



bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

ROUNDHEAD TOWNSHIP
HARDIN COUNTY

AGREED UPON PROCEDURES

For the Years Ended December 31, 2018 and 2017

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OHIO AUDITOR OF STATE
KEITH FABER



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Board of Trustees
Roundhead Township
P.O. Box 133
Roundhead, Ohio 43346

We have reviewed the *Independent Accountant's Report on Applying Agreed-Upon Procedures* of Roundhead Township, Hardin County, prepared by BHM CPA Group, Inc., for the period January 1, 2017 through December 31, 2018. 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. Roundhead Township is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

July 30, 2019

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ROUNDHEAD TOWNSHIP
Hardin County
For the Years Ended December 31, 2018 and 2017
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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Roundhead Township
Hardin County
P.O. Box 133
Roundhead, Ohio 43346

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Roundhead Township (the Township) and the Auditor of State, on the receipts, disbursements and balances recorded in the Townships cash basis accounting records for the years ended December 31, 2018 and 2017 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, 2018 and 2017 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Township. The sufficiency of the procedures is solely the responsibility of the parties specified in this 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.

This report only describes exceptions exceeding \$10.

Cash

1. We recalculated the December 31, 2018 and December 31, 2017 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2017 beginning fund balances recorded in the Cash Journal January 1, 2017 to the December 31, 2016 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2018 beginning fund balances recorded in the Cash Journal Jan 1, 2018 to the December 31, 2017 balances in the 2017 unaudited statements. We found one exception, the December 31, 2016 balance was \$15.55 larger than the January 1, 2017 balance.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2018 and 2017 fund cash balances reported in the December 31, 2017 cash journal and the December 31, 2018 fund status report. The December 31, 2017 cash journal showed a cash balance larger than the bank reconciliation by \$182.34. The 2018 bank reconciliation showed a cash balance larger than the fund status report by \$1,541.80.

4. We confirmed the December 31, 2018 bank account balances with the Township's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2018 bank reconciliation without exception.
5. We selected the two reconciling debits (such as outstanding checks) from the December 31, 2018 bank reconciliation:
 - a. We were unable to trace each debit as they have yet to clear the bank. The two checks are to volunteer fire fighters for their service.
 - b. We traced the amounts and dates to the check register, to determine the debits were dated prior to December 31. There were no exceptions.

Property Taxes, Intergovernmental and Other Confirmable Cash Receipts

1. We haphazardly selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the Statement) for 2018 and one from 2017:
 - a. We traced the gross receipts from the *Statement* to the amount recorded in the Receipt Ledger. The amounts agreed.
 - b. We inspected the Receipt Ledger to confirm the receipt was allocated to the proper fund(s) as required by Ohio Rev. Code Sections 5705.05-.06 and 5705.10. We found no exceptions.
 - c. We inspected the Receipt Ledger to confirm whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We inspected the Receipt Ledger to determine whether it included two real estate tax receipts for 2018 and 2017. The Receipt Ledger included the proper number of tax receipts for each year.
3. We haphazardly selected five receipts from the State Distribution Transaction Lists (DTL) from 2018 and five from 2017. We also haphazardly selected five receipts from the County Auditor's County Confirmation from 2018 and five from 2017.
 - a. We compared the amount from the above reports to the amount recorded in the Receipt Ledger. One exception was found when reviewing a General Revenue DTL transaction from 2017 where the ledger amount was \$46.43 larger than the DTL report.
 - b. We inspected the Receipt Ledger to determine that these receipts were allocated to the proper funds. We found no exceptions.
 - c. We inspected the Receipt Ledger 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, 2016.
2. We inquired of management and inspected the Receipt Ledgers and Appropriation Ledgers for evidence of debt issued during 2018 or 2017 or debt payment activity during 2018 or 2017. There were no new debt issuances, nor any debt payment activity during 2018 or 2017.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2018 and one payroll check for five employees from 2017 from the Payroll Reports and:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Reports 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 reasonable based on the employees' duties as documented in the minute record and required by statute. We also confirmed the payment was posted to the proper year. We found no exceptions.

2. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2018 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 2018. 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) | January 31, 2019 | January 4, 2019 | \$1,491.74 | \$1,491.74 |
| State income taxes | January 15, 2019 | March 16, 2019 | \$158.95 | \$158.95 |
| School taxes | January 30, 2019 | March 16, 2019 | \$81.52 | \$81.52 |
| OPERS retirement | January 31, 2019 | December 15, 2019 | \$1,054.87 | \$1,054.87 |

As stated above, as of the date of this report, the Township has not paid state and school district taxes by the date due. The fiscal officer stated this was due to an issue with the bank rejecting payment due to the incorrect account being used. The fiscal officer has worked with gateway to resolve the issue.

3. For the pay periods ended October 22, 2018 and August 28, 2017 we recomputed the allocation of the Fiscal Officer's and Boards' salaries to the General, Gasoline, Motor Vehicle, and Fire Fund. per the Payroll Reports. We found no exceptions.

