



OHIO AUDITOR OF STATE
KEITH FABER



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Waterford Township
Washington County
P.O. Box 146
Waterford, Ohio 45786

We have performed the procedures enumerated below on the Waterford Township, Washington County, Ohio (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 compared the January 1, 2021 beginning fund balances for each opinion unit recorded in the Fund Status Report to the December 31, 2020 balances in the prior year audited statements. We found differences which agreed to the prior audit adjustments properly posted to the accounting system. We also identified \$291 more in the January 1, 2021 beginning fund balances in the General Fund in the Fund Status Report due to a voided check. 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.

Cash (Continued)

3. We compared 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 Fund Status Report and the financial statements filed by the Township in the Hinkle System. The amounts agreed for 2022 without exception. For 2021, the Fund Status Report and Hinkle System report exceeded the adjusted UAN balance by \$2,494 due to five electronic payments that cleared the bank statement on December 30, 2021 but were not posted to the accounting system until January 5, 2022.
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 Check 25986 dated September 8, 2022 for \$25, check 25327 dated October 28, 2021 for \$25, and check 20101 dated December 31, 2021 for \$150 were still outstanding at February 28, 2023.
 - 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 Cash Summary by Fund Report to determine whether the Findings For Adjustment identified in the prior audit report, due from the Road and Bridge Fund, payable to the General Fund, Gasoline Tax Fund, Ambulance Fund, Special Fire Fund, Special Fire and Ambulance Fund, Special Fire and Ambulance Levy Fund, and Permissive Sales Tax Fund, were properly posted to the ledgers and reflected in the fund balances in Procedure 2. 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 Washington County Expense Audit Trail 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 Detail Report. The amounts agreed.
 - b. We inspected the Receipt Detail 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 one receipt in 2022 and three receipts in 2021 which were not allocated to the proper funds. We found two homestead/rollback receipts which were incorrectly posted to the General Fund only. In addition, the Township posted two American Rescue Plan Intergovernmental receipts to the General Fund and Road and Bridge Fund rather than a separate American Rescue Plan Fund. As a result, the following adjustments to fund balances were required:

<u>Fund</u>	<u>Fund #</u>	<u>Adjustment Needed</u>
American Rescue Plan Fund	N/A	\$113,743
Road and Bridge Fund	2031	(\$106,452)
General Fund	1000	(\$10,625)
Ambulance Fund	2191	\$1,275
Special Fire Fund	2192	\$546
Special Fire and Ambulance Fund	2193	\$767
special Fire and Ambulance Levy Fund	2194	\$746

Property Taxes and Intergovernmental Cash Receipts (Continued)

The Fiscal Officer posted these adjustments to the Township's UAN accounting system on January 10, 2024.

- c. We inspected the Receipt Detail 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.

Emergency Medical Service Receipts

We confirmed the amounts paid from Medical Claims Assistance (MCA), the service organization that performs the emergency medical billings, to the District during 2022 and 2021 with the MCA. We found the amount posted to the Ambulance Fund Charges for Services exceeded the amount confirmed by MCA by \$2,754 and \$151 for 2022 and 2021, respectively, due to timing differences.

- a. We inspected the Receipt Export Report to determine whether these receipts were allocated to the proper funds. We found no exceptions.
- b. We inspected the Receipt Export to determine whether the receipts were recorded in the proper year. We found no exceptions.

Debt

1. The prior audit documentation disclosed no debt outstanding as of December 31, 2020.
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. There were no new debt issuances, nor any debt payment activity during 2022 or 2021.

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 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 two officials in 2022 and one in 2021 which were paid at an incorrect rate. The total for this is included in step #5 below. We also identified one employee in 2022 which did not have a timesheet; however, we noted that this employee was only paid \$150 during 2022. We brought this to management's attention. Because we did not compare all timecards, our report provides no assurance whether or not other similar errors occurred.
 - 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/or minute record or as required by statute. We found no exceptions.
 - c. We confirmed the payment was posted to the proper year. We found no exceptions.
2. We selected two new employees and Board of Trustees from 2022 and three employees and Board of Trustees from 2021 and:
 - a. We inspected the employees'/Board of Trustees' personnel files and/or minute record for the Retirement system, Federal, State & Local income tax withholding authorization.
 - b. We compared the items in a above to the Employee General Information Report.We found two employees in 2022 and one employee in 2021 that had no state or retirement withholding authorizations on file.

Payroll Cash Disbursements (Continued)

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 (and social security, for employees not enrolled in pension system)	01/31/2023	01/13/2023	\$4,239	\$4,239
State income taxes	01/15/2023	01/13/2023	771	771
Local income tax	04/2/2023	01/13/2023	181	181
OPERS retirement	01/30/2023	01/31/2023	5,978	5,915

We found that the OPERS retirement remittance underpaid the amount due by \$63 due to exclusion of two employees. This will be referred to the Ohio Public Employees Retirement System.

4. For the pay periods ended October 31, 2022 and February 28, 2021, we
- Recomputed the allocation of the Fiscal Officer's and Boards' salary amounts and employer shares withholdings to the General Fund and Road and Bridge Fund per the Wage Detail Report.
 - 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 Trustee for 2022 and 2021 to the compensation permitted by Ohio Revised Code §§ 507.09 and 505.24, respectively. The Fiscal Officer attempted to correct portions of underpayments identified in prior years. We found:

Official	Amount Over/(Underpaid) Carried Forward from 2020- 2019	Amount Over/ (Underpaid) 2021	Amount Over/ (Underpaid) 2022	Total
Harper	\$ (2,268)	\$ (378)	\$ 1,374	\$ (1,272)
McCutcheon	\$ (1,714)	\$ (473)	\$ 1,485	\$ (702)
Rossiter	\$ (2,268)	\$ (378)	\$ 1,374	\$ (1,272)
Schilling	\$ (2,121)	\$ (680)	\$ 1,725	\$ (1,076)

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. Insurance reimbursements made were in compliance with Ohio Rev. Code §§ 505.60, 505.601, 505.602 and 505.603 and federal regulations.

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:

- The disbursements were for a proper public purpose. We found no exceptions.

Non-Payroll Cash Disbursements (Continued)

- 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 two instances in 2022 and one in 2021 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 Fund, Morgan Trust Fund, and Paxton Trust Fund as recorded in the Appropriation Status Report. Expenditures did not exceed appropriations.
2. We inspected the Appropriation Ledger Report for the Morgan Trust 5093 Fund, Paxton Trust Fund, Pabst Trust Fund, Brackenridge Trust Fund, and Morgan Trust 5092 Fund. Not more than 5% of non-spendable monies were released, spent, or otherwise modified during the engagement period.
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(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 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 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.

Sunshine Law Compliance (Continued)

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 did not have a poster describing their Public Records Policy displayed conspicuously in all branches of the Township as required by Ohio Rev. Code § 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 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

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 the only transaction, 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 Appropriation Ledger and identified the Township had expenditures subject to competitive bidding. We found no exceptions.
 2. We selected one contract over \$45,000 for 2022 and one for 2021 and;
 - 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

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 Transactions:
 - a. The Township contracts with Ron McCutcheon for mowing services.
We found no exceptions.
2. We confirmed the transactions via bank statements. We found no exceptions.
3. We obtained supporting evidence for the Related Party Transactions 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

January 22, 2024

OHIO AUDITOR OF STATE KEITH FABER



WATERFORD TOWNSHIP

WASHINGTON 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 2/15/2024

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This report is a matter of public record and is available online at
www.ohioauditor.gov