



OHIO AUDITOR OF STATE
KEITH FABER



**MEIGS TOWNSHIP
MUSKINGUM COUNTY**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Meigs Township
Muskingum County
P.O. Box 79
Blue Rock, Ohio 43720

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Meigs Township, Muskingum County, Ohio (the Township), on the receipts, disbursements and balances recorded in the Township's 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 and Investments

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 Fund Status Report to the December 31, 2017 balances per documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2019 beginning fund balances recorded in the Fund Status Report to the December 31, 2018 balances in the Fund Status Report. 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 Fund Status Report and the financial statements filed by the Township in the Hinkle System. The amounts agreed.
4. We confirmed the December 31, 2019 bank account balance for the Township through the Ohio Pooled Collateral System. We found no exceptions. We also agreed the confirmed balance to the amount 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 Payment Listing Report, to determine the debits were dated prior to December 31. There were no exceptions.

Cash and Investments (Continued)

6. We inspected the Fund Balance Adjustment Listing to determine whether the Finding For Adjustment identified in the prior agreed-upon procedures report, due from the General Fund, payable to the Road and Bridge Fund, was properly posted to the report. We found 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 spreadsheet exported from the Muskingum County Auditor's General Ledger 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 Revenue Receipt Register Report. The amounts agreed.
 - b. We inspected the Revenue 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 Revenue 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 Revenue Receipt Register Report to determine whether it included two real estate tax receipts for 2019 and 2018. The Revenue Receipt Register Report included the proper number of tax receipts for each year.

Debt

1. From the prior agreed-upon procedures documentation, we observed the following promissory note was outstanding as of December 31, 2017. This amount agreed to the Township's January 1, 2018 balances on the summary we used in procedure 3.

Issue	Principal outstanding as of December 31, 2017:
Tractor Promissory Note	\$68,955

2. We inquired of management, and inspected the Receipt Detail Report and Payment Register Detail Report for evidence of debt issued during 2019 or 2018 or debt payment activity during 2019 or 2018. There were no new debt issuances during 2019 or 2018 and all debt payment activity agreed to the summary we used in procedure 3.
3. We obtained a summary of promissory note debt activity for 2019 and 2018 and agreed principal and interest payments from the related debt amortization schedule 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.

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 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.

Payroll Cash Disbursements (Continued)

- b. We inspected the fund and account code(s) to which the check was posted to determine the posting was reasonable based on the employees' duties as documented in the minute record or as required by statute. We also confirmed the payment was posted to the proper year. We found no exceptions.
- c. For any new employees selected we inspected the employees' personnel files and/or minute record for the following information and compared it with the information used to compute gross and net pay related to this check:
 - i. Name
 - ii. Authorized salary or pay rate and department(s) and fund(s) to which the check should be charged
 - iii. Retirement system, Federal, State & Local income tax withholding authorization and withholding.

We found no exceptions related to procedures i. – iii. above.

- 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:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare	January 31, 2020	January 6, 2020	\$819	\$819
State income taxes	January 15, 2020	January 6, 2020	\$109	\$109
OPERS retirement	January 30, 2020	January 6, 2020	\$1,078	\$1,078

- 3. For the pay periods ended June 30, 2019 and August 31, 2018, we
 - a. Recomputed the allocation of the Boards' salaries to the General, Gasoline Tax and Motor Vehicle License Tax Funds per the Wage Earnings Report.
 - b. Traced the Boards' salary 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 2019 and 2018 to the compensation permitted by Ohio Revised Code §§ 507.09 and 505.24, respectively. We found no exceptions.
- 5. We inquired of management and inspected the Payment Register Detail Report 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. No such reimbursements occurred.

Non-Payroll Cash Disbursements

We selected 10 disbursements from the Payment Register Detail Report 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 Payment Register Detail Report and to the names and amounts on the supporting invoices. We found no exceptions.

Non-Payroll Cash Disbursements (Continued)

- 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 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, 2019 and 2018 for the General, Gasoline Tax and Road and Bridge Funds. There were no funds for which expenditures exceeded appropriations.
2. We inspected the Appropriation Status Report for the Barton Alexander Trust Fund. Not more than 5 percent of non-spendable monies were released, spent, or otherwise modified during the engagement period. No exceptions were noted.
3. We inspected the 2019 and 2018 Revenue Status Reports and Appropriation Status Reports for evidence of interfund transfers exceeding \$10 which Ohio Rev. Code §§ 5705.14 - .16 restrict. We found no evidence of transfers these Sections prohibit, or for which § 5705.16 would require approval by the Tax Commissioner (effective after June 30, 2017) or Court of Common Pleas (effective through June 30, 2017).
4. 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 § 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 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 policy during the engagement period and therefore could not make it readily available to the public. Ohio Rev. Code § 149.43(B)(2) states in part that a public office shall have a copy of its current record retention schedule at a location readily available to the public.
6. We inspected written evidence that the Public Records Policy was provided to the records custodian/manager. We found no exceptions.

Sunshine Law Compliance (Continued)

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.
8. We inquired whether the Township's poster describing their Public Records Policy was displayed conspicuously in all branches of the Township. 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 inspected the individual training certificate and determined whether each elected official (or his/her designee) successfully attended a certified three-hour Public Records Training for each term of office. We found no exceptions.
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 are to be held. We found no exceptions.
12. We inspected the minutes of public meetings during the engagement period 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 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. The 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.

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

April 30, 2020

OHIO AUDITOR OF STATE
KEITH FABER



MEIGS TOWNSHIP

MUSKINGUM COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MAY 12, 2020**