

BEAVER TOWNSHIP
PIKE COUNTY
AGREED-UPON PROCEDURES
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021



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Board of Trustees
Beaver Township
1145 Carrs Run Road
Waverly, Ohio 45690

We have reviewed the *Independent Accountant's Report on Applying Agreed-Upon Procedures* of Beaver Township, Pike County, prepared by Millhuff-Stang, CPA, Inc., for the period January 1, 2021 through December 31, 2022. 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. Beaver Township is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

August 13, 2024

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Pike County
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Independent Accountant's Report on Applying Agreed-Upon Procedures

Beaver Township
Pike County
1145 Carrs Run Road
Waverly, Ohio 45690

We have performed the procedures enumerated below on Beaver Township, Pike County'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. 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, 2022 and December 31, 2021 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2021 beginning fund balances for each opinion unit recorded in the Cash Journal to the December 31, 2020 balances in the prior year audited statements. We found that the amounts reported in the prior year audited statements were \$12 greater than the Cash Journal in the General Fund and \$17 lower than the Cash Journal in the Special Revenue Funds. We also agreed the January 1, 2022 beginning fund balances for each fund recorded in the Cash Journal to the December 31, 2021 balances in the Cash Journal. We found no exceptions.
3. We agreed the 2022 and 2021 Bank Reconciliation as of December 31, 2022 and 2021 to the total fund cash balances reported in the Cash Journal and the financial statements filed by the Township in the Hinkle System. The amounts agreed for 2021. For 2022, the Hinkle filing was \$482,479 less than the Cash Journal

due to the Township excluding beginning balances from the financial report. No other exceptions were noted in 2022.

4. We confirmed the December 31, 2022 bank account balance with the Township's financial institution. We found no exceptions. We also agreed the confirmed balance to the amount 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.

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 Pike County Audit Trail by Vendor 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 Receipts Journal. The amounts agreed.
 - b. We inspected the Receipts Journal to determine these receipts were allocated to the proper funds as required by Ohio Revised Code Sections 5705.05-.06 and 5705.10. We found no exceptions.
 - c. We inspected the Receipts Journal 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 Receipts Journal to determine whether it included two real estate tax receipts for 2022 and 2021. The Receipts Journal included the proper number of tax receipts for each year. We found no exceptions.

Debt

1. From the prior audit documentation, we observed the following bond was outstanding as of December 31, 2020.
 - a. These amounts agreed to the January 1, 2021 balances on the summary we used in procedure 3.
 - b. We inspected the debt agreements for all outstanding debt, and we confirmed the Township was in compliance with the listed covenants with the exception of timely debt repayments, as the Township made its 2022 payment one day late.

Issue	Principal Outstanding as of 12/31/20	Debt Covenants
2016 Equipment Acquisition Bond	\$19,000	Adequate insurance coverage, use of proceeds for intended purpose, timely payments

2. We inquired of management and inspected the Receipts Journal and Appropriation Ledger for evidence of debt issued during 2022 and 2021 or debt payment activity during 2022 and 2021. All debt agreed to the summary we used in procedure 3.
3. We obtained a summary of bond and note debt activity for 2022 and 2021 and agreed principal and interest payments from the related debt amortization schedule(s) to Gasoline Tax Fund payments reported in the Appropriation Ledger. We also compared the date the debt service payments were due to the date the

Township made the payments. We found no exceptions for the bond. For the note, we noted that the Township paid the 2022 debt payment one day late.

4. We agreed the amount of debt proceeds received for 2021 from the debt documents to amounts recorded in the Gasoline Tax Fund per the Receipts Journal. The amounts agreed.
5. For new debt issued during 2021, we inspected the debt legislation, which stated the Township must use the proceeds to purchase a tractor. We inspected the Appropriations Ledger and observed the Township purchased a tractor in 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 Payroll Record and:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Record to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found two instances where hourly employee did not use a timesheet. Hours worked was documented in voucher and approved by all Trustees, but the Township does not require hourly employees to prepare timesheets. We recommend that the Township implement the use of formal detailed timesheets for hourly employees.
 - b. We recomputed gross and net pay and agreed it to the amount recorded in the Payroll Record. 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, 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	January 31, 2023	December 29, 2022	\$1,192.80	\$1,192.88
State income taxes	January 31, 2023	January 23, 2023	402.54	402.54
OPERS retirement	January 30, 2023	December 29, 2022	972.65	972.67

We found no exceptions.

