



OHIO AUDITOR OF STATE  
**KEITH FABER**







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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Wayne Township  
Jefferson County  
PO Box 107  
Bloomington, Ohio 43910

We have performed the procedures enumerated below on Wayne Township's (the Township) receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2023 and 2022 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, 2023 and 2022 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, 2023 and 2022, 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

1. We recalculated the December 31, 2023 and December 31, 2022 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2022 beginning fund balances for each fund recorded in the Fund Status Report to the December 31, 2021 balances in the prior year documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2023 beginning fund balances for each fund recorded in the Fund Ledger Report to the December 31, 2022 balances in the Fund Ledger Report. We found no exceptions.
3. We agreed the 2023 and 2022 Bank Reconciliation as of December 31, 2023 and 2022 to the total 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, 2023 bank account balance with Ohio Pooled Collateral System. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2023 bank reconciliation without exception.
5. We selected 5 reconciling debits (such as outstanding checks) from the December 31, 2023 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 check register, and determined the debits were dated prior to December 31. We found no exceptions.

#### **Property Taxes, Intergovernmental and Other Confirmable Cash Receipts**

1. We selected a total of 5 receipts from the *Statement of Semiannual Apportionment of Taxes*, State Distribution Transaction Lists (DTL), and the Jefferson County Detail Vendor Expenditure Report (Auditor) for 2023 and a total of 5 from 2022:
  - a. We compared the amount from the above named reports to the amount recorded in the UAN AWB Receipts Report. The amounts agreed.
  - b. We inspected the UAN AWB Receipts Report to determine these receipts were allocated to the proper funds as required by Ohio Rev. Code §§ 5705.05 and 5705.10. We found no exceptions.
  - c. We inspected the UAN AWB Receipts 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 UAN AWB Receipts Report to determine whether it included 2 real estate tax receipts for 2023 and 2022. The UAN AWB Receipts Report included the proper number of tax receipts for each year. We found no exceptions.

#### **Debt**

1. From the prior agreed-upon procedures documentation, we observed the following leases were outstanding as of December 31, 2021.
  - a. These amounts agreed to the Township's January 1, 2022 balances on the summary we used in procedure 3.
  - b. We inspected the debt's lease agreements for all outstanding debt, and we confirmed the Township does not have any debt covenants.

<b>Issue</b>	<b>Principal outstanding as of December 31, 2021:</b>
Caterpillar Mini Excavator Lease	\$40,462
Mower Lease	\$38,732

2. We inquired of management and inspected the UAN AWB Receipts Report and UAN AWB Payments Report for evidence of debt issued during 2023 or 2022 or debt payment activity during 2023 or 2022. All debt agreed to the summary we used in procedure 3.
3. We obtained a summary of leases debt activity for 2023 and 2022 and agreed principal and interest payments from the related debt amortization schedules to General Fund and Special Road and Bridge Levy payments reported in the UAN AWB Payments 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 received for 2022 from the debt document to amount recorded in the Special Road and Bridge Levy fund per the UAN AWB Receipt Report. The amounts agreed.
5. For new debt issued during 2022, we inspected the minutes, which stated the Township must use the proceeds to purchase an asphalt truck. We inspected the UAN AWB Payments Report and observed the Township purchased an asphalt truck in November of 2022. We found no exceptions.

### Payroll Cash Disbursements

1. We selected 1 payroll check for all employees from 2023 and 1 payroll check for 5 employees from 2022 from the Wage Withholdings Detail Report and:
  - a. We compared the hours and pay rate, or salary recorded in the Wage Detail Report to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
  - b. 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. We found no exceptions.
  - c. We confirmed the payment was posted to the proper year. We found no exceptions.
2. We selected all new employees from 2022 and:
  - a. We inspected the employees' personnel files for the Retirement system, Federal, State & Local income tax withholding authorization.
  - b. We agreed the items in a above to the Employee General Information Report.

We noted the Township failed to maintain withholding authorization forms for retirement and state tax for one new employee. We also noted the Township failed to maintain withholding authorization forms for retirement for the Township's two remaining new employees during the audit period.
3. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2023 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 2023. We observed the following:

<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, 2024	December 22, 2023	\$451.11	\$451.11
State income taxes	January 15, 2024	December 22, 2023	\$2,352.07	\$2,352.07
OPERS retirement	January 30, 2024	December 22, 2023	\$3,851.31	\$3,851.31

We found no exceptions.

4. For the pay periods ended June 30, 2023 and September 30, 2022, we:
  - a. Recomputed the allocation of the Boards' salary amounts and employer shares withholdings to the General and Road and Bridge funds per the Wage Detail Report.
  - b. Traced the Boards' pay for time or services performed to supporting certifications or time or activity sheets the Revised Code requires.

Ohio Rev. Code § 505.24(C) sets forth the method by which township trustees' compensation should be allocated. By summary, Ohio Revised Code § 505.24(C) permits trustees to receive per diem payments or annual salaries if voted upon unanimously by the township board of trustees.

If using the annual salary compensation method, the amount of the annual salary approved by the board shall be no more than the maximum amount that could be received annually by a trustee if the trustee were paid on a per diem basis as specified in Ohio Revised Code § 505.24(C), and shall be paid from the township general fund or from other township funds in such proportions as the board may specify by resolution. Each trustee shall certify the percentage of time spent working on matters to be paid from the township general fund and from other township funds in such proportions as the kinds of services performed.

