



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



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

Center Township  
Noble County  
22214 Fredericksdale Road  
Sarahsville, Ohio 43779

We have performed the procedures enumerated below on the Center Township, Noble County (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

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 Summary by Fund Report 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 balances for each fund recorded in the Cash Summary by Fund Report to the December 31, 2021 balances in the Cash Summary by Fund 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 Cash Summary by Fund Report and the financial statements filed by the Township in the Hinkle System. The amounts agreed.

**Cash (Continued)**

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 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 County Auditor's Transaction 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 a Local Fiscal Recovery Fund receipt in 2022 was posted to Fund 2901. Per Version 2021.3 Overview Memo to all UAN users dated July 7, 2021, UAN lists funds 2272 through 2279 as being available for the Coronavirus Relief and American Rescue Plan Act funds.
  - 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 audit documentation, we observed the following notes 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 notes 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
Truck Promissory Note	\$13,451	If payment is 10 days or more late, borrower will be charged 5.00% of the unpaid portion of the regularly scheduled payment or \$25.00, whichever is less.
Tractor Promissory Note	\$19,414	If payment is 10 days or more late, borrower will be charged 5.00% of the unpaid portion of the regularly scheduled payment or \$25.00, whichever is less

### **Debt (Continued)**

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. We found the Township signed promissory notes with a local bank to purchase a truck in the amount of \$52,053 in 2015, to purchase a tractor in the amount of \$34,500 in 2018, and to purchase a dump truck in the amount of \$63,509 in 2021. This type of debt does not meet the criteria for any of the debt allowed in Ohio Rev. Code Chapter 133. The 2018 note was paid off during 2021. The 2015 and 2021 notes had outstanding balances at December 31, 2022. All debt agreed to the summary we used in procedure 3.
3. We obtained a summary of notes debt activity for 2022 and 2021 and agreed principal and interest payments from the related debt amortization schedules to Gasoline Tax and Road and Bridge funds' 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. The Township did not record debt proceeds in the amount of \$63,509 for 2021 in the Receipt Register Report.
5. For new debt issued during 2022 and 2021, we inspected the debt legislation, which stated the Township must use the proceeds to purchase a dump truck. We inquired with the Fiscal Officer and a Trustee and noted the Township purchased a dump truck in January 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 a Trustee was under compensated by \$47 and the Fiscal Officer was under compensated by \$137 for the payroll check selected for testing in 2021. We noted the total under compensation for these officials in Step 5.
  - 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 minute record. We found no exceptions.
  - c. We confirmed the payment was posted to the proper year. We found no exceptions.
2. We selected the new employee from 2022 and:
  - a. We inspected the employee's personnel file for the Retirement system, Federal, State & Local income tax withholding authorization.
  - b. We agreed the items in a above to the Employee General Information ReportWe 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:

**Payroll Cash Disbursements (Continued)**

<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 31,2023	December 28,2022	\$1,336	\$1,336
State income taxes	January 15,2023	December 28,2022	\$183	\$183
OPERS retirement	January 31, 2023	December 28,2022	\$1,243	\$1,243

We found no exceptions.

4. For the pay periods ended May 31, 2022 and December 31, 2021, we
  - a. Recomputed the allocation of the Fiscal Officer's and Boards' salary amounts and employer shares withholdings to the General, Gasoline Tax, and Road and Bridge Funds 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. We found two Trustees were under compensated by \$566 each, one Trustee was under compensated by \$596 and the Fiscal Officer was under compensated by \$1,642 in 2021.
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. We found the Township procured a health care plan from January 2021 to May 2021 when it was terminated. The Trustees did not approve the proper resolution under Ohio Rev. Code § 505.60 when the Township procured a health care plan and under Ohio Rev. Code § 505.601 when the health care plan was terminated. Ohio Rev. Code § 505.60(A) states the board of township trustees of any township may procure and pay all or any part of the cost of insurance policies that may provide benefits for hospitalization, surgical care, major medical care, disability, dental care, eye care, medical care, hearing aids, prescription drugs, or sickness and accident insurance, or a combination of any of the foregoing types of insurance for township officers and employees. The board of township trustees of any township may negotiate and contract for the purchase of a policy of long-term care insurance for township officers and employees pursuant to § 124.841 of the Revised Code. If the board procures any insurance policies under this section, the board shall provide uniform coverage under these policies for township officers and full-time township employees and their immediate dependents, and may provide coverage under these policies for part-time township employees and their immediate dependents, from the funds or budgets from which the officers or employees are compensated for services, such policies to be issued by an insurance company duly authorized to do business in this state. Ohio Rev. Code § 505.60(D) states if any township officer or employee is denied coverage under a health care plan procured under this section or if any township officer or employee elects not to participate in the township's health care plan, the township may reimburse the officer or employee for each out-of-pocket premium attributable to the coverage provided for the officer or employee for insurance benefits described in division (A) of this section that the officer or employee otherwise obtains, but not to exceed an amount equal to the average premium paid by the township for its officers and employees under any health care plan it procures under this section.

### **Payroll Cash Disbursements (Continued)**

Ohio Rev. Code § 505.601 states if a board of township trustees does not procure an insurance policy or group health care services as provided in § 505.60 of the Revised Code, the board of township trustees may reimburse any township officer or employee for each out-of-pocket premium attributable to the coverage provided for that officer or employee for insurance benefits described in division (A) of § 505.60 of the Revised Code that the officer or employee otherwise obtains, if all of the following conditions are met: (1) The board of township trustees adopts a resolution that states that the township has chosen not to procure a health care plan under § 505.60 of the Revised Code and has chosen instead to reimburse its officers and employees for each out-of-pocket premium attributable to the coverage provided for them for insurance benefits described in division (A) of § 505.60 of the Revised Code that they otherwise obtain. (2) That resolution provides for a uniform maximum monthly or yearly payment amount for each officer or employee to cover themselves and their immediate dependents, beyond which the township will not reimburse the officer or employee. (3) That resolution states the specific benefits listed in division (A) of § 505.60 of the Revised Code for which the township will reimburse all officers and employees of the township. The township may not reimburse officers and employees for benefits other than those listed in division (A) of § 505.60 of the Revised Code.

### **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 voucher packet 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 three 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, Gasoline Tax, and Cemetery Funds as recorded in the Appropriation Status Report. Expenditures did not exceed appropriations.
2. We inspected the interfund transfer from 2021 Revenue Status Report and Appropriation Status Report for compliance with Ohio Rev. Code §§ 5705.14 - .16. We found no evidence of transfers these Sections prohibit, or for which Ohio Rev. Code § 5705.16 would require approval by the Tax Commissioner.

### **Compliance – Budgetary (Continued)**

3. 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 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 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).
4. We noted the Township does not have written evidence that the public records policy was provided to the records custodian/manager as required by Ohio Rev. Code § 149.43(E)(2).
5. We inspected the Township's policy manual and determined the public records policy was included as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
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.



### **Sunshine Law Compliance (Continued)**

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 Transaction:
  - a. Trustee DeVold's grandson mowed and performed other work for the Township during 2021 and 2022. We noted Trustee DeVold abstained from voting on the employment of his grandson.

We found no exceptions.

2. We confirmed the transactions with the Trustee and through review of the minutes. We found no exceptions.
3. We obtained supporting evidence for the Related Party Transaction identified in procedure 1. We found no exceptions.

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

October 2, 2023

# OHIO AUDITOR OF STATE KEITH FABER



**CENTER TOWNSHIP**

**NOBLE 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 10/19/2023**

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This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)