



OHIO AUDITOR OF STATE
KEITH FABER



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One Government Center, Suite 1420
Toledo, Ohio 43604-2246
(419) 245-2811 or (800) 443-9276
NorthwestRegion@ohioauditor.gov

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Put-In-Bay Township
Ottawa County
P.O. Box 127
Put-In-Bay, Ohio 43456

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees (the Board) and the management of Put-In-Bay Township, Ottawa County, Ohio (the Township), on the receipts, disbursements and balances recorded in the Township's cash-basis accounting records for the years ended December 31, 2019 and 2018 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, 2019 and 2018 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, 2019 and December 31, 2018 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2018 beginning fund balances recorded in the Fund Ledger Report to documentation in the prior year agreed-upon procedures working papers. We found no exceptions. We also agreed the January 1, 2019 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2018 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, 2019 and December 31, 2018 fund cash balances reported in the Fund Status Report and the financial statements filed by the Township in the Hinkle System. The amounts agreed.
4. We confirmed the December 31, 2019 bank account balances with the Township's financial institutions. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2019 bank reconciliation without exception.

5. We selected five reconciling debits (such as outstanding checks) from the December 31, 2019 bank reconciliation:
 - a. We traced each debit to the subsequent January bank statement. We found one exception. The Fiscal Officer is carrying other adjusting factors in the amount of \$6,157 on the December 31, 2019 bank reconciliation. No support could be provided for these factors, resulting in an inaccurate bank reconciliation. Accordingly, the other adjusting factors could not be traced to subsequent redemption. The Fiscal Officer should determine the cause(s) of the other adjusting factors and take the appropriate steps to ensure the items are resolved and removed from the monthly reconciliation, including posting any necessary adjustments to the accounting system.
 - b. Where applicable, we traced the amounts and dates to the Check Register Report, to determine the debits were dated prior to December 31. We were unable to trace the other adjusting factors described in Procedure 5.a above to support. The Fiscal Officer should determine the cause(s) of the other adjusting factors and take the appropriate steps to ensure the items are resolved and removed from the monthly reconciliation, including posting any necessary adjustments to the accounting system.

6. We inspected investments held at December 31, 2019 and December 31, 2018 to determine that they:
 - a. Were of a type authorized by Ohio Rev. Code §§ 135.13, 135.14 or 135.144. We found no exceptions.
 - b. Mature within the prescribed time limits noted in Ohio Rev. Code § 135.13 or 135.14. We noted 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 Ottawa County Local Government Confirmation for 2019 and a total of five from 2018:
 - a. We compared the amount from the above named reports to the amount recorded in the Receipt Register Report. The amounts agreed.
 - b. We inspected the Receipt Register Report to determine these receipts were allocated to the proper funds as required by Ohio Rev. Code §§ 5705.05-.06 and 5705.10. We found no exceptions.
 - c. We inspected the Receipt Register 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 2019 and 2018. The Receipt Register Report included the proper number of tax receipts for each year.

Debt

1. From the prior agreed-upon procedures documentation, we observed the following leases were outstanding as of December 31, 2017. These amounts agreed to the Township's January 1, 2018 balances on the summary we used in Procedure 3.

Issue	Principal outstanding as of December 31, 2017:
Pumper Truck Lease	\$95,883
Land Lease	210,000

2. We inquired of management, and inspected the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2019 or 2018 or debt payment activity during 2019 or 2018. All debt agreed to the summary we used in Procedure 3.
3. We obtained a summary of leases debt activity for 2019 and 2018 and agreed principal and interest payments from the related debt amortization schedule and pay history report to General, Motor Vehicle License Tax, Gasoline Tax, Road and Bridge, Cemetery, Middle Bass Waste Removal, Fire District SB, Middle Bass Fire District, and Emergency Medical Services Fund payments reported in the Payment Register Detail Report. During 2017 the Township made an additional payment on the pumper truck lease. To date a revised amortization schedule has not been provided to the Township. 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 2019 and one payroll check for five employees from 2018 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 found no exceptions.
 - b. We inspected the fund and account codes to which the check was posted to determine the posting was reasonable based on the employee's duties as documented in the employee's personnel files or as required by statute. We found one instance where the employee's time was charged to the Road and Bridge, Cemetery, Fire District SB, Emergency Medical Services, and Doctors Residence Maintenance funds. However, due to deficiencies in the Township's internal controls over payroll, sufficient documentation was not available on the timecards to substantiate the fund allocations. Failure to document time spent on various duties could allow for funds to be charged for services not performed. The Township should develop policies and procedures to ensure timecards contain sufficient detail so as to support proper fund allocations that correspond with respective duties and actual hours worked by the employee. Because we did not inspect all timecards, our report provides no assurance whether or not other similar errors occurred. 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, 2019 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 2019. We observed the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes and Medicare (and social security, for employees not enrolled in pension system)	January 31, 2020	December 31, 2019	\$2,495	\$2,495
State income taxes	January 15, 2020	December 31, 2019	412	412
OPERS retirement	January 30, 2020	December 31, 2019	4,773	4,773

