

DEERCREEK TOWNSHIP

PICKAWAY COUNTY, OHIO

AGREED-UPON PROCEDURES

**FOR THE YEARS ENDED
DECEMBER 31, 2021 & 2020**

OHIO AUDITOR OF STATE
KEITH FABER



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Board of Trustees
Deercreek Township
P.O. Box 114
Williamsport, Ohio 43164

We have reviewed the *Independent Accountant's Report on Applying Agreed-Upon Procedures* of Deercreek Township, Pickaway County, prepared by Julian & Grube, Inc., for the period January 1, 2020 through December 31, 2021. Based upon this review, we have accepted this report in lieu of the audit required by Section 117.11, Revised Code.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Deercreek Township is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

September 23, 2022

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Deercreek Township
Pickaway County
P.O. Box 114
Williamsport, Ohio 43164

We have performed the procedures enumerated below on the Deercreek's (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. Additionally, the Auditor of State has agreed to and acknowledged that the procedures performed are appropriate to meet their purposes. 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, 2021 and December 31, 2020 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2020 beginning fund balances for each opinion unit recorded in the Cash Summary by Fund Report to the December 31, 2019 balances in the prior year audited statements. We found that the Private Purpose Trust fund was understated by \$7,886 and the Permanent fund was overstated by \$7,886 in the UAN System. We also agreed the January 1, 2021 beginning fund balances for each fund recorded in the Cash Summary By Fund Report to the December 31, 2020 balances in the Cash Summary by Fund Report. We found no exceptions.
3. We agreed the 2021 and 2020 Bank Reconciliation UAN Balances and Adjusted Bank Balances as of December 31, 2021 and 2020 to the total fund cash balances reported in the Cash Summary by Fund Reports and the financial statements filed by the Township in the Hinkle System. The amounts agreed.
4. We confirmed the December 31, 2021 bank account balances through the Ohio Pooled Collateral System. 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 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.

6. We inspected the Cash Summary by Fund Report to determine whether the Finding For Adjustment identified in the prior audit report, due from the Permanent fund, payable to the Private Purpose Trust fund, was properly posted to the ledgers and reflected in the fund balances in Procedure 2. We found that this adjustment was not made as of the date of this report, however an adjustment in the amount of \$1,919 was subsequently posted.

Property Taxes and Intergovernmental 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 Expense by Vendor Reports 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 Export Reports. The amounts agreed.
 - b. We inspected the Receipt Export Reports 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 Export Reports 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 Reports to determine whether it included two real estate tax receipts for 2021 and 2020. The Receipt Export Reports included the proper number of tax receipts for each year. We found no exceptions.

Other Receipts

We selected 10 other receipts from the year ended December 31, 2021 and:

- a. Agreed the receipt amount recorded in the Receipt Export Report to supporting documentation. The amounts agreed.
- b. Confirmed the amounts charged complied with rates in force during the period. We found one item where the amount charged did not agree to the lease agreement in place for the amount charged. The amount over charged was \$42.
- c. Inspected the Receipt Export Report to determine the receipt was posted to the proper funds, and was recorded in the proper year. We found no exceptions.

Debt

1. From the prior audit documentation, we observed the following loan was outstanding as of December 31, 2019. This amount agreed to the Townships January 1, 2020 balance on the debt amortization schedule used in procedure 3. The Township did not prepare a summary.

Issue	Principal outstanding as of December 31, 2019:
Township Building Loan	\$72,820

2. We inquired of management, and inspected the Receipt Export Reports and Payment Export Reports for evidence of debt issued during 2021 or 2020 or debt payment activity during 2021 or 2020. There were no new debt issuances in 2021 or 2020. Debt activity was agreed to in procedure 3.

3. We examined note debt activity for 2021 and 2020 and agreed principal and interest payments from the related debt amortization schedule to debt service fund payments reported in the Payment Export Reports. We also compared the date the debt service payments were due to the date the Township made the payments. We found the 2020 payment was 5 days after the due date on the amortization schedule.

