



OHIO AUDITOR OF STATE
KEITH FABER



MALTA TOWNSHIP
MORGAN COUNTY

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INDEPENDENT AUDITOR'S REPORT

Malta Township
Morgan County
2817 Conk Palmer Road
Malta, Ohio 43758

To the Board of Trustees:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of Malta Township, Morgan County, Ohio (the Township), which comprises the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township, as of December 31, 2023 and 2022, or the changes in financial position thereof for the year then ended.

Basis for Opinions

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

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

As described in Note 2 of the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2025, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

May 20, 2025

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Malta Township*Morgan 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 | | | |
| Property and Other Local Taxes | \$33,246 | \$72,696 | \$105,942 |
| Intergovernmental | 23,187 | 174,099 | 197,286 |
| Earnings on Investments | 10,355 | 20,710 | 31,065 |
| Miscellaneous | 0 | 14,521 | 14,521 |
| <i>Total Cash Receipts</i> | <u>66,788</u> | <u>282,026</u> | <u>348,814</u> |
| Cash Disbursements | | | |
| Current: | | | |
| General Government | 44,556 | 0 | 44,556 |
| Public Safety | 1,202 | 27,220 | 28,422 |
| Public Works | 0 | 300,929 | 300,929 |
| Health | 771 | 1,984 | 2,755 |
| Capital Outlay | 0 | 2,756 | 2,756 |
| Debt Service: | | | |
| Principal Retirement | 0 | 8,400 | 8,400 |
| Interest and Fiscal Charges | 0 | 1,910 | 1,910 |
| <i>Total Cash Disbursements</i> | <u>46,529</u> | <u>343,199</u> | <u>389,728</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>20,259</u> | <u>(61,173)</u> | <u>(40,914)</u> |
| Other Financing Receipts (Disbursements) | | | |
| Other Financing Sources | 17 | 0 | 17 |
| <i>Total Other Financing Receipts (Disbursements)</i> | <u>17</u> | <u>0</u> | <u>17</u> |
| <i>Net Change in Fund Cash Balances</i> | 20,276 | (61,173) | (40,897) |
| <i>Fund Cash Balances, January 1</i> | <u>142,505</u> | <u>502,823</u> | <u>645,328</u> |
| <i>Fund Cash Balances, December 31</i> | <u>\$162,781</u> | <u>\$441,650</u> | <u>\$604,431</u> |

See accompanying notes to the basic financial statements

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Malta Township
Morgan County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Malta Township, Morgan County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township provides road and bridge maintenance on approximately 24 miles of roads and cemetery maintenance on seven small cemeteries. A cemetery levy provides funds that the township shares with the Village of Malta for Malta Union Cemetery. A fire levy was passed by the residents of the Village of Malta and township for county fire protection and ambulance service.

Public Entity Risk Pool

The Township participates in the Ohio Township Risk Management Authority (OTARMA), a public entity risk pool. Note 6 to the financial statement provides additional information for this entity. The Township's management believes this financial statement presents all activities for which the Township is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

The Township uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Township are presented below:

General Fund The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

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

Motor Vehicle License Tax Fund The motor vehicle license tax fund accounts for and reports that portion of motor vehicle license registration fees restricted for maintenance and repair of roads within the Township.

Malta Township
Morgan County
Notes to the Financial Statements
For the Year Ended December 31, 2023
(Continued)

Permissive Motor Vehicle Tax Fund The permissive motor vehicle tax fund accounts for an extra \$5 levied on the people of the township on license fee registrations to be used for the maintenance and repair of roads within the Township.

Road and Bridge Fund The road and bridge fund accounts for money received from the collection of property taxes and to be used for maintenance and repair of roads within the Township.

Fire Levy Fund The fire levy fund accounts for a levy of 1.5 mills to be used for ambulance and fire protection for the Township from the county volunteer fire department.

