by a simple majority of the governing body.

The Village made a transfer in the amount of \$5,000 in 2022 from the Street Maintenance fund to the Street Lighting fund. In addition to this not being an allowable transfer, the Council did not approve the transfer by a resolution passed by an affirmative vote of two-thirds of the Council. In addition, a transfer in the amount of \$400 in 2023 from the General Fund to the Pavillion Fund, also was not approved by Council.

The Village corrected the financial statements and accounting records for the unallowable transfer between the Street Maintenance fund and the Street Lighting fund.

The Village should ensure all transfers under Ohio Rev. Code § 5705.14(E) are made pursuant to a resolution passed by a simple majority.

Officials' Response:

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

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VILLAGE OF MARTINSVILLE
PO BOX 177
MARTINSVILLE, OHIO 45146

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2023 AND 2022

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain
2021-001	Segregation of Duties and Internal Controls	No	Repeat as Finding Number 2023-001
2021-002	Required Accounting Records	No	Repeat as Finding Number 2023-002
2021-003	Ohio Rev. Code §§ 5705.36(A)(6) and 5705.38(A) - Budgetary Compliance	No	Repeat as Finding Number 2023-011
2021-004	Ohio Rev. Code §121.22 (C) - Minutes Record	No	Repeat as Finding Number 2023-009
2021-005	Posting Errors	No	Repeat as Finding Number 2023-010
2021-006	Ohio Rev. Code § 9.38 - Timely Deposits	No	Repeat as Finding Number 2023-008
2021-007	Ohio Rev. Code § 5705.41(D)(1) - Improper Certification of Expenditures	No	Repeat as Finding Number 2023-012
2021-008	Payroll Records	No	Repeat as Finding Number 2023-005
2021-009	Ohio Rev. Code § 117.38 - Annual Financial Reporting	No	Repeat as Finding Number 2023-015
2021-010	Ohio Rev. Code §§§ 149.43(E)(2), 109.43(B), and 149.43(E)(1) - Public Records Policy and Public Records Law Training	No	Repeat as Finding Number 2023-021
2021-011	Ohio Rev. Code §§ 117.103(B)(1) - Fraud Reporting System	No	Repeat as Finding Number 2023-020
2021-012	Political Activities Prohibited	No	Repeat as Finding Number 2023-022
2021-013	Ohio Rev. Code § 705.27 - Bonds	Yes	
2021-014	Related Party	Partially Corrected	Repeat as a verbal comment
2021-015	Ohio Rev. Code § 135.22(B) - Continuing Education	No	Repeat as Finding Number 2023-019
2021-016	Refuse Receipts	No	Repeat as Finding Number 2023-007
2021-017	Ohio Rev. Code § 5705.14(E) - Transfers	No	Repeat as Finding Number 2023-023

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF MARTINSVILLE

CLINTON 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 10/16/2025

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

This report is a matter of public record and is available online at
www.ohioauditor.gov