



OHIO AUDITOR OF STATE KEITH FABER

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Beth Bauerbach, Fiscal Officer
Fearing Township
Washington County
55 Reeds Run Road
Whipple, Ohio 45788

We have performed the procedures enumerated below on the Fearing Township, Washington County, Ohio (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 Cash Summary by Fund 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 Cash Summary by Fund Report to the December 31, 2022 balances in the Cash Summary by Fund Report. We found no exceptions.

Cash (Continued)

3. We compared the 2023 and 2022 Bank Reconciliation adjusted UAN Balances and Adjusted Bank Balances 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 for 2022. However, the 2023 Township provided reconciliation, which was adjusted outside of UAN, included \$233 in adjusting entries which were not included on the total fund cash balances reported in the Fund Status Report and the financial statements filed by the Township in the Hinkle System. These adjustments would reduce the fund balance in the General Fund \$160, the Motor Vehicle License Tax Fund \$21, and the Gasoline Tax Fund \$53. We brought this to management's attention. As of the date of this report, management has not yet made the required adjustment. In accordance with the foregoing facts, we hereby issue a finding for adjustment against the General Fund in the amount of \$160, against the Motor Vehicle License Tax Fund in the amount of \$21, and against the Gasoline Tax Fund in the amount of \$53.
4. We confirmed the December 31, 2023 bank account balance with the 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 check 11741 dated May 18, 2020 for \$475 had not cleared the bank as of February 29, 2024.
 - 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.In addition, Check 11730 for \$55 was included in the outstanding check listing in UAN as an outstanding debit despite clearing the bank. This does not affect fund balance but should be marked as cleared in the UAN system.
6. We selected both reconciling credits (such as deposits in transit) from the December 31, 2023 bank reconciliation:
 - a. We traced each credit to the subsequent January bank statement. We found no exceptions.
 - b. We agreed the credit amounts to the Receipts Register and determined they were dated prior to December 31. We found no exceptions.In addition, Receipts 20-2022 and 61-2023, totaling \$179.82 and \$138.17 respectively, were included as deposits in transit as outstanding credits identified in the UAN system despite clearing the bank. This does not affect fund balance but should be marked as cleared in the UAN system.
7. We inspected the bank reconciliation and Fund Status Report to determine whether the Finding For Adjustment identified in the prior agreed-upon procedures report from the General Fund for \$63 was properly posted to the ledgers and reflected in the fund balances in Procedure 2. We found the Finding for Adjustment had not been posted. See Step 5 above.

Property Taxes and Intergovernmental 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 Washington County Expense Audit Trail Report 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 Receipt Detail Report. The amounts agreed.

Property Taxes and Intergovernmental Cash Receipts (Continued)

- b. We inspected the Receipt Detail Report to determine these receipts were allocated to the proper funds as required by Ohio Rev. Code §§ 5705.05 and 5705.10. We found receipt 50-2022 dated August 1, 2022 was posted to the Miscellaneous Special Revenue Fund rather than establishing a separate Coronavirus Grant Fund. Related disbursements were also recorded in the Miscellaneous Special Revenue Fund. As such, there was no effect on the ending balance of the Miscellaneous Special Revenue Fund.
 - c. We inspected the Receipt Detail 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 Register Report to determine whether it included 2 real estate tax receipts for 2023 and 2022. The Receipt Register 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 was 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 agreement for all outstanding debt, and we confirmed the Township does not have any debt covenants.

Issue	Principal outstanding as of December 31, 2021:
2019 John Deere Lease	\$50,664

2. We inquired of management and inspected the Receipt Export Report and Payment Export 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 lease debt activity for 2023 and 2022 and agreed principal and interest payments from the related debt amortization schedule to Permissive Sales Tax 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.
 - a. For the 2019 John Deere Lease - We found \$15,970 in principal and \$2,858 in interest charged to Public Works rather than to Principal Retirement and Interest and Fiscal Charges in 2022. For 2023, we found \$16,871 in principal and \$1,957 in interest charged to Public Works rather than to Principal Retirement and Interest and Fiscal Charges
 - b. The Township obtained a John Deere lease through Deere Credit Inc. on January 27, 2022 for \$85,748. The Township paid two payments of \$10,000 each on June 12, 2022 and November 21, 2022 which were not timely. Further, the Township posted these payments to Public Works rather than classifying the payments as Principal Retirement and Interest and Fiscal Charges.

