



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Nile Township  
Scioto County  
P.O. Box 100  
Friendship, Ohio 45630

We have performed the procedures enumerated below on the Nile Township's (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 fund recorded in the Fund Ledger Report to the December 31, 2019 balances in the prior year documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2021 beginning fund balances for each fund recorded in the Fund Ledger Report to the December 31, 2020 balances in the Fund Ledger 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.
4. We observed the year-end bank balance on the financial institution's website. The balance agreed. We also agreed the confirmed balances to the amounts 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 bank statements. 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.

**Property Taxes, Intergovernmental and Other Confirmable 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 County Auditor's Audit Trail Reports 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. From the prior agreed-upon procedures documentation, we observed the following bonds were outstanding as of December 31, 2019. These amounts agreed to the Townships January 1, 2020 balances on the summary we used in procedure 3.

| Issue                  | Principal outstanding as of December 31, 2019: |
|------------------------|--|
| 2010 Fire Station Bond | \$503,347                                      |
| 2012 Fire Station Bond | \$55,000                                       |

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.
3. We obtained a summary of bonds debt activity for 2021 and 2020 and agreed principal and interest payments from the related debt amortization schedules to General and Special Levy Fire funds payments 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.

**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 for the Retirement system, Federal, State & Local income tax withholding authorization.
    - ii. We agreed these items to the information used to compute gross and net pay related to this check.
 We found no exceptions.

- 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 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<br>(plus employer share, where applicable)   | Date Due         | Date Paid         | Amount Due | Amount Paid |
|--|------------------|-------------------|------------|-------------|
| Federal income taxes & Medicare<br>(and social security, for employees not enrolled in pension system) | January 31, 2022 | December 28, 2021 | \$1,824.39 | \$1,824.39  |
| State income taxes   | January 15, 2022 | December 28, 2021 | \$386.41   | \$386.41    |
| OPERS retirement   | January 30, 2022 | December 28, 2021 | \$5,257.59 | \$5,257.59  |

We found no exceptions.

- 3. 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 two trustees were each over compensated by \$666 in year 2021 and \$440 in year 2020. In addition, we found the Fiscal Officer was over compensated by \$193 in year 2020.

**Repaid Under Audit**

**Ohio Rev. Code § 505.24(A)(5)**, states “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 one million five hundred thousand but not more than three million five hundred thousand dollars, sixty-two dollars and thirty-nine cents per day for not more than two hundred days.” **Ohio Rev. Code § 505.24(B)** provides that in calendar year 2019 and in each calendar year thereafter through calendar year 2028, the compensation determined under division (A) of this section shall be increased by one and three-quarters per cent.

**Ohio Rev. Code § 507.09(A)(5)** provides that, in Townships having a budget of more than one million five hundred thousand but not more than three million five hundred thousand dollars, the Fiscal Officer salary shall be twenty-one thousand eight hundred thirty-six dollars.

**Ohio Rev. Code § 507.09(B)** provides that in calendar year 2019 and in each calendar year thereafter through calendar year 2028, the compensation determined under division (A) of this section shall be increased by one and three-quarters per cent.

**Ohio Attorney General Opinion No. 99-015** provides, in part, that “for the purposes of calculating the authorized compensation of the Township Trustees pursuant to **Ohio Rev. Code § 505.24**, the term ‘budget’ refers to the total amount of resources available to the Township pursuant to the official certificate of estimated resources or amendments to the certificate.”

**Ohio Constitution, Article II, § 20** provides the general assembly, in cases not provided for in the constitution, shall fix the term of office and the compensation of all officers; but no change therein shall affect the salary of any officer during his existing term, unless the office be abolished.

The Township's budget was between one million five hundred thousand and three million five hundred thousand dollars from January 1, 2021 through December 31, 2021. Trustee salaries were calculated based on the 2021 rate despite their new terms not taking effect until January 1, 2022.

Trustees Craig Opperman and Matthew Reiser each should have received a total salary of \$12,478 in 2021; however, each were paid \$13,144, resulting in an overpayment of \$666 each.

The Township's budget was between one million five hundred thousand and three million five hundred thousand dollars from January 1, 2020 through December 31, 2020. Trustee salaries were calculated based on the 2020 rate despite their new terms not taking effect until January 1, 2022. In addition, the Fiscal Officer paid himself at the 2020 rate for the entire year despite his new term not taking effect until April 1, 2020.

Trustees Craig Opperman and Matthew Reiser each should have received a total salary of \$12,478 in 2020; however, each were paid \$12,918, resulting in an overpayment of \$440 each. Fiscal Officer Christopher Norman should have received a total salary of \$22,414 in 2020; however, he was paid \$22,607, resulting in an overpayment of \$193.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Fiscal Officer, Christopher Norman in the amount of \$193; Trustee Craig Opperman in the amount of \$1,106; and Trustee Matthew Reiser in the amount of \$1,106, and in favor of Nile Township's General Fund in the amount of \$2,405.

On July 15, 2022, all of the above Findings for Recovery were repaid to the Township in full via check numbers 1021, 2437 and 6011. The repayment was receipted into the Township's accounting system General Fund on July 19, 2022. The Findings for Recovery are considered paid in full.

4. 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**

1. 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. 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, 2021 and 2020 for the General, Cemetery and Coronavirus Relief funds as recorded in the Appropriation Status Report. Expenditures did not exceed appropriations.

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 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.
  - a. We inquired with Township management and determined that the Township did not have any completed public records requests during the engagement period.
  - 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 whether the Township had a records retention schedule, and observed that it was readily available to the public as required by Ohio Rev. Code § 149.43(B)(2). We found no exceptions.
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 included as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
6. We observed that 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.
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 for 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.

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

1. 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:
- a. Spent the CRF money (including additional distributions or redistributions) in accordance with use of funds requirements and
  - b. Maintained appropriate supporting documentation.
- We found no exceptions.
2. We inquired with management and inspected the Appropriation Ledgers Report to determine the local government did not have an unencumbered balance of money to pay back to the county treasurer. 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 inquired of the fiscal officer to determine whether the fiscal officer obtained the training required by Ohio Rev. Code §§ 507.12 and 733.81. Fiscal Officer obtained the required training.

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.



Nile Township  
Scioto County  
Independent Accountants' Report on  
Applying Agreed-Upon Procedures  
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A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber  
Auditor of State  
Columbus, Ohio  
August 2, 2022



# OHIO AUDITOR OF STATE KEITH FABER



**NILE TOWNSHIP**

**SCIOTO 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 8/23/2022**

88 East Broad Street, Columbus, Ohio 43215  
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This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)