



**bhm cpa group, inc.**  
CERTIFIED PUBLIC ACCOUNTANTS

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BRUSHCREEK TOWNSHIP  
HIGHLAND COUNTY

AGREED UPON PROCEDURES

For the Years Ended December 31, 2019 and 2018

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OHIO AUDITOR OF STATE  
KEITH FABER



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(800) 282-0370

Board of Trustees  
Brushcreek Township  
PO Box 1  
Sinking Spring, Ohio 45172

We have reviewed the *Independent Accountant's Report on Applying Agreed-Upon Procedures* of Brushcreek Township, Highland County, prepared by BHM CPA Group, Inc., for the period January 1, 2018 through December 31, 2019. 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. Brushcreek 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

July 28, 2020

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**BRUSHCREEK TOWNSHIP**  
*Highland County*  
*For the Years Ended December 31, 2019 and 2018*  
*Table of Contents*

<u>TITLE</u>	<u>PAGE</u>
Independent Accountant's Report on Applying Agreed-Upon Procedures.....	1

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**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES**

Board of Trustees  
Brushcreek Township  
Highland County  
PO Box 1  
Sinking Spring, Ohio 45172

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Brushcreek Township (the Township) and the Auditor of State, on the receipts, disbursements and balances recorded in the Townships cash basis accounting records for the years ended December 31, 2019 and 2018 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, 2019 and 2018 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Township. The sufficiency of the procedures is solely the responsibility of the parties specified in this 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.

This report only describes exceptions exceeding \$10.

**Cash**

1. We recalculated the December 31, 2019 and December 31, 2018 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2018 beginning fund balances recorded in the Cash Journal to the December 31, 2017 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2019 beginning fund balances recorded in the Cash Journal to the December 31, 2018 balances in the Cash Journal. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2019 and 2018 fund cash balances reported in the Cash Journal and the financial statements filed by the Township in the Hinkle System. We found the December 31, 2019 bank reconciliation was \$3,046 greater than the cash balance reported in the Cash Journal and \$79 greater than the amounts reported in the financial statements filed by the Township filed in the Hinkle System. We found the December 31, 2018 bank reconciliation agreed to the cash balance reported in the Cash Journal and was \$47 less than the amounts reported in the financial statements filed by the Township in the Hinkle System.
4. We confirmed the December 31, 2019 bank account balance with the Township's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2019 bank reconciliation without exception.

5. We selected five reconciling debits (such as outstanding checks) from the December 31, 2019 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, to determine the debits were dated prior to December 31. There were no exceptions.
6. We inspected investments held at December 31, 2019 and December 31, 2018 to determine that they:
  - a. Were of a type authorized by Ohio Rev. Code Sections 135.13, 135.14 or 135.144. We found no exceptions.
  - b. Mature within the prescribed time limits noted in Ohio Rev. Code Section 135.13 or 135.14. We noted no exceptions.

**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 Cross Reference Report for 2019 and a total of five from 2018:
  - a. We compared the amount from the above named reports to the amount recorded in the Cash Journal. The amounts agreed.
  - b. We inspected the Cash Journal to determine these receipts were allocated to the proper funds as required by Ohio Rev. Code Sections 5705.05-.06 and 5705.10. We found no exceptions.
  - c. We inspected the Cash 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 Cash Journal to determine whether it included two real estate tax receipts for 2019 and 2018. The Cash Journal included the proper number of tax receipts for each year.

**Debt**

1. From the prior audit documentation, we observed the following notes were outstanding as of December 31, 2017. These amounts agreed to the Townships January 1, 2018 balances on the summary we used in procedure 3.

Issue	Principal outstanding as of December 31, 2017:
Fire Truck Note	2,670

2. We inquired of management, and inspected the Cash Journal for evidence of debt issued during 2019 or 2018 or debt payment activity during 2019 or 2018. All debt agreed to the summary we used in procedure 3.
3. We obtained a summary of loan debt activity for 2019 and 2018 and agreed principal and interest payments from the related debt amortization schedules to General, Gas Tax, Cemetery and Fire District fund payments reported in the Cash Journal. 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 from the debt documents to amounts recorded in the General fund per the Cash Journal. The amounts agreed.
5. For new debt issued during 2019 and 2018, we inspected the debt legislation, which stated the Township must use the proceeds to purchase a tractor. We inspected the Cash Journal and observed the Township purchased a tractor in November of 2018.



