



OHIO AUDITOR OF STATE
KEITH FABER





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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Wakeman Township
Huron County
4913 County Line 2
Wakeman, Ohio 44889-9010

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees (the Board) and the management of Wakeman Township, Huron County, Ohio (the Township), on the receipts, disbursements and balances recorded in the Township's cash-basis accounting records for the years ended December 31, 2020 and 2019 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, 2020 and 2019 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 and Investments

1. We recalculated the December 31, 2020 and December 31, 2019 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2019 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2018 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2020 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2019 balances in the Fund Ledger Report. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2020 and December 31, 2019 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 December 31, 2020 year-end bank balance on the financial institution's website. The balance agreed. We also agreed the confirmed balance to the amount appearing in the December 31, 2020 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) from the December 31, 2020 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 Outstanding Payments Report, and determined the debits were dated prior to December 31. There were no exceptions.

6. We inspected investments held at December 31, 2020 and December 31, 2019 to determine that they:
 - a. Were of a type authorized by Ohio Rev. Code §§ 135.13, 135.14 or 135.144. We found no exceptions.
 - b. Mature within the prescribed time limits noted in Ohio Rev. Code §§ 135.13 or 135.14. We noted 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 Huron County Local Government Confirmations for 2020 and a total of five from 2019:
 - a. We compared the amount from the above named reports to the amount recorded in the Revenue Receipt Register Report. The amounts agreed.
 - b. We inspected the Revenue 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 Revenue 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 Revenue Receipt Register Report to determine whether it included two real estate tax receipts for 2020 and 2019. The Revenue Receipt Register Report included the proper number of tax receipts for each year.
3. We confirmed the total amount paid from Ohio Public Works Commission (OPWC) on behalf of the Township during 2019 with OPWC. We found no exceptions.
 - a. We inspected the Revenue Ledger Report to determine whether these receipts were allocated to the proper fund. We found no exceptions.
 - b. We inspected the Revenue Ledger Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

Debt

1. From the prior audit documentation, we observed the following loan and notes were outstanding as of December 31, 2018. These amounts agreed to the Township's January 1, 2019 balances on the summary we used in Procedure 3.

| Issue | Principal outstanding as of December 31, 2018: |
|---|--|
| OPWC Loan – CT68U | \$45,527 |
| General Obligation Capital Improvement Notes, Series 2016 | 142,707 |

2. We inquired of management, and inspected the Revenue Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2020 or 2019 or debt payment activity during 2020 or 2019. All debt agreed to the summary we used in Procedure 3.
3. We obtained a summary of notes and loans debt activity for 2020 and 2019 and agreed principal and interest payments from the related debt amortization schedules to General Fund and Road and Bridge Fund 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.

4. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the Public Works Commission Projects Fund per the Revenue Receipt Register Report. The amounts agreed.
5. For new debt issued during 2019, we inspected the debt legislation, which stated the Township must use the proceeds for West River Road reconstruction. We inspected the Payment Register Detail Report and noted payments were made on behalf of the Township directly to the vendor by OPWC for West River Road reconstruction in November of 2019.

Payroll Cash Disbursements

1. We selected one payroll check for five employees from 2020 and one payroll check for five employees from 2019 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-approved rate).
 - i. We inspected the employee's personnel files for the retirement system, federal, state, and 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 code to which the check was posted to determine the posting was allowable based on the employee's 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, 2020 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 2020. We observed the following:

| Withholding (plus employer share, where applicable) | Date Due | Date Paid | Amount Due | Amount Paid |
|---|---------------------|----------------------|-----------------------|------------------------|
| Federal income taxes and Medicare (and social security, for employees not enrolled in pension system) | February 1, 2021 | December 31, 2020 | \$1,018 | \$1,018 |
| State income taxes | January 15, 2021 | December 31, 2020 | 162 | 162 |
| School district income tax | February 1, 2021 | December 31, 2020 | 111 | 111 |
| OPERS retirement | February 1, 2021 | December 31, 2020 | 2,158 | 2,158 |

3. For the pay periods ended February 29, 2020 and December 31, 2019, we
 - a. Recomputed the allocation of the Board's salary amounts to the General Fund and Gasoline Tax Fund per the Wage Detail Report.
 - b. Traced Board's pay for time or services performed to supporting certifications the Ohio Revised Code requires.

We found no exceptions.
4. We compared total gross pay for the Fiscal Officer and each Board member for 2020 and 2019 to the compensation permitted by Ohio Revised Code §§ 507.09 and 505.24, respectively. We found no exceptions.

5. We inquired of management and inspected the Payment Register Detail Report for the years ended December 31, 2020 and 2019 to determine if Township employees and/or Board members were reimbursed for out-of-pocket insurance premiums. No such reimbursements occurred.

Non-Payroll Cash Disbursements

We selected ten disbursements from the Payment Register Detail Report for the year ended December 31, 2020 and ten from the year ended December 31, 2019 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 year ended December 31, 2020 for the General, Road and Bridge, and Miscellaneous Capital Projects funds and for the year ended December 31, 2019 for the General, Permissive Motor Vehicle License Tax, and Public Works Commission Projects funds. There were no funds for which expenditures exceeded appropriations.
2. We inspected the Appropriation Ledger Report for the Hintz Trust Fund. Not more than five percent of non-spendable monies were released, spent, or otherwise modified during the engagement period.
3. We inspected the 2020 and 2019 Revenue Status Reports and Appropriation Status Reports for evidence of interfund transfers which Ohio Rev. Code §§ 5705.14 - .16 restrict. We found no evidence of transfers these sections prohibit, or for which Ohio Rev. Code § 5705.16 would require approval by the Tax Commissioner.
4. We inspected the Cash Summary by Fund Report for the years ended December 31, 2020 and 2019 for negative cash fund balances. Ohio Rev. Code § 5705.10(l) 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. We noted no funds having 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 inquired with Township management and determined that the Township did not have any public records requests (completed, denied, or redacted) 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 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 observed that the Township's poster describing its Public Records Policy was not displayed conspicuously in all branches of the Township as required by Ohio Rev. Code § 149.43(E)(2).
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 training certificates 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; and
 - 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); and
 - c. Formal Board actions were adopted in open meetings.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 its 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, 2020 and 2019 in the Hinkle system. There were no exceptions.

2. We inspected the Fiscal Integrity Act Portal (<http://www.ohioauditor.gov/fiscalintegrity/default.html>) to determine whether the Fiscal Officer obtained the training required by Ohio Rev. Code §§ 507.12 and 733.81. The Fiscal Officer obtained the required training.
3. For all credit card accounts 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 HB 312 statutory requirements, and
 - ii. implemented by the Township.We found no exceptions.
 - 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. Each transaction was supported with original invoices and for a proper public purpose.We found no exceptions.
 - 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.

Related Party Transactions

1. We inquired with management and identified the following related party transactions:
 - a. For the year ended December 31, 2020, the Township had related party transactions with Flow Properties for grave digging and culvert repairs in the amounts of \$500 and \$2,415, respectively.
 - b. For the year ended December 31, 2019, the Township had related party transactions with Flow Properties for grave digging and culvert repairs in the amounts of \$3,250 and \$3,550, respectively.We found no exceptions.
2. We confirmed the transactions with the other party. We found no exceptions.
3. We obtained sufficient evidence for the related party transactions noted in Procedure 1. 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 its cash-basis accounting records for the years ended December 31, 2020 and 2019, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.

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Keith Faber
Auditor of State
Columbus, Ohio

May 28, 2021

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OHIO AUDITOR OF STATE KEITH FABER



WAKEMAN TOWNSHIP

HURON 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 6/15/2021

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