Cemetery Levy Fund The cemetery levy fund accounts for a 1 mill levy passed by the people of the Township and Village for expenses of the Malta Union Cemetery shared equally by the Township and Village. The Cemetery has their own board which consists of two Village members and one Township member which changes yearly.

Coronavirus Relief Fund The coronavirus relief fund accounts for Federal and State funds to be used to help fight the coronavirus and to help residents of the Township.

Basis of Accounting

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

This statement includes adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03 (C) permit.

Budgetary Process

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

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

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

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

A summary of 2023 budgetary activity appears in Note 3.

Malta Township
Morgan County
Notes to the Financial Statements
For the Year Ended December 31, 2023
(Continued)

Deposits

The Township pools all available funds of the Township in a checking account.

Capital Assets

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statement does not report these items as assets.

Fund Balance

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

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

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

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

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

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

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

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

Malta Township
Morgan County
Notes to the Financial Statements
For the Year Ended December 31, 2023
(Continued)

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2023 follows:

| 2023 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|-------------------|------------------|-------------------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$48,902 | \$66,805 | \$17,903 |
| Special Revenue | 326,368 | 282,026 | (44,342) |
| Total | <u>\$375,270</u> | <u>\$348,831</u> | <u>(\$26,439)</u> |

| 2023 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|-------------------------|------------------------|------------------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$194,101 | \$46,529 | \$147,572 |
| Special Revenue | 832,989 | 394,582 | 438,407 |
| Total | <u>\$1,027,090</u> | <u>\$441,111</u> | <u>\$585,979</u> |

Note 4 – Deposits

The Township maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits. The carrying amount of deposits at December 31, 2023 was as follows:

| | 2023 |
|--------------------------------|-----------|
| <i>Demand Deposits:</i> | |
| Other time deposits, checking | \$604,431 |

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflects net payroll plus all remitted payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Note 5 – Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions.

Malta Township
Morgan County
Notes to the Financial Statements
For the Year Ended December 31, 2023
(Continued)

The financial statement includes these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

Note 6 – Risk Management

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

Risk Pool Membership

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

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

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

| | |
|-----------------------|--------------|
| | 2023 |
| Cash and investments | \$33,494,457 |
| Actuarial liabilities | \$10,885,549 |

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Four elected officers and one employee of Malta Township are members and are participating in 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.

Malta Township
Morgan County
Notes to the Financial Statements
For the Year Ended December 31, 2023
(Continued)

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

Note 8 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2023. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2023.

Note 9 – Debt

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

| | <u>Principal</u> | <u>Interest Rate</u> |
|---------------------------------------|------------------|----------------------|
| Township Equipment Bonds, Series 2021 | \$29,400 | 2.25% |
| Township Equipment bonds, Series 2022 | 51,400 | |
| | <u>\$80,800</u> | |

The Township currently has debt to the USDA for the purchase of a large dump truck in 2022 in the amount of \$56,500. In 2020, the Township purchased a small dump truck with a loan from USDA in the amount of \$36,000.

Amortization

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

| Year Ending December 31: | Township Equipment Bonds, Series 2021 | Township Equipment Bonds, Series 2022 |
|-----------------------------|---|---|
| 2024 | \$4,025 | \$6,360 |
| 2025 | 4,053 | 6,440 |
| 2026 | 4,078 | 6,318 |
| 2027 | 4,002 | 6,396 |
| 2028 | 4,025 | 6,372 |
| 2029-2032 | 12,097 | 25,471 |
| Total | <u>\$32,280</u> | <u>\$57,357</u> |

Malta Township
Morgan County
Notes to the Financial Statements
For the Year Ended December 31, 2023
(Continued)

Note 10 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023.

Malta Township received ARP Funds in the amount of \$118,841. Malta Township built a new storage building to store large equipment in 2023 in the amount of \$108,117.