4. For the pay periods described in the preceding procedure, we traced the Fiscal Officer's and Boards' salary for time or services performed to supporting certifications the Revised Code requires. We found no exceptions.

5. For the pay periods described in procedure 4, we traced Board per diem time or services performed to time or activity sheets. We found no exceptions.

6. We inquired of management and inspected the Appropriation Ledgers for the years ended December 31, 2018 and 2017 to determine if township employees and/or trustees were reimbursed for out-of-pocket insurance premiums. Insurance reimbursements made were in compliance with ORC 505.60 and 505.601 and federal regulations.

Non-Payroll Cash Disbursements

1. From the Appropriation Ledgers, we re-footed checks recorded as General Fund disbursements for *security of persons and property*, and checks recorded as *public works* in the Gasoline fund for 2018. We found no exceptions.
2. We haphazardly selected ten disbursements from the Appropriation Ledgers for the year ended December 31, 2018 and ten from the year ended 2017 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 Ledgers 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 Section 5705.41(D). We found no exceptions.

Compliance – Budgetary

1. We compared the total estimated receipts from the Amended Official Certificate of Estimated Resources, required by Ohio Rev. Code Section 5705.36(A)(1), to the amounts recorded in the Revenue Reports and unaudited statements for the General, Gasoline Tax, and Fire funds for the years ended December 31, 2018 and 2017. The amounts agreed.
2. We inspected the appropriation measures adopted for 2018 and 2017 to determine whether, for the General, Gasoline Tax, and Fire funds, the Council appropriated separately for “each office, department, and division, and within each, the amount appropriated for personal services,” as is required by Ohio Rev. Code Section 5705.38(C). We found no exceptions.
3. We compared total appropriations required by Ohio Rev. Code Sections 5705.38 and 5705.40, to the amounts recorded in the Appropriation Reports for 2018 and 2017 for the General, Gasoline Tax, and Fire funds. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Reports.
4. Ohio Rev. Code Sections 5705.36(A)(5) and 5705.39 prohibits appropriations from exceeding the certified resources. We compared total appropriations to total certified resources for the General, Gasoline Tax, and Fire funds for the years ended December 31, 2018 and 2017. There were no funds for which appropriations exceeded certified resources.
5. Ohio Rev. Code Section 5705.41(B) prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total appropriations for the years ended December 31, 2018 and 2017 for the General, Gasoline Tax, and Fire funds, as recorded in the Appropriation Reports. We observed no funds for which expenditures exceeded appropriations.

6. Ohio Rev. Code Section 5705.09 requires establishing separate funds to segregate externally-restricted resources. We inspected the Receipt Reports for evidence of new restricted receipts requiring a new fund during December 31, 2018 and 2017. We also inquired of management regarding whether the Township received new restricted receipts. We observed no evidence of new restricted receipts for which Ohio Rev. Code Section 5705.09 would require the Township to establish a new fund.
7. For funds existing in prior years, inspected the fund activity to determine whether the fund is still being used for the statutorily approved purpose and that all the required funds were established. All the required funds were established and no funds for which the statutorily approved purpose was no longer valid were included on the accounting records.
8. We inspected the 2018 and 2017 Revenue Reports and Appropriation Reports for evidence of interfund transfers exceeding \$30,000 which Ohio Rev. Code Sections 5705.14 - .16 restrict. We found no evidence of transfers these Sections prohibit, or for which Section 5705.16 would require approval by the Tax Commissioner (effective after June 30, 2017) or Court of Common Pleas (effective through June 30, 2017).
9. We inquired of management and inspected the Appropriation Reports to determine whether the Township elected to establish reserve accounts permitted by Ohio Rev. Code Section 5705.13. The Township did not establish these reserves.
10. We inspected the unaudited statements for the years ended December 31, 2018 and 2017 for negative cash fund balance. Ohio Rev. 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

Compliance – Contracts & Expenditures

We inquired of management and inspected the Appropriation Ledgers for the years ended December 31, 2018 and 2017 to determine if the township proceeded by force account (i.e. used its own employees) to maintain or repair roads (cost of project \$15,000-\$45,000) or to construct or reconstruct township roads (cost of project \$5,000-\$15,000/per mile) for which Ohio Rev. Code Section 5575.01 requires the county engineer to complete a force account project assessment form (i.e., cost estimate). We identified no projects requiring the county engineer to complete a force account cost estimate.

Other Compliance

1. Ohio Rev. 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 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, 2018 and 2017 in the Hinkle system. There were 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 Section 507.12 and 733.81. Fiscal Officer obtained the required training.

This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants attestation standards and applicable attestation engagement standards included in the Comptroller General of the United States' *Government Auditing Standards*. We were not engaged to, and did not conduct an examination or review, 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.

This report is to provide 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, 2018 and 2017, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.



BHM CPA Group, Inc.
Piketon, Ohio
May 15, 2019

OHIO AUDITOR OF STATE KEITH FABER



ROUNDHEAD TOWNSHIP

HARDIN COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 13, 2019**