



OHIO AUDITOR OF STATE
KEITH FABER



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Auburn Township
Tuscarawas County
1029 Shanesville Road
Sugarcreek, Ohio 44681

We have performed the procedures enumerated below on Auburn Township's, Tuscarawas County (the Township), receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2020 and 2019 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, 2020 and 2019 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, 2020 and 2019, 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, 2020 and December 31, 2019 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2019 beginning fund balances for each opinion unit recorded in the Fund Ledger Report to the December 31, 2018 balances in the prior year audited statements. We found the Township did not record adjustments proposed during the prior audit, resulting in an overstatement for the General Fund of \$27,084 and an understatement of the Road and Bridge and Fire and Ambulance Funds of \$16,631 and \$10,453, respectively. We brought this to management's attention. They corrected the General, Road and Bridge, and Fire and Ambulance Fund balances for this adjustment. Refer also to procedure 6 below. We also agreed the January 1, 2020 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2019 balances in the Fund Ledger Report. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2020 and 2019 fund cash balances reported in the Fund Status Report and the financial statements filed by the Township in the Hinkle System. The amounts agreed.

Cash (Continued)

4. We confirmed the December 31, 2020 bank account balance with the Township's financial institution. We found no exceptions. We also agreed the confirmed balance to the amount appearing in the December 31, 2020 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) from the December 31, 2020 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. There were 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 General Fund, payable to the Road and Bridge, and Fire and Ambulance Funds, was properly posted to the ledgers and reflected in the fund balances in Procedure 2. We found the Township did not post the adjustments decreasing the General fund by \$27,084, and increasing the Road and Bridge and Fire and Ambulance Funds by \$16,631 and \$10,453, respectively. As noted in procedure 2 above, we brought this to management's attention and they corrected the fund balances.

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 AP Disbursements with Description report for 2020 and a total of five from 2019:
 - a. We compared the amount from the above named reports to the amount recorded in the Receipt 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. The Township improperly allocated Homestead and Rollback receipts received from the State entirely to the General Fund. This resulted in an overstatement of the General Fund totaling \$9,170 and an understatement to the Road and Bridge and Fire and Ambulance Funds of \$6,994 and \$2,176, respectively. We brought this to management's attention. They corrected the General, Road and Bridge, and Fire and Ambulance fund balances for this adjustment. However, because we did not inspect all Intergovernmental receipts, our report provides no assurance regarding whether or not other similar errors occurred.
 - 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 2020 and 2019. The Receipt Register Report included the proper number of tax receipts for each year.

Debt

1. From the prior audit documentation, we observed the following loans were outstanding as of December 31, 2018. These amounts agreed to the Townships January 1, 2019 balances on the summary we used in procedure 3. However, the loans outstanding at December 31, 2020 and 2019 did not meet the criteria for an allowable debt type for Townships per Ohio Rev. Code §§ 133 and 505.262(A). The Ohio Revised Code contains various methods of incurring debt for Townships. Installment loans and promissory notes with banking institutions are not legal methods of debt for Townships.

Issue	Principal outstanding as of December 31, 2018:
Baltic Bank – Backhoe	\$5,997
Baltic Bank – Road Repairs	\$63,229
Baltic Bank – Truck	\$21,134

2. We inquired of management, and inspected the Receipt Detail Report and Payment Register Detail Report for evidence of debt issued during 2020 or 2019 or debt payment activity during 2020 or 2019. All debt agreed to the summary we used in procedure 3.
3. We obtained a summary of loan debt activity for 2020 and 2019 and agreed principal and interest payments from the related debt amortization schedules to Road and Bridge and Gas Tax Fund 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.

Payroll Cash Disbursements

1. We selected one payroll check for five employees from 2020 and one payroll check for five employees from 2019 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).
 - i. We inspected the employees' personnel files and minute record for the Retirement system, Federal, State & Local income tax withholding authorization.
 - ii. We agreed these items to the information used to compute gross and net pay related to this check.

We found that for all employees selected for testing for 2020 and 2019, State Tax and OPERS withholding authorization forms were not maintained. Additionally, for one employee selected for testing for 2020 and 2019, we were unable to agree their pay rate to a statutorily-approved rate. Refer also to procedure 3 below for underpayment of officials.
 - b. We inspected the fund and account code to which the check was posted to determine the posting was allowable based on the employees' duties as documented in the minute record. We found the Fiscal Officer's employer share of payroll withholdings was incorrectly charged to the Gasoline Tax Fund rather than the General Fund (as her salary is paid 100% from the General Fund). This resulted in a total error of \$3,936. We brought this to management's attention. They corrected the General and Gasoline Tax Fund balances for this adjustment. As we did not inspect all payroll transactions, our report provides no assurance regarding whether or not other similar errors occurred.
 - c. We confirmed the payment was posted to the proper year. We found no exceptions.

