



OHIO AUDITOR OF STATE
KEITH FABER



**RACCOON TOWNSHIP
GALLIA COUNTY
DECEMBER 31, 2019 AND 2018**

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Raccoon Township
Gallia County
PO Box 313
Rio Grande, Ohio 45674

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Raccoon Township, Gallia County (the Township), on the receipts, disbursements and balances recorded in the Townships cash basis accounting records for the years ended December 31, 2019 and 2018 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, 2019 and 2018 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Township. The sufficiency of the procedures is solely the responsibility of the parties specified in this 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.

This report only describes exceptions exceeding \$10.

Cash

1. We recalculated the December 31, 2019 and December 31, 2018 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2018 beginning fund balances recorded in the Fund Status Report to the December 31, 2017 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2019 beginning fund balances recorded in the Fund Status Report to the December 31, 2018 balances in the Fund Status Report. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2019 and 2018 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, 2019 bank account balances with the Township's financial institutions. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2019 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) from the December 31, 2019 bank reconciliation:
 - a. We traced each debit to the subsequent January and February bank statements. We found no exceptions.
 - b. We traced the amounts and dates to the check register, to determine the debits were dated prior to December 31. There were 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 County Auditor DTLs for 2019 and a total of five from 2018:
 - a. We compared the amount from the above named reports to the amount recorded in the Receipt Export Report. The amounts agreed.
 - b. We inspected the Receipt Export Report to determine these receipts were allocated to the proper funds as required by Ohio Rev. Code §§ 5705.05-.06 and 5705.10. We note receipt number 51-2019, dated August 15, 2019, included a remittance from Gallia County Auditor for \$1,205 for Motor Vehicle License Tax. This amount was incorrectly posted to the General Fund instead of the Motor Vehicle License Fund. The Township Fiscal Officer has posted this adjustment to the Township's financial records.
 - c. We inspected the Receipt Export 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 Export Report to determine whether it included two real estate tax receipts for 2019 and 2018. The Receipt Export Report included the proper number of tax receipts for each year.

Debt

1. From the prior audit documentation, we observed the following loan was outstanding as of December 31, 2017. These amounts agreed to the Townships January 1, 2018 balances on the summary we used in procedure 3.

Issue	Principal outstanding as of December 31, 2017:
Tractor Loan	\$58,266

2. We inquired of management, and inspected the Receipt Export Report and Payment Export Report for evidence of debt issued during 2019 or 2018 or debt payment activity during 2019 or 2018. All debt agreed to the summary we used in procedure 3 except as noted in procedure 3 below.
3. We obtained a summary of loan debt activity for 2019 and 2018 and agreed principal and interest payments from the related debt amortization schedule to payments reported in the Payment Export Report. We also compared the date the debt service payments were due to the date the Township made the payments. We noted the following exceptions:

Comparison of Debt Principal and Interest payment allocations to amortization schedules noted the following:

- A few small errors in 2018 resulted in an under-allocation of \$10 to principal.
- The June 1, 2019 payment was posted as principal only understating the interest portion by \$111 and overstating the principal by \$111.
- The November 30, 2019 payment was posted allocating \$602 to interest that should have been posted as principal. As a result, principal was understated principal and interest was overstated.

These errors resulted in a cumulative understatement of principal of \$501, overstatement of interest payments of \$501, and overstatement of outstanding debt at year ended December 31, 2019.

Payroll Cash Disbursements

1. We selected one payroll check for five employees from 2019 and one payroll check for five employees from 2018 from the Wage Withholding Detail Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Wage Withholding Detail Report to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
 - b. We inspected the fund and account code(s) to which the check was posted to determine the posting was reasonable based on the employees' duties as documented in the minute record or as required by statute. We also confirmed the payment was posted to the proper year. We found no exceptions.
 - c. For any new employees selected we inspected the employees' personnel files and/or minute record for the following information and compared it with the information used to compute gross and net pay related to this check:
 - i. Name
 - ii. Authorized salary or pay rate and department(s) and fund(s) to which the check should be charged
 - iii. Retirement system, Federal, State & Local income tax withholding authorization and withholding.
 We found no exceptions related to procedures i. – iii. above.

2. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2019 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 2019. We observed the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare	01/31/2020	12/24/2019	\$786.94	\$786.94
State income taxes	01/15/2020	12/26/2019	\$227.29	\$227.07
OPERS retirement	01/30/2020	01/03/2020	\$1,285.34	\$1,285.34

3. We compared total gross pay for the fiscal officer and each board member for 2019 and 2018 to the compensation permitted by Ohio Revised Code Sections 507.09 and 505.24, respectively. We found no exceptions.
4. We inquired of management and inspected the Payment Export Report for the years ended December 31, 2019 and 2018 to determine if township employees and/or trustees were reimbursed for out-of-pocket insurance premiums. Insurance reimbursements made complied with ORC 505.60 and 505.601 and federal regulations.

