

MONROE TOWNSHIP
LICKING COUNTY, OHIO

REGULAR AUDIT

**FOR THE YEARS ENDED
DECEMBER 31, 2022 & 2021**



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Columbus, Ohio 43215
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Members of the Board of Trustees
Monroe Township
9444 Woodhaven Rd
Johnstown, OH 43031

We have reviewed the *Independent Auditor's Report* of Monroe Township, Licking County, prepared by Julian & Grube, Inc., for the audit period January 1, 2021 through December 31, 2022. 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 Monroe Township is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

December 08, 2023

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**MONROE TOWNSHIP
LICKING COUNTY, OHIO**

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Independent Auditor's Report

Monroe Township
Licking County
7621 Johnstown-Alexandria Road
Johnstown, Ohio 43031

To the Members of the Board of Trustees:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the cash balances, receipts, and disbursements for each governmental fund type of Monroe Township, Licking County, Ohio, as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts, and disbursements for each governmental fund type of Monroe Township, as of and for the years ended December 31, 2022 and 2021 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 Monroe Township, as of December 31, 2022 and 2021, or changes in net position, thereof for the years 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 Monroe Township and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 2 of the financial statements, the financial statements are prepared by Monroe Township 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 meet the requirements of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C). The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

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

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 Monroe Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Monroe Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Monroe Township
Licking County
Independent Auditor's Report

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2023 on our consideration of Monroe Township'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 Monroe Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Monroe Township's internal control over financial reporting and compliance.



Julian & Grube, Inc.
October 6, 2023

**MONROE TOWNSHIP
LICKING COUNTY, OHIO**

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (CASH BASIS) - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Governmental Fund Types					Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Permanent	
Cash receipts:						
Local Taxes	\$ 203,090	\$ 1,756,812	\$ 225,419	\$ -	\$ -	\$ 2,185,321
Intergovernmental	52,694	535,947	3,550	227,385	-	819,576
Special assessments	-	224,823	-	-	-	224,823
Charges for services	-	1,733,941	-	-	-	1,733,941
Licenses, permits and fees	17,945	-	-	-	-	17,945
Earnings on Investments	19,433	1,008	-	6,905	2	27,348
Miscellaneous	5,940	73,620	-	18,273	-	97,833
Total cash receipts	<u>299,102</u>	<u>4,326,151</u>	<u>228,969</u>	<u>252,563</u>	<u>2</u>	<u>5,106,787</u>
Cash disbursements:						
Current:						
General Government	247,222	10,956	3,216	-	-	261,394
Public Safety	-	3,576,459	-	-	-	3,576,459
Public Works	1,290	246,656	-	-	-	247,946
Health	11,618	59,817	-	-	-	71,435
Capital Outlay	15,721	179,758	-	294,883	-	490,362
Debt service:						
Principal Retirement	4,900	143,485	70,000	-	-	218,385
Interest & Fiscal Charges	456	60,760	139,100	-	-	200,316
Total cash disbursements	<u>281,207</u>	<u>4,277,891</u>	<u>212,316</u>	<u>294,883</u>	<u>-</u>	<u>5,066,297</u>
Excess of receipts over (under) disbursements	<u>17,895</u>	<u>48,260</u>	<u>16,653</u>	<u>(42,320)</u>	<u>2</u>	<u>40,490</u>
Net change in fund cash balances	17,895	48,260	16,653	(42,320)	2	40,490
Fund cash balances, January 1, 2022	<u>107,600</u>	<u>1,875,769</u>	<u>130,963</u>	<u>162,805</u>	<u>8,342</u>	<u>2,285,479</u>
Fund cash balances, December 31, 2022	<u>\$ 125,495</u>	<u>\$ 1,924,029</u>	<u>\$ 147,616</u>	<u>\$ 120,485</u>	<u>\$ 8,344</u>	<u>\$ 2,325,969</u>

THE NOTES TO THE FINANCIAL STATEMENTS IS AN INTEGRAL PART OF THIS STATEMENT

Monroe Township
Licking County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2022

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Monroe Township, Licking County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services.

