



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Washington Township  
Stark County  
5789 Beechwood Ave. NE  
Alliance, Ohio 44601

We have performed the procedures enumerated below on Washington Township's (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

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 opinion unit 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 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.

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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 the Fund Status Report to determine whether the Findings For Adjustment identified in the prior audit report, due from the General fund, payable to the Motor Vehicle License Tax fund, was properly posted to the ledgers and reflected in the fund balances in Procedure 2. We found no exceptions.
7. We traced interbank account transfers occurring in December of 2020 and 2019 to the accounting records and bank statements to determine if they were properly recorded. We found no exceptions.

#### **Property Taxes, Intergovernmental and Other Confirmable 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 Settlement 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 Sections 5705.05-.06 and 5705.10. We found \$31.75 from one Manufactured Home settlement posted to the Road Levy Fund instead of the Fire Levy Fund in 2020. We also noted \$37.80 of Manufactured Homestead & Rollback revenue posted to the General fund instead of allocated to the Road & Bridge Fund for \$16.12, Fire Levy Fund for \$12.25 and Road & Bridge Levy Fund for \$9.43 in 2019. However, because we did not inspect all receipts, our report provides no assurance regarding whether or not other similar errors occurred.
  - 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**

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. For three receipts in 2019, no supporting documents were available to support the receipt amount.
- b. Confirmed the amounts charged complied with rates in force during the period. For three receipts in 2019, no supporting documents were available to support the proper rate was charged.

- c. Inspected the Receipt Register Report to determine the receipt was posted to the proper funds, and was recorded in the proper year. For three receipts in 2019, no supporting documents were available to support the receipt was posted in the proper fund and in the proper year. Additionally, in 2019, we found one receipt representing a \$163.40 refund from the Bureau or Workers Compensation recorded in the General fund. Of the total receipt, \$76 should have been recorded in the Road & Bridge Fund and \$38 in the Fire Levy Fund. Because we did not inspect all receipts, our report provides no assurance regarding whether or not other similar errors occurred.

**Debt**

- 1. The prior audit documentation disclosed no debt outstanding as of December 31, 2018.
- 2. We inquired of management, and inspected the Revenue Ledger and Payment Register Detail Report 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 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.
    - i. We inspected the employees' personnel files 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 code(s) to which the check was posted to determine the posting was allowable based on the employees' duties as documented in the minute record or as required by statute. We found for two trustees the percentage of payroll charged to the General, Road & Bridge and Fire Levy Funds did not agree to the percentages certified by the elected official. Because we did not compare all timecards and certifications, our report provides no assurance whether or not other similar errors occurred.
  - 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:

<b>Withholding (plus employer share, where applicable)</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Due</b>	<b>Amount Paid</b>
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	January 31, 2021	December 27, 2020	\$1,520.12	\$1,520.12
State income taxes	January 15, 2021	December 27, 2020	\$337.10	\$337.10
OPERS retirement	January 30, 2021	December 28, 2020	\$3,111.31	\$3,111.31

3. For the pay period ended September 30, 2020, April 30, 2020 and August 31, 2019 we
  - a. Recomputed the allocation of the Fiscal Officer's and Boards' salary amounts to the General, Fire Levy, Road Levy and Road & Bridge funds per the Wage Detail Report.
  - b. Traced the Fiscal Officer's and Boards' pay for time or services performed to supporting certifications the Revised Code requires.

We noted the Fiscal Officer's Salary was allocated 60% to the General Fund, 20% to the Fire Levy Fund and 20% to the Road Levy fund, however on the certification completed for the pay period, the Fiscal Officer certified he spent 70% of his time on the General Fund, 15% on the Fire Levy Fund and 15% on the Road Levy Fund. We noted the Trustee's Salary was allocated 60% to the General Fund, 20% to the Fire Levy Fund and 20% to the Road & Bridge fund, however on the certification completed for the pay period, the Trustee certified he spent 80% of his time on the General Fund, 10% on the Fire Levy Fund and 10% on the Road Levy Fund.

Ohio Rev. Code § 5705.10 restricts the use of monies spent out of the Fire Levy, Road Levy and Road & Bridge funds. During 2020 and 2019, the Township expended monies from the General, Fire Levy, Road Levy and Road & Bridge funds to pay employees' salaries. Ohio Rev. Code § 507.09(D) states a township fiscal officer may be compensated from the township general fund or from other township funds based on the proportion of time the township fiscal officer spends providing services related to each fund. A township fiscal officer must document the amount of time the township fiscal officer spends providing services related to each fund by certification specifying the percentage of time spent working on matters to be paid from the township general fund or from other township funds in such proportions as the kinds of services performed. Ohio Rev. Code § 505.24(C) states for Trustees to be paid from any funds other than the general fund, a resolution must be passed and specify the proportions of the salary that are to be paid from each fund. If Trustees use the salary method and are compensated from funds other than the General fund, they must certify the percentage of time spent on working matters that are to be paid from funds other than the General fund.

The following variances were identified:

- In 2020, the Township overpaid \$94.19 from both the Fire Levy Fund and Road Levy Fund and underpaid \$188.38 from the General Fund for the Fiscal Officer's salary.
- In 2020, the Township overpaid \$103.98 from both the Fire Levy Fund and Road & Bridge Fund and underpaid \$207.96 from the General Fund for the Trustee's salary.

The Township should ensure it is paying the Trustees and Fiscal Officer in accordance with the supporting certifications prepared, if funds other than the general fund are being used to compensate the Trustees and Fiscal Officer.

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 the Fiscal Officer was under compensated by \$12 in 2019. We found the Fiscal Officer was over compensated by \$192 in 2020. The overpayment was due to the fiscal officer being paid the new rate starting in January 2020 instead of April 2020 when his new term started.
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. For one payment, no supporting documents were provided. For one payment, the supporting document did not support the amount paid.
  - 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 one 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. 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, 2020 for the General, Motor Vehicle License Tax and Coronavirus Relief Fund and December 31, 2019 for the General, Motor Vehicle License Tax and Fire Levy Fund, as recorded in the Appropriations Status Report. There were no funds for which expenditures exceeded appropriations.
2. We inspected interfund transfers from 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.
3. 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 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 inquired with Township management and determined that the Township did not have any completed public records requests during the engagement period.

3. 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.
4. We inquired with Township management whether the public records policy was provided to the records custodian/manager as required by Ohio Rev. Code § 149.43(E)(2). There was no written evidence the Fiscal Officer (record custodian) received the Township's Public Records Policy.
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 in all branches of 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 Public Records Attendees Spreadsheet 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 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 paid back to the county treasurer and determined the proper amount was repaid. We also compared the date of the repayment to the required date of November 20, 2020 and determined the payment was made in a timely manner. 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 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 §§ 507.12 and 733.81. Neither source provided documentation that the Fiscal Officer received the required two hours of ethics training for the term ended March 31, 2020.
3. For all credit card accounts we obtained:
  - copies of existing internal control policies,
  - a list(s) of authorized users, and
  - a list of all credit card account transactions.
  - a. We inquired with the Township management and determined that the Township does not have a credit card policy.
  - b. We selected 1 credit card transaction from each credit card account 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.
  - c. We selected 3 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.

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

August 3, 2021

# OHIO AUDITOR OF STATE KEITH FABER



**WASHINGTON TOWNSHIP**

**STARK 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 8/24/2021**

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This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)