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 Wage Detail Reports 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).
 - i. We inspected the employees' personnel files for the Retirement system, Federal, & State 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 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.
 - 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, 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:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare	January 31, 2022	January 14, 2022	\$1,457	\$1,457
State income taxes	January 31, 2022	December 13, 2021	\$284	\$284
Village of Williamsport income tax	January 31, 2022	December 13, 2021	\$29	\$29
OPERS retirement	January 30, 2022	December 27, 2021	\$1,271	\$1,271

We found no exceptions.

3. For the pay periods ended November 30, 2021 and June 30, 2020, we
 - a. Recomputed the allocation of the Fiscal Officer's salary amounts to the General, Gasoline Tax, and Cemetery Funds and Boards' salary amounts to the General, Gasoline Tax, and Road Funds per the Wage Detail Reports.
 - b. Traced the Fiscal Officer's and 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 the Fiscal Officer was over compensated by \$193 in 2020. The overpayment was collected in March 2022.

5. We inquired of management and inspected the Payment Export Report 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. No such reimbursements occurred.

Non-Payroll Cash Disbursements

1. We selected 10 disbursements from the Payment Export Reports for the year ended December 31, 2021 and 10 from the year ended 2020 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 one disbursement in 2021 in the amount of \$55 where an invoice was unable to be provided.
 - c. The payment was posted to a fund consistent with the restricted purpose for which the fund's cash can be used. We found in 2021, \$68 in payments posted to the Gasoline Tax Fund, in 2020, \$125 in payments posted to the Motor Vehicle License Tax fund and \$125 in payments posted to the Gasoline Tax fund that did not meet the restricted purpose for which those fund's cash can be used. The Township has corrected this in their financial system by posting a fund balance adjustment to the General Fund for the above amounts.
 - 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 years ended December 31, 2021 and 2020 for the General, Gasoline Tax and Cemetery fund as recorded in the Appropriation Status Report. Expenditures did not exceed appropriations.
2. We inspected the Cash Summary by Fund Reports for 2021 and 2020 for the Permanent fund. In 2021, the Township expended more than 5% of the known non-spendable monies, \$2,876, without donor release on flowers of the graves of who the non-spendable monies were for.
3. We inspected the largest interfund transfers from 2021 and 2020 Interfund Transfer Listing Reports for compliance with Ohio Rev. Code §§ 5705.14 - .16. 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 Reports for the years ended December 31, 2021 and 2020 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 inquired with Township management and determined that the Township did not have any public records requests (received, 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 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 inquired with Township management and determined that the Township did not have a policy manual during the engagement period therefore the public records policy could not be included as required by Ohio Rev. Code § 149.43(E)(2).
6. We observed that the Township did not have a poster describing their Public Records Policy 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 Record 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
 - 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/Payment Export Reports and identified the Township had expenditures subject to competitive bidding. We found no exceptions.
2. We selected one contract over \$45,000 for 2021 and noted there were none for 2020 and
 - a. We inspected the contract and the bid for the contracted expenditure and determined:
 - i. The Township accepted the lowest responsible bid (only one bidder) and met the requirements of Ohio Rev. Code §5575.01
 - 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 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. We found no exceptions.
2. We inquired of the fiscal officer to determine whether the fiscal officer obtained the training required by Ohio Rev. Code §§ 507.12 and 733.81. Fiscal Officer obtained the required training.

Related Party Transactions

1. We inquired with management and identified the following Related Party Transactions:
 - a. One employee (cemetery sexton) is the son-in-law of one of the Township Trustees.
We found no exceptions.
2. We confirmed the transactions with the other party. 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.



Julian & Grube, Inc.
April 22, 2022

OHIO AUDITOR OF STATE KEITH FABER



DEERCREEK TOWNSHIP

PICKAWAY 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 10/6/2022

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