



Dave Yost • Auditor of State



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Green Township
Fayette County
1508 Anderson Road
Washington Court House, Ohio 43160

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Green Township (the Township), on the receipts, disbursements and balances recorded in the Townships cash basis accounting records for the years ended December 31, 2017 and 2016 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, 2017 and 2016 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, 2017 and December 31, 2016 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2016 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2015 balances in the prior year Financial Statement. We found no exceptions. We also agreed the January 1, 2017 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2016 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, 2017 and 2016 fund cash balances reported in the Fund Status Report. The amounts agreed.
4. We confirmed the December 31, 2017 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, 2017 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2017 bank reconciliation:
 - a. We traced each debit to the subsequent January bank statements. We found no exceptions.
 - 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 2017 and one from 2016:
 - a. We traced the gross receipts from the *Statement* to the amount recorded in the Receipt Register Report. The amounts agreed.
 - b. We inspected the Receipt Register Report to confirm the receipt was 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 Register Report to confirm whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We inspected the Receipt Register Report to determine whether it included two real estate tax receipts for 2017 and 2016. The Receipt Register Report included the proper number of tax receipts for each year.
3. We haphazardly selected three receipts from the State Distribution Transaction Lists (DTL) from 2017 and three from 2016. We also haphazardly selected five receipts from the County Auditor's Expenditure Report from 2017 and five from 2016.
 - a. We compared the amount from the above reports to the amount recorded in the Receipt Register Report. The amounts agreed.
 - b. We inspected the Receipt Register Report to determine that these receipts were allocated to the proper funds. We noted two exceptions in 2017 and two exceptions in 2016. The Homestead and Rollback receipts in 2017 and 2016 were posted entirely to the General Fund and should have been split between the General and Fire Fund. A total amount of \$1,661 needs to be allocated to the Fire Fund for 2017 and a total of \$1,659 needs to be allocated to the Fire Fund in 2016. We also noted a \$22 manufactured home rollback was posted as taxes and should have been recorded as intergovernmental, during 2016. The Township recorded audit adjustments to their accounting records to correct errors above.
 - c. We inspected the Receipt Register Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

Debt

1. From the prior agreed-upon procedures documentation, we observed the following Note was outstanding as of December 31, 2015. These amounts agreed to the Townships January 1, 2016 balances on the summary we used in procedure 3.

Issue	Principal outstanding as of December 31, 2015:
Merchants National Bank – Fire Truck	\$169,000

2. We inquired of management, and inspected the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2017 or 2016 or debt payment activity during 2017 or 2016. All debt agreed to the summary we used in procedure 3.

3. We obtained a summary of Note debt activity for 2017 and 2016 and agreed principal and interest payments from the related debt amortization schedules to debt service 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 haphazardly selected one payroll check for five employees from 2017 and one payroll check for five employees from 2016 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 noted the following:

Ohio Rev. Code, § 507.09, provides that in a Township having a budget of more than five hundred thousand dollars but not more than seven hundred fifty thousand dollars, the compensation for 2015 for a Fiscal Officer elected or appointed is to be paid \$14,147 annually, and a Township having a budget of more than five hundred thousand dollars but not more than seven hundred fifty thousand dollars, the compensation for 2016 for a Fiscal Officer elected or appointed after September 29, 2015 is to be paid \$14,854 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. Therefore, the Fiscal Officer should have been paid at the 2015 salary the new term started on April 4, 2016.

The Township Fiscal officer started a new term beginning April 1, 2016. During 2016, the Fiscal officer paid herself at the 2016 compensation rate for the entire Fiscal Year instead of having her first three month's pay at \$14,147 annually rate the last nine months at \$14,854 annually.

Salary allowed for Fiscal Officer period 01/01/2016 – 03/31/2016 Budget: \$578,569	\$3,537
Salary allowed for Fiscal Officer period 04/01/2016 – 12/31/2016 Budget: \$578,569	\$11,141
Total Salary allowed for Fiscal Officer period 01/01/2016 – 12/31/2016	\$14,678
Amount Paid to Fiscal Officer for FY2016	\$14,854
Overpayment	\$176

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 Amy Gustin, Township Fiscal Officer, in the amount of one hundred seventy six dollars, in favor of the General Fund of Green Township.

The total finding was repaid by Amy Gustin on October 9, 2018, in the amount of \$176. The receipt was posted to Green Township's General Fund in the amount of \$176, per receipt number 62-2018.

Ohio Rev. Code Section 505.24(A) provides that a Township having a budget of more than five hundred thousand but not more than seven hundred fifty thousand dollars, the compensation for 2015 for a Trustee elected or appointed is to be paid \$45.02 per day for not more than two hundred days. Townships having a budget of more than five hundred thousand dollars but not more than seven hundred fifty thousand dollars, the compensation for 2016 for a Trustee elected or appointed after September 29, 2015 is to be paid \$47.27 per day for not more than two hundred days.