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).

Debt (Continued)

Under Ohio law, public officials are 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).

For the equipment purchased through John Deere Credit, Inc. for \$85,748, the payment of \$10,000 on June 12, 2022 was not paid timely. This caused interest in the amount of \$799.41 to accrue. The late fees were paid by the Village in November 2023.

For conduct occurring after September 13, 2022, R.C. 733.82 states that the treasurer of a municipal corporation or city auditor, or other officer of a municipal corporation having the duties of a municipal treasurer or of a city auditor, shall not be held liable for a loss of public funds when the officer has performed all official duties required of the officer with reasonable care, but shall be liable only when a loss of public funds results from the officer's negligence or other wrongful act.

For the equipment purchased through John Deere Credit, Inc. for \$85,748, the payment of \$10,000 on November 11, 2022 was not paid timely. This caused interest and penalties after September 13, 2022 in the amount of \$1,603.90 to accrue. Additional interest in the amount of \$290.54 accrued in April 2023 and was paid in June 2024. The remaining interest and penalties were paid by the Village in November 2023.

The failure to timely make payments 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 charges would have been avoided had the funds been remitted by the required due dates.

Lisa McNish, Fiscal Officer, was the official responsible for paying bills on time. The Fiscal Officer did not pay the Deere Credit Inc. lease payments in a timely manner in 2022 and 2023. This repeated failure to pay these invoices timely is considered gross negligence. As a result of the above-mentioned instances regarding Mrs. McNish, the Township incurred finance charges from Deere Credit Inc. Specifically, the total amount of finance charges that were paid by the Township to Deere Credit Inc. in 2023 and 2024, respectively, were \$2,693.85. The finance charges paid by the Township serve no proper public purpose and could have been avoided had the invoices been paid in a timely manner. In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Lisa McNish, Fiscal Officer, and her bonding company, the Ohio Township Association Risk Management Authority, in the amount of \$2,693.85, and in favor of the Township's Gasoline Tax Fund.

Payroll Cash Disbursements

1. We selected 1 payroll check for the Township employee from 2023 and 1 payroll check from 2022 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 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 personnel files and minute record. We found no exceptions.
 - c. We confirmed the payment was posted to the proper year. We found no exceptions.

Payroll Cash Disbursements (Continued)

2. 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:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare	01/31/2024	01/24/2024	\$1,274	\$1,274
State income taxes	01/31/2024	03/16/2024	450	450
OPERS retirement	01/30/2024	01/24/2024	2,897	2,897

We found no exceptions.

3. For the pay periods ended July 31, 2023 and January 31, 2022, we
 - a. Recomputed the allocation of the Boards' salary amounts and employer shares withholdings to the General Fund and Gasoline Tax Fund per the Wage Detail Report.
 - 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 Trustee 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. However, we found the Fiscal Officer was undercompensated by \$3,401 and each Trustee was undercompensated by \$ 1,546 in 2023.

Non-Payroll Cash Disbursements

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 or bank statement 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 6 instances where the certification date was after the vendor invoice date, and there was also 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 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 Fund, Motor Vehicle License Tax Fund, and Road and Bridge Fund 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 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 completed public records requests during the engagement period. The Township did not have any denied public records requests during the engagement period. The Township did not have any public records requests with redactions during the engagement period.
3. We inquired with Township management and determined that the Township did not have a records retention schedule during the engagement period and therefore could not make it readily available to the public as required by Ohio Rev. Code § 149.43(B)(2).
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 one Trustee whose term ended in 2023 did not attend the required training.

Sunshine Law Compliance (Continued)

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 minutes and disbursement export 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 2023. The Township did not properly bid the project.


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 employee 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 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.

KEITH FABER
Ohio Auditor of State

A handwritten signature in black ink, reading "Tiffany L. Ridenbaugh". The signature is written in a cursive, flowing style.

Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

October 9, 2025

OHIO AUDITOR OF STATE KEITH FABER



**FEARING TOWNSHIP
WASHINGTON 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 11/6/2025

65 East State Street, Columbus, Ohio 43215
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