The Township contracts with Jersey Township, Liberty Township, and McKean Township to provide fire services and to provide ambulance services.

Public Entity Risk Pool

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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

Fire Fund- The fire fund accounts for and reports EMS runs and tax restricted for fire department day to day business.

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

Fire Station Bond Retirement Fund- The fire station bond retirement fund accounts for and reports resources restricted for the retirement of debt issued to finance the construction of a new fire station and administrative office.

Monroe Township
Licking County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies- (Continued)

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

Fire Bond for Station Fund- The fire bond for station fund accounts for and reports other financing sources to pay for costs associated with the construction of a new township fire station and administrative office.

Public Works Commission Project Fund- The public works commission project fund accounts for and reports resources restricted for approved Ohio Public Works Commission (OPWC) construction projects.

Permanent Funds These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Township had the following significant permanent fund:

Cemetery Endowment Fund – The cemetery endowment fund accounts for and reports interest earned on the nonexpendable corpus from a trust agreement restricted for the general maintenance and upkeep of the Township's cemetery.

Basis of Accounting

This financial statement follows 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 Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

Budgetary Process

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

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

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

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

A summary of 2022 budgetary activity appears in Note 3.

Monroe Township
Licking County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies- (Continued)

Deposits and Investments

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

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

Capital Assets

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

Accumulated Leave

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

Leases

The Township is the lessee in various leases (as defined by GASB 87) related to buildings, vehicles, and other equipment under noncancelable leases. Lease revenue/disbursements are recognized when they are received/paid. See Note 9 for a summary of 2022 activity.

Fund Balance

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

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

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

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

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

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

Monroe Township
Licking County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies- (Continued)

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

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

Note 3 – Budgetary Activity

Budgetary activity for the year ending 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$318,196	\$299,102	(\$19,094)
Special Revenue	4,314,826	4,326,151	11,325
Debt Service	247,272	228,969	(18,303)
Capital Projects	271,995	252,563	(19,432)
Permanent	17	2	(15)
Total	\$5,152,306	\$5,106,787	(\$45,519)

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$414,472	\$282,200	\$132,272
Special Revenue	6,050,104	4,439,149	1,610,955
Debt Service	294,512	212,316	82,196
Capital Projects	416,527	296,035	120,492
Permanent	0	0	0
Total	\$7,175,615	\$5,229,700	\$1,945,915

Note 4 – Deposits and Investments

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

	2022
<i>Cash Management Pool:</i>	
Demand deposits	\$1,337,589
Certificates of deposit	8,344
Total deposits	1,345,933
STAR Ohio	980,036
Total investments	980,036
Total deposits and investments	\$2,325,969

The Township also has accounts held outside of the deposit pool for retainage related to construction contracts.

Monroe Township
Licking County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2022

Note 4 – Deposits and Investments- (Continued)

Deposits

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

Investments

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

Note 5 – Property Taxes

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

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

Note 6 – Risk Management

Workers' Compensation

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

Risk Pool Membership

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

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

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

	<u>2022</u>
Cash and investments	\$32,288,098
Actuarial liabilities	\$9,146,434

Monroe Township
Licking County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2022

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

All 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 postemployment healthcare and survivor and disability benefits.

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

Ohio Police and Fire Retirement System

The Township's certified Fire Fighters belong to the Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postemployment healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Township contributed to OP&F an amount equal to 24 percent of full-time fire fighters' wages. The Township has paid all contributions required through December 31, 2022.

Social Security

Intermittent fire department 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 Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2022.