In 2016, Green Township's Fiscal Officer mistakenly used the incorrect amount when calculating township trustee salaries. Consequently, Township Trustees Ryan Corzatt and James Worley were overpaid, see below:

Salary allowed for Trustee in Period 1/1/2016 - 12/31/2016 Budget: \$578,569	\$9,004
Amount Paid to Trustee for FY2016	\$9,453
Overpayment	\$449

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 Ryan E Corzatt, Township Trustee, in the amount of four hundred forty-nine dollars, in favor of Green Townships General Fund in the amount of \$135 and the Gasoline Tax Fund in the amount of \$314. The total finding was repaid by Ryan Corzatt on October 9, 2018, in the amount of \$449. The receipt was posted to Green Township's General Fund in the amount of \$135 and the Gasoline Tax Fund in the amount of \$314, per receipt number 61-2018.

Salary allowed for Trustee in Period 1/1/2016 - 12/31/2016 Budget: \$578,569	\$9,004
Amount Paid to Trustee for FY2016	\$9,453
Overpayment	\$449

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 James Worley, Township Trustee, in the amount of four hundred forty-nine dollars, in favor of Green Townships General Fund in the amount of \$135 and the Gasoline Tax Fund in the amount of \$314.

The total finding was repaid by James Worley on October 9, 2018, in the amount of \$449. The receipt was posted to Green Township's General Fund in the amount of \$135 and the Gasoline Tax Fund in the amount of \$314, per receipt number 60-2018.

- b. 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 as required by statute. We also confirmed the payment was posted to the proper year.
2. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2017 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 2017. 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, 2018	12/29/2017	\$140	\$140
State income taxes	January 30, 2018	12/29/2017	\$116	\$116
OPERS retirement	January 30, 2018	12/29/2017	\$1,092	\$1,092

3. For the pay periods ended September 12, 2017 and June 14, 2016, we recomputed the allocation Fiscal Officer's and Boards' salaries to the General and Gasoline Tax funds per the Employee Wage Detail Report. We found no exceptions.
4. For the pay periods described in the preceding procedure, we traced the Boards' salary for time or services performed to supporting certifications the Revised Code requires. We found no exceptions.
5. We inquired of management and inspected the Payment Register Detail Report for the years ended December 31, 2017 and 2016 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 haphazardly selected ten disbursements from the Payment Register Detail Report for the year ended December 31, 2017 and ten from the year ended 2016 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. 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 two instances one in 2017 and one in 2016 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. 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 Status Report for the General, Motor Vehicle License Tax and Gasoline Tax funds for the years ended December 31, 2017 and 2016. The amounts on the *Certificate* agreed to the amount recorded in the accounting system, except for the General, Motor Vehicle License, and Gasoline Funds. The Revenue Status Report recorded budgeted (i.e. certified) resources for the General, Motor Vehicle License, and Gasoline funds of \$68,228 General fund, \$5,780 Motor Vehicle License fund, and \$86,841 for Gasoline Tax fund for 2017. However, the final *Amended Official Certificate of Estimated Resources* reflected \$72,445 for the General fund, \$5,604 for the Motor Vehicle License Tax, and \$89,086 Gasoline Tax fund. The fiscal officer should periodically compare amounts recorded in the Revenue Status Report to amounts recorded on the *Amended Official Certificate of Estimated Resources* to assure they agree. If the amounts do not agree, the Trustees may be using inaccurate information for budgeting and monitoring purposes.
2. We inspected the appropriation measures adopted for 2017 and 2016 to determine whether, for the General, Motor Vehicle License Tax and Gasoline Tax funds, the Trustees 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 Status Report for 2017 and 2016 for the following funds: General, Motor Vehicle License Tax and Gasoline Tax funds. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Status Report.
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, Motor Vehicle License Tax and Gasoline Tax funds for the years ended December 31, 2017 and 2016. 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, 2017 and 2016 for the General Motor Vehicle License Tax and Gasoline Tax fund, as recorded in the Appropriation Status Report. There were 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 Register Report for evidence of new restricted receipts requiring a new fund during December 31, 2017 and 2016. 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, inspect 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 Appropriation Ledger Report for the Worthington Trust Fund and Collins Trust Fund. No monies were released, spent, or otherwise modified during the engagement period. We found no exceptions.
9. We inspected the 2017 and 2016 Revenue Status Reports and Appropriation Status Reports for evidence of interfund transfers exceeding \$1,000 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.
10. We inquired of management and inspected the Appropriation Status Reports to determine whether the Township elected to establish reserve accounts permitted by Ohio Rev. Code Section 5705.13 [or 5705.132]. The Township did not establish these reserves.
11. We inspected the Cash Summary by Fund Report for the years ended December 31, 2017 and 2016 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.

Compliance – Contracts & Expenditures

We inquired of management and inspected the Payment Register Detail Report for the years ended December 31, 2017 and 2016 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, in addition to filing extensions granted for extenuating circumstances, allow for refiling complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System for December 31, 2017 and 2016 fiscal year ends included in 2015-2016 or 2016-2017 agreed up on procedure engagements, subsequent to the Township's deadline where the initial filing was filed on time but incomplete. The financial statements for 2016 did not include the notes to the financial statements as required.
2. We inquired of the fiscal officer 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. We noted that the Fiscal Officer has not received the training hours required for Fiscal Officers during a term. The Fiscal Officer term is not complete yet and we recommend the Fiscal Officer receive the training before their term expires

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, 2017 and 2016, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.



Dave Yost
Auditor of State

Columbus, Ohio

October 26, 2018

This page intentionally left blank.



Dave Yost • Auditor of State

GREEN TOWNSHIP

FAYETTE 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
NOVEMBER 13, 2018**