



OHIO AUDITOR OF STATE
KEITH FABER





INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Richland Township
Vinton County
58009 US Highway 50
McArthur, Ohio 45651

We have performed the procedures enumerated below on the Richland Township's, Vinton County, Ohio (the Township) receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2021 and 2020 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the Township. The Township is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2021 and 2020 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Township.

The Board of Trustees and the management of the Township have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of providing assistance in the evaluation of the Township's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2021 and 2020, and certain compliance requirements related to these transactions and balances. No other party acknowledged the appropriateness of the procedures. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of the report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. The sufficiency of the procedures is solely the responsibility of the parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

For the purposes of performing these procedures, this report only describes exceptions exceeding \$10.

The procedures and the associated findings are as follows:

Cash

1. We recalculated the December 31, 2021 and December 31, 2020 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2020 beginning fund balances for each opinion unit recorded in the Fund Status Report to the December 31, 2019 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2021 beginning fund balances for each fund recorded in the Fund Status Report to the December 31, 2020 balances in the Fund Status Report. We found no exceptions.
3. We agreed the 2021 and 2020 Bank Reconciliation adjusted UAN Balances and Adjusted Bank Balances as of December 31, 2021 and 2020 to the total fund cash balances reported in the Fund Status Report and the financial statements filed by the Township in the Hinkle System. The amounts agreed.

Cash (Continued)

4. We confirmed the December 31, 2021 bank account balance with the Township's financial institution. We found no exceptions. We also agreed the confirmed balances to the amount appearing in the December 31, 2021 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) from the December 31, 2021 bank reconciliation:
 - a. We traced each debit to the subsequent January and February bank statements. We noted check number 8743 dated December 19, 2019 for \$50 still has not cleared.
 - b. We traced the amounts and dates to the check register, and determined the debits were dated prior to December 31. We found no exceptions.
6. We inspected the Fund Status Report to determine whether the Findings For Adjustment identified in the prior audit report, due from the Motor Vehicle License Tax and Gasoline Tax funds, payable to the General fund, was properly posted to the ledgers and reflected in the fund balances in Procedure 2. We found no exceptions.

Property Taxes and Intergovernmental Receipts

1. We selected a total of five receipts from the *Statement of Semiannual Apportionment of Taxes*, State Distribution Transaction Lists (DTL), and the County Auditor DTLs for 2021 and a total of five from 2020:
 - a. We compared the amount from the above named reports to the amount recorded in the Receipt Register Report. The amounts agreed.
 - b. We inspected the Receipt Register Report to determine these receipts were allocated to the proper funds as required by Ohio Rev. Code §§ 5705.05-.06 and 5705.10. We found no exceptions.
 - c. We inspected the Receipt Register Report to determine whether the receipt was recorded in the proper year. The receipt was recorded in the proper year. We found no exceptions.
2. We inspected the Receipt Register Report to determine whether it included two real estate tax receipts for 2021 and 2020. The Receipt Register Report included the proper number of tax receipts for each year. We found no exceptions.

Debt

1. The prior audit documentation disclosed no debt outstanding as of December 31, 2019.
2. We inquired of management, and inspected the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2021 or 2020 or debt payment activity during 2021 or 2020. All debt agreed to the summary we used in procedure 3. We noted the debt outstanding at December 31, 2021 and 2020 did not meet the criteria for an allowable debt type for Townships per Ohio Rev. Code § 133. The Ohio Revised Code contains various methods of incurring debt for Townships. Installment loans and promissory notes with banking institutions are not legal methods of debt for Townships.
3. We obtained a summary of loan debt activity for 2021 and 2020 and agreed principal and interest payments from the related debt amortization schedule to the Gasoline Tax Fund payments in 2021 and Motor Vehicle License Tax Fund and Gasoline Tax Fund payments in 2020 reported in the Payment Register Detail Report. We also compared the date the debt service payments were due to the date the Township made the payments. We found no exceptions.

