



OHIO AUDITOR OF STATE
KEITH FABER



OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Pleasant Township
Van Wert County
10507 Old Tile Factory Road
Van Wert, Ohio 45891

We have performed the procedures enumerated below on the Pleasant Township's (the Township) receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2022 and 2021 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, 2022 and 2021 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, 2022 and 2021, 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, 2022, and December 31, 2021, bank reconciliations. We found no exceptions.
2. We 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 documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2022 beginning fund balances for each fund recorded in the Fund Ledger Report to the December 31, 2021 balances in the Fund Ledger Report. We found no exceptions.
3. We agreed the 2022 and 2021 Bank Reconciliation adjusted UAN Balances and Adjusted Bank Balances as of December 31, 2022, and 2021 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, 2022 bank account balances with the Township's financial institutions. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2022 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) from the December 31, 2022 bank reconciliation:
 - a. We traced each debit to the subsequent January and February bank statements. 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 selected all reconciling credits (such as deposits in transit) from the December 31, 2022, 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.
7. We inspected investments held at December 31, 2022 and December 31, 2021 to determine that they:
 - a. Were of a type authorized by Ohio Rev. Code § 135.13, 135.14, 135.144 or 135.145. 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 Van Wert County Auditor Vendor History Report for 2022 and a total of five from 2021:
 - a. We compared the amount from the above-named reports to the amount recorded in the Receipt Register Report. The amounts agreed.
 - b. We inspected the 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 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 Receipt Register Report to determine whether it included two real estate tax receipts for 2022 and 2021. 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 were outstanding as of December 31, 2020.
 - a. These amounts agreed to the Township's January 1, 2021 balances on the summary we used in procedure 3.
 - b. We inspected the debt's lease agreement documents for all outstanding debt, and we confirmed the Township was in compliance with the debt covenants listed below.

Issue	Principal outstanding as of December 31, 2020:	Debt Covenant
2018 310L Loader Backhoe Lease	\$45,045	Payments due On-Time.

2. We inquired of management and inspected the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2022 or 2021 or debt payment activity during 2022 or 2021. All debt agreed to the summary we used in procedure 3.
3. We obtained a summary of lease activity for 2022 and 2021 and agreed principal and interest payments from the related debt amortization schedules to debt service 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. For new debt issued during 2021, we inspected the debt legislation, which stated the Township must use the proceeds to lease a new building. We inspected the Payment Register Detail Report and observed the Township leased a new building July of 2021. We found no exceptions.

Payroll Cash Disbursements

1. We selected one payroll check for five employees from 2022 and one payroll check for five employees from 2021 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 employees' personnel files and/or 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 found no exceptions.
3. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2022, 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 2022. We observed the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	January 31, 2023	December 27, 2022	\$1,020	\$1,020
State income taxes	January 15, 2023	December 27, 2022	\$169	\$169
Local income tax	January 15, 2023	December 27, 2022	\$86	\$86
OPERS retirement	January 30, 2023	December 26, 2022	\$2,361	\$2,361
School District Income Tax	January 15, 2023	December 27, 2022	\$85	\$85

We found no exceptions.

4. For the pay periods ended October 26, 2022 and June, 9, 2021, we
 - a. Recomputed the allocation of the Fiscal Officer's and Boards' salary amounts and employer shares withholdings to the General, Road and Bridge, and Gasoline Fund per the Wage Detail Report.
 - 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.

5. We compared total gross pay for the fiscal officer and each board of trustee for 2022 and 2021 to the compensation permitted by Ohio Revised Code §§ 507.09 and 505.24, respectively. Their pay did not exceed the Ohio Revised Code §§ 507.09 and 505.24 permitted amounts.
6. We inquired of management and inspected the Payment Register Detail Report for the years ended December 31, 2022 and 2021 to determine if township employees and/or trustees were reimbursed for out-of-pocket insurance premiums. No such reimbursements occurred.

Non-Payroll Cash Disbursements

We selected 10 disbursements from the Payment Register Detail Report for the year ended December 31, 2022, and 10 from the year ended 2021 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 four 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) 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, 2022, and 2021 for the General, Road and Bridge and Permissive Motor Vehicle License 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, 2022, and 2021 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, denied or redacted public records requests 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 there was no written evidence that the Public Records Policy was provided to the records custodian/manager during the engagement period as required by Ohio Rev. Code § 149.43(E)(2). Written evidence was provided after the engagement period.
5. We inquired with Township management and determined that the Township did not have a public records policy during the engagement period therefore it could not be included in a policy manual as required by Ohio Rev. Code § 149.43(E)(2).
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.

Other Compliance

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, 2022, and 2021 in the Hinkle system. We found no exceptions.

Related Party Transactions

1. We inquired with management and identified the following Related Party Transactions:
 - a. Wallace Plumbing – Owned by Trustee, Todd Wallace
 1. \$45 – Materials at cost
 2. 276 – Materials at cost
 3. \$1,619 – Materials and labor for a well pump installation.We found no exceptions.
2. We confirmed the transactions with intermediaries, such as banks. We found no exceptions.
3. We obtained supporting evidence for the Related Party Transactions identified in procedure 1. We found that Mr. Wallace signed and approved two of the three checks to his plumbing company, Wallace Plumbing (Mr. Wallace was absent one meeting). We found that Mr. Wallace provided sales/labor to the Township; however, there were no voted-on approvals by the Township noted in the minutes regarding the services/labor provided by Wallace Plumbing. One notable instance involved services for materials and labor in which Mr. Wallace was involved in the decision to use Wallace Plumbing to provide a service for the Township. As a result, the noted related party actions will be referred to the Ohio Ethics Commission.

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 that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber
Auditor of State
Columbus, Ohio

August 3, 2023

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OHIO AUDITOR OF STATE KEITH FABER



PLEASANT TOWNSHIP

VAN WERT 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 8/24/2023

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
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