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2022, portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2022. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

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

Monroe Township
Licking County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2022

Note 9 – Debt

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

<u>Description</u>	<u>Fund</u>	<u>Interest</u> <u>Rate</u>	<u>2022</u>
Salt Building	Road & Bridge	4.65%	\$ 4,900
2015 Fire Truck	Fire Special Levy	3.44%	1,088
Administrative Building Bonds, Series 2019	Fire Station Bond Retirement	4.00%	4,140,000
2019 John Deere Excavator	Road & Bridge and Cemetery	5.50%	23,887
Township Emergency & Administrative Bonds, Series 2020	Fire Special Levy	3.05%	1,585,000
2021 Fire Truck	Fire Special Levy	2.05%	499,288
Total			<u>\$ 6,254,163</u>

In 2013, a general obligation note in the amount of \$49,000 from the Heartland Bank was used to purchase a building for salt storage and related equipment for the Road and Bridge Fund. In 2022, the General Fund paid the principal and interest due. Payments are made annually with 4.65% interest. The note is collateralized by the building. Principal retirements during 2022 amounted to \$4,900.

In 2019, a general obligation bond in the amount of \$4,600,000 was issued for the construction of a fire station and administrative office. Payments are made annually with 4.00% interest from the Fire Station Bond Retirement Fund. Principal retirements during 2022 amounted to \$70,000.

In 2020, a general obligation bond in the amount of \$1,700,000 was issued for the construction of a fire station and administrative office. Payments are made annually with 3.05% interest from the Fire Special Levy Fund. Principal retirements during 2022 amounted to \$45,000.

Leases

In 2015, a lease purchase agreement was entered into with Park National Bank, in the amount of \$500,000, for a new fire truck and related equipment from the Fire Special Levy Fund. In 2022, the Fire Special Levy Fund paid the principal and interest due. Payments are made annually with a 3.44% interest. Principal retirements during 2022 amounted to \$41,089.

In 2019, a lease purchase agreement was entered into with John Deere Credit, in the amount of \$45,567, for an excavator for the Road & Bridge and Cemetery Funds. In 2022, the Road & Bridge and Cemetery Funds paid the principal amount due. Payments are made annually with 5.50% interest. Principal retirements during 2022 amounted to \$5,219.

In 2021, a loan was entered into with Huntington Public Capital Corporation, in the amount of \$551,466, for the purpose of entering into a lease purchase agreement for a new fire truck. Payments will be made annually with 2.05% interest from the Fire Special Levy Fund. Principal retirements during 2022 amounted to \$52,178.

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Monroe Township
Licking County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2022

Note 9 – Debt- (Continued)

Amortization

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

Year Ending December 31:	Leases	General Obligation Note	General Obligation Bonds
2023	68,137	5,128	314,185
2024	68,137	-	314,584
2025	68,137	-	319,659
2026	68,137	-	314,381
2027	61,317	-	318,980
2028 - 2032	245,266	-	1,652,631
2033 - 2037	-	-	1,711,175
2038 -2042	-	-	1,717,720
2043 - 2047	-	-	1,471,878
2048	-	-	247,200
Total	\$579,131	\$5,128	\$8,382,393

Note 10 – Contingent Liabilities

The Township is defendant in several lawsuits. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially adversely affect the Township’s financial condition.

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

Note 11 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June, 2021 while the national state of emergency ended April 2023. During 2022, the Township received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. The impact on the Township’s future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

Note 12 – Fund Balances

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

Monroe Township
Licking County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2022

Note 12 – Fund Balances- (Continued)

Fund Balances	General	Special Revenue	Debt Service	Capital Projects	Permanent	Total
Nonspendable:						
Corpus	-	-	-	-	8,344	8,344
Outstanding Encumbrances	993	161,258	-	1,152	-	163,403
Total	\$ 993	\$ 161,258	\$ -	\$ 1,152	\$ 8,344	\$ 171,747

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue, debt service, capital projects, and permanent funds would including the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**MONROE TOWNSHIP
LICKING COUNTY, OHIO**

