



OHIO AUDITOR OF STATE
KEITH FABER



**PAINT TOWNSHIP
FAYETTE COUNTY**

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REPORT ON THE FINANCIAL STATEMENTS, INTERNAL CONTROL, AND COMPLIANCE

Paint Township
Fayette County
4 Cross Street
Bloomingburg, Ohio 43106

To the Board of Trustees:

We have selectively tested certain accounts, financial records, reports and other documentation of Paint Township, Fayette County, (the Township), as of and for the years ended 2024 and 2023. These procedures were designed to satisfy the audit requirements of Ohio Rev. Code § 117.11, and Ohio Admin. Code 117-4-02. Our engagement was not designed as a basis to opine on the accompanying financial statements, internal control over financial reporting, or compliance. We therefore express no opinions on these matters.

Internal Control Over Financial Reporting

Certain of the aforementioned tests relate to internal control over financial reporting. The results of those tests may allow us to identify internal control deficiencies. An internal control deficiency exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements, whether caused by error or fraud.

Our internal control tests were not designed to identify all internal control deficiencies that might exist. Therefore, unidentified weaknesses may exist. However, we consider finding 2024-003 and 2024-004 reported in the Schedule of Findings to be an internal control deficiency management and those charged with governance should address.

Compliance and Other Matters

We also tested compliance with certain provisions of laws, regulations, contracts, and grant agreements, applicable to the Township, noncompliance with which could directly and materially affect the determination of financial statement amounts. The results of our tests disclosed instances of noncompliance we believe could directly and materially affect the determination of financial statement amounts that we reported in the Schedule of Findings as items 2024-001 through 2024-003 and 2025-005.

KEITH FABER
Ohio Auditor of State

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

August 21, 2025

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

| | General | Special Revenue | Combined Total |
|--|------------------|--------------------|--------------------|
| Cash Receipts | | | |
| Property and Other Local Taxes | \$17,898 | \$31,084 | \$48,982 |
| Intergovernmental | 16,513 | 175,933 | 192,446 |
| Earnings on Investments | 607 | 681 | 1,288 |
| Miscellaneous | 527 | | 527 |
| <i>Total Cash Receipts</i> | <i>35,545</i> | <i>207,698</i> | <i>243,243</i> |
| Cash Disbursements | | | |
| Current: | | | |
| General Government | 75,640 | | 75,640 |
| Public Safety | | 56,226 | 56,226 |
| Public Works | | 108,518 | 108,518 |
| Health | 1,500 | 17,795 | 19,295 |
| Human Services | | 8,728 | 8,728 |
| <i>Total Cash Disbursements</i> | <i>77,140</i> | <i>191,267</i> | <i>268,407</i> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <i>(41,595)</i> | <i>16,431</i> | <i>(25,164)</i> |
| <i>Fund Cash Balances, January 1</i> | <i>183,880</i> | <i>1,150,273</i> | <i>1,334,153</i> |
| <i>Fund Cash Balances, December 31</i> | <i>\$142,285</i> | <i>\$1,166,704</i> | <i>\$1,308,989</i> |

See accompanying notes to the basic financial statements

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Paint Township
Fayette County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Paint Township, Fayette County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township also has an elected Township Fiscal Officer.

The Township provides general government services, road and bridge maintenance, and cemetery maintenance. The Township contracts with the BPM Joint Fire District to provide fire services.

Public Entity Risk Pools and Related Organizations

The Township participates in the Ohio Risk Management Authority (OTARMA) public entity risk pool. Note 7 to the financial statements provide additional information for this entity.

The Township's management believes these financial statements present all activities for which the Township is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types.

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 Funds:

Gas Tax Fund The gas tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

Road and Bridge Fund The road and bridge fund accounts for and reports property tax (inside millage) committed for the construction, reconstruction, resurfacing, and repair of roads and bridges within the Township.

Paint Township
Fayette County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The 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).

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

Budgetary Process

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

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or 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 canceled and reappropriated in the subsequent year.

A summary of 2024 budgetary activity appears in Note 4.

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.

