



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

Penn Township  
Highland County  
10945 US Highway 62  
Leesburg, Ohio 45135

We have performed the procedures enumerated below on the Penn Township's (the Township) receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2024 and 2023 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, 2024 and 2023 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, 2024 and 2023, 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 and Investments

1. We recalculated the December 31, 2024 and December 31, 2023 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2023 beginning fund balances for each opinion unit recorded in the Fund Ledger Report to the December 31, 2022 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2024 beginning fund balances for each fund recorded in the Fund Ledger Report to the December 31, 2023 balances in the Fund Ledger Report. We found no exceptions.
3. We agreed the 2024 and 2023 Bank Reconciliation adjusted UAN Balances and Adjusted Bank Balances as of December 31, 2024 and 2023 to the total fund cash balances reported in the Fund Status Report and the financial statements filed by the Township in the Hinkle System. The amounts agreed.

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4. We confirmed the December 31, 2024 bank account balances with the Township's financial institutions. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2024 bank reconciliation without exception.
5. We selected 5 reconciling debits (such as outstanding checks) from the December 31, 2024 bank reconciliation:
  - a. We traced each debit to the subsequent January and February bank statements. 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.
6. We inspected the Fund Status Report to determine whether the Findings For Adjustment identified in the prior audit report, due from the Fire Levy, Permissive Motor Vehicle License Tax, and Coronavirus Relief Funds, payable to the General, Motor Vehicle License Tax, Road and Bridge, and Cemetery funds, were properly posted to the ledgers and reflected in the fund balances in Procedure 2. We found no exceptions.
7. We inspected investments held at December 31, 2024 and December 31, 2023 to determine that they:
  - a. Were of a type authorized by Ohio Rev. Code §§ 135.13, 135.14, 135.144 or 135.145. We found no exceptions
  - b. Mature within the prescribed time limits noted in Ohio Rev. Code § 135.13 or 135.14. We found no exceptions.

#### **Property Taxes, Intergovernmental and Other Confirmable Cash Receipts**

1. We selected a total of 5 receipts from the *Statement of Semiannual Apportionment of Taxes*, State Distribution Transaction Lists (DTL), and the County Audit Trail by Vendor for 2024 and a total of 5 from 2023:
  - a. We compared the amount from the above named reports to the amount recorded in the Receipt Register Report. We found that the Township recorded receipts from the Statement of Semiannual Apportionment of Taxes receipts at net instead of at gross.
  - b. We inspected the Receipt Register Report to determine these receipts were allocated to the proper fund(s) as required by Ohio Rev. Code §§ 5705.05 and 5705.10. We found no exceptions.
  - 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 2 real estate tax receipts for 2024 and 2023. The Receipt Register Report included the proper number of tax receipts for each year. We found no exceptions.

#### **Other Receipts**

We selected all cemetery receipts from the year ended December 31, 2024 and all cemetery receipts from the year ended 2023 and:

- a. Agreed the receipt amount recorded in the Receipt Register Report to supporting documentation. We found that the Township did not keep all receipt support, therefore, amounts could not be confirmed to supporting documentation.
- b. Confirmed the amounts charged complied with rates in force during the period. We found that the Township charged the weekend burial rate, \$600, for a weekday burial. The Township should have collected \$550 for a weekday burial. We found burial fees in the

amount of \$300 in 2023 and \$350 in 2024, which we could not determine if the rate was charged correctly due to the lack of supporting documentation maintained by the Township. Additionally, the Township did not approve cemetery rates during 2023.

- c. Inspected the Receipt Register Report to determine the receipt was posted to the proper funds and was recorded in the proper year. We found 2 receipts totaling \$1,800 for Cemetery Plots in 2023 recorded in the General fund that should have been recorded in the Cemetery fund. We brought this to management's attention. They corrected the General fund and Cemetery fund balances for this item.

## Debt

1. The prior audit report disclosed no debt outstanding as of December 31, 2022.
2. We inquired of management and inspected the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2024 or 2023 or debt payment activity during 2024 or 2023. There were no new debt issuances, nor any debt payment activity during 2024 or 2023.

## Payroll Cash Disbursements

1. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2024 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 2024. 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	January 31, 2025	December 17, 2024	\$1,070	\$1,070
State income taxes	January 15, 2025	December 17, 2024	\$212	\$212
OPERS retirement	January 30, 2025	December 17, 2024	\$1,171	\$1,171

We found no exceptions.

2. For the pay periods ended September 30, 2024 and August 31, 2023, we
  - a. Recomputed the allocation of the Boards of Trustees' salary amounts and employer share withholding to the General and Gasoline Tax Fund per the Wage Detail Report.
  - b. Traced the Board of Trustees' pay for time or services performed to supporting certifications and time sheets the Revised Code requires.

We found no exceptions.

3. We compared total gross pay for the fiscal officer and each board of trustees for 2024 and 2023 to the compensation permitted by Ohio Rev. Code §§ 507.09 and 505.24, respectively. We found the Township's budget in 2023 and 2024 was between \$750,000.01 and \$1,500,000 (inclusive) thus the Trustees were to be paid \$62.93 for a total of \$12,586 for 2024. We found that one Trustee was paid a total of \$10,903 for fiscal year 2024. When brought to management attention it was noted that the Trustee was underpaid due to an injury and being told they are not able to receive payment from the Township, by the Bureau of Workers Compensation. The Township did not maintain any documentation of this notification, nor was a reduction in pay approved by the Board of Trustees.

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

1. We selected 10 disbursements from the Payment Register Detail Report for the year ended December 31, 2024 and 10 from the year ended 2023 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.
  - 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 contract commitments including outstanding encumbrances) 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, 2024 and 2023 for the General, Gasoline Tax and Permissive Motor Vehicle License funds as recorded in the Appropriation Status Report. Expenditures did not exceed appropriations.
2. We inspected the only interfund transfer from 2024 and noted none from 2023 Revenue Status Reports and Appropriation Status Reports 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.
3. We inspected the Cash Summary by Fund Report for the years ended December 31, 2024 and 2023 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 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, denied or redacted public records requests 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 that the Township does have a records retention schedule. However, this schedule was not approved by the Ohio Historical Connection or the Auditor of State pursuant to Ohio Rev. Code § 149.381.

4. We inquired with Township management 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 written evidence that the Public Records Policy was provided to the records custodian/manager as required.
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 that the designee successfully obtained a public records certificate for 2024. However, two elected officials' terms ended in 2023. No support was received to show the designee obtained a certificate that would cover the officials' terms that ended in 2023.
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.

#### **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. 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, 2024 and 2023 in the Hinkle system. We found no exceptions.


2. We 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. Fiscal Officer obtained 0 of the required 12 hours of training.
3. The Township provided out-of-pocket insurance reimbursements in lieu of providing coverage to all employees.
  - a. We inspected the resolution authorizing reimbursements and determined it met the following documentation requirements for Ohio Rev. Code § 505.601.
    1. The Township has not chosen to procure a health plan,
    2. The Township has chosen to reimburse its officers and employees for each out-of-pocket premium,
    3. It provides for a maximum uniform monthly or yearly payment amount for each officer and employee, and
    4. It lists only the specific benefits allowed under Ohio Rev. Code § 505.60A that will be reimbursed.

We found that the Township did not approve a resolution per Ohio Rev. Code 505.601. However, the Township did approve health reimbursements and document the requirement above in the minutes.

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.

KEITH FABER  
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM  
Chief Deputy Auditor

September 4, 2025



# OHIO AUDITOR OF STATE KEITH FABER



**PENN 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 9/30/2025**

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