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (CASH BASIS) - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Governmental Fund Types					Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Permanent	
Cash receipts:						
Local Taxes	\$ 195,909	\$ 1,700,970	\$ 241,859	\$ -	\$ -	\$ 2,138,738
Intergovernmental	47,680	624,778	4,198	-	-	676,656
Special assessments	-	85,454	-	-	-	85,454
Charges for services	-	1,534,958	-	-	-	1,534,958
Licenses, permits and fees	17,383	-	-	-	-	17,383
Earnings on Investments	567	17	-	788	5	1,377
Miscellaneous	27,550	54,820	-	-	-	82,370
Total cash receipts	<u>289,089</u>	<u>4,000,997</u>	<u>246,057</u>	<u>788</u>	<u>5</u>	<u>4,536,936</u>
Cash disbursements:						
Current:						
General Government	264,459	-	3,483	-	-	267,942
Public Safety	-	3,262,814	-	-	-	3,262,814
Public Works	1,380	262,959	-	-	-	264,339
Health	12,221	57,794	-	-	-	70,015
Capital Outlay	14,000	1,020,381	-	1,881,009	-	2,915,390
Debt service:						
Principal Retirement	4,900	159,344	65,000	-	-	229,244
Interest & Fiscal Charges	-	57,385	141,700	-	-	199,085
Total cash disbursements	<u>296,960</u>	<u>4,820,677</u>	<u>210,183</u>	<u>1,881,009</u>	<u>-</u>	<u>7,208,829</u>
Excess of receipts over (under) disbursements	<u>(7,871)</u>	<u>(819,680)</u>	<u>35,874</u>	<u>(1,880,221)</u>	<u>5</u>	<u>(2,671,893)</u>
Other financing receipts/(disbursements):						
Proceeds from loans	-	551,216	-	-	-	551,216
Proceeds from sale of assets	-	18,126	-	-	-	18,126
Other sources	97	-	-	-	-	97
Total other financing receipts/(disbursements)	<u>97</u>	<u>569,342</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>569,439</u>
Net change in fund cash balances	(7,774)	(250,338)	35,874	(1,880,221)	5	(2,102,454)
Fund cash balances, January 1, 2021 (Restated)	115,374	2,126,107	95,089	2,043,026	8,337	4,387,933
Fund cash balances, December 31, 2021	<u>\$ 107,600</u>	<u>\$ 1,875,769</u>	<u>\$ 130,963</u>	<u>\$ 162,805</u>	<u>\$ 8,342</u>	<u>\$ 2,285,479</u>

THE NOTES TO THE FINANCIAL STATEMENT IS AN INTEGRAL PART OF THIS STATEMENT.

Monroe Township
Licking County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2021

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Monroe Township, Licking County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services.

The Township contracts with Jersey Township, Liberty Township, and McKean Township to provide fire services and to provide ambulance services.

Public Entity Risk Pool

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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

Fire Fund- The fire fund accounts for and reports EMS runs and tax restricted for fire department day to day business.

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

Fire Station Bond Retirement Fund- The fire station bond retirement fund accounts for and reports resources restricted for the retirement of debt issued to finance the construction of a new fire station and administrative office.

Monroe Township
Licking County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies- (Continued)

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

Fire Bond for Station Fund- The fire bond for station fund accounts for and reports other financing sources to pay for costs associated with the construction of a new township fire station and administrative office.

Permanent Funds These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Township had the following significant permanent fund:

Cemetery Endowment Fund – The cemetery endowment fund accounts for and reports interest earned on the nonexpendable corpus from a trust agreement restricted for the general maintenance and upkeep of the Township's cemetery.

Basis of Accounting

This financial statement follows 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 Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

Budgetary Process

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

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

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

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

A summary of 2021 budgetary activity appears in Note 3.

Deposits and Investments

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

Monroe Township
Licking County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies- (Continued)

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

Capital Assets

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

Accumulated Leave

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

Fund Balance

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

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

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

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

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

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

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

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

Monroe Township
Licking County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2021

Note 3 – Budgetary Activity

Budgetary activity for the year ending 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$328,905	\$289,186	(\$39,719)
Special Revenue	4,405,662	4,570,339	164,677
Debt Service	292,660	246,057	(46,603)
Capital Projects	190,182	788	(189,394)
Permanent	17	5	(12)
Total	\$5,217,426	\$5,106,375	(\$111,051)

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$391,361	\$297,930	\$93,431
Special Revenue	6,268,952	5,013,356	1,255,596
Debt Service	304,025	210,183	93,842
Capital Projects	2,051,693	1,919,384	132,309
Permanent	0	0	0
Total	\$9,016,031	\$7,440,853	\$1,575,178

Note 4 – Deposits and Investments

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

	2021
<i>Cash Management Pool:</i>	
Demand deposits	\$1,302,652
Certificates of deposit	8,342
Total deposits	1,310,994
STAR Ohio	974,485
Total investments	974,485
Total deposits and investments	\$2,285,479

The Township also has accounts held outside of the deposit pool for retainage related to construction contracts.

