



OHIO AUDITOR OF STATE
KEITH FABER



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Thorn Township
Perry County
P.O. Box 419
Thornville, Ohio 43076

We have performed the procedures enumerated below on the Thorn Township's, Perry County, Ohio (the Township) receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2022 and 2021 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, 2022 and 2021 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, 2022 and 2021, 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 and Investments

1. We recalculated the December 31, 2022 and December 31, 2021 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2021 beginning fund balances for each fund recorded in the Cash Summary by Fund Report to the December 31, 2020 balances in the prior year documentation in the prior year Agreed-Upon Procedures working papers. We found a variance of \$362 in the General Fund and Gasoline Tax Fund due to the Township posting a fund balance adjustment as a result of the prior year Agreed-Upon Procedures and a variance of \$737 in the Fire District Fund due to the Township voiding a check from a prior period. We also agreed the January 1, 2022 beginning fund balances for each fund recorded in the Cash Summary by Fund Report to the December 31, 2021 balances in the Cash Summary by Fund Report. We found no exceptions.

Cash and Investments (Continued)

3. We agreed the 2022 and 2021 Bank Reconciliation UAN Balances and Adjusted Bank Balances as of December 31, 2022 and 2021 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.
4. We confirmed the December 31, 2022 bank account balances with the Township's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2022 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) from the December 31, 2022 bank reconciliation:
 - a. We traced each debit to the subsequent January bank statement. We found no exceptions.
 - 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 Balance Adjustment Report to determine whether the Finding For Adjustment identified in the prior agreed-upon procedures report, due from the General Fund, payable to the Gasoline Tax Fund, was properly posted to the ledgers and reflected in the fund balances in Procedure 2. We found no exceptions.
7. We inspected investments held at December 31, 2022 and December 31, 2021 to determine that they:
 - a. Were of a type authorized by Ohio Rev. Code § 135.13, 135.14, 135.144 or 135.145. We found no exceptions
 - b. Mature within the prescribed time limits noted in Ohio Rev. Code § 135.13 or 135.14. We found no exceptions.

Property Taxes and Intergovernmental Cash Receipts

1. We selected a total of five receipts from the *Statement of Semiannual Apportionment of Taxes*, State Distribution Transaction Lists (DTL), and the Perry County Auditor Appropriation History Report for 2022 and a total of five from 2021:
 - a. We compared the amount from the above named reports to the amount recorded in the Receipt Register Report. The amounts agreed, except a reimbursement receipt in the amount of \$7,500 from the Ohio Department of Natural Resources was recorded as a negative expenditure against check number 13944 rather than as a receipt in 2022. Because we did not inspect all receipts, our report provides no assurance regarding whether or not other similar errors occurred.
 - 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, except for the receipt noted in step 1a above was not recorded in the Receipt Register Report, although it was recorded in the proper fund.
 - 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, except for the receipt noted in step 1a above was not recorded in the Receipt Register Report, although it was recorded in the proper year.
2. We inspected the Receipt Register Report to determine whether it included two real estate tax receipts for 2022 and 2021. The Receipt Register Report included the proper number of tax receipts for each year. We found no exceptions.

Other Receipts

We selected 10 other receipts from the year ended December 31, 2022 and 10 other receipts from the year ended 2021 and:

- a. Agreed the receipt amount recorded in the Receipt Register Report to supporting documentation. The amounts agreed.
- b. Confirmed the amounts charged complied with rates in force during the period. We found no exceptions.
- c. Inspected the Receipt Register Report to determine the receipt was posted to the proper funds and was recorded in the proper year. We found one receipt recorded in January 2021 that appeared to be received December 2020.

Debt

1. The prior agreed-upon procedures documentation disclosed no debt outstanding as of December 31, 2020.
2. We inquired of management and inspected the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2022 or 2021 or debt payment activity during 2022 or 2021. There were no new debt issuances, nor any debt payment activity during 2022 or 2021.

Payroll Cash Disbursements

1. We selected one payroll check for five employees from 2022 and one payroll check for five employees from 2021 from the Wage 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). We found three Trustees were overcompensated in 2022 and 2021. Refer to step 4.
 - 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 as required by statute. We found no exceptions.
 - c. We confirmed the payment was posted to the proper year. We found no exceptions.
2. We selected three new employees and Board of Trustees from 2022 and three employees from 2021 and:
 - a. We inspected the employees'/Board of Trustees' personnel files for the Retirement system, Federal, State & Local income tax withholding authorization.
 - b. We agreed the items in a above to the Wage Detail Report.We found no exceptions.
3. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2022 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 2022. We observed the following:

Payroll Cash Disbursements (Continued)

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	January 31, 2023	December 30, 2022	\$3,035	\$3,035
State income taxes	January 15, 2023	December 29, 2022	\$1,757	\$1,757
OPERS retirement	January 30, 2023	December 29, 2022	\$3,958	\$3,958
OP&F retirement	January 31, 2023	December 30, 2022	\$7,352	\$7,352

We found no exceptions.

- We compared total gross pay for the fiscal officer and each board of trustee for 2022 and 2021 to the compensation permitted by Ohio Revised Code §§ 507.09 and 505.24, respectively. We found the Fiscal Officer, Billie Dearlove, was undercompensated by \$403 in 2022. Trustees Charles Boring, Richard Wilson, and Robert Coleman were overcompensated by \$2,398 each in 2022. Additionally, Trustee Robert Coleman was overcompensated by \$2,628 in 2021.