Non-Payroll Cash Disbursements

1. We selected 10 disbursements from the Payment Export Report for the year ended December 31, 2019 and 10 from the year ended 2018 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 Export Report and to the names and amounts on the supporting invoices. We found no exceptions.

Non-Payroll Cash Disbursements (Continued)

- 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 one instance where the certification date was after the vendor invoice date, and there was no evidence that a *Then and Now Certificate* was issued. Ohio Rev. Code § 5705.41(D) requires certifying at the time of a commitment, which should be on or before the invoice date, unless a *Then and Now Certificate* is used. Because we did not inspect all disbursements requiring certification, our report provides no assurance whether or not additional similar errors occurred.

Compliance – Budgetary

1. Ohio Rev. Code § 5705.41(B) prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total approved appropriations (Ohio Rev. Code §§ 5705.38 and 5705.40) plus any carryover appropriations for the years ended December 31, 2019 and 2018 for the General and Special Revenue funds. There were no funds for which expenditures exceeded appropriations.
2. We inspected the 2019 and 2018 Revenue Status Reports and Appropriation Status Reports for evidence of interfund transfers exceeding \$10 which Ohio Rev. Code §§ 5705.14 - .16 restrict. We found no evidence of transfers these Sections prohibit, or for which § 5705.16 would require approval by the Tax Commissioner (effective after June 30, 2017) or Court of Common Pleas (effective through June 30, 2017).
3. We inspected the Cash Summary by Fund Report for the years ended December 31, 2019 and 2018 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 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. There were no public records requests noted from the engagement period.
3. We inquired whether the Township has a records retention policy, and if that policy is readily available to the public. We found no exceptions.
4. We inspected written evidence that the Public Records Policy was provided to the records custodian/manager. We found no exceptions.
5. We noted the Township did not maintain a formal policy manual. However, the public records policy was maintained on file.
6. We inquired whether the Township's poster describing their Public Records Policy was displayed conspicuously in all branches of the Township. The public records policy was maintained on file at the Township office.

Sunshine Law Compliance (Continued)

7. We selected one application submitted to the Records Commission for one-time disposal of obsolete records, and management's review of the schedules of records retention and dispositions for the engagement period. We inspected the approval by the Records Commission for the one selected and the review of the schedules. (Note: the records retention schedule is not the same policy as the public records policy.) We found no exceptions.
8. We inspected individual training certificates and determined whether each elected official (or his/her designee) successfully attended a certified three-hour Public Records Training for each term of office. We found no exceptions, the Fiscal Officer attending training and was the Trustee's designee.
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 are to be held. We found no exceptions.
10. We inspected the minutes of public meetings during the engagement period 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 and determined the following:
 - a. No Executive sessions were noted.
 - b. Formal governing board actions were adopted in open meetings.We noted 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, 2019 and 2018 in the Hinkle system. There were no exceptions.
2. For the credit card account we obtained:
 - copies of existing internal control policies,
 - a list(s) of authorized users, and
 - a list of all credit card account transactions.
 - a. We inspected the established policy obtained above and determined it is:
 - i. in compliance with the H.B. 312 statutory requirements, and
 - ii. implemented by the entity.We found no exceptions

Other Compliance (Continued).

- b. We selected one credit card transaction from each credit card account for testing. For selected transactions we inspected documentation to determine that:
 - i. Use was by an authorized user within the guidelines established in the policy, and
 - ii. the transaction was supported with original invoices and for a proper public purpose.

We noted the Township had established a credit card policy in compliance with H.B. 312 which noted credit cards could be used for travel, meal and/or training costs in accordance with respective reimbursement policies. However, the December 2, 2019 credit card payment included purchases of parts and supplies totaling \$1,584. Although these purchases would be deemed proper public purpose, they did not comply with the approved credit card policy in place.

- c. We selected three credit card statements from each credit card account for testing. For selected statements we inspected documentation to determine that:
 - i. No unpaid beginning balance was carried forward to the current billing cycle,
 - ii. Ending statement balance was paid in full, and
 - iii. Statement contained no interest or late fees.

We found no exceptions.

This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants attestation standards and applicable attestation engagement standards included in the Comptroller General of the United States' *Government Auditing Standards*. We were not engaged to, and did not conduct an examination or review, 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.

This report is to provide 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, 2019 and 2018, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

April 14, 2020

OHIO AUDITOR OF STATE KEITH FABER



RACCOON TOWNSHIP

GALLIA COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
APRIL 28, 2020**