

**VIENNA TOWNSHIP
TRUMBULL COUNTY**

AGREED UPON PROCEDURES

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

**Wilson, Phillips & Agin, CPA's, Inc.
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Board of Trustees
Vienna Township
P.O. Box 593
Vienna, Ohio 44473

We have reviewed the *Independent Accounts' Report on Applying Agreed-Upon Procedures* of Vienna Township, Trumbull County, prepared by Wilson, Phillips & Agin, CPA's, Inc., for the period January 1, 2017 through December 31, 2018. 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:

Compensation of Elected Township Officials – Findings for Recovery Repaid and Unpaid

Compensation of Elected Township Officials – Findings for Recovery Repaid and Unpaid

Pursuant to Ohio Rev. Code § 507.09(A)(5) and 505.24(A)(5), in calendar year 2018, in a township having a budget of more than \$1,500,000 but not more than \$3,500,000, the annual compensation of the township fiscal officer shall be \$21,836 and each township trustee shall be paid \$62.39 per day not to exceed 200 days $\$62.39 * 200 = \$12,478$.

The Township's 2018 Certificates of Estimated Resources as approved by the County Budget Commission on December 27, 2017 indicated certified amounts for all funds of \$3,367,531. Ohio Attorney General Opinions 92-003 and 99-015 indicate that, under Section 505.24 a Township's Certificate of Estimated Resources is to be used in order to determine the appropriate compensation level for the Township Trustees and Fiscal Officer.

As such, the maximum annual salary for the fiscal officer and each trustee based on the budget should have been \$21,836 and \$12,478, respectively. A review of the payroll records indicate the fiscal officer was paid annual total compensation of \$23,396 during 2018 and as a result, an overpayment of \$1,560 occurred. Each township trustee was paid annual total compensation of \$13,612 during 2018 and as a result, an overpayment of \$1,134 occurred for each of the three trustees.

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In accordance with the foregoing facts and circumstances, and, pursuant to Ohio Rev. Code §117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Linda McCullough, Fiscal Officer, in the amount of \$1,560 and in favor of Vienna Township's General Fund. In addition Findings for Recovery for public monies illegally expended are hereby issued against trustees Heidi Brown, Phil Pegg, and Richard Dascenzo, Jr. in the amounts of \$1,134 each in favor of Vienna Township's General Fund. The Township should implement procedures to ensure officials are compensated in accordance with the Ohio Revised Code.

Trustee Phil Pegg repaid the finding for recovery in full via payroll garnishment from the 1/22/20 and 2/19/20 pays in the amount of \$567 each for a total repayment of \$1,134.

Trustees Heidi Brown and Richard Dascenzo are each having a monthly \$94.50 payroll garnishment to satisfy their findings for recovery and thusly have had \$283.50 each garnished leaving a balance \$850.50 each not repaid as of the end of March 2020.

Fiscal officer Linda McCullough is having a monthly payroll garnishment of \$130 to satisfy the finding for recovery and thusly has had \$390 garnished leaving a balance of \$1,170 not repaid as of the end of March 2020.

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



Keith Faber
Auditor of State
Columbus, Ohio

April 21, 2020

**WILSON, PHILLIPS & AGIN, CPA'S, INC.
1100 BRANDYWINE BLVD. BUILDING G
ZANESVILLE, OHIO 43701**

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Vienna Township
Trumbull County
P.O. Box 593
Vienna, Ohio 44473

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Vienna Township, Trumbull County, Ohio (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, 2018 and 2017, 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, 2018 and 2017 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, 2018 and December 31, 2017 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2017 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2016 balances to documentation in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2018 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2017 balances in the Fund Ledger Report. We found no exceptions.
3. We agreed the totals per the bank reconciliation to the total of December 31, 2018 and 2017 fund cash balances reported in the Fund Status Reports. The amounts agreed.
4. We confirmed the December 31, 2018 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, 2018 bank reconciliation without exception.
5. We selected a sample (agreed upon) of five reconciling debits (such as outstanding checks) from the December 31, 2018 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, to determine the debits were dated prior to December 31. There were no exceptions.
6. We selected a sample (agreed upon) of five reconciling credits (such as deposits in transit) from the December 31, 2018 bank reconciliation:
 - a. We traced each credit to the subsequent January bank statement. We found no exceptions.
 - b. We agreed the credit amount to the Receipt Register Report. Each credit was recorded as a December receipt for the same amount recorded in the reconciliation.

