



OHIO AUDITOR OF STATE
KEITH FABER



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One First National Plaza
130 West Second Street, Suite 2040
Dayton, Ohio 45402-1502
(937) 285-6677 or (800) 443-9274
WestRegion@ohioauditor.gov

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Washington Township
Van Wert County
23612 Lincoln Highway
Delphos, Ohio 45833

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Washington Township (the Township), 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 and Investments

1. We recalculated the December 31, 2020 and December 31, 2019 bank reconciliation. We found the December 31, 2020 bank reconciliation did not recalculate. The fund balances by fund did not foot, causing a variance of \$2,163 between the recalculated amount and actual fund balances. We recommend the Township implement policies and procedures to help eliminate errors in carrying totals over from the Cash Journal to the Township's bank reconciliations.
2. We agreed the January 1, 2019 beginning fund balances recorded in the Cash Journal to the December 31, 2018 balances in the prior year documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2020 beginning fund balances recorded in the Cash Journal to the December 31, 2019 balances in the Cash Journal. 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 Cash Journal and the financial statements filed by the Township in the Hinkle System. We found the December 31, 2020 bank reconciliations and financial statements did not agree. A variance of \$503 was noted. We recommend the Township properly report their fund balances on both their bank reconciliations and their financial statements filed in the Hinkle system.
4. We confirmed the December 31, 2020 bank account balances with the Ohio Pooled Collateral System and 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.
6. We inspected investments held at December 31, 2020 and December 31, 2019 to determine that they:
 - a. Were of a type authorized by Ohio Rev. Code Sections 135.13, 135.14 or 135.144. We found no exceptions
 - b. Mature within the prescribed time limits noted in Ohio Rev. Code Section 135.13 or 135.14. We noted no exceptions.

Property Taxes and Intergovernmental Receipts

1. We selected a total of five receipts from the State Distribution Transaction Lists (DTL), Ohio Department of Public Safety Distribution of Motor Vehicle License Revenue to Counties, County Appropriation History Report and the County Auditor Distribution of Receipts 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 Journal. We found that the 2nd half 2019 real estate taxes from Van Wert County were not posted correctly, resulting in inaccurate fund balances at year end. The following were underreported in 2019: \$218 in the General fund, \$1,188 in the Road and Bridge fund, \$388 in the East Fire and EMS fund and \$312 in the West Fire and EMS fund. We brought this to management's attention. They increased the General, Road and Bridge, East Fire and EMS, and West Fire and EMS fund balances by the amounts noted above. However, because we did not inspect all receipts, our report provides no assurance regarding whether or not other similar errors occurred.
 - b. We inspected the Receipt Journal 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 Receipt Journal 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 Journal to determine whether it included two real estate tax receipts plus 2 advances in 2019 for 2020 and 2019. The Receipt Journal included the proper number of tax receipts for each year.

Other Receipts

We selected all miscellaneous receipts from the year ended December 31, 2019 and:

- a. Agreed the receipt amount recorded in the Receipt Journal to supporting documentation. The amounts agreed, however, a transfer for \$40,000 was recorded as a miscellaneous receipt on the financial statements. The transfer in on the financial statements was actually a transfer of money between bank accounts by the Township, and therefore did not require presentation on the financial statements. The financial statements also presented a transfer out for \$40,000 in the same fund, resulting in both an overstatement of revenues and disbursements, therefore no adjustments are deemed necessary. We recommend that the Township implement policies and procedures to review their financial statements for proper reporting prior to submitting in the Hinkle system.

- b. Confirmed the amounts charged complied with rates in force during the period. We found no exceptions.
- c. Inspected the Receipt Journal to determine the receipt was posted to the proper funds, and was recorded in the proper year. We found no exceptions other than the exception in step a. above.

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 Receipt Journal 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 Payroll Record and:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Record to supporting documentation (timecard, legislatively or statutorily-approved rate or salary).
 - i. We inspected the 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 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 allowable based on the employees' duties as documented in the personnel files and minute record. We found no exceptions.
 - d. We 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, 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	January 13, 2021	\$889	\$889
State income taxes	January 31, 2021	January 13, 2021	\$287	\$287
OPERS retirement	January 31, 2021	January 13, 2021	\$1,076	\$1,076

3. For the pay periods ended August 3, 2020 and March 4, 2019, we
 - a. Recomputed the allocation of Fiscal Officer's and Boards' salary amounts to the General, Road and Bridge, Gas Tax, and Motor Vehicle License fund per the Payroll Record and Appropriation Ledger.
 - b. Traced the Fiscal Officer's and Boards' pay for time or services performed to supporting certifications the Revised Code requires.

We found no exceptions.

4. 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 no exceptions.
5. 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. From the Appropriation Ledger, we re-footed checks recorded as General fund disbursements for general government, and we re-footed checks recorded as public works in the Gas Tax and Motor Vehicle License fund for 2020. We found no exceptions.
2. 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 no exceptions.

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, Gas Tax, Road and Bridge and COVID funds. There were no funds for which expenditures exceeded appropriations.
2. We inspected the interfund transfers from 2020 Receipt Journal and Appropriation Ledger for compliance with Ohio Rev. Code Sections 5705.14 - .16. We found no evidence of transfers these Sections prohibit, or for which Section 5705.16 would require approval by the Tax Commissioner.
3. We inspected the Cash Journal 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 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 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 no exceptions.
3. The Township could not provide written evidence that the Public Records Policy was provided to the records custodian/manager as required by Ohio Rev. Code § 149.43(E)(2).
4. We inquired with Township management and determined that the Township did not have a policy manual during the engagement period therefore the public records policy could not be included as required by Ohio Rev. Code § 149.43(E)(2).
5. 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.
6. 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.
7. We inquired with Township management and determined that the Township elected officials (or his/her designee) did not attend a certified Public Records Training in accordance with Ohio Rev. Code § 149.43 9E)(1).
8. 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.
9. 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.
10. 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 five 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 should have paid back to the county treasurer and determined the unencumbered balance of money was not returned to the county treasurer by November 20, 2020.

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.
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. The Fiscal Officer did not obtain any of the required hours of trainings. We recommend the Fiscal Officer obtain the training as noted above.

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, 2020 and 2019, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.

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
June 24, 2021

OHIO AUDITOR OF STATE KEITH FABER



WASHINGTON TOWNSHIP

VAN WERT 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 8/3/2021

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