Payroll Cash Disbursements (Continued)

2. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2020 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 2020. 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, 2021	December 31, 2020	\$614	\$614
State income taxes	January 31, 2021	January 21, 2021	\$291	\$291
OPERS retirement	January 30, 2021	December 31, 2020	\$1,469	\$1,469

3. We compared total gross pay for the fiscal officer and each board member for 2020 and 2019 to the compensation permitted by Ohio Rev. Code §§ 507.09 and 505.24, respectively. We found the Fiscal Officer was underpaid \$1,540, two Trustees were underpaid \$566 each and the third Trustee was underpaid \$586 for the year of 2019. No other exceptions noted.
4. We inquired of management and inspected the Payment Register Detail Report for the years ended December 31, 2020 and 2019 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. We selected 10 disbursements from the Payment Register Detail Report for the year ended December 31, 2020 and 10 from the year ended 2019 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. In 2019, the Township paid for cemetery mowing of \$600 entirely out of the Gasoline Tax Fund instead of the Cemetery Fund and a second payment for mowing of \$450 for outlying cemeteries, Ragersville alleys, Township Hall, and the utility building, entirely out of the Cemetery Fund instead of the General Fund. Additionally, monthly electricity bills for the Township hall and street lights, totaling \$156, were paid from the Gasoline Tax fund instead of the General Fund. We brought this to management's attention. They corrected the General, Gasoline Tax, and Cemetery fund balances for these adjustments. Because we did not inspect all non-payroll transactions, our report provides no assurance whether or not additional similar errors occurred.
 - 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 five instances where disbursements requiring certification were certified through *Then and Now Certificates* that exceeded \$3,000. The Board did not approve these certificates, as required by Ohio Rev. Code § 5705.41(D). 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, 2020 and 2019 for the General, Motor Vehicle License Tax and Gasoline Tax Funds, as recorded in the Appropriation Status Report. There were no funds for which expenditures exceeded appropriations.
2. We inspected the Cash Summary by Fund Report for the years ended December 31, 2020 and 2019 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 inquired with Township management and determined that the Township did not have a public records policy during the engagement period as required by Ohio Rev. Code § 149.43(E)(2).
2. We inquired with Township management and determined that the Township did not have any completed public records requests 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 inquired with Township management and determined that the Township did not have a public records policy during the engagement period therefore could not provide it to the records custodian/manager as required by Ohio Rev. Code § 149.43(E)(2).
5. We inquired with Township management and determined that the Township did not have a public records policy during the engagement period therefore it could not be included in a policy manual as required by Ohio Rev. Code § 149.43(E)(2).
6. We inquired with Township management and determined that the Township did not have a public records policy during the engagement period therefore it could not be displayed in all the 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 training certificates and determined whether each elected official in accordance with Ohio Rev. Code § 149.43(E)(1) 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 Fiscal Officer and one Trustee did not complete Public Records Training for their respective terms ending March 31, 2020 and December 31, 2019.

Sunshine Law Compliance (Continued)

9. We inquired with Township management regarding the public notices for the public meetings held during the engagement period and to determine 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 that the Township was unable to provide documentation to show the Township adopted a reasonable method whereby any person may determine the time and place of all regularly scheduled meetings and the time, place, and purpose of all special meetings.
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 that on January 23, 2019, the Trustees improperly entered into Executive Session. The session did not take place during a regular or special meeting and a purpose for the Executive Session was not recorded. Various matters were also approved during the session.

HB 481 / HB 614 Coronavirus Relief Fund (CRF) Compliance

1. We inquired of management and those charged with governance and documented how the Township decided to spend their CRF allocations and how the Township evaluated and documented their compliance with the CARES Act three-prong test. We then selected all sub-grant 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.
2. We recalculated the unencumbered balance the local government should have paid back to the county treasurer and determined the unencumbered balance of \$69,673 was not returned to the county treasurer by November 20, 2020.

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, 2020 and 2019 in the Hinkle system. There were no exceptions.

Other Compliance (Continued)

2. We inquired of the fiscal officer and 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. For the Fiscal Officer's term that ended March 31, 2020, the Township was unable to provide documentation the Fiscal Officer completed any of the required training.

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
Auditor of State
Columbus, Ohio

September 7, 2021

OHIO AUDITOR OF STATE KEITH FABER



AUBURN TOWNSHIP

TUSCARAWAS 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 9/28/2021

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