

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



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ContactUs@ohioauditor.gov  
800-282-0370

Board of Trustees  
Starr Township  
35975 Water Street, P.O. Box 116  
Union Furnace, Ohio 43158

We have reviewed the *Independent Accountant's Report on Applying Agreed-Upon Procedures* of Starr Township, Hocking 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. Starr Township is responsible for compliance with these laws and regulations.

Keith Faber  
Auditor of State  
Columbus, Ohio

December 06, 2024

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

Starr Township  
Hocking County  
35975 Water Street, P.O. Box 116  
Union Furnace, Ohio 43158

We have performed the procedures enumerated below on Starr Township, Hocking 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 no exceptions. 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 a \$382 difference, which was an unadjusted audit adjustment proposed during the prior audit engagement that was recorded as a beginning balance adjustment to the General Fund in 2022. We found no other 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 Journals and the financial statements filed by the Township in the Hinkle System. The amounts agreed.

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Independent Accountants' Report on Applying Agreed-Upon Procedures

4. We confirmed the December 31, 2022 bank account balances with the Township's financial institution. We found no exceptions. We also compared 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 Cash Journal, and determined the debits were dated prior to December 31. We found no exceptions.
6. We selected five reconciling credits (such as deposits in transit) from the December 31, 2022 bank reconciliation:
  - a. We traced each credit to the subsequent January bank statements. We found no exceptions.
  - b. We agreed the credit amount to the Cash Journal and determined it was dated prior to December 31. We noted 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 Hocking County Expenditure History by Vendor 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 Revenue Ledger. The amounts agreed.
  - b. We inspected the Revenue Ledger 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 other exceptions.
  - c. We inspected the Revenue Ledger 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 Ledger to determine whether it included two real estate tax receipts for 2022 and 2021. The Revenue Ledger included the proper number of tax receipts for each year. We found no exceptions.

**Other Receipts**

1. We selected ten other receipts from the year ended December 31, 2022 and ten other receipts from the year ended 2021 and:
  - a. Agreed the receipt amount recorded in the Revenue Ledger 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 Revenue Ledger to determine the receipt was posted to the proper funds and was recorded in the proper year. For 2022, we found that the Township misclassified bond proceeds of \$52,365 as miscellaneous receipts and recorded those proceeds in an improper fund. We found no other exceptions for 2022 and no exceptions for 2021.

**Debt**

1. From the prior audit documentation, we observed the following loan outstanding as of December 31, 2020.
  - a. This amount agreed to the Township's January 1, 2021 balance on the summary we used in procedure 3.
  - b. We inspected the debt agreement for the outstanding debt, and we confirmed the Township was in compliance with the debt covenant listed below.



Issue	Principal outstanding as of December 31, 2020:	Debt Covenant
2016 Citizens Bank Loan	\$13,671	Timely payments

2. We inquired of management, and inspected the Revenue Ledger 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 bonds and loans debt activity for 2022 and 2021 and agreed principal and interest payments from the related debt amortization schedules to General and Gasoline Tax Fund payments reported in the Appropriation Ledgers. We also compared the date the debt service payments were due to the date the Township made the payments. We noted differences between the amortization schedules and fund payments. For 2021, principal was reported as \$46 lower than the amortization schedule and interest was reported as \$95 higher than the amortization schedule. For 2022, principal was reported as \$84 higher than the amortization schedule and interest was reported as \$195 higher than the amortization schedule. We confirmed payments to supporting invoices, indicating differences for 2021 are due to compounding interest and timing of payments. The total difference for 2022 equaled late fees assessed on the 2022 bond payment. For 2021, we found no late payments. For 2022, we found the Township paid its 2022 bond payment late and was assessed a late fee of \$280.
4. We agreed the amount of debt proceeds received for 2022 from the debt documents to amounts recorded in the General fund per the Revenue Ledger. The amounts agreed. The Township did not properly recorded the proceeds in a bond fund (i.e. capital projects fund) as required by Ohio Revised Code Section 5705.09(E).
5. For new debt issued during 2022, we inspected the debt legislation, which stated the Township must use the proceeds to purchase a trackhoe. We inspected the Appropriation Ledger and observed the Township purchased a trackhoe in January of 2022. We found no exceptions.

**Payroll Cash Disbursements**

1. We selected one payroll check for all employees from 2022 and one payroll check for all employees from 2021 from the Payroll Register and:
  - a. We compared the hours and pay rate, or salary recorded in the Payroll Register 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 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 selected all new employees and Board of Trustees from 2022 and all new employees and Board of Trustees from 2021 and:
  - a. We inspected the employees'/Board of Trustees' personnel files for the Retirement system, Federal, State, and Local income tax withholding authorization.
  - b. We agreed these items in a above to the payroll registers.

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:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare	January 31, 2023	December 28, 2022	\$1,593.77	\$1,593.77
State income taxes	January 15, 2023	December 28, 2022	385.72	669.37
OPERS retirement	January 30, 2023	December 28, 2022	1,438.14	1,438.14

We found that the amount paid for State income taxes was \$283.65 greater than the required payment, due to outstanding amounts from previous periods. We found no other 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. No such reimbursements occurred.

#### **Non-Payroll Cash Disbursements**

1. From the Appropriation Ledger, we re-footed checks recorded as General Fund disbursements for public works, and checks recorded as public works in the Gasoline Tax fund for 2022. We found no exceptions for the General Fund. The Gasoline Tax's Appropriation Ledger included debt service payments in public works, though these amounts were properly reclassified for the Hinkle filing.
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. 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 Appropriation Ledger and to the names and amounts on the supporting invoices. For 2021, we found no exceptions. For 2022, one disbursement was \$44 higher than the supporting documentation indicated.
  - 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 Revised Code Section 5705.41(D). We found no exceptions.

#### **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 Ledger. The Township did not file appropriations measures with the County for either year of the engagement period, resulting in expenditures in excess of appropriations in all funds for both years, contrary to Ohio Revised Code Section 5705.41(B).
2. We inspected the Cash Journal 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 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 determined that it was readily available to the public as required by Ohio Revised Code Section 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 Revised Code Section 149.43(E)(2). We found no exceptions.
5. We inquired with Township management and determined that the public records policy was not included in the policy manual as required by Ohio Revised Code Section 149.43(E)(2).
6. We inquired with Township management and determined that the Township's poster describing their public records policy was displayed conspicuously in all the 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 inspected individual proof of attendance and determined whether each elected official in accordance with Ohio Revised Code Section 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 Revised Code Section 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 Revised Code Section 121.22(F). We found no exceptions.
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.

#### **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

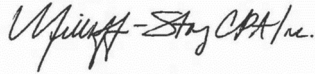
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deadline for filing a financial report and establish terms and conditions for any such extension. Auditor of State established policies regarding the filing of complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System. 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.

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.  
Chillicothe, Ohio

October 29, 2024

# OHIO AUDITOR OF STATE KEITH FABER



**STARR TOWNSHIP**

**HOCKING 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 12/19/2024**

65 East State 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)