



**LEMON TOWNSHIP
BUTLER COUNTY
AGREED-UPON PROCEDURES
FOR THE YEARS ENDED DECEMBER 31, 2020-2019**

313 Second St.
Marietta, OH 45750
740 373 0056

1907 Grand Central Ave.
Vienna, WV 26105
304 422 2203

150 W. Main St., #A
St. Clairsville, OH 43950
740 695 1569

1310 Market St., #300
Wheeling, WV 26003
304 232 1358

749 Wheeling Ave., #300
Cambridge, OH 43725
740 435 3417

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OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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(800) 282-0370

Board of Trustees
Lemon Township
3839 North Brook Ln
Middletown, OH 45044

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of Lemon Township, Butler County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2019 through December 31, 2020. Based upon this review, we have accepted this report in lieu of the audit required by Section 117.11, Revised Code. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

FINDING FOR RECOVERY REPAID UNDER AUDIT – FISCAL OFFICER OVERPAYMENT

Ohio Rev. Code, § 507.09, provides that in a Township having a budget between seven hundred fifty thousand and one million five hundred thousand, the compensation for 2020 for a Fiscal Officer elected or appointed after December 27, 2018 is to be paid \$19,378 annually. If the Fiscal Officer is elected or appointed prior to December 27, 2018 the allowable salary is \$18,717.

Ohio Const. Art. II, § 20 prohibits a public officer from receiving an in-term increase in salary that results from a change by the General Assembly to the compensation scheme or compensation rates of Ohio Rev. Code § 505.24 during the public officer's term.

During 2020, Rita Ann Tannreuther, Fiscal Officer was paid, at the 2020 compensation rate for the entire year, when in fact her salary should have been prorated at the 2018 rate for the first three months, due to her term. Rita Ann Tannreuther's term was for the period April 1, 2016 to March 30, 2020, which required her to be compensated at the 2018 rate for the first three months of 2020. Ms. Tannreuther was re-elected and her new term started April 1, 2020, allowing her to be compensated at the 2020 salary rate for the remaining nine months of the year.

Rita Ann Tannreuther, Fiscal Officer	2020
Lemon Township's Budget	\$1,232,676
Prorated Salary allowed for Fiscal Officer period 01/01/2020 – 03/31/2020 for Fiscal Officer term elected prior to December 27, 2018, based on Lemon Township's Budget	\$ 4,679
Prorated Salary allowed for Fiscal Officer period 04/01/2020 – 12/31/2020 for Fiscal Officer term elected after December 27, 2018, based on Lemon Township's Budget	\$ 14,533
Total Allowable Salary	\$ 19,212
Annual Salary Amount Paid to Rita Ann Tannreuther, Fiscal Officer	\$ 19,377
Overpayment	\$ 165

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery for public money illegally expended is hereby issued against Rita Ann Tannreuther, Lemon Township Fiscal Officer, and her bonding company Travelers Casualty and Surety Company of America in the amount of one hundred sixty-five dollars in favor of the General Fund of Lemon Township.

The total finding was repaid by Rita Ann Tannreuther on June 11, 2021, in the amount of \$165. The Township posted a fund balance adjustment to record the repayment to the General Fund on July 9, 2021.

FINDING FOR RECOVERY REPAID UNDER AUDIT – TRUSTEE OVERPAYMENT

Ohio Rev. Code Section 505.24(A) provides that a Township having a budget between seven hundred fifty thousand and one million five hundred thousand, the compensation for 2020 for a Trustee elected or appointed prior to December 27, 2018 is to be paid \$56.71 per day for not more than two hundred days, which totals \$11,342 annually. If the Trustee is elected or appointed after December 27, 2018 the allowable salary is \$58.71 or \$11,742 annually.

Ohio Const. Art. II, § 20 prohibits a trustee from receiving an in-term increase in salary that results from a change by the General Assembly to the compensation scheme or compensation rates of Ohio Rev. Code § 505.24 during the trustee's term.

Under Ohio law, public officials are strictly liable for all public money received or collected by them or their subordinates under color of law. Ohio Rev. Code § 9.39; *Cordray v. Internatl. Preparatory School*, 128 Ohio St.3d 50 (2010).

During 2020, two Lemon Township Trustees were paid at the compensation rate for a Township Trustee elected or appointed after December 27, 2018. Lemon Township Trustees Janet Majors and Robert Joseph Routson were serving a term that commenced January 1, 2018 through December 31, 2021. Ms. Majors and Mr. Routson should have been at the compensation rate for a Township Trustee elected or appointed before December 27, 2018, resulting an overpayment of Trustee compensation. Fiscal Officer Rita Ann Tannreuther received or collected the money used to make the erroneous payments. Lemon Township Trustees Janet Majors and Robert Joseph Routson should have been compensated at the rate, as follows.

