

***BEARFIELD TOWNSHIP***

***PERRY COUNTY, OHIO***

**AGREED-UPON PROCEDURES**

**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**







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

The Board of Trustees  
Bearfield Township  
1795 Twp Rd 320  
Crooksville, OH 43731

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Bearfield Township, Perry County, prepared by Charles E. Harris & Associates, 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. The Bearfield 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

**May 30, 2023**

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**BEARFIELD TOWNSHIP  
PERRY COUNTY**

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**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES**

Bearfield Township  
Perry County  
1795 Township Road 320  
Crooksville, Ohio 43731

We have performed the procedures enumerated below on Bearfield Township, Perry County, Ohio'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 recorded in the Cash Journal to the December 31, 2020 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2022 beginning fund balance recorded in the Cash Journal to the December 31, 2021 balance in the Cash Journal. We found no exceptions.
3. We agreed the 2022 and 2021 Bank Reconciliation Balances 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. We noted a difference in the Hinkle System of \$144,740 in 2022 and \$75,284 in 2021 due to missing beginning balances on the Hinkle report.
4. We confirmed the December 31, 2022 bank account balance with the Ohio Pooled Collateral System. 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 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.

**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 Perry County Auditors Distribution Transaction Lists 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 Rev. Code §§ 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.

**Other Receipts**

We selected 10 other receipts from the year ended December 31, 2022 and 10 other receipts from the year ended December 31, 2021 and:

- a. Agreed the receipt amount recorded in the Receipts Journal to supporting documentation. The amounts agreed.
- b. Confirmed the amounts charged complied with rates in force during the period. We found no exceptions.
- c. Inspected the Receipts Journal to determine the receipt was posted to the proper fund and was recorded in the proper year. We found no exceptions.

**Debt**

1. From the prior audit documentation, we observed the following note was outstanding as of December 31, 2020.
  - a. This amount agreed to the Township's January 1, 2021 balances on the summary we used in procedure 3.
  - b. We inspected the debt's final offering documents for all outstanding debt, and we confirmed the Township does not have any debt covenants.

Issue	Principal outstanding as of December 31, 2020:
Truck Note	\$13,618

2. We inquired of management and inspected the Receipts Journal and Cash Journal 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 bond and note debt activity for 2022 and 2021 and agreed principal and interest payments from the related debt amortization schedules to Gasoline 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. For new debt issued during 2022, we inspected the debt legislation, which stated the Township must use the proceeds to purchase a grader. We inspected the Cash Journal and observed the Township purchased a grader in February of 2022. 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 Cash Journal and:
  - a. We compared the hours and pay rate, or salary recorded in the Cash Journal 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 Cash Journal. We found no exceptions.
  - c. We inspected the fund and account code to which the check was posted to determine the posting was allowable based on the employees' duties as documented in the minute records. We found no exceptions.
  - d. We confirmed the payment was posted to the proper year. We found no exceptions.
2. We selected all new employees from 2021 and:
  - a. We inspected the employees' personnel files and minute records for the Retirement system, Federal, State & Local income tax withholding authorization.
  - b. We agreed the items in a above to the Pay Roll Record 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:

<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	1/31/2023	12/29/2022	\$781.73	\$781.73
State income taxes	1/31/2023	12/29/2022	\$508.00	\$508.00
OPERS retirement	1/30/2023	12/29/2022	\$1,901.28	\$1,901.28

We found no exceptions.

4. 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.
5. We inquired of management and inspected the Cash Journal 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**

1. From the Appropriation Ledger Reports, we re-footed checks recorded as General Fund disbursements for general government, and checks recorded as public safety in the Fire Fund for 2022. We found no exceptions.
2. We selected 10 disbursements from the Cash Journal for the year ended December 31, 2022 and 10 from the year ended December 31, 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 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 § 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, 2022 and 2021 for the General, Gasoline Tax and Cemetery funds as recorded in the Cash Journal. The Gasoline Fund expenditures for 2022 exceeded total appropriations by \$219,355, contrary to Ohio Rev. Code § 5705.41(B).
2. We inspected the Cash Journal 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 public records requests during the engagement period. The Township did not have any denied public records requests during the engagement period. The Township did not have any public records requests with redactions 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's 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 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 inquired with Township management 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.

#### **HB 481 / HB 614 Coronavirus Relief Fund (CRF) Compliance**

1. We inquired of management and those charged with governance and documented how the Township decided to spend their CRF allocations and how the Township documented their compliance with the CARES Act three-prong test. We then selected five transactions including payroll, non-payroll, and subgrant/subloan transactions and determined the Township:
  - a. Spent the CRF money (including additional distributions or redistributions) in accordance with use of funds requirements and
  - b. Maintained appropriate supporting documentation.We found no exceptions.

### Contract Compliance

1. We inspected the minutes and Cash Journal and identified the Township had expenditures subject to competitive bidding. We found no exceptions.
  2. We selected two contracts over \$45,000 for 2022. There were no contracts over \$45,000 for 2021.
    - 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 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. 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 the Auditor of State established policy, within the allotted timeframe for the years ended December 31, 2022 and 2021 in the Hinkle system. The financial statements did not include the financial statements as required which resulted in late resubmissions on April 5, 2023 for 2022 and March 15, 2023 for 2021.
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 Rev. Code §§ 507.12 and 733.81. The Fiscal Officer 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.



**Charles E. Harris & Associates, Inc.**

April 21, 2023

# OHIO AUDITOR OF STATE KEITH FABER



**BEARFIELD TOWNSHIP**

**PERRY 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 6/13/2023**

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