



OHIO AUDITOR OF STATE
KEITH FABER



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Montgomery Township
Marion County
P.O. Box 367
Larue, Ohio 43332

We have performed the procedures enumerated below on the Montgomery Township, Marion County, Ohio, (the Township) 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 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 Board of Trustees and the management of the Township have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of providing 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. No other party acknowledged the appropriateness of the procedures. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of the report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. The sufficiency of the procedures is solely the responsibility of the parties specified in the 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.

For the purposes of performing these procedures, this report only describes exceptions exceeding \$10.

The procedures and the associated findings are as follows:

Cash and Investments

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 for each fund recorded in the Fund Ledger Report to the December 31, 2018 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2020 beginning fund balances for each fund recorded in the Fund Ledger Report to the December 31, 2019 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, 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.
4. We confirmed the December 31, 2020 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, 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 § 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 County Auditor Audit Trail by Vendor 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 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 2020 and 2019. The Receipt Register Report included the proper number of tax receipts for each year.

Other Receipts

1. We selected 10 other receipts from the year ended December 31, 2020 and 10 other receipts from the year ended 2019 and:
 - a. Agreed the receipt amount recorded in the Receipt Register Report to supporting documentation. The amounts agreed, except for one \$900 cemetery grave receipt in 2019 that was recorded in the Receipt Register Report as two graves, but the cemetery deed stated one grave was purchased. We brought this to management's attention and they corrected the cemetery deed. However, because we did not inspect all receipts, our report provides no assurance regarding whether or not other similar errors occurred.
 - 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 funds, and was recorded in the proper year. We found no exceptions.

Debt

1. From the prior audit documentation, we observed the following note was outstanding as of December 31, 2018. This amount was \$106 higher than the Township's January 1, 2019 balance on the summary used in procedure 3.

Issue	Principal outstanding as of December 31, 2018:
Promissory Note – Snow Plow Truck	\$ 30,071

2. We inquired of management, and inspected the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2020 or 2019 or debt payment activity during 2020 or 2019. All debt agreed to the summary we used in procedure 3.
3. We obtained a summary of the note debt activity for 2020 and 2019 and agreed principal and interest payments from the related bank invoice to debt service fund payments reported in the Payment Register Detail Report. The debt payments posted to the accounting ledgers agreed to the bank invoices in total; however, the payments were not properly allocated between principal and interest payments. 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 the Township's employee from 2020 and one payroll check for this employee from 2019 from the Wage Withholdings Detail Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Wage Detail Report to supporting documentation (legislatively approved rate).
 - i. We inspected the employee's personnel file 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 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 file. We found no exceptions.
 - c. 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	January 31, 2021	December 30, 2020	\$ 723.58	\$ 723.58
State income taxes	January 31, 2021	December 30, 2020	\$ 400.53	\$ 400.53
Local income tax	February 1, 2021	December 30, 2020	\$ 160.86	\$ 160.86
OPERS retirement	January 31, 2021	December 30, 2020	\$ 1,728.90	\$ 1,728.90

3. For the pay periods ended May 31, 2020 and November 30, 2019, we
 - a. Recomputed the allocation of the Fiscal Officer's and Boards' salary amounts to the General, Gasoline, Cemetery, and Zoning Fund per the Wage Detail Report. We noted the Fiscal Officer received extra compensation for performing cemetery sexton duties for the Township, which is not allowable pursuant to Ohio Rev. Code § 511.13 and AG Opinion 2019-05.
 - 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 §§ 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, 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 Payment Register Detail Report 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 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 no exceptions.

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 year ended December 31, 2020 for the General, Cemetery and Zoning funds, and for the year ended December 31, 2019 for the General, Gasoline Tax and Zoning funds, as recorded in the Appropriation Status Report. There were no funds for which expenditures exceeded appropriations.
2. We inspected the Appropriation Ledger Report for the Private Purpose Trust Fund. Not more than 5% of non-spendable monies were released, spent, or otherwise modified during the engagement period.
3. We inspected the one interfund transfer each year from the 2020 and 2019 Revenue Status Reports and Appropriation Status Reports for compliance with Ohio Rev. Code §§ 5705.14 - .16. We found no evidence of transfers these Sections prohibit, or for which Ohio Rev. Code § 5705.16 would require approval by the Tax Commissioner.
4. 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 § 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 with Township management and determined that the Township did not have any completed public records requests during the engagement period, the Township did not have any denied public records requests during the engagement period, and 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 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.
5. 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).
6. We observed that the Township's poster describing their Public Records Policy was displayed conspicuously at the Township 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 any applications for record disposal submitted to the Records Commission during the engagement period.
8. We inspected the individual training certificate 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 no exceptions.
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 § 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 the only two non-payroll 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 inquired with management and inspected the Appropriation Status Report to determine the Township did not have an unencumbered balance of money to pay back to the county treasurer. 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 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 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 §§ 507.12 and 733.81. The Fiscal Officer obtained the required training.

Related Party Transactions

1. We inquired with management and identified the following Related Party Transaction:
 - a. Ford's Appliance & Services, Inc., which is owned by the Township's Fiscal Officer, purchased a trailer from the Township in 2019 for \$1,550. The Township advertised for bids for the sale of the trailer and it was approved by the Board of Trustees.We found no exceptions.
2. We confirmed the transaction with Ford's Appliance & Services, Inc. We found no exceptions.
3. We obtained supporting evidence for the Related Party Transaction noted in procedure 1. We found no exceptions.

We were engaged by the Township to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the AICPA and the Comptroller General of the United States' *Government Auditing Standards*. We were not engaged to, and did not conduct an examination or review engagement, 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.

We are required to be independent of the Township and to meet our ethical responsibilities, in accordance with the ethical requirements established by the Comptroller General of the United States' *Government Auditing Standards* related to our agreed upon procedures engagement.



Keith Faber
Auditor of State
Columbus, Ohio

September 7, 2021

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OHIO AUDITOR OF STATE KEITH FABER



MONTGOMERY TOWNSHIP

MARION 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 9/23/2021

88 East Broad Street, Columbus, Ohio 43215
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This report is a matter of public record and is available online at
www.ohioauditor.gov