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.

Investments

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

Monroe Township
Licking County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2021

Note 5 – Property Taxes

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

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

Note 6 – Risk Management

Workers' Compensation

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

Risk Pool Membership

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

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

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

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

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

All 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 postemployment healthcare and survivor and disability benefits.

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

Monroe Township
Licking County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2021

Note 7 – Defined Benefit Pension Plans- (Continued)

Ohio Police and Fire Retirement System

The Township’s certified Fire Fighters belong to the Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include postemployment healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Township contributed to OP&F an amount equal to 24 percent of full-time fire fighters’ wages. The Township has paid all contributions required through December 31, 2021.

Social Security

Intermittent fire department 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 Township contributed an amount equal to 6.2 percent of participants’ gross salaries. The Township has paid all contributions required through December 31, 2021.

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2021, portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2021. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

Note 9 – Debt

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

<u>Description</u>	<u>Fund</u>	<u>Interest</u> <u>Rate</u>	<u>2021</u>
Salt Building	Road & Bridge	4.65%	\$ 9,800
2015 Fire Truck	Fire Special Levy	3.44%	42,177
Administrative Building Bonds, Series 2019	Fire Station Bond Retirement	4.00%	4,210,000
2019 John Deere Excavator	Road & Bridge and Cementery	5.50%	29,105
Township Emergency & Administrative Bonds, Series 2020	Fire Special Levy	3.05%	1,630,000
2021 Fire Truck	Fire Special Levy	2.05%	551,466
Total			<u><u>\$ 6,472,548</u></u>

In 2013, a general obligation note in the amount of \$49,000 from the Heartland Bank was used to purchase a building for salt storage and related equipment for the Road and Bridge Fund. In 2021, the General Fund paid the principal amount while the Road and Bridge Fund paid the interest due. Payments are made annually with 4.65% interest. The note is collateralized by the building. Principal retirements during 2021 amounted to \$4,900.

Monroe Township
Licking County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2021

Note 9 – Debt- (Continued)

In 2019, a general obligation bond in the amount of \$4,600,000 was issued for the construction of a fire station and administrative office. Payments are made annually with 4.00% interest from the Fire Station Bond Retirement Fund. Principal retirements during 2021 amounted to \$65,000.

In 2020, a general obligation bond in the amount of \$1,700,000 was issued for the construction of a fire station and administrative office. Payments are made annually with 3.05% interest from the Fire Special Levy Fund. Principal retirements during 2021 amounted to \$70,000.

Leases

In 2015, a lease purchase agreement was entered into with Park National Bank, in the amount of \$500,000, for a new fire truck and related equipment from the Fire Special Levy Fund. In 2021, the Fire Special Levy Fund paid the principal and interest due. Payments are made annually with a 3.44% interest. Principal retirements during 2021 amounted to \$84,380.

In 2019, a lease purchase agreement was entered into with John Deere Credit, in the amount of \$45,567, for an excavator for the Road & Bridge and Cemetery Funds. In 2021, the Road & Bridge and Cemetery Funds paid the principal amount due. Payments are made annually with 5.50% interest. Principal retirements during 2021 amounted to \$4,965.

In 2021, a loan was entered into with Huntington Public Capital Corporation, in the amount of \$551,466, for the purpose of entering into a lease purchase agreement for a new fire truck. Payments will be made annually with 2.05% interest from the Fire Special Levy Fund. Principal payments will start in 2022.