Debt (Continued)

4. We agreed the amount of debt proceeds received for 2020 from the debt documents to amounts recorded in the Gasoline Tax Fund per the Receipt Register Report. The amounts agreed.
5. For new debt issued during 2020, we inspected the debt legislation, which stated the Township must use the proceeds to purchase a truck. We inspected the Payment Register Detail Report and observed the Township purchased a truck in January 2020.

Payroll Cash Disbursements

1. We selected one payroll check for five employees from 2021 and one payroll check for five employees from 2020 from the Wage Withholdings Detail Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Wage Detail Report to supporting documentation (timecard, legislatively or statutorily-approved rate or salary).
 - i. We inspected the employees' personnel files and/or minute record for the Retirement system, Federal, State & Local income tax withholding authorization. We found no exceptions.
 - ii. We agreed these items to the information used to compute gross and net pay related to this check.

We found three exceptions in 2021 and two exceptions in 2020 where timesheets were not completed for Township employees and two exceptions in 2021 and one exception in 2020 where the hiring of the employees and pay rate could not be supported. Therefore, we were unable to compare the hours worked and pay rate to supporting documentation.
 - b. We inspected the fund and account codes to which the check was posted to determine the posting was allowable based on the employees' duties as documented in the employees' personnel files and/or minute record. We found no exceptions.
 - c. We confirmed the payment was posted to the proper year. We found no exceptions.
2. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2021 to confirm remittances were timely paid, and if the amounts paid agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding period of 2021. We observed the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare	January 31, 2022	December 21, 2021	\$649	\$649
State income taxes	January 15, 2022	December 21, 2021	\$265	\$265
OPERS retirement	January 30, 2022	December 21, 2021	\$1,220	\$1,220

We found no exceptions.

Payroll Cash Disbursements (Continued)

3. For the pay periods ended October 2021 and May 2020, we
 - a. Recomputed the allocation of the Fiscal Officer's and Boards' salary amounts to the General, Gasoline Tax, and Cemetery Funds per the Wage Detail Report.
 - b. Traced the Boards' pay for time or services performed to supporting certifications the Revised Code requires.

We found three exceptions in 2021 and four exceptions 2020 where the Township did not allocate a portion of October 2021 and May 2020 salaries to the General Fund.

4. We compared total gross pay for the fiscal officer and each board member for 2021 and 2020 to the compensation permitted by Ohio Revised Code §§ 507.09 and 505.24, respectively. We found the fiscal officer Danny Mac Minton was over compensated by \$26 in 2021. Former Trustee Bledsoe was overcompensated by \$160 in 2020. Trustee Lowe was over compensated in 2020 and 2021 by \$234 and \$44, respectively, for a total of \$278. Trustee Faught was overcompensated by \$44 in 2021. Trustee Stevens was over compensated by \$41 in 2021.

Ohio Rev. Code 507.09(A) provides a township fiscal officer shall be entitled to compensation as follows: in Township's having a budget of more than five hundred thousand but not more than seven hundred and fifty thousand dollars, sixteen thousand four hundred and thirty-one dollars for Fiscal Officers elected or appointed on or after December 27, 2018; and in Township's having a budget of more than seven hundred and fifty thousand but not more than one million five hundred thousand, nineteen thousand seven hundred and seventeen dollars for Fiscal Officers elected or appointed on or after December 27, 2018.

The Township's annual budget was between \$500,000.01-\$750,000 from January 1, 2021 through October 11, 2021 and between \$750,000.01-\$1,500,000 from October 12, 2021 through December 31, 2021. The Fiscal Officer's term was April 1, 2020 through March 31, 2024. Based on this, the Fiscal Officer Danny Mac Minton should have been paid \$1,369.25 monthly for January through September; \$486 for October 1, 2021 through October 11, 2021 and \$1,060 for October 12, 2021 through October 31, 2021 for a total of \$1,546 for the month; and \$1,643.08 monthly for November and December 2021. This is a grand total salary for 2021 of \$17,155. The Fiscal Officer was paid \$17,181 which resulted in an overpayment of \$26.

Under Ohio law, public officials are strictly liable for all public money received or collected by them or their subordinates under color of law. Ohio Rev. Code § 9.39; *Cordray v. Internatl. Preparatory School*, 128 Ohio St.3d 50 (2010).