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 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 for 2022 was between \$1,500,000-\$3,500,000. Based on this budget amount, Ohio Rev. Code §505.24(A) limits the annual salary of Township Trustees to \$13,374 for officials.

The Township's annual budget for 2021 was between \$1,500,000-\$3,500,000. Based on this budget amount, Ohio Rev. Code §505.24(A) limits the annual salary of Township Trustees to \$12,478 for officials who were elected prior to December 27, 2018, and \$13,144 for officials elected after December 27, 2018.

The terms of office for Trustee Richard Wilson and Trustee Charles Boring were January 1, 2022 through December 31, 2025.

The term of office for Trustee Robert Coleman was January 1, 2020, through December 31, 2023.

For 2022, Trustees Charles Boring, Richard Wilson, and Robert Coleman should have received a total salary of \$13,374, however they were each paid \$15,772 resulting in an overpayment of \$2,398 each.

For 2021, Trustee Robert Coleman should have received a total salary of \$13,144, however he was paid \$16,212 resulting in an overpayment of \$3,068. The prior Agreed-Upon Procedures engagement identified an underpayment that occurred totaling \$440, therefore the total overpayment netted to \$2,628.

Payroll Cash Disbursements (Continued)

This resulted in Trustee Robert Coleman being overpaid a total of \$5,026.

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 Richard Wilson, Township Trustee, in the amount of \$2,398, in favor of the Thorn Township's, Perry County General Fund.

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 Charles Boring, Township Trustee, in the amount of \$2,398, in favor of the Thorn Township's, Perry County General Fund.

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 Robert Coleman, Township Trustee, in the amount of \$5,026, in favor of the Thorn Township's, Perry County General Fund.

Trustee Richard Wilson repaid the \$2,398 finding referenced above on November 2, 2023 to the Township's General Fund via receipt number 103-2023. Trustee Charles Boring repaid the \$2,398 finding referenced above on November 1, 2023 to the Township's General Fund via receipt number 105-2023. Trustee Robert Coleman repaid the \$5,026 finding referenced above on November 2, 2023 to the Township's General Fund via receipt number 106-2023.

5. We inquired of management and inspected the Payment Register Detail Report for the years ended December 31, 2022 and 2021 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, 2022 and 10 from the year ended 2021 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, or bank statement if EFT, 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. We found no exceptions.
- 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 no exceptions.

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, 2022 and 2021 for the General, Motor Vehicle License Tax and EMS Funds as recorded in the Appropriation Status Report. Expenditures did not exceed appropriations.
2. We inspected the Appropriation Ledger Report for the UB Cemetery Permanent Fund. Not more than 5% of non-spendable monies were released, spent, or otherwise modified during the engagement period.

Compliance – Budgetary (Continued)

3. We inspected the Cash Summary by Fund Report for the years ended December 31, 2022 and 2021 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 balance.

Sunshine Law Compliance

1. We obtained and inspected the Township's Public Records Policy to determine the policy was in accordance with Ohio Rev. Code §§ 149.43(E)(2) and 149.43(B)(7(c)) and did not limit the number of responses that may be made to a particular person, limit the number of responses during a specified period of time, or establish a fixed period of time before it will respond unless that period is less than eight hours. We found no exceptions.
2. We selected three public records requests from the engagement period and inspected each request to determine the following:
 - a. The Township was compliant and responded to the request in accordance with their adopted policy as required by Ohio Rev. Code § 149.43(B)(1). We found no exceptions.
 - b. The Township did not have any denied public records requests during the engagement period.
 - c. The Township did not have any public records requests with redactions 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 inspected written evidence that the Public Records Policy was provided to the records custodian/manager as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
5. We inspected the Township's policy manual and determined the public records policy was not included as required by Ohio Rev. Code § 149.43(E)(2).
6. We inquired with management and determined the Township's poster describing their Public Records Policy was displayed conspicuously in all branches of the Township as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
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 no exceptions.
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.

Sunshine Law Compliance (Continued)

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:
- Prepared – a file is created following the date of the meeting
 - Filed – placed with similar documents in an organized manner
 - Maintained - retained, at a minimum, for the engagement period
 - 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:
- Executive sessions were only held at regular or special meetings.
 - 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).
 - Formal governing board actions were adopted in open meetings.

We found no exceptions.

HB 481 / HB 614 Coronavirus Relief Fund (CRF) Compliance

We inquired of management and those charged with governance and documented how the Township decided to spend their CRF allocations and how the Township documented their compliance with the CARES Act three-prong test. We then selected five transactions including payroll, non-payroll, and subgrant/subloan transactions and determined the Township:

- Spent the CRF money (including additional distributions or redistributions) in accordance with use of funds requirements and
- Maintained appropriate supporting documentation.

We found no exceptions.

Contract Compliance

- We inspected the Minutes and Vendor/Payee Payment Register Report and identified the Township had expenditures subject to competitive bidding. We found no exceptions.
- We selected one contract over \$45,000 for 2022 and one for 2021 and
 - We inspected the contract and other bids for the contracted expenditure and determined:
 - The Township accepted the lowest bid and met the requirements of Ohio Rev. Code §5575.01.
 - No bid splitting occurred.
 - No deliberate attempts to evade bid limitations occurred, such as successive contracts just under the bid amount, occurred.
 - No apparent interest in the contract by a public official occurred.

We found no exceptions.

Other Compliance

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, 2022 and 2021 in the Hinkle system. We found no exceptions.

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

November 13, 2023

OHIO AUDITOR OF STATE KEITH FABER



THORN TOWNSHIP

PERRY 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 11/28/2023

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