**Payroll Cash Disbursements**

1. We selected one payroll check for five employees from 2019 and one payroll check for five employees from 2018 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 no exceptions.
  - b. We recomputed gross and net pay and agreed it to the amount recorded in the payroll register. We found no exceptions.
  - c. We inspected the fund and account codes to which the check was posted to determine the posting was reasonable based on the employees' duties as documented in the minute record and as required by statute. We also 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, 2019 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 2019. 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, 2020	December 31, 2019	1,625.77	1,625.77
State income taxes	January 15, 2020	December 31, 2019	121.44	121.44
OPERS retirement	January 30, 2020	February 15, 2020	819.20	819.20

As stated above, the Township did not pay OPERS the amount due as required by Ohio Rev. Code Sections 145.47 and 145.48 by January 31, 2020.

3. For the pay periods ended February 2, 2019 and June 2, 2018, we
  - a. Recomputed the allocation of the Fiscal Officer's and Boards' salaries to the General and Gas Tax Fund per the Cash Journal.
  - b. Traced the Fiscal Officer's and Boards' salary for time or services performed to supporting certifications the Revised Code requires.

We found the fiscal officer did not complete the certifications as required by Ohio Rev. Code. Section 505.24.
  
4. We compared total gross pay for the fiscal officer and each board member for 2019 and 2018 to the compensation permitted by Ohio Revised Code Sections 507.09 and 505.24, respectively. We found no exceptions.
  
5. We inquired of management and inspected the Cash Journal for the years ended December 31, 2019 and 2018 to determine if township employees and/or trustees were reimbursed for out-of-pocket insurance premiums. Insurance reimbursements made were in compliance with ORC 505.60 and 505.601 and federal regulations.

### Non-Payroll Cash Disbursements

1. From the Cash Journal, we re-footed checks recorded as General Fund disbursements for *general government*, and checks recorded as *public works* in the Gas Tax fund for 2019. We found no exceptions.
2. We selected 10 disbursements from the Cash Journal for the year ended December 31, 2019 and 10 from the year ended 2018 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 Cash Journal 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 Section 5705.41(D). We found no exceptions.

### Compliance – Budgetary

1. Ohio Rev. Code Section 5705.41(B) prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total approved appropriations (Ohio Rev. Code Section 5705.38 and 5705.40) plus any carryover appropriations for the years ended December 31, 2019 and 2018 for the General, Gas Tax and Cemetery funds. There were no funds for which expenditures exceeded appropriations.
2. We inspected the 2019 and 2018 Cash Journal for evidence of interfund transfers exceeding \$5,000 which Ohio Rev. Code Sections 5705.14 - .16 restrict. We found no evidence of transfers these Sections prohibit, or for which Section 5705.16 would require approval by the Tax Commissioner (effective after June 30, 2017) or Court of Common Pleas (effective through June 30, 2017).
3. We inspected the Cash Summary by Fund Report for the years ended December 31, 2019 and 2018 for negative cash fund balances. Ohio Rev. Code Section 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 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.
3. We inquired with Township management and determined that the Township did not have any denied public records requests during the engagement period.
4. We inquired with Township management and determined that the Township did not have any public records requests with redactions during the engagement period.

5. 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).
6. 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.
7. 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).
8. We inquired whether 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.
9. 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.
10. We determined that the elected officials have not successfully attended a certified three-hour Public Records Training for each term of office as required by Ohio Rev. Code § 109.43(B).
11. 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.
12. 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.
13. 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 Section 121.22(G).
  - c. Formal governing board actions were adopted in open meetings.We found no exceptions.

#### **Other Compliance**

1. Ohio Rev. 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, 2019 and 2018 in the Hinkle system. There were no exceptions.

This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants attestation standards and applicable attestation engagement standards included in the Comptroller General of the United States' *Government Auditing Standards*. We were not engaged to, and did not conduct an examination or review, 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.

This report is to provide 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, 2019 and 2018, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.

The image shows a handwritten signature in black ink that reads "BHM CPA Group". The letters are cursive and somewhat stylized.

BHM CPA Group Inc.  
Piketon, Ohio  
June 26, 2020

# OHIO AUDITOR OF STATE KEITH FABER



**BRUSHCREEK TOWNSHIP**

**HIGHLAND 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 8/11/2020**

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