Capital Assets

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

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:

Paint Township
Fayette County
Notes to the Financial Statements
For the Year Ended December 31, 2024

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.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2024 follows:

| 2024 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|-------------------|------------------|-----------------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$37,735 | \$35,545 | (\$2,190) |
| Special Revenue | 185,315 | 207,698 | 22,383 |
| Total | \$223,050 | \$243,243 | \$20,193 |

| 2024 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|-------------------------|------------------------|--------------------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$229,290 | \$77,140 | \$152,150 |
| Special Revenue | 1,301,600 | 191,267 | 1,110,333 |
| Total | \$1,530,890 | \$268,407 | \$1,262,483 |

Paint Township
Fayette County
Notes to the Financial Statements
For the Year Ended December 31, 2024

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:

| | <u>2024</u> |
|-------------------------------------|------------------|
| <i>Cash Management Pool:</i> | |
| Demand deposits | \$129,815 |
| Certificates of deposit | 39,669 |
| Money Market Account | 1,139,505 |
| Total deposits | <u>1,308,989</u> |

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Township.

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 Township's policy. The Pool covers the following risks:

- General liability and casualty

Paint Township
Fayette County
Notes to the Financial Statements
For the Year Ended December 31, 2024

- Public official's liability
- Cyber
- Law Enforcement
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

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

| | 2023 |
|-----------------------|--------------|
| Cash and investments | \$33,494,457 |
| Actuarial liabilities | \$10,855,549 |

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

All Township employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2024.

Note 8 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. 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 2024. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2024.

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.

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Paint Township
Fayette County, Ohio
*Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)*
All Governmental Fund Types
For the Year Ended December 31, 2023

| | General | Special Revenue | Combined Total |
|--|------------------|--------------------|--------------------|
| Cash Receipts | | | |
| Property and Other Local Taxes | \$14,827 | \$46,522 | \$61,349 |
| Intergovernmental | 19,767 | 161,482 | 181,249 |
| Earnings on Investments | 829 | 513 | 1,342 |
| Miscellaneous | 2,981 | - | 2,981 |
| <i>Total Cash Receipts</i> | <u>38,404</u> | <u>208,517</u> | <u>246,921</u> |
| Cash Disbursements | | | |
| Current: | | | |
| General Government | 61,587 | - | 61,587 |
| Public Works | | 171,567 | 171,567 |
| Health | 1,570 | 42,000 | 43,570 |
| Capital Outlay | | 12,000 | 12,000 |
| <i>Total Cash Disbursements</i> | <u>63,157</u> | <u>225,567</u> | <u>288,724</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>(24,753)</u> | <u>(17,050)</u> | <u>(41,803)</u> |
| <i>Fund Cash Balances, January 1</i> | <u>208,633</u> | <u>1,167,323</u> | <u>1,375,956</u> |
| <i>Fund Cash Balances, December 31</i> | <u>\$183,880</u> | <u>\$1,150,273</u> | <u>\$1,334,153</u> |

See accompanying notes to the basic financial statements

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Paint Township
Fayette County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Paint Township, Fayette County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township also has an elected Township Fiscal Officer.

The Township provides general government services, road and bridge maintenance, and cemetery maintenance. The Township contracts with the BPM Joint Fire District to provide fire services.

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Paint Township
Fayette County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The 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).

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

Budgetary Process

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

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or 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 canceled and reappropriated in the subsequent year.

A summary of 2023 budgetary activity appears in Note 4.

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Fayette County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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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.

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Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2023 follows:

| 2023 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|-------------------|------------------|-----------------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$35,000 | \$38,404 | \$3,404 |
| Special Revenue | 191,930 | 208,517 | 16,587 |
| Total | \$226,930 | \$246,921 | \$19,991 |

| 2023 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|-------------------------|------------------------|--------------------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$380,000 | \$63,157 | \$316,843 |
| Special Revenue | 1,028,000 | 225,567 | 802,433 |
| Total | \$1,408,000 | \$288,724 | \$1,119,276 |

Paint Township
Fayette County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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:

| | <u>2023</u> |
|-------------------------------------|------------------|
| <i>Cash Management Pool:</i> | |
| Demand deposits | \$110,305 |
| Certificates of deposit | 39,630 |
| Money Market Account | 1,184,218 |
| Total deposits | <u>1,334,153</u> |

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Township.

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 Township's policy. The Pool covers the following risks:

- General liability and casualty

Paint Township
Fayette County
Notes to the Financial Statements
For the Year Ended December 31, 2023

- Public official's liability
- Cyber
- Law Enforcement
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

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

| | 2023 |
|-----------------------|--------------|
| Cash and investments | \$33,494,457 |
| Actuarial liabilities | \$10,885,549 |

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

All Township employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2023.

Note 8 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. 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 2023. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2023.

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.