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery is hereby issued for public money illegally expended against Danny Mac Minton, Township Fiscal Officer in the amount of \$26, in favor of the Richland Township's General Fund.

Mr. Minton repaid the \$26 finding referenced above on October 4, 2022 check number 3098. This was repaid to the Township's General Fund on October 7, 2022 receipt number 95-2022.

Payroll Cash Disbursements (Continued)

Ohio Rev. Code § 505.24(A) provides, in calendar year 2018 each township trustee is entitled to compensation in an amount for each day of service in the business of the township, to be paid from the township treasury as follows: In townships having a budget of more than two hundred fifty thousand but not more than five hundred thousand dollars, forty-six dollars and eighty cents per day for not more than two hundred days; In townships having a budget of more than five hundred thousand but not more than seven hundred fifty thousand dollars, forty-nine dollars and sixty-three cents per day for not more than two hundred days; In Townships having a budget of more than seven hundred and fifty thousand but not more than one million five hundred thousand, fifty-six dollars and seventy-one cents per day for not more than two hundred days. In calendar year 2019 and in each calendar year thereafter through calendar year 2028, the amounts paid as specified in division (A) of this section shall be increased by one and three-quarters per cent.

The Township's annual budget was between \$250,000.01-\$500,000 for January 1, 2020 through August 31, 2020 and between \$500,000.01-\$750,000 for September 1, 2020 - December 31, 2020. Based on these budget amounts, Ohio Rev. Code §505.24(A) limits the annual salary of Township Trustees to \$9,360 for officials who were elected prior to December 27, 2018 and \$9,690 for officials who were elected after December 27, 2018 for an annual budget between \$250,000.01-\$500,000 and an annual salary of Township Trustees to \$9,926 for officials who were elected prior to December 27, 2018 and \$10,276 for officials who were elected after December 27, 2018.

Former Trustee Bledsoe had a term of May 12, 2020 through July 7, 2020 and current Trustee Lowe had a term of August 10, 2020 through December 31, 2023. In addition, current Trustee Faught had a term of July 28, 2020 through December 31, 2021 and current Trustee Stevens had a term of January 1, 2018 through December 31, 2021.

For 2020, Trustee Keith Bledsoe should have received a total salary of \$1,511 for his pro-rated term in office of May 12, 2020 through July 7, 2020; however, he was paid \$1,671, resulting in an overpayment of \$160. In addition, Trustee Lowe should have received a total salary of \$3,998 for his pro-rated term in office of August 10, 2020 - December 31, 2020; however, he was paid \$4,232, resulting in an overpayment of \$234.

Further, for 2021, the Township annual budget was between \$500,000.01-\$750,000 for January 1, 2021 through October 11, 2021 and between \$750,000.01 through \$1,500,000 for October 12, 2021 through December 31, 2021.

Based on these budget amounts, Ohio Rev. Code §505.24(A) limits the annual salary of Township Trustees to \$9,926 for officials who were elected prior to December 27, 2018 and \$10,456 for officials who were elected after December 27, 2018 for an annual budget between \$500,000.01-\$750,000 and an annual salary of Township Trustees to \$11,342 for officials who were elected prior to December 27, 2018 and \$11,948 for officials who were elected after December 27, 2018.

For 2021, Trustees Glendon Lowe and Travis Faught should have received a total salary of \$10,784, however they were each paid \$10,828 for 2021, resulting in an overpayment of \$44 each. In addition, Trustee Wilford Stevens should have received a total salary of \$10,238, however, he was paid \$10,279, resulting in an overpayment of \$41.

This resulted in Trustee Bledsoe, Lowe, Faught, and Stevens each being overpaid a total of \$160, \$278, \$44, and \$41 for the audit period.

Payroll Cash Disbursements (Continued)

Under Ohio law, public officials are strictly liable for all public money received or collected by them or their subordinates under color of law. Ohio Rev. Code § 9.39; *Cordray v. Internatl. Preparatory School*, 128 Ohio St.3d 50 (2010).