Note 11 – Fund Balances

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. 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:

| <u>Fund Balances</u> | <u>Special Revenue</u> |
|--------------------------|----------------------------|
| Outstanding Encumbrances | 51,383 |

The fund balance of special revenue funds is either restricted or committed. These restricted or committed amounts in the special revenue funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

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Malta Township*Morgan 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 | | | |
| Property and Other Local Taxes | \$32,379 | \$71,116 | \$103,495 |
| Intergovernmental | 19,051 | 273,782 | 292,833 |
| Earnings on Investments | 4,695 | 9,392 | 14,087 |
| Miscellaneous | 0 | 72,089 | 72,089 |
| <i>Total Cash Receipts</i> | <u>56,125</u> | <u>426,379</u> | <u>482,504</u> |
| Cash Disbursements | | | |
| Current: | | | |
| General Government | 42,532 | 0 | 42,532 |
| Public Safety | 1,300 | 139,831 | 141,131 |
| Public Works | 0 | 146,889 | 146,889 |
| Health | 4,135 | 2,513 | 6,648 |
| Capital Outlay | 0 | 84,619 | 84,619 |
| <i>Total Cash Disbursements</i> | <u>47,967</u> | <u>373,852</u> | <u>421,819</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>8,158</u> | <u>52,527</u> | <u>60,685</u> |
| Other Financing Receipts (Disbursements) | | | |
| Sale of Bonds | 0 | 56,500 | 56,500 |
| <i>Total Other Financing Receipts (Disbursements)</i> | <u>0</u> | <u>56,500</u> | <u>56,500</u> |
| <i>Net Change in Fund Cash Balances</i> | 8,158 | 109,027 | 117,185 |
| <i>Fund Cash Balances, January 1</i> | <u>134,347</u> | <u>393,796</u> | <u>528,143</u> |
| <i>Fund Cash Balances, December 31</i> | <u>\$142,505</u> | <u>\$502,823</u> | <u>\$645,328</u> |

See accompanying notes to the basic financial statements

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Malta Township
Morgan County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 – Reporting Entity

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Note 2 – Summary of Significant Accounting Policies

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

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Road and Bridge Fund The road and bridge fund accounts for money received from the collection of property taxes and to be used for maintenance and repair of roads within the Township.

Fire Levy Fund The fire levy fund accounts for a levy of 1.5 mills to be used for ambulance and fire protection for the Township from the county volunteer fire department.

Cemetery Levy Fund The cemetery levy fund accounts for a 1 mill levy passed by the people of the Township and Village for expenses of the Malta Union Cemetery shared equally by the Township and Village. The Cemetery has their own board which consists of two Village members and one Township member which changes yearly.

Coronavirus Relief Fund The coronavirus relief fund accounts for Federal and State funds to be used to help fight the coronavirus and to help residents of the Township.

Miscellaneous Special Revenue Fund The miscellaneous special revenue fund accounts for federal funds of grants and bonds to be used to purchase equipment.

Basis of Accounting

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

This statement includes adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03 (C) permit.

Budgetary Process

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

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

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

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

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

A summary of 2022 budgetary activity appears in Note 4.

Deposits

The Township pools all available funds of the Township in a checking account.

Capital Assets

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statement does not report these items as assets.

Fund Balance

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

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

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

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

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

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

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 12.

Note 3 – Compliance

Contrary to Ohio law, appropriations exceeded estimated resources in the Miscellaneous Special Revenue Fund by \$125,500 for the year ended December 31, 2022.

Note 4 – Budgetary Activity

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

| 2022 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|-------------------|------------------|------------------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$48,188 | \$56,125 | \$7,937 |
| Special Revenue | 378,073 | 482,879 | 104,806 |
| Total | <u>\$426,261</u> | <u>\$539,004</u> | <u>\$112,743</u> |

| 2022 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|-------------------------|------------------------|------------------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$182,722 | \$48,867 | \$133,855 |
| Special Revenue | 897,538 | 373,852 | 523,686 |
| Total | <u>\$1,080,260</u> | <u>\$422,719</u> | <u>\$657,541</u> |

Note 5 – Deposits

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

| | <u>2022</u> |
|-----------------|-------------|
| Demand Deposits | \$645,328 |

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflects net payroll plus all remitted payroll withholdings.