Property taxes, Intergovernmental and Other Confirmable Cash receipts

1. We selected a property tax receipt from one Statement of Semiannual Apportionment of Taxes (the Statement) for 2018 and one from 2017:
 - a. We traced the gross receipts from the Statement to the amount recorded in the Receipt Register Report. The amounts agreed, however in 2017, the amounts were not recorded at gross but at net. Also in 2018, all auditor/treasurer fees were posted to the General Fund and not allocated to other applicable funds.
 - b. We inspected the Receipt Register Report to confirm the receipt was 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 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 2018 and 2017. The Receipts Register Report included the proper number of tax receipts for each year.
3. We selected a sample (agreed upon) of five receipts from the State Distribution Transaction Lists (DTL) from 2018 and five from 2017. We also selected a sample (agreed upon) of five receipts from the County Auditor's DTLs from 2018 and five from 2017:
 - 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 found no exceptions except in 2018 law enforcement monies were posted to the General Fund and should have been posted to the Police District Fund. DARE monies were posted to the General Fund and not the DARE Fund. Rollback monies in 2018 and last payment of 2017 were entirely posted to the General Fund and not properly allocated. In 2017, Trauma & Medical Service monies were posted to the General Fund instead of the Fire District Fund.
 - c. We inspected the Receipts Register Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

Over-The-Counter-Receipts

We selected a sample (agreed upon) of 10 over-the-counter cash receipts from the year ended December 31, 2018 and 10 over-the-counter cash receipts from the year ended December 31, 2017 recorded in the duplicate cash receipts book and determined whether the:

- a. Agreed the receipt amount to the amount recorded in the Receipt Register Report. The amounts agreed.
- b. Confirmed the amounts charged complied with rates in force during the period. We found no exceptions.
- c. Inspected the Receipt Register Report to determine the receipt was posted to the proper fund and was recorded in the proper year. We found no exceptions.

Debt

1. The prior audit documentation disclosed no debt outstanding as of December 31, 2016.
2. We inquired of management, and inspected the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2018 or 2017 or debt payment activity during 2018 or 2017. All debt agreed to the summary we used in procedure 3.
3. We obtained a summary of loan activity for 2018 and 2017 and agreed principal and interest payments from the related debt amortization schedule to Gasoline 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.

4. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the Fire District Fund. The amounts did not agree as the proceeds were not recorded due to being a pass-through transaction.
5. For new debt issued during 2018 and 2017, we inspected the debt legislation, which stated the Township must use the proceeds to purchase an ambulance. We inspected the Payment Register Report and observed the Township did not record the ambulance purchase due to it being a pass-through transaction.

Payroll Cash Disbursements

1. We selected one payroll check for five employees from 2018 and one payroll check for five employees from 2017 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 in 2017, however in 2018 it appears that the Fiscal Officer was overpaid by \$1,560.04 and the trustees were overpaid by \$1,134 as the Certificate of Estimated Resources decreased and the payroll was not adjusted down to comply with pay scale.
 - b. We inspected the fund and account code(s) to which the check was posted to determine the posting was reasonable based on the employee's duties as documented in the minute record, timesheets or as required by statute. 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, 2018 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 2018. We observed the following:

Withholding (plus employer share Where applicable)	Due Date	Date Paid	Amount W/H	Amount
Federal Income Taxes	January 31, 2019	December 28, 2018	\$ 4,178.23	\$ 4,178.23
State Income Taxes	January 15, 2019	January 12, 2019	963.80	963.80
OPERS Retirement	January 31, 2019	December 28, 2018	4,691.37	4,691.37

