



OHIO AUDITOR OF STATE  
**KEITH FABER**







**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES**

Richland Township  
Guernsey County  
199 Richland Street  
P.O. Box 27  
Senecaville, Ohio 43780

We have performed the procedures enumerated below on the Richland Township's, Guernsey County, Ohio (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 and Investments**

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 Cash Journal to the December 31, 2019 balances in the 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 Cash Journal Report. We found an \$8,161 variance due to an error in the carry-forward of beginning fund balances when the Township converted to UAN in 2021. We found no other exceptions.

### **Cash and Investments (Continued)**

3. We agreed the 2021 and 2020 Bank Reconciliation as of December 31, 2021 and 2020 to the total fund cash balances reported in the Fund Status Report for the year ending December 31, 2021 and Cash Journal for the year ending December 31, 2020 and the financial statements filed by the Township in the Hinkle System. The amounts did not agree for the year ending December 31, 2020 due to clerical errors in the Township's manual financial statements filed in the Hinkle System. We found no other exceptions.
4. We confirmed the December 31, 2021 bank account balance with the Township's financial institution and the Ohio Pooled Collateral System (OPCS). We found no exceptions. 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 statement. We found a check dated May 19, 2021 had not yet cleared. We found no other 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.
6. We inspected investments held at December 31, 2021 and December 31, 2020 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 found 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 Guernsey County Auditor Transaction History Report 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 for 2021 and the Receipt Journal for 2020. The amounts agreed.
  - b. We inspected the Receipt Register Report for 2021 and the Receipt Journal for 2020 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 for 2021 and the Receipt Journal for 2020 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 for 2021 and the Receipt Journal for 2020 to determine whether it included two real estate tax receipts for 2021 and 2020. The Receipt Register Report for 2021 and Receipt Journal for 2020 included the proper number of tax receipts for each year. We found no exceptions.

## Debt

1. The prior agreed-upon procedures documentation disclosed no debt outstanding as of December 31, 2019.
2. We inquired of management and inspected the Receipt Register Report for 2021 and the Receipt Journal for 2020 and Payment Register Detail Report and Cash Journal/Appropriation Ledger for 2020 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 leasing debt activity for 2021 and 2020 and agreed principal and interest payments from the related debt amortization schedule to General Fund, Gasoline Tax Fund and Road and Bridge Fund payments reported in the Payment Register Detail Report for 2021 and Cash Journal for 2020. We also compared the date the debt service payments were due to the date the Township made the payments. We found the Township did not properly classify payments as Principal Retirement and Interest and Other Fiscal Charges. We found no other exceptions.
4. We attempted to agree the amount of debt proceeds received for 2020 from the debt documents to amounts recorded in the Receipt Journal. We were unable to agree the amount of debt proceeds as the Township failed to record the Debt Proceeds and corresponding Capital Outlay expenditure.
5. For new debt issued during 2020, we inspected the debt legislation, which stated the Township must use the proceeds to lease a truck. We reviewed supporting documentation and noted the Township leased a new truck for Township use.

## 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 Payroll Register for 2021 and Payroll Record for 2020 and:
  - a. We compared the hours and pay rate, or salary recorded in the Payroll Register for 2021 and Payroll Record for 2020 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 recomputed gross and net pay and agreed it to the amount recorded in the Payment Export in 2021 and Payroll Record for 2020. We found no exceptions.
  - c. 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 or as required by statute. We found no exceptions.
  - d. 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:

**Payroll Cash Disbursements (Continued)**

<b>Withholding (plus employer share, where applicable)</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Due</b>	<b>Amount Paid</b>
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	January 31, 2022	January 13, 2022	\$2,548	\$2,548
State income taxes	January 15, 2022	January 18, 2022	\$264	\$264
OPERS retirement	January 30, 2022	January 14, 2022	\$3,498	\$3,498

We found no exceptions.

3. For the pay periods ended May 5, 2021 and July 1, 2020, we
  - a. Recomputed the allocation of the Boards' salary amounts to the General, Road and Bridge, and Cemetery Funds per the Payroll Register for 2021 and the Cash Journal for 2020.
  - b. Traced the Boards' pay for time or services performed to supporting certifications the Revised Code requires.

We found no exceptions.

4. 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 no exceptions.
5. We inquired of management and inspected the Payment Register Detail Report for 2021 and the Cash Journal for 2020 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. Insurance reimbursements made were in compliance with Ohio Rev. Code §§ 505.60, 505.601, 505.602 and 505.603 and federal regulations.

**Non-Payroll Cash Disbursements**

1. From the Cash Journal, we re-footed checks recorded as General Fund disbursements for *general government*, and checks recorded as *public works* in the Road and Bridge Fund for 2020. We found no exceptions.
2. We selected 10 disbursements from the Payment Register Detail Report for the year ended December 31, 2021 and 10 from the Cash Journal for the year ended 2020 and determined whether:
  - a. The disbursements were for a proper public purpose. We found the Township paid \$26 for finance charges to Carter Lumber. We found no other 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 for 2021 and Cash Journal for 2020 and to the names and amounts on the supporting invoices. We found one instance in 2021 and one instance in 2020 where the Township was unable to provide a supporting invoice for monthly Gas and Electricity charges. We were able to determine the expenditures were proper by reviewing the subsequent month's invoice. We found no other 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.

### Non-Payroll Cash Disbursements (Continued)

- 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 four instances where disbursements requiring certification were not certified. 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, 2021 and 2020 for the General, Gasoline Tax and Fire District Funds as recorded in the Appropriation Status Report for 2021 and Appropriation Ledger Report for 2020. Expenditures did not exceed appropriations.
2. We inspected the Appropriation Ledger Report for 2021 and Appropriation Ledger Report for 2020 for the Lucinda Lowery Trust and Lowry Moss Trust Fund. Not more than 5% of non-spendable monies were released, spent, or otherwise modified during the engagement period. We found the Township did not maintain evidence to support the Private Purpose Trust Classification.

### 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:
  - a. 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 inquired with Township management and determined that the Township did not maintain written evidence the public records policy was provided to the records custodian/manager as required by Ohio Rev. Code § 149.43(E)(2).
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 inquired with Township management and determined 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.

### Sunshine Law Compliance (Continued)

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). The Fiscal Officer and two Trustees did not complete Public Records Training for their terms ending March 31, 2020 and December 31, 2021, respectively.
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.

### 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. Financial information was filed on August 15, 2022 for the year ended December 31, 2020, which was not within the allotted timeframe.
2. We inquired of the fiscal officer and 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 Township was unable to provide documentation the prior Fiscal Officer whose term ended March 31, 2020 and the newly elected Fiscal Officer whose term commenced April 1, 2020 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.



Keith Faber  
Auditor of State  
Columbus, Ohio

May 8, 2023

# OHIO AUDITOR OF STATE KEITH FABER



**RICHLAND TOWNSHIP**

**GUERNSEY 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 5/18/2023**

88 East Broad 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](http://www.ohioauditor.gov)