

VILLAGE OF MARSHALLVILLE

WAYNE COUNTY, OHIO

SINGLE AUDIT / REGULAR AUDIT

**FOR THE YEARS ENDED
DECEMBER 31, 2024 & 2023**



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Columbus, Ohio 43215
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Members of the Village Council and Mayor
Village of Marshallville
7 North Main Street
Marshallville, OH 44645

We have reviewed the *Independent Auditor's Report* of the Village of Marshallville, Wayne County, prepared by Julian & Grube, Inc., for the audit period January 1, 2023 through December 31, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

KEITH FABER
Ohio Auditor of State

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

January 27, 2026

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**VILLAGE OF MARSHALLVILLE
WAYNE COUNTY, OHIO**

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FOR THE YEAR ENDED DECEMBER 31, 2024
- REGULAR AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2023

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VILLAGE OF MARSHALLVILLE

WAYNE COUNTY, OHIO

SINGLE AUDIT

**FOR THE YEAR ENDED
DECEMBER 31, 2024**

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**VILLAGE OF MARSHALLVILLE
WAYNE COUNTY, OHIO**

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Independent Auditor's Report

Village of Marshallville
Wayne County
7 North Main Street
Marshallville, Ohio 44645

To the Members of the Village Council and Mayor:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Village of Marshallville, Wayne County, Ohio, which comprises the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2024, 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 and proprietary fund type and the fiduciary fund type combined total of the Village of Marshallville, as of and for the year ended December 31, 2024, and the related notes to the financial statements, in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), as 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 referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village of Marshallville, as of December 31, 2024, or changes in financial position or, where applicable, cash flows 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 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 Village of Marshallville 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 Village of Marshallville on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is a basis of accounting 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 GAAP, 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 these financial statements in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C). 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 misstatements, 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 Village of Marshallville'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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards 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 Village of Marshallville'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 Village of Marshallville's ability to continue as a going concern for a reasonable period of time.

Village of Marshallville
Wayne County
Independent Auditor's Report

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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Marshallville's financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 15, 2025 on our consideration of the Village of Marshallville's internal control over financial reporting and on 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 Village of Marshallville'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 Village of Marshallville's internal control over financial reporting and compliance.



Julian & Grube, Inc.
August 15, 2025

Village of Marshallville, Ohio
Wayne County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2024

	Governmental Fund Types			Totals
	General	Special Revenue	Capital Projects	(Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$ 59,643	\$ 121,355	\$ -	\$ 180,998
Municipal Income Tax	121,123	-	12,138	133,261
Intergovernmental	321,998	62,479	-	384,477
Charges for Services	1,300	24,622	-	25,922
Fines, Forfeitures and Settlements	44,846	4,642	-	49,488
Earnings on Investments	228	-	-	228
Miscellaneous	13,543	5,834	-	19,377
<i>Total Cash Receipts</i>	<u>562,681</u>	<u>218,932</u>	<u>12,138</u>	<u>793,751</u>
Cash Disbursements				
Current:				
Security of Persons and Property	143,106	81,834	-	224,940
Public Health Services	1,545	-	-	1,545
Leisure Time Activities	5,881	-	-	5,881
Transportation	5,930	90,866	-	96,796
General Government	110,239	34,942	-	145,181
Capital Outlay	251,207	17,756	-	268,963
<i>Total Cash Disbursements</i>	<u>517,908</u>	<u>225,398</u>	<u>-</u>	<u>743,306</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>44,773</u>	<u>(6,466)</u>	<u>12,138</u>	<u>50,445</u>
Other Financing Receipts (Disbursements)				
Transfers Out	(20,667)	-	-	(20,667)
Other Financing Uses	(11,886)	-	-	(11,886)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(32,553)</u>	<u>-</u>	<u>-</u>	<u>(32,553)</u>
<i>Net Change in Fund Cash Balances</i>	12,220	(6,466)	12,138	17,892
<i>Fund Cash Balances, January 1</i>	<u>113,887</u>	<u>245,232</u>	<u>1,039</u>	<u>360,158</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 126,107</u>	<u>\$ 238,766</u>	<u>\$ 13,177</u>	<u>\$ 378,050</u>

See accompanying notes to the financial statements

Village of Marshallville, Ohio
Wayne County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
Proprietary Fund Type
For the Year Ended December 31, 2024

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts	
Charges for Services	\$ 1,211,135
Miscellaneous	6,329
<i>Total Operating Cash Receipts</i>	<u>1,217,464</u>
Operating Cash Disbursements	
Personal Services	230,905
Transportation	1,954
Contractual Services	731,223
Supplies and Materials	149,953
<i>Total Operating Cash Disbursements</i>	<u>1,114,035</u>
<i>Operating Income (Loss)</i>	<u>103,429</u>
Non-Operating Receipts (Disbursements)	
Intergovernmental Receipts	2,451,655
Loans Issued	163,410
Capital Outlay	(2,531,111)
Principal Retirement	(98,233)
Interest and Other Fiscal Charges	(925)
Other Financing Sources	2,100
Other Financing Uses	(3,502)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(16,606)</u>
<i>Income (Loss) before Transfers</i>	86,823
Transfers In	20,667
<i>Net Change in Fund Cash Balances</i>	107,490
<i>Fund Cash Balances, January 1</i>	<u>360,341</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$ 467,831</u></u>

See accompanying notes to the financial statements

Village of Marshallville, Ohio
Wayne County
Statement of Additions, Deductions
and Changes in Fund Balance (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2024

	<u>Fiduciary Fund Type</u>
	<u>Custodial</u>
Additions	
Fines, Forfeitures and Settlements for Distribution	\$ 57,638
<i>Total Additions</i>	<u>57,638</u>
Deductions	
Distributions to Other Governments	14,450
Distributions to Other Funds (Primary Government)	<u>45,048</u>
<i>Total Deductions</i>	<u>59,498</u>
<i>Net Change in Fund Cash Balance</i>	(1,860)
<i>Fund Cash Balance, January 1</i>	<u>2,503</u>
<i>Fund Cash Balance, December 31</i>	<u><u>\$ 643</u></u>
<i>See accompanying notes to the financial statements</i>	

Village of Marshallville, Ohio
Wayne County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Marshallville Wayne County, Ohio (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides water, sewer and electric utilities, park operations, police, and fire protection services.