Janet Majors, Trustee	2020
Lemon Township's Budget for 2020	\$1,232,676
Annual Salary allowed for Township Trustee elected or appointed prior to December 27, 2018 for period 01/01/2020 – 12/31/2020 based on Lemon Township's Budget	\$ 11,342
Annual Salary Amount Paid to Janet Majors, Trustee	\$ 11,742
Overpayment	\$ 400

Robert Joseph Routson, Trustee	2020
Lemon Township's Budget for 2020	\$1,232,676
Annual Salary allowed for Township Trustee elected or appointed prior to December 27, 2018 for period 01/01/2020 – 12/31/2020 based on Lemon Township's Budget	\$ 11,342
Annual Salary Amount Paid to Robert Joseph Routson, Trustee	\$ 11,742
Overpayment	\$ 400

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery for public money illegally expended is hereby issued against; Janet Majors Township Trustee and her bonding company Ohio Plan Risk Management, Inc. and Fiscal Officer Rita Ann Tannreuther and her bonding company, Travelers Casualty and Surety Company of America, jointly and severally, in the amount of four hundred dollars, in favor of the General Fund of Lemon Township.

Janet Major repaid the finding in the amount of \$400 on July 1, 2021. The Township posted a fund balance adjustment to record the repayment to the General Fund on July 9, 2021.

Board of Trustees
Lemon Township
3839 North Brook Ln
Middletown, OH 45044
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In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery for public money illegally expended is hereby issued against; Robert Joseph Routson Township Trustee and his bonding company Ohio Plan Risk Management, Inc. and Fiscal Officer Rita Ann Tannreuther and her bonding company, Travelers Casualty and Surety Company of America, jointly and severally, in the amount of four hundred dollars, in favor of the General Fund of Lemon Township.

Robert Joseph Routson repaid the finding in the amount of \$400 on July 1, 2021. The Township posted a fund balance adjustment to record the repayment to the General Fund on July 9, 2021.

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. Lemon Township is responsible for compliance with these laws and regulations.



Keith Faber
Auditor of State
Columbus, Ohio

August 26, 2021

LEMON TOWNSHIP
BUTLER COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

June 26, 2021

Lemon Township
Butler County
3839 Northbrook Lane
Middletown, Ohio 45044

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of **Lemon Township**, Butler County (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, 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 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, 2020 and December 31, 2019 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2019 beginning fund balances recorded in the Cash Summary By Fund Report to the December 31, 2018 balances in the prior year documentation in the prior year Agreed-Upon Procedures working papers. We noted the December 31, 2018 fund balance was \$631.21 lower than the January 1, 2019 fund balance due to a voided check. We found no other exceptions. We also agreed the January 1, 2020 beginning fund balances recorded in the Cash Summary By Fund Report to the December 31, 2019 balances in the Cash Summary By Fund Report. We noted the December 31, 2019 fund balance was \$45 lower than the January 1, 2020 fund balance due to a voided check. We found no other 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.

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations
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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 balances to the amounts 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 bank statement. 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.

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 Butler County AP Detail Transaction Listing 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 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 Rev. Code Sections 5705.05-.06 and 5705.10. We found no 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 2020 and 2019. The Revenue Ledger included the proper number of tax receipts for each year.

Debt

1. The prior agreed-upon procedures documentation disclosed no debt outstanding as of December 31, 2018.
2. We inquired of management, and inspected the Revenue Ledger and Appropriation Ledger for evidence of debt issued during 2020 or 2019 or debt payment activity during 2020 or 2019. There were no new debt issuances, nor any debt payment activity during 2020 or 2019.

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 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 no exceptions.

- 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 employees personnel files and minutes record. We found no exceptions.
- 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 3, 2020	\$476.79	\$476.79
State income taxes	January 15, 2021	December 3, 2020	\$63.30	\$63.30
Monroe City Income Tax	January 15, 2021	December 3, 2020	\$90.99	\$90.99
OPERS retirement	January 30, 2021	December 2, 2020	\$1,091.88	\$1,091.88

3. We compared total gross pay for the fiscal officer and each board member for 2020 and 2019 to the compensation permitted by Ohio Revised Code Sections 507.09 and 505.24, respectively. We found the Fiscal Officer was overpaid by \$165 dollars and two Trustees were each overpaid by \$400 in 2020.
4. We inquired of management and inspected the Appropriation Ledger 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 Appropriation Ledger 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 Appropriation Ledger 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 one instance in 2020, and 2 instances in 2019 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 Section 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 Section 5705.41(B) prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total approved appropriations (Ohio Rev. Code Section 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 fund. 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 Section 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 selected five public records requests from the engagement period and inspected each request to determine the following:
 - a. We inquired with Township management and determined that the Township did not have any completed public records requests during the engagement period.
 - b. The Township did not have any denied public records requests during the engagement period.
 - c. 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 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 Public Records Training Certificates 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 the required training was not obtained.

Sunshine Law Compliance (Continued)

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 Section 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

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 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.

2. We recalculated the unencumbered balance the local government paid back to the county treasurer and determined the proper amount was repaid. We also compared the date of the repayment to the required date of November 20, 2020. We noted that the entity did not receive CARES funds until September of 2020, HB 614 extended the repayment deadline to February 1, 2021. Since the repayment date for these funds was outside of the audit period no exceptions were noted for not repaying funds by November 20, 2020 or year end.

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, 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 Section 507.12 and 733.81. Fiscal Officer did not obtain 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 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, 2020 and 2019, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

OHIO AUDITOR OF STATE KEITH FABER



LEMON TOWNSHIP

BUTLER 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 9/7/2021

88 East Broad 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