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

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Note 6 – Property Taxes

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

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

Note 7 – Risk Management

Risk Pool Membership

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

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

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

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

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

Workers' Compensation

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

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Note 9 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2021. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2021.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

Note 10 – Debt

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

| | <u>Principal</u> | <u>Interest Rate</u> |
|---------------------------------------|------------------|----------------------|
| Township Equipment Bonds, Series 2021 | \$32,700 | 2.25% |
| Township Equipment bonds, Series 2022 | 56,500 | |
| | <u>\$89,200</u> | |

The Township currently has debt to the USDA for the purchase of a large dump truck in 2022 in the amount of \$56,500. In 2020, the Township purchased a small dump truck with a loan from USDA in the amount of \$36,000.

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

Amortization

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

| Year Ending December 31: | Township Equipment Bonds, Series 2021 | Township Equipment Bonds, Series 2022 |
|-----------------------------|---|---|
| 2023 | \$3,995 | \$6,322 |
| 2024 | 4,025 | 6,360 |
| 2025 | 4,053 | 6,440 |
| 2026 | 4,078 | 6,318 |
| 2027 | 4,002 | 6,396 |
| 2028-2032 | 16,122 | 31,843 |
| Total | <u>\$36,275</u> | <u>\$63,679</u> |

Note 11 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During 2021, the Township received American Rescue Plan Act (ARPA) funds totaling \$59,184 and in 2022 the Township received an additional \$59,657. As of December 31, 2022, Malta Township has not used any of these funds so a fund balance of \$118,847 remained.

Note 12 – Fund Balances

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

| <u>Fund Balances</u> | <u>General</u> | <u>Special Revenue</u> | <u>Total</u> |
|--------------------------|----------------|----------------------------|--------------|
| Outstanding Encumbrances | 900 | 4,065 | 4,965 |

The fund balance of special revenue funds is either restricted or committed. These restricted or committed amounts in the special revenue funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

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OHIO AUDITOR OF STATE KEITH FABER

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

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

Malta Township
Morgan County
2817 Conk Palmer Road
Malta, Ohio 43758

To the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental fund type as of and for the years ended December 31, 2023 and 2022 and the related notes to the financial statements of Malta Township, Morgan County, Ohio (the Township) and have issued our report thereon dated May 20, 2025, wherein we noted the Township followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code § 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings as items 2023-002 through 2023-005 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings as items 2023-001 through 2023-003.

Purpose of this Report

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



Keith Faber
Auditor of State
Columbus, Ohio

May 20, 2025

**MALTA TOWNSHIP
MORGAN COUNTY**

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

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

FINDING NUMBER 2023-001

Noncompliance

Ohio Rev. Code § 5549.21 states the board of township trustees may purchase or lease such machinery and tools as are necessary for use in constructing, reconstructing, maintaining, and repairing roads and culverts within the township, and shall provide suitable places for housing and storing machinery and tools owned by the township. It may purchase such material and employ such labor as is necessary for carrying into effect this section, or it may authorize the purchase or employment of such material and labor by one of its number, or by the township highway superintendent, at a price to be fixed by the board. All payments on account of machinery, tools, material, and labor shall be made from the township road fund. Except as otherwise provided in sections 505.08, 505.101 and 5513.01 of the Revised Code, all purchases of materials, machinery, and tools shall, if the amount involved exceeds the amount specified in section 9.17 of the Revised Code, be made from the lowest responsible bidder after advertisement, as provided in section 5575.01 of the Revised Code.

The Township did not have procedures in place to document the method of procurement for purchases under Ohio Rev. Code § 5549.21. Failure to comply with the competitive bidding process and establishing procurement procedures could result in the Township paying more for services and not receiving the lowest and best bids.