3. We inquired of management and inspected the Wage Detail Report for the years ended December 31, 2018 and 2017 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 a sample (agreed upon) of 10 disbursements from the Payment Register Detail Report for the year ended December 31, 2018 and 10 from the year ended 2017 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 three 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 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 Revised Code Section 5705.36 (A)(1), to the amounts recorded in the Revenue Status Report for the General Fund, Road and Bridge Fund, and Police District Fund for the years ended December 31, 2018 and 2017. The amounts on the Certificate agreed to the amount recorded in the accounting system, except for the Police District Fund. The Revenue Status Report recorded budgeted (i.e. certified) resources for the Police District Fund of \$380,130 in 2018. However, the final *Amended Official Certificate of Estimated Resources* reflected \$285,115. The amounts on the Certificate agreed to the amount recorded in the accounting system, except for the General Fund. The Revenue Status Report recorded budgeted (i.e. certified) resources for the General Fund of \$193,938 in 2017. However, the final *Amended Official Certificate of Estimated Resources* reflected \$193,438. 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 2018 and 2017 to determine whether, for the General Fund, Road and Bridge Fund and the Police District Fund, the Trustees appropriated separately for "each office, department, and division, and within each, the amount appropriated for personal services," as is required by Ohio Revised Code Section 5705.38(C). The Township did not file appropriations with the County Auditor in 2018 or 2017.
3. We compared total appropriations required by Ohio Revised Code Section 5705.38 and 5705.40, to the amounts recorded in the Appropriation Status Report for 2018 and 2017 for the following funds: General Fund, Road and Bridge Fund and the Police District Fund. The amounts did not agree as appropriations were not filed for 2018 or 2017.
4. Ohio Revised Code Section 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 Fund, Road and Bridge Fund and the Police District Fund for the years ended December 31, 2018 and 2017. There were no funds for which appropriations exceeded estimated resources.
5. Ohio Revised 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, 2018 and 2017 for the General Fund, Road and Bridge Fund and the Police District Fund, as recorded in the Appropriation Status Report. All funds exceeded appropriations as appropriations were not filed for 2018 or 2017.
6. Ohio Revised 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, 2018 and 2017. 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, we inspected 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 new funds for which the statutorily approved purpose was no longer valid included on the accounting records.
8. We inspected the 2018 and 2017 Revenue Status Reports and Appropriation Status Reports for evidence of interfund transfers exceeding \$5,000 which Ohio Revised 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 and Court of Common Pleas.

9. We inquired of management and inspected the Appropriation Status Reports to determine whether the Township elected to establish reserve accounts permitted by Ohio Revised Code Section 5705.13. The Township did not establish these reserves.
10. We inspected the Cash Summary by Fund Report for the years ended December 31, 2018 and 2017 for negative cash fund balance. Ohio Revised Code Section 5701.10(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 and Expenditures

1. We inquired of management and inspected the Payment Register Detail Report for the years ended December 31, 2018 and 2017 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 Revised 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 Revised 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 years ended December 31, 2018 and 2017 in the Hinkle system. There were no exceptions.
2. Ohio Revised Code Section 109.60(A)(1) requires Law Enforcement of Townships to report specific information to the Bureau of Criminal Identification and Investigation (BCI) for certain offenses. Township Law Enforcement shall immediately upon arrest of any person (or taking into custody for any child under 18) take and forward the person's or child's fingerprints. We inspected the NICS Process form to determine if there is an established method of fingerprint submission to BCI. The Township has an established method for fingerprint submission to BCI.
3. 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 selected 3 credit card transactions for testing. For selected transactions we inspected documentation to determine that:
 - i. Each transaction was supported with original invoices and for a proper public purpose.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 their cash-basis accounting records for the years ended December 31, 2018 and 2017, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.

Wilson, Phillips & Agin, CPA's, Inc.
Zanesville, Ohio
June 12, 2019

OHIO AUDITOR OF STATE KEITH FABER



VIENNA TOWNSHIP

TRUMBULL 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
MAY 5, 2020