3. For the pay periods ended August 25, 2022 and June 24, 2021, we
 - a. Recomputed the allocation of the Boards' salary amounts and employer shares of withholdings to the General and Gasoline Tax Funds per the Payroll Record.
 - 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 2022 and 2021 to the compensation permitted by Ohio Revised Code Sections 507.09 and 505.24, respectively. Their pay did not exceed the Ohio Revised Code Sections 507.09 and 505.24 permitted amounts.
5. We inquired of management and inspected the Appropriation Ledgers 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. Insurance reimbursements were made in compliance with Ohio Revised Code Sections 505.60, 505.601, 505.602, and 505.603 and federal regulations.

Non-Payroll Cash Disbursements

1. From the Appropriation Ledgers, we re-footed checks recorded as General Fund disbursements for general government, and checks recorded as public works in the Gasoline Tax Fund for 2022. We found no exceptions.
2. We selected ten disbursements from the Appropriation Ledger for the year ended December 31, 2022 and ten from the year ended 2021 and determined whether:
 - a. The disbursements were for a proper public purpose. For 2021, we found one instance for which support could not be provided and one instance for which support was not maintained but for which the payee could provide confirmation of payment. For 2022, 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 Listing 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. For 2021, we found two instances where disbursements were charged to the Motor Vehicle License Tax Fund but that did not appear to be consistent with the restricted purpose for which the fund's cash can be used. We requested that the Fiscal Officer make the appropriate adjustments. For 2022, we found no exceptions. For 2021, we also found that the Township recorded its entire liability insurance premium to the Motor Vehicle License Tax Fund without maintaining supporting documentation for this allocation. Although an allowable disbursement from this fund, we recommend that the Township prepare and maintain a reasonable methodology for disbursement allocations among funds.
 - d. The fiscal officer certified disbursements requiring certification or issued a *Then and Now Certificate*, as required by Ohio Revised Code Section 5705.41(D). We found 10 instances in 2022 and 8 instances in 2021 where the certification date was after the vendor invoice date, and there was also no evidence that a Then and Certificate was issued. The remaining 2 instances in 2021 did not have sufficient supporting documentation to test this attribute. Ohio Revised Code Section 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 Revised Code Section 5705.41(B) prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total approved appropriations (Ohio Revised Code Sections 5705.38 and 5705.40) plus any carryover appropriations for the years ended December 31, 2022 and 2021 for the General, Gasoline Tax, and Fire District Funds as recorded in the Appropriation Ledgers. Expenditures did not exceed appropriations.
2. We inspected the Cash Journals for the years ended December 31, 2022 and 2021 for negative cash fund balances. Ohio Revised Code Section 5705.10 (l) 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 Revised Code Sections 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 five public records requests from the engagement period and inspected each request to determine the following:
 - a. We inquired with Township management and determined that 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 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 Revised Code Section 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 Revised Code Section 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 Revised Code Section 149.43(E)(2).
6. We inquired with Township management and determined that the Township did not have a poster describing their Public Records Policy that was displayed conspicuously in all branches of the Township as required by Ohio Revised Code Section 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 Records Commission during the engagement period.
8. We inquired with Township management and determined that the Township did not have any elected officials subject to the Public Records Training requirements during the engagement period as required by Ohio Revised Code Sections 143.43(E)(1) and 109.43(B).
9. We inquired with Township management and determined that the Township did not provide public notices for the public meetings during the engagement period as required by Ohio Revised Code Section 122.22(F).
10. We inspected the minutes of public meetings during the engagement period in accordance with Ohio Revised Code Section 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 Revised Code Section 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 Revised Code Section 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 Appropriations Ledgers 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
 - 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 Revised Code Section 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 did not find evidence that this contract was competitively bid.

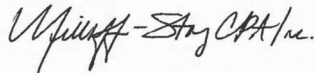
Other Compliance

1. Ohio Revised Code Section 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.
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 Revised Code Sections 507.12 and 733.81. Fiscal Officer has not 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.

Respectfully,



Millhuff-Stang, CPA, Inc.
Wheelersburg, Ohio

July 11, 2024

OHIO AUDITOR OF STATE KEITH FABER



BEAVER TOWNSHIP

PIKE 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 8/27/2024

65 East State Street, Columbus, Ohio 43215
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This report is a matter of public record and is available online at
www.ohioauditor.gov