During 2022 the Township purchased a truck from Rush Truck Centers in the amount of \$79,162 and a truck bed from Ace Truck and Equipment in the amount of \$53,428. No bidding documentation was presented for audit to confirm compliance with competitive bidding requirements as outline in Ohio Rev. Code § 5549.21 for these two purchases.

Further during 2022, the Township contracted to construct a township building in the amount of \$100,700. The contract was awarded in the minutes with no documentation that confirmed compliance with the lowest and best selection or advertising for proposal. We were unable to confirm that the selected bid for the construction of the building was the only bid received, or the lowest and best bid.

The Township should maintain all records in order to show compliance with the Ohio Revised Code and contract projects expected to exceed the threshold outlined in section 9.17 of the Revised Code through competitive bidding procedures.

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

FINDING NUMBER 2023-002

Noncompliance and Significant Deficiency

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

The Township received \$12,550 for a United States Department of Agriculture (USDA) grant in 2023. The Fiscal Officer posted the receipt in the General (Bond) (Note) Retirement Fund instead of in the Miscellaneous Special Revenue Fund where the other USDA grant proceeds were posted in 2022. Further, \$12,500 was expended from the General (Bond) (Note) Retirement Fund to reimburse the Gasoline Tax Fund for expenses related to the USDA grant paid from the Gasoline Tax Fund. The entire \$12,550 should have been reimbursed to the Gasoline Tax Fund from the Miscellaneous Special Revenue Fund.

**MALTA TOWNSHIP
MORGAN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022
(Continued)**

| |
|--|
| <p>FINDING RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</p> |
|--|

FINDING NUMBER 2023-002 (Continued)

Noncompliance and Significant Deficiency (Continued)

Therefore, Intergovernmental in the amount of \$12,550, Principal Retirement in the amount of \$12,500 and cash fund balance of \$50 should be decreased in the General (Bond) (Note) Retirement Fund; Intergovernmental and Public Works in the Miscellaneous Special Revenue Fund should be increased both by \$12,550; and Miscellaneous Revenue and cash fund balance in the Gasoline Tax Fund should be increased both by \$50.

The Fiscal Officer adjusted the Township's records, and these adjustments are reflected in the accompanying financial statements.

The Township should implement controls to ensure all transactions are reviewed to help ensure posting to the proper funds.

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

FINDING NUMBER 2023-003

Noncompliance and Significant Deficiency

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

On December 31, 2023, the Township's appropriations exceeded the amount certified as available by the budget commission in the Permissive Motor Vehicle License Tax Fund by \$1,527. On December 31, 2022, the Township's appropriations exceeded the amount certified as available by the budget commission in the Miscellaneous Special Revenue Fund by \$125,500.

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

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

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

**MALTA TOWNSHIP
MORGAN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022
(Continued)**

| |
|--|
| <p>FINDING RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</p> |
|--|

FINDING NUMBER 2023-004

Significant Deficiency

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

The Ohio Township Handbook (revised March 2019) provides suggested account classifications. These accounts classify receipts by fund and source (property taxes or intergovernmental revenue, for example) and classify disbursements by fund, program (general government, for example) or object (personal services, for example). Using these classifications and the aforementioned accounting records will provide the Township with information required to monitor compliance with the budget and prepare annual reports in the format required by the Auditor of State.

The Township did not always record receipts and disbursements into accurate classifications based upon the source of the receipt or the nature of the disbursement.

We noted the following in 2023:

- Homestead and rollback in the amount of \$4,033, \$4,538, \$1,971 and \$2,074, was posted to Taxes instead of Intergovernmental in the General Fund, Road and Bridge Fund, Cemetery Fund and Special Levy Fund, respectively.
- Debt service principal and interest payments in the amount of \$8,400 and \$1,910, respectively, were posted to Capital Outlay instead of Principal Retirement and Interest and Fiscal Charges in the Gasoline Tax Fund.
- Expenditures paid from the Coronavirus Relief Fund in the amount of \$108,117 were posted to Other Financing Uses instead of Public Works.