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PAINT TOWNSHIP
FAYETTE COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2024 AND 2023

| | |
|-----------------------|----------|
| <i>Finding Number</i> | 2024-001 |
|-----------------------|----------|

Noncompliance – Public Records Policy and Public Records Training

Ohio Rev. Code § 149.43(E)(2) provides that every public office must have a policy in place for responding to public records requests. Generally, a public records policy cannot: (1) limit the number of public records the office will make available to a single person; (2) limit the number of public records the office will make available during a fixed period of time; and (3) establish a fixed period of time before the office will respond to a request for inspection/copying of public records unless that period is less than eight hours. However, pursuant to **Ohio Rev. Code § 149.43(B)(7)(c)**, the policy may limit the number of public records the public office will physically deliver by U.S. Mail or other delivery service to ten per month unless the person certifies to the office in writing that the person does not intend to use or forward the requested records, or the information contained in them, for commercial purposes. “Commercial” is narrowly construed and does not include reporting or gathering news, reporting or gathering information to assist citizen oversight or understanding of the operation or activities of government, or nonprofit educational research.

Ohio Rev. Code § 149.43(E)(2) further requires all public offices take certain actions with regard to their public record policy. Public offices must distribute their Public Records Policy to the employee who is the records custodian/manager or otherwise has custody of the records of that office and have that employee acknowledge receipt of the Public Records Policy; create and display in a conspicuous place in all locations where the public office has branch offices a poster describing the public records policy; and, if the public office has a manual or handbook of its general policies and procedures for all employees, include the public records policy in that manual or handbook.

The Township does not have a formal written policy that would demonstrate compliance with the Ohio Revised Code. This could result in records requests not being fulfilled in accordance with Ohio law.

The Township should establish a public records policy. The policy shall be distributed to the records custodian/manager and the Township should have a written acknowledgement of receipt from the records custodian/manager. In addition, a poster describing the public records policy must be conspicuously displayed in the Township’s office and the public records policy must be included in policy manuals or handbooks if any exist.

Pursuant to **Ohio Rev. Code § 109.43(E)(2)**, the Ohio Attorney General has developed and provided to all public offices a model public records policy for responding to public records requests. The policy, which is available at <https://www.ohioattorneygeneral.gov/Files/Government-Entities/Model-Public-Records-Policy.aspx>, provides guidance to public offices in developing their own policies for responding to public records requests in compliance with the Public Records Act.

Ohio Rev. Code §§ 109.43(B) and 149.43(E)(1) require all state and local elected officials, or their designees, to attend 3 hours of training on Ohio’s Public Records Laws during each term of office. The training received must be certified by the Ohio Attorney General. Proof of completion of training must include documentation either from the Attorney General’s Office or from another entity certified by the Attorney General to provide the training to the elected official or his/her designee. Attendees who successfully complete the training will receive a certificate to serve as proof of training.

FINDING NUMBER 2024-001
(Continued)

None of the Township's elected officials have attended a required Certified Public Records Training or had an appropriate designee attend a training during their term in office, due to deficiencies in internal controls over public record laws training procedures and monitoring. This could result in improper education of public offices regarding the offices' duties related to public records requests as well as improper withholding of information from stakeholders.

The elected officials, or their designee, should, during their term of office, attend public records training and maintain proof of completion of the training.

Ohio Rev. Code § 149.43(B)(2) requires a public office to have a copy of its current records retention schedule at a location readily available to the public.

The Township has not established or created a records retention schedule. The Township should create a records retention schedule and ensure it is readily available to the public.

Officials' Response:

The Township Officials did not respond to the finding above.

| | |
|-----------------------|----------|
| <i>Finding Number</i> | 2024-002 |
|-----------------------|----------|

Noncompliance – Fiscal Officer Training Requirements

Ohio Rev. Code § 507.12(B) and (C) and the Fiscal Integrity Act (FIA) requires a newly elected or appointed township fiscal officer to complete at least six hours of initial education programs before commencing, or during the first year of, office. A township fiscal officer who participates in a training program held under section 117.44 of the Revised Code may apply those hours taken before commencing office to the six hours of initial education programs required under this division. In addition to the six hours of initial education required a newly elected township fiscal officer shall complete at least a total of eighteen continuing education hours during the township fiscal officer's first term of office. Re-elected fiscal officers must complete 12 hours of continuing education courses before the end of each subsequent term (including 2 hours of ethics training). Fiscal officers who fall under the requirements include township fiscal officers.

Ohio Administrative Code § 117-14-01(A) establishes that if the fiscal officer is appointed to fill a vacancy, the total hours for training will be based on the amount of time left in the unexpired term.