Amortization

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

Year Ending December 31:	Leases	General Obligation Note	General Obligation Bonds
2022	\$ 111,047	\$ 5,356	\$ 303,434
2023	68,137	5,128	314,185
2024	68,137	-	314,584
2025	68,137	-	319,659
2026	68,137	-	314,381
2027 - 2031	306,583	-	1,634,858
2032 - 2036	-	-	1,708,076
2037 -2041	-	-	1,712,446
2042 - 2046	-	-	1,572,904
2047 - 2048	-	-	491,300
Total	\$690,178	\$10,484	\$8,685,827

Note 10 – Contingent Liabilities

The Township is defendant in several lawsuits. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially adversely affect the Township's financial condition.

Monroe Township
Licking County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2021

Note 10 – Contingent Liabilities- (Continued)

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

Note 11 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June, 2021 while the national state of emergency ended April 2023. During 2021, the Township received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. The impact on the Township’s future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

Note 12 – Fund Balances

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

Fund Balances	General	Special Revenue	Debt Service	Capital Projects	Permanent	Total
Nonspendable:						
Corpus	-	-	-	-	8,342	8,342
Outstanding Encumbrances	970	192,679	-	38,375	-	232,024
Total	\$ 970	\$ 192,679	\$ -	\$ 38,375	\$ 8,342	\$ 240,366

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue, debt service, capital projects, and permanent funds would including the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 13 – Prior Period Restatement

During 2021, the Township contacted payees with long outstanding checks and determined the checks needed voided and re-issued. As a result, the old checks should be removed from the list of reconciling items. The determination had the following effect on the financial statement fund balances at December 31, 2020.

	<u>Special Revenue</u>
December 31, 2020	\$ 2,125,701
Checks removed from reconciling items	<u>406</u>
January 1, 2021 - restated	<u>\$ 2,126,107</u>

**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***

Monroe Township
Licking County
7621 Johnstown-Alexandria Road
Johnstown, Ohio 43013

To the Members of the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type of Monroe Township, Licking County, Ohio, as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements and have issued our report thereon dated October 6, 2023, wherein we noted as described in Note 2 to the financial statements, Monroe Township 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 Monroe Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Monroe Township's internal control. Accordingly, we do not express an opinion on the effectiveness of Monroe Township's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Monroe Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Monroe Township

Licking 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*

Monroe Township's Response to Finding

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

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 Monroe Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Monroe Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.

October 6, 2023

**MONROE TOWNSHIP
LICKING COUNTY, OHIO**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2022-001

Financial Reporting – Material Weakness:

Accurate financial reporting is required in order to provide management and other stakeholders with objective and timely information to enable well-informed decisions.

In order to properly state financial statement amounts, certain adjustments were made to the Townships financial statements and related notes for the years ended December 31, 2022 and 2021.

In general, an accounting and information system should be designed to provide management with accurate and timely information to enable well-informed business decisions to be made. The present system lacks fiscal oversight and approvals and fails to meet the above expectations.

We recommend the Township implement additional internal controls to help ensure receipts and disbursements are properly recorded and reflected in the Township’s records. We further recommend the Township implement additional internal controls over financial reporting to help ensure accurate financial reports throughout the year and at year end. We also recommend the Township consult their auditors, local government services or UAN for proper posting of transactions if questions arise.

Client Response: The Township will attempt to properly post all transactions in the future. The Fiscal Officer will consult the Township Handbook and/or a consulting firm when unusual/or infrequent transactions occur. Further, the Township will consider obtaining an additional review of financial statements and notes prior to submitting to the Hinkle system.

**MONROE TOWNSHIP
LICKING COUNTY, OHIO**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2022 AND 2021**

Finding Number	Year Initially Occurred	Finding Summary	Fully Corrected?	Additional Information
2020-001	2012	<u>Financial Reporting - Material Weakness</u> - The Township had audit adjustments necessary to properly record activity on the financial statements.	No	Repeated as finding 2022-001; Audit adjustments were necessary in 2022 and 2021.

OHIO AUDITOR OF STATE KEITH FABER



MONROE TOWNSHIP

LICKING COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 12/21/2023

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

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