Public Entity Risk Pools

The Village participates in two public entity risk pools. Note 7 to the financial statements provides additional information for these entities.

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 the proprietary fund types and a statement of additions, deductions and changes in fund balance (regulatory cash basis) for the fiduciary fund type which are all 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 Construction Maintenance and Repair

The street construction 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.

Fire Fund

The fire fund accounts for and reports property tax levy receipts for fire operations. The Village began these operations in 2024.

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

Village of Marshallville, Ohio
Wayne County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Capital Outlay Fund

This fund receives a portion of income tax receipts. These receipts are being used for capital disbursements.

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 Funds:

Water Fund

The water fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

Sewer Fund

The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

Electric Fund

The electric fund accounts for the provision of electric distribution to the residents and commercial users located within the Village.

Fiduciary Funds Fiduciary funds include custodial funds.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial fund accounts for the Mayor's Court activity.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the statement of additions, deductions and changes in fund balance (regulatory cash basis) all fiduciary fund types.

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 Village 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.

Village of Marshallville, Ohio
Wayne County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund/department level for the General Fund and the fund level for all other funds, which is the legal 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.

A summary of 2024 budgetary activity appears in Note 4. Management has included adjustments in the accompanying budgetary presentations for material items that should have been budgeted and included as cash receipts and disbursements.

Deposits and Investments

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively. The Village had no investments.

Capital Assets

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Accumulated Leave

Village employees earn sick, vacation, and compensatory time that can be used for time off. In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

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

Nonspendable The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

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

Committed 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.

Village of Marshallville, Ohio
Wayne County
Notes to the Financial Statements
For the Year Ended December 31, 2024

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 12.

Note 3 – Compliance

The Village was in noncompliance with Ohio Revised Code Section 5705.38(C) as their established legal level of budgetary control did not meet the prescribed minimum levels of budgetary control.

Note 4 – Budgetary Activity

Budgetary activity for the year ending 2024 follows:

Fund Type	2024 Budgeted vs. Actual Receipts		
	Budgeted Receipts	Actual Receipts	Variance
General	\$539,300	\$562,681	\$23,381
Special Revenue	461,070	218,932	(242,138)
Capital Projects	27,500	12,138	(15,362)
Enterprise	3,891,318	3,855,296	(36,022)
Fiduciary	65,000	57,638	(7,362)
Total	<u>\$4,984,188</u>	<u>\$4,706,685</u>	<u>(\$277,503)</u>

Village of Marshallville, Ohio
Wayne County
Notes to the Financial Statements
For the Year Ended December 31, 2024

2024 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$674,500	\$550,461	\$124,039
Special Revenue	338,644	225,398	113,246
Capital Projects	0	0	0
Enterprise	3,814,618	3,747,806	66,812
Fiduciary	60,500	59,498	1,002
Total	<u>\$4,888,262</u>	<u>\$4,583,163</u>	<u>\$305,099</u>

Note 5 – Deposits and Investments

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 and investments. The Village also has a segregated account which includes a clearing account that is not part of this pool.

A summary of the Village's deposit accounts are as follows:

	<u>2024</u>
<i>Cash Management Pool:</i>	
Demand deposits	\$846,524

The Village has a payroll clearing account that is held outside of the deposit pool where gross payroll is held for distribution. The disbursements included in the accompanying financial statements reflect gross payroll.

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 – 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.

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

Village of Marshallville, Ohio
Wayne County
Notes to the Financial Statements
For the Year Ended December 31, 2024

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

Income Taxes

The Village levies a municipal income tax of 1 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

Note 7 – Risk Management

Workers' Compensation

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker's compensation. The intent of the GRP is to achieve the benefit of reduced premiums for the participants, foster safer working conditions and foster cost-effective claims management skills by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating entities is calculated as one experience and a common premium is applied to all entities in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for all entities in the GRP rather than its individual rate. Total savings are then calculated, and each participant's individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the GRP. Sedgwick provides administrative, cost control and actuarial services to the GRP.

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 assets available to pay those liabilities as of December 31:

	<u>2024</u>
Cash and investments	\$ 48,150,572
Actuarial liabilities	\$ 22,652,556

Village of Marshallville, Ohio
Wayne County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some 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. The Village has paid all contributions required through December 31, 2024.

Social Security

Other 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. The Village has paid all contributions required through December 31, 2024.

Note 9 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans and a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2024, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2024, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

Note 10 – Debt

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

	<u>Principal</u>	<u>Interest Rate</u>
OPWC CT70T - SR 94 Main St. Waterline Replacement	\$6,823	0.00%
OWDA 5249 - WWTP Improvements	186,291	0.00%
OWDA 10561 - Water Treatment Plant Replacement	163,430	3.11%
Capmark Mortgage Revenue - #01-049500-3	3,700	7.13%
Capmark Mortgage Revenue - #01-049500-5	7,400	5.00%
Total	<u>\$367,644</u>	

Village of Marshallville, Ohio
Wayne County
Notes to the Financial Statements
For the Year Ended December 31, 2024

The Ohio Water Development Authority (OWDA) loans relate to water and sewer system improvements. Water and sewer receipts collateralize the loans. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. Additionally, the Village has began drawing down on OWDA Loan #10561 related to the Water Treatment Plant Replacement in the amount of \$163,430. The loan is not fully disbursed and thus no loan amortization is available yet. The Ohio Public Works Commission (OPWC) loan was for water projects. Water receipts collateralize the loan. The Mortgage Revenue Bonds were for various water improvement projects. These issues will be retired by water receipts. The Village has agreed to set utility rates in amounts sufficient to cover debt requirements.