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery is hereby issued for public money illegally expended against Keith Bledsoe, former Township Trustee in the amount of \$160, in favor of the Richland Township's Gasoline Tax and Cemetery funds in the amount of \$141 and \$19, respectively.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery is hereby issued for public money illegally expended against Glendon Lowe, Township Trustee in the amount of \$278, in favor of the Richland Township's General, Gas Tax, and Cemetery funds in the amount of \$15, \$239, and \$24, respectively.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery is hereby issued for public money illegally expended against Travis Faught, Township Trustee, in the amount of \$44, in favor of the Richland Township's General, Gasoline Tax, and Cemetery funds in the amount of \$3, \$38, and \$3, respectively.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery is hereby issued for public money illegally expended against Wilford Stevens, Township Trustee in the amount of \$41, in favor of the Richland Township's General, Gasoline Tax, and Cemetery funds in the amount of \$3, \$35, and \$3, respectively.

Mr. Faught repaid the \$44 finding referenced above on September 30, 2022 by payroll deduction on his September salary on check number 9569 by \$44. This amount was repaid to the Township's General, Gasoline Tax, and Cemetery Funds in the amount of \$3, \$38, and \$3, respectively on October 7, 2022 receipt number 96-2022. Mr. Stevens repaid the \$41 finding referenced above on September 30, 2022 by payroll deduction on his September salary check number 9571 by \$41. This amount was repaid to the Township's General, Gasoline Tax, and Cemetery Funds in the amount of \$3, \$35, and \$3, respectively on October 7, 2022 receipt number 96-2022.

Mr. Minton repaid the \$160 finding referenced above for Mr. Bledsoe and the \$278 finding referenced above for Mr. Lowe for on October 4, 2022 check number 3098. This amount was repaid to the Township's General, Gasoline Tax, and Cemetery Funds in the amount of \$15, \$380, and \$43, respectively on October 7, 2022 receipt number 95-2022.

5. We inquired of management and inspected the Payment Register Detail Report for the years ended December 31, 2021 and 2020 to determine if township employees and/or trustees were reimbursed for out-of-pocket insurance premiums. No such reimbursements occurred.

Non-Payroll Cash Disbursements

We selected 10 disbursements from the Payment Register Detail Report for the year ended December 31, 2021 and 10 from the year ended 2020 and determined whether:

- a. The disbursements were for a proper public purpose. We found no exceptions.
- b. The check number, date, payee name and amount recorded on the returned, canceled check agreed to the check number, date, payee name and amount recorded in the Payment Register Detail Report and to the names and amounts on the supporting invoices.

Non-Payroll Cash Disbursements (Continued)

We found one exception where the invoice was not made available for disbursement and we could not agree the payee name and amount recorded on the canceled check and recorded on the Payment Register Detail to the name and amount on the supporting invoice.

- c. The payment was posted to a fund consistent with the restricted purpose for which the fund's cash can be used. We found no exceptions.
- d. The fiscal officer certified disbursements requiring certification or issued a *Then and Now Certificate*, as required by Ohio Rev. Code § 5705.41(D). We found six instances where the certification date was after the vendor invoice date, and there was also no evidence that a *Then and Now Certificate* was issued. Ohio Rev. Code § 5705.41(D) requires certifying at the time of a commitment, which should be on or before the invoice date, unless a *Then and Now Certificate* is used. Because we did not inspect all disbursements requiring certification, our report provides no assurance whether or not additional similar errors occurred.

Compliance – Budgetary

1. Ohio Rev. Code § 5705.41(B) prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total approved appropriations (Ohio Rev. Code §§ 5705.38 and 5705.40) plus any carryover appropriations for the years ended December 31, 2021 and 2020 for the General, Motor Vehicle License Tax, and Gasoline Tax funds as recorded in the Appropriation Status Report. General Fund and Gasoline Tax Fund expenditures for 2020 exceeded total appropriations by \$8,759 and \$7,156, contrary to Ohio Rev. Code § 5705.41(B).
2. We inspected the Cash Summary by Fund Report for the years ended December 31, 2021 and 2020 for negative cash fund balances. Ohio Rev. Code § 5705.10 (I) provides that money paid into a fund must be used for the purposes for which such fund is established. As a result, a negative fund cash balance indicates that money from one fund was used to cover the expenses of another. No funds had a negative cash fund balances.