Per the Township's formal resolutions passed by the Board for 2023 and 2022, the Board of Trustees' salaries are to be paid from both the General and Road and Bridge funds, however, we noted that the proportions of the salaries that are to be paid from each fund were not indicated in the resolutions as required by Ohio Rev. Code §505.24(C). Our review of the Wage Detail Report indicated 100% of the Trustees' salaries were allocated to the Road and Bridge Fund only. At a minimum, a portion of the Trustees' salaries should be allocated to the General Fund each month for their attendance at the Township's meetings.

The Township also failed to maintain supporting certifications or time or activity sheets to properly support 100% of the Boards' salary allocation to the Road and Bridge Fund during 2023 and 2022.

For 2023 and 2022, this resulted in the Trustees' salaries and employer share of withholdings being improperly paid from the Road and Bridge fund, rather than the General Fund, in the total amount of \$80,946. The Township has agreed to and made an adjustment between the Road and Bridge fund and the General fund in the amount of \$80,496.

5. We compared total gross pay for the fiscal officer and each board of trustees for 2023 and 2022 to the compensation permitted by Ohio Rev. Code §§ 507.09 and 505.24, respectively. Their pay did not exceed the Ohio Rev. Code §§ 507.09 and 505.24 permitted amounts.

#### **Non-Payroll Cash Disbursements**

1. We selected 10 disbursements from the Payment Register Detail Report for the year ended December 31, 2023 and 10 from the year ended 2022 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 including outstanding encumbrances) 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, 2023 and 2022 for the General, Wayne Twp EMS Levy (2004), and Coronavirus Relief funds as recorded in the Appropriation Status Report. Expenditures did not exceed appropriations.
2. We inspected the Cash Summary by Fund Report for the years ended December 31, 2023 and 2022 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 balances.

### 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 selected all public records requests from the engagement period and inspected each request to determine the following:
  - a. For all public records requests selected, the Township did not maintain documentation to support their response to the request in accordance with their adopted policy as required by Ohio Rev. Code § 149.43(B)(1). See the table below.

Date Request Received	Date Request Fulfilled	Policy Response Time	Actual Response Time (in Business days)
2/9/2023	Unknown	Promptly or within a reasonable period of time	Unknown
5/19/2023	Unknown	Promptly or within a reasonable period of time	Unknown
6/29/2023	Unknown	Promptly or within a reasonable period of time	Unknown
7/25/2023	Unknown	Promptly or within a reasonable period of time	Unknown
12/14/2023	Unknown	Promptly or within a reasonable period of time	Unknown

- b. The Township did not maintain support of documentation provided to the requesters, we were unable to determine if a request was denied, in part or in whole, and whether an explanation for the denied request which included legal authority to the requester as required by Ohio Rev. Code § 149.43(B)(3) was provided.
- c. The Township did not maintain support of documentation provided to the requesters, we were unable to determine if the Township was redacting records and making the redactions visible and provided an explanation which included the legal authority to the requester as required by Ohio Rev. Code § 149.43(B)(1).

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 that 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 included as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
6. We observed 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.
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). 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
  - 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.

**Contract Compliance:**

1. We inspected the UAN AWB Payments Report and minutes and identified the Township had expenditures subject to competitive bidding. We found no exceptions.
2. We selected 1 contract subject to competitive bidding requirements for 2022 and
  - a. We inspected the contract and other bids for the contracted expenditure and determined:
    - i. The Township accepted the lowest bid and met the requirements of Ohio Rev. Code §§505.267 and 5549.021.
    - ii. No bid splitting occurred



iii. No deliberate attempts to evade bid limitations occurred, such as successive contracts just under the bid amount, occurred.

iv. No apparent interest in the contract by a public official occurred.

We found an exception in that the Township failed to advertise for bids for the purchase of an asphalt truck in 2022. Therefore, the Township did not enter into the lease contract with the lowest responsive and responsible bidder after advertising for bids as required by Ohio Rev. Code § 505.267 and § 5549.021.

### 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, 2023 and 2022 in the Hinkle system. We found no exceptions.
2. The Township provided out-of-pocket insurance reimbursements in lieu of providing coverage to all employees.
  - a. We inspected the resolution authorizing reimbursements and determined it met the following documentation requirements for Ohio Rev. Code § 505.601.
    1. The Township has not chosen to procure a health plan,
    2. The Township has chosen to reimburse its officers and employees for each out-of-pocket premium,
    3. It provides for a maximum uniform monthly or yearly payment amount for each officer and employee, and
    4. It lists only the specific benefits allowed under Ohio Rev. Code § 505.60A that will be reimbursed.

We noted the Township's resolution for authorizing reimbursements did not expressly state that the Township has not chosen to procure a health plan, nor did it establish maximum monthly or yearly monetary amounts for which reimbursement payments could not exceed for each officer and employee.

### Related Party Transactions

1. We inquired with management and identified the following Related Party Transactions:
  - a. Suzanne Hasaan – 35 transactions totaling \$8,200.We found no exceptions.
2. We confirmed the transactions with invoices, bank statements, and minutes. We found no exceptions.
3. We obtained supporting evidence for the Related Party Transactions identified in procedure 1. We found no exceptions.

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.

A handwritten signature in black ink, appearing to read "Keith Faber". The signature is fluid and cursive, with the first name "Keith" and last name "Faber" clearly distinguishable.

Keith Faber  
Auditor of State  
Columbus, Ohio

October 17, 2024

# OHIO AUDITOR OF STATE KEITH FABER



**WAYNE TOWNSHIP**

**JEFFERSON 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 11/7/2024**

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](http://www.ohioauditor.gov)