Amortization

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

Year ending December 31:	OPWC Loan	OWDA Loans	Mortgage Revenue Bonds
2025	\$505	\$31,049	\$6,034
2026	505	31,049	6,025
2027	505	31,049	-
2028	505	31,049	-
2029	505	31,049	-
2030-2034	2,525	31,046	-
2035-2038	1,773	-	-
Total	<u>\$6,823</u>	<u>\$186,291</u>	<u>\$12,059</u>

Note 11 – Contingent Liabilities

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

Note 12 – Fund Balances

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 Village had no outstanding encumbrances.

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

Village of Marshallville, Ohio
Wayne County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 13 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. The Village expended the remaining available COVID-19 funding consistent with the applicable program guidelines.

Note 14 – Interfund Transactions

Interfund transfers consisted of the following, as reported in the financial statements:

<u>Transfer from:</u>	<u>Transfer to:</u>	<u>Amount</u>
General Fund	Enterprise Funds-Electric Fund	\$ 20,667

Transfers were to return the kilowatt hour tax to the electric fund for operations.

SUPPLEMENTARY INFORMATION

VILLAGE OF MARSHALLVILLE
WAYNE COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM/CLUSTER TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER / ADDITIONAL AWARD IDENTIFICATION	EXPENDITURES OF FEDERAL AWARDS
U.S. DEPARTMENT OF TREASURY			
<i>Passed Through Ohio Department of Development</i>			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - Water and Wastewater Infrastructure Program - Round #1	21.027	COVID-19, DEV-2021-180599	\$ 637,000
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - Water and Wastewater Infrastructure Program - Round #6	21.027	COVID-19, DEV-2024-206576	1,343,974
<i>Direct</i>			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	COVID-19	32,244
Total Coronavirus State and Local Fiscal Recovery Funds and U.S. Department of Treasury			<u>2,013,218</u>
Total Expenditures of Federal Awards			<u>\$ 2,013,218</u>

The accompanying notes are an integral part of this schedule.

**VILLAGE OF MARSHALLVILLE
WAYNE COUNTY, OHIO**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR § 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 1 – BASIS OF PRESENTATION & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Village of Marshallville (the “Village”) under programs of the federal government for the year ended December 31, 2024. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Village, it is not intended to and does not present the financial position, changes in financial position, or cash flows of the Village. Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be limited as to reimbursement.

NOTE 2 – DE MINIMIS INDIRECT COST RATE

The Village has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in Accordance With
*Government Auditing Standards***

Village of Marshallville
Wayne County
7 North Main Street
Marshallville, Ohio 44645

To the Members of the Village Council and Mayor:

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, the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2024 and the related notes to the financial statements of the Village of Marshallville, Wayne County, Ohio, and have issued our report thereon dated August 15, 2025, wherein we noted the Village of Marshallville followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 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 Village of Marshallville'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 Village of Marshallville's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Marshallville'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 Village of Marshallville's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as items 2024-001 through 2024-004 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Marshallville'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 2024-002 through 2024-004.

Village of Marshallville

Wayne County

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Village of Marshallville's Responses to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village of Marshallville'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 Village of Marshallville's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.

August 15, 2025

**Independent Auditor's Report on Compliance for Each Major Federal Program
and on Internal Control Over Compliance Required by the Uniform Guidance**

Village of Marshallville
Wayne County
7 North Main Street
Marshallville, Ohio 44645

To the Members of the Village Council and Mayor:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Village of Marshallville's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the Village of Marshallville's major federal programs for the year ended December 31, 2024. The Village of Marshallville's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings.

In our opinion, the Village of Marshallville complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the Village of Marshallville and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Village of Marshallville's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Village of Marshallville's federal programs.

Village of Marshallville
Wayne County
Independent Auditor's Report on Compliance for Each Major Federal Program
and on Internal Control Over Compliance Required by the Uniform Guidance

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Village of Marshallville's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Village of Marshallville's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Village of Marshallville's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Village of Marshallville's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Village of Marshallville's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Village of Marshallville
Wayne County
Independent Auditor's Report on Compliance for Each Major Federal Program
and on Internal Control Over Compliance Required by the Uniform Guidance

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Julian & Grube, Inc.

Julian & Grube, Inc.
August 15, 2025

**VILLAGE OF MARSHALLVILLE
WAYNE COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2024**

1. SUMMARY OF AUDITOR'S RESULTS		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Adverse under GAAP Unmodified under the regulatory basis
<i>(d)(1)(ii)</i>	<i>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</i>	Yes
<i>(d)(1)(ii)</i>	<i>Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	None Reported
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	Yes
<i>(d)(1)(iv)</i>	<i>Were there any material weaknesses in internal control reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	None Reported
<i>(d)(1)(v)</i>	<i>Type of Major Program's Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under 2 CFR §200.516(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Program(s) (listed):</i>	Coronavirus State and Local Fiscal Recovery Funds – ALN 21.027
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: > \$750,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee under 2 CFR § 200.520?</i>	No

**VILLAGE OF MARSHALLVILLE
WAYNE COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2024**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2024-001

Material Weakness - Financial Statement Presentation

In our 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 controls 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 following adjustments were made to the financial statements for the year ended December 31, 2024:

- In the Electric Fund (Enterprise Fund Type), charges for services receipts were decreased by \$20,667, and transfers in receipts were increased by \$20,667. In the General Fund, property and other local taxes receipts were increased by \$20,667, and transfers out disbursements were increased by \$20,667. This was necessary to properly record the inside portion of kilowatt-hour (kWh) taxes in accordance with the Auditor of State (AOS) Bulletin 2001-011 and Village Ordinance 22-02.
- In the Water Fund (Enterprise Fund Type), intergovernmental receipts were increased by \$1,980,975, miscellaneous receipts were decreased by \$1,980,975, contractual services disbursements were decreased by \$2,014,169, and capital outlay disbursements were increased by \$2,014,169, to properly record the Village's ongoing construction project and Ohio Department of Development grant-related activity.
- In the Water Fund (Enterprise Fund Type), intergovernmental receipts and capital outlay disbursements were both increased by \$470,680, to properly record on-behalf payments made by the Ohio Public Works Commission.
- In the Water Fund (Enterprise Fund Type), capital outlay disbursements were increased by \$46,262, principal retirement disbursements were increased by \$59,376, loans issued receipts were increased by \$163,410, and intergovernmental receipts were decreased by \$57,772, to properly record on-behalf/loan proceeds activity related to the ongoing Ohio Water Development Authority project.
- In the General Fund, transfers in receipts and transfers out disbursements were both decreased by \$109,237, to eliminate transfers from the Income Tax Fund to the General Fund due to GASB 54 requirements.
- In the General Fund, intergovernmental receipts were increased by \$291,093, miscellaneous receipts were decreased by \$291,093, capital outlay disbursements were increased by \$251,207, and general government disbursement were decreased by \$251,207 to properly record grant proceeds from the Ohio Department of Natural Resources and disbursements for a related construction project.
- In the General Fund, municipal income tax receipts and transfers out disbursements were both decreased by \$12,138. Additionally, in the Capital Outlay Fund (Capital Projects Fund Type), transfers in receipts were decreased by \$12,138 and municipal income tax receipts were increased by \$12,138. This was done to properly record municipal income tax receipts.

**VILLAGE OF MARSHALLVILLE
WAYNE COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2024**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (CONTINUED)

Finding Number	2024-001
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The amounts have been adjusted to the Village's financial statements.

Control procedures not properly developed related to the financial statements limit management's ability to identify, prevent, detect, and correct potential misstatements in the financial statements and footnotes. Additionally, management will not have the necessary information to make timely and well-informed business decisions.

We recommend the Village implement additional control procedures that enable management to more timely prevent or detect and correct potential misstatements in the financial statements and related notes prior to presenting them to the auditors. A second review of the monthly cash activity and financial statements by someone other than the individual preparing them would be beneficial.

Officials' Response: See Corrective Action Plan

Finding Number	2024-002
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Material Weakness/Noncompliance – Legal Level of Control

Ohio Revised Code Section 5705.38(C) requires the following minimum level of budgetary control for "subdivisions" other than schools: "Appropriation measures shall be classified so as to set forth separately the amounts appropriated for each office, department, and division, and, within each, the amount appropriated for personal services."

Appropriations were approved at the Fund/Department level for the general fund and at the fund level for all other funds.

Not appropriating at the legal level of control inhibits the Council's ability to appropriately monitor appropriations and spending. It also does not meet the requirements of the applicable Ohio Revised Code Section.

We recommend the Council approve annual and subsequent appropriations at the appropriate legal level as required by the Ohio Revised Code. This will enable the Council to appropriately monitor spending.

Officials' Response: See Corrective Action Plan

Finding Number	2024-003
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Material Weakness/Noncompliance – Receipt of Funds and Kilowatt Hour Tax Receipts

Ohio Revised Code Section 5705.10(I) requires money paid into any fund shall be used only for the purposes for which such fund is established. Ohio Revised Code Section 5727.81 further describes the requirements for excise tax levied on electric distribution companies. Ohio Revised code Section 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.

**VILLAGE OF MARSHALLVILLE
WAYNE COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2024**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (CONTINUED)

Finding Number	2024-003
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The Village did not first allocate the "inside" portion of the electric kilowatt hour tax receipts into the General Fund as indicated in AOS Bulletin 2001-011. The Village did pay the "outside" portion of electric kilowatt hour tax receipts, due to the state, properly from the Electric Fund (Enterprise Fund Type).

As a result, the Village's Electric Fund (Enterprise Fund Type) charges for services receipts were overstated by \$20,667 and the General Fund property and other local taxes receipts were understated by \$20,667. These amounts were adjusted per Finding 2024-001.

We recommend the Village closely monitor the monthly reports to ensure the proper amounts are paid into and out of (if applicable) the proper funds.

Officials' Response: See Corrective Action Plan

Finding Number	2024-004
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Material Weakness/Noncompliance – On-Behalf Payments

Ohio Revised Code Section 5705.42 states when the United States government or the state or any department, division, agency, authority, or unit thereof makes a grant or loan of money to any political subdivision of this state to aid in paying the cost of any program, activity, or function of such subdivision, or enters into an agreement with the subdivision for the making of any such grant or loan of money, the amount thereof is deemed appropriated for such purpose by the taxing authority of the subdivision as provided by law and shall be recorded as such by the fiscal officer of the subdivision, and is deemed in process of collection within the meaning of section 5705.41 of the Revised Code. In addition, Auditor of State (AOS) Bulletin 2000-008 indicates that when a local government enters into an on-behalf-of program agreement with another local government or the state, whereby the local government or its residents are the beneficiaries under the agreement, the cash value benefit of the program received under the agreement should be recorded as memorandum receipts and disbursements in the year on-behalf-of disbursements are made.