Sunshine Law Compliance

1. We inquired with Township management and determined that the Township did not have a public records policy during the engagement period as required by Ohio Rev. Code § 149.43(e)(2).
2. We inquired with Township management and determined that the Township did not have any completed public records requests during the engagement period.
3. We inquired with Township management and determined that the Township did not have a records retention schedule during the engagement period and therefore could not make it readily available to the public as required by Ohio Rev. Code § 149.43(B)(2).
4. We inquired with Township management and determined that the Township did not have a public records policy during the engagement period therefore could not provide it to the records custodian/manager as required by Ohio Rev. Code § 149.43(E)(2).
5. We inquired with Township management and determined that the Township did not have a public records policy during the engagement period therefore it could not be included in a policy manual as required by Ohio Rev. Code § 149.43(E)(2).

Sunshine Law Compliance (Continued)

6. We inquired with Township management and determined that the Township did not have a public records policy during the engagement period therefore it could not be displayed in all the branches of the Township as required by Ohio Rev. Code § 149.43(E)(2).
7. We inquired with Township management and determined that the Township did not have any applications for record disposal submitted to the Records Commission during the engagement period.
8. We inspected individual proof of attendance and determined whether each elected official in accordance with Ohio Rev. Code § 149.43(E)(1) (or his/her designee) successfully attended a certified three-hour Public Records Training for each term of office as required by Ohio Rev. Code § 109.43(B). We found two officials did not attend the required training during their term ended during the engagement period.
9. We inspected the public notices for the public meetings held during the engagement period and determined the Township notified the general public and news media of when and where meetings during the engagement period were to be held as required by Ohio Rev. Code § 121.22(F). We found no exceptions.
10. We inspected the minutes of public meetings during the engagement period in accordance with Ohio Rev. Code § 121.22(C) and determined whether they were:
 - a. Prepared – a file is created following the date of the meeting
 - b. Filed – placed with similar documents in an organized manner
 - c. Maintained - retained, at a minimum, for the engagement period
 - d. Open to public inspection – available for public viewing or request.We found no exceptions.
11. We inspected the minutes from the engagement period in accordance with Ohio Rev. Code § 121.22(G) and determined the following:
 - a. Executive sessions were only held at regular or special meetings.
 - b. The purpose of the meetings and going into an executive session (when applicable) correlated with one of the matters listed in Ohio Rev. Code § 121.22(G).
 - c. Formal governing board actions were adopted in open meetings.We found no exceptions.

Other Compliance

1. Ohio Rev. Code § 117.38 requires townships to file their financial information in the HINKLE system within 60 days after the close of the fiscal year. This statute also permits the Auditor of State to extend the deadline for filing a financial report and establish terms and conditions for any such extension. Auditor of State established policies regarding the filing of complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System. We confirmed the Township filed their complete financial statements, as defined by AOS Bulletin 2015-007 and Auditor of State established policy, within the allotted timeframe for the years ended December 31, 2021 and 2020 in the Hinkle system. We found no exceptions.
2. We inspected the Fiscal Integrity Act Portal (<http://www.ohioauditor.gov/fiscalintegrity/default.html>) to determine whether the fiscal officer obtained the training required by Ohio Rev. Code §§ 507.12 and 733.81. Fiscal Officer did not obtain the required 2 hours of ethics training for his term ended March 31, 2020.

We were engaged by the Township to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the AICPA and the Comptroller General of the United States' *Government Auditing Standards*. We were not engaged to, and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Township's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Township and to meet our ethical responsibilities, in accordance with the ethical requirements established by the Comptroller General of the United States' *Government Auditing Standards* related to our agreed upon procedures engagement.



Keith Faber
Auditor of State
Columbus, Ohio

October 6, 2022

OHIO AUDITOR OF STATE KEITH FABER



RICHLAND TOWNSHIP

VINTON 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 11/10/2022

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