3. For the pay periods ended March 31, 2019 and May 31, 2018, we:
 - a. Recomputed the allocation of the Boards' salaries to the General, Road and Bridge, Middle Bass Road District, and Cemetery funds per the Wage Detail Report; and
 - b. Traced the Boards' salary for time or services performed to supporting certifications the Ohio Revised Code requires.We found no exceptions.
4. We compared total gross pay for the Fiscal Officer and each Board member for 2019 and 2018 to the compensation permitted by Ohio Rev. Code §§ 507.09 and 505.24, respectively. We found no exceptions.
5. We inquired of management and inspected the Payment Register Detail Report for the years ended December 31, 2019 and 2018 to determine if Township employees and/or Board members were reimbursed for out-of-pocket insurance premiums. No such reimbursements occurred.

Non-Payroll Cash Disbursements

We selected ten disbursements from the Payment Register Detail Report for the year ended December 31, 2019 and ten from the year ended December 31, 2018 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 § 5705.41(D). We found two instances 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 § 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 § 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, 2019 and 2018 for the General, Road and Bridge, and Middle Bass Townhall funds. There were no funds for which expenditures exceeded appropriations.
2. We inspected the 2019 and 2018 Revenue Status Reports and Appropriation Status Reports for evidence of interfund transfers which Ohio Rev. Code §§ 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).
3. We inspected the Cash Summary by Fund Report for the years ended December 31, 2019 and 2018 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. We noted no fund having a negative cash fund balance.

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 selected the one public records request from the engagement period and inspected the request to determine the Township was compliant and responded to the request in accordance with its adopted policy as required by Ohio Rev. Code § 149.43(B)(1). For the one public records request selected for testing, the Township could not provide documentation that the request was completed in accordance with its adopted policy. Failure to provide documentation of the fulfillment of public records requests prohibits the determination of whether or not the requests were compliant with the Ohio Revised Code and fulfilled in accordance with the Township's Public Records Policy. The Township should develop policies and procedures to ensure public records requests are compliant and fulfilled in accordance with the Township's policy.
3. We inquired with Township management and determined that the Township did not have any denied public records requests during the engagement period.
4. We inquired with Township management and determined that the Township did not have any public records requests with redactions during the engagement period.
5. 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.
6. We inspected written evidence that the Public Records Policy was provided to the records custodian/manager as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
7. 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).
8. We inquired with Township management and determined that the Township did not have its Public Records Policy displayed conspicuously in all of the branches of the Township as required by Ohio Rev. Code § 149.43(E)(2). The failure to display its Public Records Policy could permit noncompliance with public records requests to occur. The Township should develop a public records policy poster as required by the Ohio Revised Code.
9. 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.

10. We inspected individual 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 one member of the Board of Trustees whose term ended in 2019, did not, during his term of office, attend a required Certified Public Records Training or have an appropriate designee attend a training. This could result in improper education of public offices regarding the offices' duties related to public records requests as well as improper withholding of information from stakeholders. All elected officials, or their designee(s), should, during their term of office, attend public records training and maintain proof of completion of the training.
11. 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.
12. 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; and
 - d. Open to public inspection - available for public viewing or request.We found no exceptions.
13. 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); and
 - c. Formal governing board actions were adopted in open meetings.We found no exceptions.

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 its 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, 2019 and 2018 in the Hinkle system. The 2019 and 2018 financial statements originally filed in the Hinkle system did not include the notes to the financial statements as required. Complete financial information, including notes to the financial statements, for 2019 and 2018 was filed on June 16, 2020 which was not within the allotted timeframe.

2. For all credit card accounts we obtained:
 - copies of existing internal control policies,
 - a list of authorized users, and
 - a list of all credit card account transactions.
- a. We inspected the established policy obtained above and determined it is:
 - i. in compliance with the HB 312 statutory requirements, and
 - ii. implemented by the Township.We found no exceptions.
- b. We selected one credit card transaction from each credit card account for testing. For selected transactions we inspected documentation to determine that:
 - i. Use was by an authorized user within the guidelines established in the policy, and
 - ii. Each transaction was supported with original invoices and for a proper public purpose.We found no exceptions.
- c. We selected three credit card statements from each credit card account for testing. For selected statements we inspected documentation to determine that:
 - i. No unpaid beginning balance was carried forward to the current billing cycle,
 - ii. Ending statement balance was paid in full, and
 - iii. Statement contained no interest or late fees.We found no exceptions.

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 its cash-basis accounting records for the years ended December 31, 2019 and 2018, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.



Keith Faber
Auditor of State

Columbus, Ohio

September 16, 2020

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OHIO AUDITOR OF STATE KEITH FABER



PUT-IN-BAY TOWNSHIP

OTTAWA 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 9/29/2020

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
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