The Village entered into agreements with the Ohio Public Works Commission (OPWC) for a grant and the Ohio Water Development Authority (OWDA) for a loan during the year. The OWDA and OPWC will make payments directly to the contractor(s), or to the local government as reimbursement, for its share based on invoices submitted by the fiscal officer. For payments made directly to the contractor(s), the OWDA and OPWC will notify the fiscal officer of the amount disbursed. Upon receipt of this notice, each local government shall record a receipt and disbursement in the appropriate governmental and/or enterprise fund equal to the amount disbursed on their behalf.

The Village did not record payments made directly to contractors as on-behalf of the Village, related to the OWDA and OPWC projects. See Finding 2024-001.

The failure to record on-behalf grant and loan activity results in understated receipts and disbursements on the financial statements.

**VILLAGE OF MARSHALLVILLE
WAYNE COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2024**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (CONTINUED)	
Finding Number	2024-004

To improve accurate financial reporting, the Village should establish procedures to account for and record all on-behalf receipts and payments to help ensure that the financial statements reflect the related activity.

Officials' Response: See Corrective Action Plan

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None.

VILLAGE OF MARSHALLVILLE

7 N. Main Street
P. O. Box 169
Marshallville, OH 44645

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**2 CFR 200.511(b)****DECEMBER 31, 2024**

Finding Number	Year Initially Occurred	Finding Summary	Status	Additional Information
2023-001	2016	<u>Material Weakness – Financial Statement Presentation</u> - Sound financial reporting is essential to ensure the information provided to the readers of the financial statements is complete and accurate. The Village had numerous adjustments to the accounting system and financial statements.	Not Corrected	Repeated as Finding 2024-001; as adjustments were necessary to properly state financial statement amounts.
2023-002	2020	<u>Material Weakness/Noncompliance – Legal Level of Control:</u> Ohio Revised Code Section 5705.38(C) requires the following minimum level of budgetary control for “subdivisions” other than schools: “Appropriation measures shall be classified so as to set forth separately the amounts appropriated for each office, department, and division, and, within each, the amount appropriated for personal services.” The Village appropriations were approved at the Fund/Department level for the general fund and at the fund level for all other funds.	Not Corrected	Repeated as Finding 2024-002; as the Village did not approve its appropriations at the minimum legal level of control required by the Ohio Revised Code.
2023-003	2018	<u>Material Weakness/Noncompliance – Receipt of Funds and Kilowatt Hour Tax Receipts</u> – Ohio Revised Code Sections 5705.10(D) and 5705.10(I) stipulate the requirements of certain receipts of funds and the use of such funds. The Village did not properly record the inside portion of the electric kilowatt hour tax receipts in the Village’s General fund.	Not Corrected	Repeated as Finding 2024-003; as the Village did not properly record the inside portion of the electric kilowatt hour tax receipts in the General Fund.

VILLAGE OF MARSHALLVILLE

7 N. Main Street
P. O. Box 169
Marshallville, OH 44645

CORRECTIVE ACTION PLAN

2 CFR § 200.511(c)

DECEMBER 31, 2024

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2024-001	The Village Fiscal Officer will more closely examine the unaudited report prior to filing with the HINKLE system and will consider above adjustments in future years.	2025	Dave Govern, Fiscal Officer
2024-002	The Village Fiscal Officer and Council will consider updating their legal level of control to the minimum level required by the Ohio Revised Code.	2025	Dave Govern, Fiscal Officer
2024-003	The Village will record the necessary adjustments to first allocate the inside portion of the electric kilowatt hour tax receipt in the General Fund, as required.	2025	Dave Govern, Fiscal Officer
2024-004	The Fiscal Officer will work to add additional procedures to help ensure on-behalf receipts/disbursements are timely and accurately posted in the year the activity takes place.	2025	Dave Govern, Fiscal Officer

VILLAGE OF MARSHALLVILLE

WAYNE COUNTY, OHIO

REGULAR AUDIT

**FOR THE YEAR ENDED
DECEMBER 31, 2023**

**VILLAGE OF MARSHALLVILLE
WAYNE COUNTY, OHIO**

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Independent Auditor's Report

Village of Marshallville
Wayne County
7 North Main Street
Marshallville, Ohio 44645

To the Members of the Village Council and Mayor:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Village of Marshallville, Wayne County, Ohio, which comprises the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2023, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total of the Village of Marshallville, as of and for the year ended December 31, 2023, and the related noted to the financial statements, in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), as 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 referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village of Marshallville, as of December 31, 2023, or changes in financial position or, where applicable, cash flows 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 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 Village of Marshallville 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 Village of Marshallville on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is a basis of accounting 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 GAAP, 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 these financial statements in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C). 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 misstatements, 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 Village of Marshallville'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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards 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 Village of Marshallville'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 Village of Marshallville's ability to continue as a going concern for a reasonable period of time.

