

TROY TOWNSHIP

RICHLAND COUNTY, OHIO

REGULAR AUDIT

For the Years Ended December 31, 2023 and 2022





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Board of Trustees
Troy Township
247 South Mill Street
Lexington, Ohio 44904

We have reviewed the *Independent Auditor's Report* of Troy Township, Richland County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2022 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

1. FINDING FOR RECOVERY

Ohio Rev. Code § 117.24 requires the Auditor of State to determine whether “public money has been illegally expended, any public money collected has not been accounted for, any public money due has not been collected, or any public property has been converted or misappropriated. . . .” Those determinations in an audit report constitute “findings for recovery.” Ohio Rev. Code § 9.24(H)(3).

Dean Strohmingner was Fiscal officer for the period of April 1, 2012 through February 2023. During that time, he processed the following payments that were determined to be not for a proper public purpose:

- Payroll withholdings were paid late to the Ohio Department of Job and Family Services (ODJFS) resulting in late fees in the amount of \$903.60 for various quarterly returns during 2019, 2020 and 2021.
- Payroll withholdings were paid incorrectly and/or late to the Internal Revenue Service (IRS) resulting in late fees, penalties, and/or interest in the amount of \$1,363.55 for various quarterly returns during 2019 and 2022.
- Payroll withholdings were paid late to the Ohio Public Employees Retirement System (OPERS) resulting in late fees in the amount of \$635.70 for various months during 2020, 2021, 2022 and January 2023.
- A duplicate payment was made to OPERS in November 2022, with the Township able to recover all funds from OPERS except for \$575.64.
- Payroll withholdings were paid late to the State of Ohio resulting in late fees and penalties in the amount of \$1,053.87 for 2019 state income tax, various months during 2022, and January 2023.
- Payroll withholdings were paid late to the Village of Lexington resulting in late fees and penalties in the amount of \$811.86 for August 2020, February 2022, July 2022, and January 2023.
- Late fee payments were made to the Ohio Bureau of Worker's Compensation (BWC) in the amount of \$107 for 2021 and 2022.

1. FINDING FOR RECOVERY (continued)

- Late fee payments were made to Richland Bank for credit card services in the amount of \$178.88 for various months in 2020 and 2021.
- There were various other payments that were determined to not be a proper public purpose for the Township in the amount of \$1,572.83.

As a result, the Township incurred and paid \$7,202.93 in penalties, late fees, interest, and other improper payments.

The failure to pay withholdings and other payments timely is considered gross negligence. Late payment fees, penalties and interest incurred through gross negligence are illegal expenditures which do not serve a proper public purpose. These late fee charges would have been avoided had the funds been remitted by the required due dates.

The fees for gross negligence and other payments occurring prior to September 13, 2022, were \$4,149.83. Prior to September 13, 2022, a Township fiscal officer as a public official was 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).

The fees for gross negligence occurring on or after September 13, 2022, were \$3,053.10. Under Ohio Rev. Code 507.14, for loss of public funds occurring on or after September 13, 2022, a Township fiscal officer shall be liable only when a loss of public funds results from the township fiscal officer's or deputy fiscal officer's negligence or other wrongful act.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.24, a Finding for Recovery for public monies illegally expended is hereby issued against Dean Strohminger in the amount of \$7,202.93, and his bonding companies, Travelers Casualty and Surety Company of America, jointly and severally, in the amount of \$258.40, and Selective Insurance Company of America, jointly and severally, in the amount of \$6,944.53, and in favor of Troy Township, Richland County, General Fund in the amount of \$6,677.01, Gasoline Tax Fund in the amount of \$156.36, Road and Bridge Fund in the amount of \$236.88, and Fire District Fund in the amount of \$132.68.

2. FINDING FOR RECOVERY

Ohio Rev. Code § 5739.02(B)(1) exempts sales to the state or any of its political subdivisions from sales tax.

Due to deficiencies in the Township's internal controls over compliance, the Township paid sales tax totaling \$891.50 on various purchases during 2020, 2021, 2022 and 2023. Fiscal Officer Dean Strohminger signed the checks involving the sales tax. Since the Township was not legally required to pay the sales tax on these purchases, these expenditures were not for a valid public purpose.

Sales tax paid prior to September 13, 2022, were \$603.97. Prior to September 13, 2022, a Township fiscal officer as a public official was 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).

Board of Trustees
Troy Township
247 South Mill Street
Lexington, Ohio 44904
Page -3-

2. FINDING FOR RECOVERY (continued)

Sales tax paid on or after September 13, 2022, were \$287.53. Under Ohio Rev. Code 507.14, for loss of public funds occurring on or after September 13, 2022, a Township fiscal officer shall be liable only when a loss of public funds results from the township fiscal officer's or deputy fiscal officer's negligence or other wrongful act.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.24, a Finding for Recovery for public monies illegally expended is hereby issued against Dean Strohminger in the amount of \$891.50, and his bonding companies, Travelers Casualty and Surety Company of America, jointly and severally, in the amount of \$46.40, and Selective Insurance Company of America, jointly and severally, in the amount of \$845.10, and in favor of Troy Township, Richland County, General Fund in the amount of \$429.87, Motor Vehicle License Tax Fund in the amount of \$192.31, Gasoline Tax Fund in the amount of \$149.83, Road and Bridge Fund in the amount of \$86.16, and Fire District Fund in the amount of \$33.33.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Troy Township is responsible for compliance with these laws and regulations.



Keith Faber
Auditor of State
Columbus, Ohio

May 15, 2025