The current fiscal officer was appointed in January of 2020 to complete the term of the prior fiscal officer which ended on March 31, 2022, then was elected for the position for the new term of April 1, 2022 to March 31, 2026. Since being appointed and then elected to the position, the current fiscal officer has not completed any of the required training. The Fiscal Integrity Act was enacted to raise the bar of accountability for fiscal officers across the State. The law helps deter accounting errors and fraud with increased training requirements.

The current fiscal officer should prioritize obtaining the proper training for the office held to meet State requirements.

FINDING NUMBER 2024-002
(Continued)

Officials' Response:

The Township Officials did not respond to the finding above.

| | |
|-----------------------|----------|
| <i>Finding Number</i> | 2024-003 |
|-----------------------|----------|

Internal Control Deficiency and Noncompliance – Posting Errors

Ohio Rev. Code § 5705.10(D) provides in part that all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose.

Due to the lack of controls over financial reporting, the following errors were noted during the audit:

- In 2024 and 2023, the Township incorrectly posted their real estate and manufactured home tax settlement receipts at net rather than gross. These receipts should be recorded at gross amounts and the deductions should be recorded as disbursements for the Township's records.
- In 2024, the Township incorrectly allocated Homestead and Rollback receipts posting the entire receipt amount of \$12,412 in the General Fund as Property Taxes. The totals of \$9,439 and \$2,973 should have been allocated to Road and Bridge as intergovernmental receipts and the General Fund as intergovernmental receipts, respectively.
- In 2023, the Township incorrectly allocated Homestead and Rollback receipts for the year. The first receipt was posted entirely to the General Fund as Property Taxes in the amount of \$6,212, while \$4,667 should have been allocated to the Road and Bridge Fund as intergovernmental revenue and \$1,545 should have been posted as General Fund intergovernmental revenue. The second Homestead and Rollback receipt was allocated and posted into each fund of the Township as interest. The receipt should have been posted as intergovernmental in the amount of \$1,418 for the General Fund and \$4,767 for Road and Bridge.
- In 2023 and 2024, the Township incorrectly classified \$1,963 and \$2,272, respectively, of Permissive Motor Vehicle License (PMVL) revenue as Property Taxes Revenue instead of Intergovernmental Revenue.
- In 2024, the Township incorrectly posted \$25,855 in Real Estate revenue to the General Fund that should have been posted to the Road and Bridge Fund.
- In 2024, the Township posted \$10,123 in Local Government and Supplemental funds as Property Taxes instead of Intergovernmental receipts in the General Fund.
- In 2024, the Township improperly posted Permissive Motor Vehicle License (PMVL) Tax revenue totaling \$217 to the Road and Bridge fund rather than the PMVL Fund.
- In 2023, the Township improperly posted a 5% Permissive Motor Vehicle License revenue in the amount of \$642 to the General Fund.

The Township did not have procedures in place for effective monitoring of the Township's financial activity. The Township fiscal officer has sole responsibility over accounting and reporting. It is important that the Board take an active role in monitoring the posting of financial activity. Failure to accurately post and monitor financial activity increases the risk that errors, theft and fraud could occur and not be detected in a timely manner.

FINDING NUMBER 2024-003
(Continued)

The Township corrected the financial statements and accounting records, where appropriate. Due care should be exercised when posting entries to the financial records. Township officials should review the chart of accounts to assure that items are being posted to the proper account codes and fund.

Officials' Response:

The Township Officials did not respond to the finding above.

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|-----------------------|----------|
| <i>Finding Number</i> | 2024-004 |
|-----------------------|----------|

Internal Control Deficiency – Minute Records

It is also the duty of the Fiscal Officer to have the minutes of the previous meetings properly completed so that the minutes can be approved at the subsequent meeting, including being signed as approved by the Board Chairperson and Fiscal Officer.

We noted the following conditions related to the Township's minutes:

- During 2024 – two meetings were not signed by the Chairperson; no meetings recorded the review and approval of the minutes for the prior Board meetings.
- During 2023 – three meetings were not signed by the Chairperson; no meetings recorded the review and approval of the minutes for the prior Board meetings.

The Township should include in their Board meeting minutes a review and approval of the minutes from the prior meeting along with a notation of any changes or additions to

those minutes that the Board deems necessary. The minutes should then be signed by the Board Chairperson and Fiscal Officer denoting their approval of the minutes as noted. This review and subsequent signing of the minutes helps assure the Township that the information included in the minutes is a true representation of the Board's activity.

Officials' Response:

The Township Officials did not respond to the finding above.