Village of Marshallville
Wayne County
Independent Auditor's Report

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 August 15, 2025 on our consideration of the Village of Marshallville's internal control over financial reporting and on 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 Village of Marshallville'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 Village of Marshallville's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
August 15, 2025

Village of Marshallville, Ohio
Wayne 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

	Governmental Fund Types			Totals
	General	Special Revenue	Capital Projects	(Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$ 49,968	\$ 4,558	\$ -	\$ 54,526
Municipal Income Tax	125,712	-	13,778	139,490
Intergovernmental	24,890	57,173	-	82,063
Charges for Services	3,762	-	-	3,762
Fines, Forfeitures and Settlements	15,399	1,122	-	16,521
Earnings on Investments	219	-	-	219
Miscellaneous	3,181	75	-	3,256
<i>Total Cash Receipts</i>	<u>223,131</u>	<u>62,928</u>	<u>13,778</u>	<u>299,837</u>
Cash Disbursements				
Current:				
Security of Persons and Property	89,613	9,933	-	99,546
Public Health Services	2,125	-	-	2,125
Leisure Time Activities	28,880	-	-	28,880
Transportation	4,692	33,204	-	37,896
General Government	158,329	23,879	-	182,208
Capital Outlay	-	-	58,000	58,000
<i>Total Cash Disbursements</i>	<u>283,639</u>	<u>67,016</u>	<u>58,000</u>	<u>408,655</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(60,508)</u>	<u>(4,088)</u>	<u>(44,222)</u>	<u>(108,818)</u>
Other Financing Receipts (Disbursements)				
Transfers Out	(19,812)	-	-	(19,812)
Other Financing Uses	(2,341)	-	-	(2,341)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(22,153)</u>	<u>-</u>	<u>-</u>	<u>(22,153)</u>
<i>Net Change in Fund Cash Balances</i>	<u>(82,661)</u>	<u>(4,088)</u>	<u>(44,222)</u>	<u>(130,971)</u>
<i>Fund Cash Balances, January 1</i>	<u>196,548</u>	<u>249,320</u>	<u>45,261</u>	<u>491,129</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 113,887</u>	<u>\$ 245,232</u>	<u>\$ 1,039</u>	<u>\$ 360,158</u>

See accompanying notes to the financial statements

Village of Marshallville, Ohio
Wayne County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
Proprietary Fund Type
For the Year Ended December 31, 2023

	Proprietary Fund Type
	<u>Enterprise</u>
Operating Cash Receipts	
Charges for Services	\$ 1,182,085
Miscellaneous	<u>15,850</u>
<i>Total Operating Cash Receipts</i>	<u>1,197,935</u>
Operating Cash Disbursements	
Personal Services	199,103
Transportation	4,151
Contractual Services	749,962
Supplies and Materials	<u>148,649</u>
<i>Total Operating Cash Disbursements</i>	<u>1,101,865</u>
<i>Operating Income (Loss)</i>	<u>96,070</u>
Non-Operating Receipts (Disbursements)	
Principal Retirement	(58,485)
Interest and Other Fiscal Charges	(1,204)
Other Financing Sources	4,300
Other Financing Uses	<u>(14,138)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(69,527)</u>
<i>Income (Loss) before Transfers</i>	26,543
Transfers In	<u>19,812</u>
<i>Net Change in Fund Cash Balances</i>	46,355
<i>Fund Cash Balances, January 1</i>	<u>313,986</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$ 360,341</u></u>

See accompanying notes to the financial statements

Village of Marshallville, Ohio
Wayne County
Statement of Additions, Deductions
and Changes in Fund Balance (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2023

	<u>Fiduciary Fund Type</u>
	<u>Custodial</u>
Additions	
Fines, Forfeitures and Settlements for Distribution	\$ 14,971
<i>Total Additions</i>	<u>14,971</u>
Deductions	
Distributions to Other Governments	2,622
Distributions to Other Funds (Primary Government)	<u>10,462</u>
<i>Total Deductions</i>	<u>13,084</u>
<i>Net Change in Fund Cash Balance</i>	1,887
<i>Fund Cash Balance, January 1</i>	<u>616</u>
<i>Fund Cash Balance, December 31</i>	<u><u>\$ 2,503</u></u>
<i>See accompanying notes to the financial statements</i>	

Village of Marshallville, Ohio
Wayne 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 Village of Marshallville Wayne County, Ohio (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides water, sewer and electric utilities, park operations, and police. The Village contracts with the East Wayne Fire District to receive fire protection services.

Jointly Governed Organization and Public Entity Risk Pools

The Village participates in a jointly governed organization and two public entity risk pools. Notes 7 and 12 to the financial statements provide additional information for these entities.

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 the proprietary fund type and a statement of additions, deductions and changes in fund balance (regulatory cash basis) for the fiduciary fund type which are all 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 Construction Maintenance and Repair

The street construction 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.

COVID-19

The COVID-19 fund accounts for and reports ARPA federal grant receipts and disbursements.

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

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

Capital Outlay Fund

This fund receives a portion of income tax receipts. These receipts are being used for capital disbursements.

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 Funds:

Water Fund

The water fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

Sewer Fund

The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

Electric Fund

The electric fund accounts for the provision of electric distribution to the residents and commercial users located within the Village.

Fiduciary Funds Fiduciary funds include custodial funds.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial fund accounts for the Mayor's Court activity.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the statement of additions, deductions and changes in fund balance (regulatory cash basis) all fiduciary fund types.

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 Village 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.

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

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund/department level for the General Fund and the fund level for all other funds, which is the legal 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.

A summary of 2023 budgetary activity appears in Note 4.

Deposits and Investments

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively. The Village had no investments.

Capital Assets

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Accumulated Leave

Village employees earn sick, vacation, and compensatory time that can be used for time off. In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

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

Nonspendable The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

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

Committed 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.

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

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 13.

Note 3 – Compliance

The Village was in noncompliance with Ohio Revised Code Section 5705.38(C) as their established legal level of budgetary control did not meet the prescribed minimum levels of budgetary control.