We noted the following in 2022:

- Homestead and rollback in the amount of \$4,014, \$4,513, \$1,931 and \$2,039, was posted to Taxes instead of Intergovernmental in the General Fund, Road and Bridge Fund, Cemetery Fund and Special Levy Fund, respectively.
- Loan proceeds from the United States Department of Agriculture (USDA) in the amount of \$56,500 was posted to Intergovernmental instead of Loan Proceeds in the Miscellaneous Special Revenue Fund.
- Reimbursement of a dump truck purchase in the amount of \$57,991 was posted to Intergovernmental instead of Miscellaneous Revenue in the Gasoline Tax Fund.

The reclasses noted above, with which management agrees, are reflected in the accompanying financial statements.

We also noted the following in 2023 and 2022:

- Permissive Motor Vehicle License Tax which was state levied in the amount of \$9,563 was posted to Taxes instead of Intergovernmental in the Permissive Motor Vehicle License Tax Fund in 2023.

**MALTA TOWNSHIP
MORGAN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022
(Continued)**

| |
|--|
| <p>FINDING RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</p> |
|--|

FINDING NUMBER 2023-004 (Continued)

Significant Deficiency (Continued)

- Permissive Motor Vehicle License Tax which was state levied in the amount of \$9,376 was posted to Taxes instead of Intergovernmental in the Permissive Motor Vehicle License Tax Fund in 2022.
- Debt service principal and interest payments in the amount of \$3,300 and \$704, respectively, were posted to Capital Outlay instead of Principal Retirement and Interest and Fiscal Charges in the Gasoline Tax Fund in 2022.

As these errors are not significant to the opinion units affected in 2023 and 2022, the reclassifications noted above were agreed to by management but will not be posted to the financial statements.

The Township did not have a control process in place to help ensure receipts and disbursements are recorded in the correct classification.

Not properly reporting financial activity could result in material misstatements occurring and remaining undetected and increases the risk that management would not be provided an accurate picture of the Township's financial position and operations.

The Township Fiscal Officer should utilize available authoritative resources to appropriately classify and record all receipt and disbursement transactions. This guidance will help ensure the Fiscal Officer makes proper postings to receipt and disbursement account classifications based on the source of the receipt and the nature of the disbursement.

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

FINDING NUMBER 2023-005

Significant Deficiency

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

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

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

The Township did not have procedures in place to accurately post authorized budgetary measures to the accounting system.

**MALTA TOWNSHIP
MORGAN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022
(Continued)**

| |
|---|
| FINDING RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued) |
|---|

FINDING NUMBER 2023-005 (Continued)

Significant Deficiency (Continued)

We noted approved estimated revenue was not posted properly to the Township's UAN accounting system on December 31, 2023, for the following funds:

| Fund | Estimated Revenue per Budget Commission | Estimated Revenue per UAN Accounting System | Variance |
|-----------------|---|---|----------|
| General | \$48,902 | \$49,802 | (\$900) |
| Road and Bridge | 41,591 | 45,504 | (3,913) |

We noted appropriations approved by the Board of Trustees were not properly posted to the Township's UAN accounting system in the amount of \$1,527 in the Permissive Motor Vehicle License Tax Fund on December 31, 2023.

We noted approved estimated revenue was not posted properly to the Township's UAN accounting system on December 31, 2022, for the following funds:

| Fund | Estimated Revenue per Budget Commission | Estimated Revenue per UAN Accounting System | Variance |
|-------------------------------|---|---|-----------|
| General | \$48,188 | \$48,375 | (\$187) |
| Miscellaneous Special Revenue | 0 | 125,500 | (125,500) |

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

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

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

OHIO AUDITOR OF STATE KEITH FABER



MALTA TOWNSHIP

MORGAN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 6/5/2025

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