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|-----------------------|----------|
| <i>Finding Number</i> | 2024-005 |
|-----------------------|----------|

Noncompliance – Compensation

Ohio Rev. Code §§ 505.24(A)(5) and 507.09(A)(5) provides that, in Townships having a budget of more than \$1,500,000 but not more than \$3,500,000, the compensation of the Township Trustees shall be \$68.04 per day for 2023 for not more than 200 days per year and the Fiscal Officer's compensation should be \$23,816 annually. During 2024, the Township Trustees shall be compensated \$69.23 per day not more than 200 days per year and the Fiscal Officer's compensation should be \$24,233 annually.

FINDING NUMBER 2024-005
(Continued)

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. Per ORC §§ 505.24 and 507.09, township trustee and fiscal officer salaries are based on the annual budget of the township.

The Township's estimated resources for each year under audit fell within a budget range of \$1,500,000 - \$3,500,000, which, under the Ohio Township Association's Compensation charts, allowed for the salaries as noted in the charts below. The Township did not properly calculate the Official's salaries resulting in an under payments for the Trustees and the Fiscal Officer for both 2024 and 2023. The charts below show the amount the Officials were paid and the variance, or underpayment, for each year.

| Official's Title | Name | Salary for 2023 | Amount per Chart | Variance - Underpayment |
|------------------|----------------|-----------------|------------------|-------------------------|
| Trustee | Duane Matthews | \$ 12,370 | \$ 13,608 | \$ 1,238 |
| Trustee | Kenny Kelly | \$ 12,370 | \$ 13,608 | \$ 1,238 |
| Trustee | Scott Cook | \$ 12,370 | \$ 13,608 | \$ 1,238 |
| Fiscal Officer | Randy Welsh | \$ 20,413 | \$ 23,816 | \$ 3,403 |

| Official | Name | Salary for 2024 | Amount per Chart | Variance - Underpayment |
|----------------|----------------|-----------------|------------------|-------------------------|
| Trustee | Duane Matthews | \$ 12,586 | \$ 13,846 | \$ 1,260 |
| Trustee | Kenny Kelly | \$ 12,586 | \$ 13,846 | \$ 1,260 |
| Trustee | Scott Cook | \$ 12,586 | \$ 13,846 | \$ 1,260 |
| Fiscal Officer | Randy Welsh | \$ 20,770 | \$ 24,233 | \$ 3,463 |

The Township should implement procedures to help ensure that the total compensation paid to the Township's officials is properly calculated using the appropriate hourly rates and distributions throughout the year will be consistent and within the allowable compensation.

Officials' Response:

The Township Officials did not respond to the finding above.

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**Paint Township
Fayette County
4 Cross Street
Bloomingburg, Ohio 43106**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FYE 2024 and 2023**

| Finding Number | Finding Summary | Fully Corrected? | Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain |
|----------------|---|------------------|---|
| 2022-001 | Noncompliance – Public Records Policy and Training | No | Not Corrected, reissued as finding 2024-001. |
| 2022-002 | Noncompliance – Fiscal Officer Training | No | Not Corrected, reissued as finding 2024-002. |
| 2022-003 | Internal Control Deficiency and Noncompliance – Annual appropriation measures | Yes | |
| 2022-004 | Noncompliance – Annual Financial Reporting | Yes | |
| 2022-005 | Noncompliance – Health Insurance Reimbursement | Yes | |
| 2022-006 | Noncompliance – Certification of Compensation for Trustees | Yes | |
| 2022-007 | Internal Control Deficiency and Noncompliance – Segregation of Duties | Yes | |
| 2022-008 | Internal Control Deficiency – Completion of Reconciliations | Yes | |
| 2022-009 | Internal Control Deficiency and Noncompliance – Posting Transactions | No | Not Corrected, reissued as finding 2024-003. |
| 2022-010 | Noncompliance Citation – Finding for Recovery Repaid Under Audit | Yes | |
| 2022-011 | Noncompliance Citation – Finding for Recovery Repaid Under Audit | Yes | |
| 2022-012 | Finding for Recovery – Repaid Under Audit | Yes | |

**Paint Township
Fayette County
4 Cross Street
Bloomingburg, Ohio 43106**

| | | | |
|----------|--------------------------------|----|--|
| 2022-013 | Noncompliance – Minute Records | No | Partially Corrected, reissued as finding 2024-004. |
|----------|--------------------------------|----|--|

OHIO AUDITOR OF STATE KEITH FABER



PAINT TOWNSHIP

FAYETTE 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 9/4/2025

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

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