Note 4 – Budgetary Activity

Budgetary activity for the year ending 2023 follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$346,400	\$223,131	(\$123,269)
Special Revenue	67,300	62,928	(4,372)
Capital Projects	13,000	13,778	778
Enterprise	1,286,000	1,222,047	(63,953)
Fiduciary	15,000	14,971	(29)
Total	<u>\$1,727,700</u>	<u>\$1,536,855</u>	<u>(\$190,845)</u>

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$424,600	\$305,792	\$118,808
Special Revenue	80,000	67,016	12,984
Capital Projects	58,000	58,000	0
Enterprise	1,215,000	1,175,692	39,308
Fiduciary	14,000	13,084	916
Total	<u>\$1,791,600</u>	<u>\$1,619,584</u>	<u>\$172,016</u>

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

Note 5 – Deposits and Investments

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 and investments. The Village also has a segregated account which includes a clearing account that is not part of this pool.

A summary of the Village's deposit accounts are as follows:

	<u>2023</u>
<i>Cash Management Pool:</i>	
Demand deposits	\$723,002

The Village has a payroll clearing account that is held outside of the deposit pool where gross payroll is held for distribution. The disbursements included in the accompanying financial statements reflect gross payroll.

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 – 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.

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

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

Income Taxes

The Village levies a municipal income tax of 1 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

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

Note 7 – Risk Management

Workers' Compensation

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker's compensation. The intent of the GRP is to achieve the benefit of reduced premiums for the participants, foster safer working conditions and foster cost-effective claims management skills by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating entities is calculated as one experience and a common premium is applied to all entities in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for all entities in the GRP rather than its individual rate. Total savings are then calculated, and each participant's individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the GRP. Sedgwick provides administrative, cost control and actuarial services to the GRP.

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 assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2023</u>
Cash and investments	\$ 43,996,442
Actuarial liabilities	\$ 19,743,401

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some 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. The Village has paid all contributions required through December 31, 2023.

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

Social Security

Other 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. The Village has paid all contributions required through December 31, 2023.

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

Note 10 – Debt

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

	Principal	Interest Rate
OPWC CT70T - SR 94 Main St. Waterline Replacement	\$7,329	0.00%
OWDA 5249 - WWTP Improvements	217,340	0.00%
OWDA - 8236 Asset Management Plan	2,203	0.00%
OWDA - 9456 Water Treatment Plant Replacement	59,376	0.00%
Capmark Mortgage Revenue - #01-049500-3	5,400	7.13%
Capmark Mortgage Revenue - #01-049500-5	10,800	5.00%
Total	<u>\$302,448</u>	

The Ohio Water Development Authority (OWDA) loans relate to water and sewer system improvements. Water and sewer receipts collateralize the loans. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. Additionally, the Village has begun drawing down on OWDA Loan #9456 related to the Water Treatment Plant Replacement in the amount of \$59,376 (not included in amortization schedule below). This loan was subsequently rolled into a construction loan issued in the following year. The Ohio Public Works Commission (OPWC) loan was for water projects. Water receipts collateralize the loan. The Mortgage Revenue Bonds were for various water improvement projects. These issues will be retired by water receipts. The Village has agreed to set utility rates in amounts sufficient to cover debt requirements.

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

Amortization

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

Year ending December 31:	OPWC Loan	OWDA Loans	Mortgage Revenue Bonds
2024	\$505	\$33,251	\$6,025
2025	505	31,049	6,034
2026	505	31,049	6,025
2027	505	31,049	-
2028	505	31,049	-
2029-2033	2,525	62,096	-
2034-2038	2,279	-	-
Total	<u>\$7,329</u>	<u>\$219,543</u>	<u>\$18,084</u>

Note 11 – Contingent Liabilities

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

Note 12 – Jointly Governed Organization

The East Wayne Fire District (District) is a jointly governed organization of 3 government entities, created as a fire district under State statute. A four-member Board of Trustees governs the District. Each political subdivision within the District appoints one member, and in addition, on a rotating basis, an at-large member is appointed. The District provides fire protection and rescue services within the District and by contract to areas outside the District. This organization ceased operations December 31, 2023.

Note 13 – Fund Balances

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 Village had no outstanding encumbrances.

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

Note 14 – 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. The Village will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

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

Note 15 – Interfund Transactions

Interfund transfers consisted of the following, as reported in the fund financial statements:

<u>Transfer from:</u>	<u>Transfer to:</u>	<u>Amount</u>
General Fund	Enterprise Funds-Electric Fund	\$ 19,812

Transfers were to return the kilowatt hour tax to the electric fund for operations.

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in Accordance With
*Government Auditing Standards***

Village of Marshallville
Wayne County
7 North Main Street
Marshallville, Ohio 44645

To the Members of the Village Council and Mayor:

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, the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2023 and the related notes to the financial statements of the Village of Marshallville, Wayne County, Ohio, and have issued our report thereon dated August 15, 2025, wherein we noted the Village of Marshallville followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 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 Village of Marshallville'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 Village of Marshallville's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Marshallville'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 Village of Marshallville's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2023-001 through 2023-003 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Marshallville'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 and responses as items 2023-002 and 2023-003.

Village of Marshallville

Wayne County

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Village of Marshallville's Responses to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village of Marshallville'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 Village of Marshallville's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.

August 15, 2025

**VILLAGE OF MARSHALLVILLE
WAYNE COUNTY, OHIO**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2023-001

Material Weakness - Financial Statement Presentation

In our 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 controls 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 following adjustments were made to the financial statements for the year ended December 31, 2023:

- In the Electric Fund (Enterprise Fund Type), charges for services receipts were decreased by \$19,812, and transfers in receipts were increased by \$19,812. In the General Fund, property and other local taxes receipts and transfers out disbursements were both increased by \$19,812. This was done to properly record the inside portion of kilowatt-hour (kWh) taxes in accordance with the Auditor of State (AOS) Bulletin 2001-011 and Village Ordinance 22-02.
- In the General Fund, transfers-in receipts and transfers-out disbursements were both decreased by \$123,371, to eliminate transfers from the Income Tax Fund to the General Fund due to GASB 54 requirements.
- In the General Fund, municipal income tax receipts and transfers out disbursements were both decreased by \$13,778. In the Capital Outlay Fund (Capital Projects Fund Type), municipal income tax receipts were increased by \$13,778, and transfers in receipts were decreased by \$13,778. This was done to properly record municipal income tax receipts.
- In the Street Construction, Maintenance and Repair Fund (Special Revenue Fund Type), intergovernmental receipts were decreased by \$4,216, and property and other local taxes receipts were increased by \$4,216. Additionally, in the State Highway Improvement Fund (Special Revenue Fund Type), intergovernmental receipts were decreased by \$342, and property and other local taxes receipts were increased by \$342. This was done to properly record the Village levied permissive tax receipts.

The amounts have been adjusted to the Village's financial statements.

Control procedures not properly developed related to the financial statements limit management's ability to identify, prevent, detect, and correct potential misstatements in the financial statements and footnotes. Additionally, management will not have the necessary information to make timely and well-informed business decisions.

We recommend the Village implement additional control procedures that enable management to more timely prevent or detect and correct potential misstatements in the financial statements and related notes prior to presenting them to the auditors. A second review of the monthly cash activity and financial statements by someone other than the individual preparing them would be beneficial.

Officials' Response: The Village Fiscal Officer will more closely examine the unaudited report prior to filing with the HINKLE system and will consider above adjustments in future years.

**VILLAGE OF MARSHALLVILLE
WAYNE COUNTY, OHIO**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (CONTINUED)	
Finding Number	2023-002

Material Weakness/Noncompliance – Legal Level of Control

Ohio Revised Code Section 5705.38(C) requires the following minimum level of budgetary control for “subdivisions” other than schools: “Appropriation measures shall be classified so as to set forth separately the amounts appropriated for each office, department, and division, and, within each, the amount appropriated for personal services.”

Appropriations were approved at the Fund/Department level for the general fund and at the fund level for all other funds.

Not appropriating at the legal level of control inhibits the Council’s ability to appropriately monitor appropriations and spending. It also does not meet the requirements of the applicable Ohio Revised Code Section.

We recommend the Council approve annual and subsequent appropriations at the appropriate legal level as required by the Ohio Revised Code. This will enable the Council to appropriately monitor spending.

Officials’ Response: The Village Fiscal Officer and Council will consider updating their legal level of control to the minimum level required by the Ohio Revised Code.

Finding Number	2023-003
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Material Weakness/Noncompliance – Receipts of Funds and Kilowatt Hour Tax Receipts

Ohio Revised Code Section 5705.10(I) requires money paid into any fund shall be used only for the purposes for which such fund is established. Ohio Revised Code Section 5727.81 further describes the requirements for excise tax levied on electric distribution companies. Ohio Revised code Section 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 Village did not first allocate the "inside" portion of the electric kilowatt hour tax receipts into the General Fund as indicated in AOS Bulletin 2001-011. The Village did pay the “outside” portion of electric kilowatt hour tax receipts, due to the state, properly from the Electric Fund (Enterprise Fund Type).

As a result, the Village's Electric Fund (Enterprise Fund Type) charges for services receipts were overstated by \$19,812 and the General Fund property and other local taxes receipts were understated by \$19,812. These amounts were adjusted per Finding 2024-001.

We recommend the Village closely monitor the monthly reports to ensure the proper amounts are paid into and out of (if applicable) the proper funds.

Officials’ Response: The Village will record the necessary adjustments to first allocate the inside portion of the electric kilowatt hour tax receipt in the General Fund, as required.

VILLAGE OF MARSHALLVILLE

7 N. Main Street
P. O. Box 169
Marshallville, OH 44645

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2023**

Finding Number	Year Initially Occurred	Finding Summary	Status	Additional Information
2022-001	2016	<u>Material Weakness – Financial Statement Presentation</u> – Sound financial reporting is essential to ensure the information provided to the readers of the financial statements is complete and accurate. The Village had numerous adjustments to the accounting system and financial statements.	Not Corrected	Repeated as Finding 2023-001; as adjustments were necessary to properly state financial statement amounts.
2022-002	2022	<u>Noncompliance</u> - Ohio Revised Code Section 5705.36, in part, requires Fiscal Officers to certify to the County Auditor the total amount from all sources which are available for expenditures from each fund in the tax budget along with any unencumbered balances that existed at the end of the preceding year. The Village did not properly re-certify audited unencumbered fund balances to the County Auditor as of January 1, 2021.	Corrective Action Taken and Finding is Fully Corrected	N/A
2022-003	2020	<u>Material Weakness/Noncompliance – Legal Level of Control</u> : Ohio Revised Code Section 5705.38(C) requires the following minimum level of budgetary control for “subdivisions” other than schools: “Appropriation measures shall be classified so as to set forth separately the amounts appropriated for each office, department, and division, and, within each, the amount appropriated for personal services.” The Village appropriations were approved at the Fund/Department level for the general fund and at the fund level for all other funds.	Not Corrected	Repeated as Finding 2023-002; as the Village did not approve its appropriations at the minimum legal level of control required by the Ohio Revised Code.
2022-004	2018	<u>Material Weakness/Noncompliance – Receipt of Funds and Kilowatt Hour Tax Receipts</u> – Ohio Revised Code Sections 5705.10(D) and 5705.10(I) stipulate the requirements of certain receipts of funds and the use of such funds. The Village did not properly record the inside portion of the electric kilowatt hour tax receipts in the Village’s General fund.	Not Corrected	Repeated as Finding 2023-003; as the Village did not properly record the inside portion of the electric kilowatt hour tax receipts in the General Fund.

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF MARSHALLVILLE

WAYNE 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 2/10/2026

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