



OHIO AUDITOR OF STATE
KEITH FABER



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Auburn Township
Geauga County
11010 East Washington Street
Chagrin Falls, Ohio 44023

We have performed the procedures enumerated below on the Auburn Township's (the Township) receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2021 and 2020 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, 2021 and 2020 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, 2021 and 2020, 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, 2021 and December 31, 2020 bank reconciliations. We found for the year ended December 31, 2021 an adjustment of \$6,355 on the book side to clear five duplicate payments totaling \$6,227 and one duplicate receipt totaling \$128.
2. We 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 prior year documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2021 beginning fund balances for each fund recorded in the Fund Ledger Report to the December 31, 2020 balances in the Fund Ledger Report and noted a fund balance adjustment for \$128 to clear a duplicate receipt.

3. We agreed the 2021 and 2020 Bank Reconciliation adjusted UAN Balances and Adjusted Bank Balances as of December 31, 2021 and 2020 to the total 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, 2021 bank account balances through the Ohio Pooled Collateral System and also observed the year-end bank balances on the financial institution's website. The balances agreed. We also agreed the confirmed balances to the amounts appearing in the December 31, 2021 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) from the December 31, 2021 bank reconciliation:
 - a. We traced each debit to the subsequent January and February bank statements. We found the debits were still outstanding as of February 28, 2022.
 - b. We traced the amounts and dates to the check register, and determined the debits were dated prior to December 31. We found no exceptions.
6. We selected five reconciling credits (such as deposits in transit) from the December 31, 2021 bank reconciliation:
 - a. We traced each credit to the subsequent January or February bank statements. We found the credits were still outstanding as of February 28, 2022.
 - b. We agreed the credit amounts to the Receipts Register and determined they were dated prior to December 31. We found no exceptions.
7. We inspected investments held at December 31, 2021 and December 31, 2020 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 found no exceptions.

Property Taxes and Intergovernmental Cash Receipts

1. We selected a total of five receipts from the *Statement of Semiannual Apportionment of Taxes* and State Distribution Transaction Lists (DTL) for 2021 and a total of five from 2020:
 - a. We compared the amounts from the above named reports to the amounts recorded in the Receipt Register Report. We found no exceptions.
 - 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 one receipt in 2021 that was posted to the General fund instead of the Local Fiscal Recovery fund. This Fiscal Officer adjusted this amount on December 19, 2022.
 - c. We inspected the Receipt Register Report to determine whether the receipts were recorded in the proper year. The receipts were 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 plus two advances for 2021 and one advance for 2020. The Receipt Register Report included the proper number of tax receipts for each year. We found one receipt in 2021 for \$891 that was posted in the Special Levy Fire Department fund instead of the General fund. The Fiscal Officer corrected this amount on April 18, 2023.

Other Receipts

We selected 10 other receipts from the year ended December 31, 2021 and:

- a. Agreed the receipt amounts recorded in the Receipt Register Report to supporting documentation. 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 receipts were posted to the proper funds, and was recorded in the proper year. We found the receipts were posted in the UAN accounting system, however, the transaction date for eight receipts occurred in the subsequent year due to untimely reconciliation.

Debt

1. From the prior agreed-upon procedures documentation, we observed the following bonds and leases were outstanding as of December 31, 2019. These amounts agreed to the Township's January 1, 2020 balances on the summary we used in procedure 3.

Issue	Principal outstanding as of December 31, 2019:
USDA Fire Station Improvement Bonds, Series 2011	\$2,090,256
Service Garage Construction Bonds, Series 2016	\$1,843,336
Truck Lease	\$130,203*
Copier Lease	\$1,955*

*These amounts were not recorded in the prior year agreed-upon procedures documentation and shown for the years ended December 31, 2021 and 2020 to reflect the current activity.

2. We inquired of management, and inspected the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2021 or 2020 or debt payment activity during 2021 or 2020. We found the Township issued refunding bonds to retire the USDA Fire Station Improvement Bonds and the Service Garage Construction Bonds, however, the sale of refunding bonds was not recorded in UAN.
3. We obtained a summary of bonds and leases debt activity for 2021 and 2020 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 the payments due in 2021 for the refunding bonds were not made by the December 1, 2021 due date and were paid on June 30, 2022, respectively. We also found in 2021 the Truck Lease did not split out the interest portion of the debt payment.
4. We agreed the amount of debt proceeds received for 2021 from the debt documents to amounts recorded in the Debt Service fund per the Receipt Register Report. We found the sale of refunding bonds was not recorded in UAN.
5. For new debt issued during 2021, we inspected the debt legislation, which stated the Township must use sale of refunding bonds to pay off the existing bonds issued for the USDA Fire Station Improvement Bonds and the Service Garage Construction Bonds. We found no issues other than noted in steps 2 and 4 above.

Payroll Cash Disbursements

1. We selected one payroll check for five employees from 2021 and one payroll check for five employees from 2020 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 (timecard, legislatively or statutorily-approved rate or salary).
 - i. We inspected the employees' personnel files for the Retirement system, Federal, State & Local income tax withholding authorization. We found one employee who had no withholdings information maintained in the file.
 - ii. We agreed these items to the information used to compute gross and net pay related to this check.

We found one instance where an employee was paid for two meetings more than indicated on the timecard resulting in an overpayment of \$100. Because we did not compare all timecards, our report provides no assurance whether or not other similar errors occurred.
 - b. We inspected the fund and account codes to which the check was posted to determine the posting was allowable based on the employees' duties as documented in the minute record. 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, 2021 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 2021.

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, 2022	February 2, 2022	\$6,336.37	\$6,336.37
State income taxes	January 15, 2022	February 2, 2022	\$1,427.73	\$1,427.73*
Local income taxes	January 15, 2022	February 2, 2022	\$116.39	\$243.31*
OPERS retirement	January 30, 2022	December 31, 2021	\$10,236.02	\$10,236.02
School District income taxes	January 15, 2022	February 2, 2022	\$60.06	\$60.06*

*Check/ACH was outstanding as of December 31, 2022 due to being entered into UAN but never processed.

We found the Federal income taxes was paid on February 2, 2022 after the required due date. We also noted the State income tax, Local income tax and School District income tax payments were still outstanding on the outstanding check list. The Fiscal Officer adjusted these amounts to be removed from the outstanding check list on April 13, 2023.

3. We compared total gross pay for the Fiscal Officer and each Board Member for 2021 and 2020 to the compensation permitted by Ohio Revised Code §§ 507.09 and 505.24, respectively. We found no exceptions.
4. We inquired of management and inspected the Payment Register Detail Report for the years ended December 31, 2021 and 2020 to determine if Township employees and/or Trustees were reimbursed for out-of-pocket insurance premiums. No such reimbursements occurred.

Non-Payroll Cash Disbursements

We selected 10 disbursements from the Payment Register Detail Report for the year ended December 31, 2021 and 10 from the year ended December 31, 2020 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 one check from 2021 totaling \$47 and one check from 2020 totaling \$35 in which late fees and interest charges were assessed.
- c. The payment was posted to a fund consistent with the restricted purpose for which the fund's cash can be used. We found one check in 2021 for payment of security at a event in which the payment was not made due to the security not being performed. The check is still outstanding and has not been voided.
- 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 one instance in 2021 and two instances in 2020 where the certification date was after the vendor invoice date, and there was 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, 2021 and 2020 for the General, Motor Vehicle License Tax and Road and Bridge fund as recorded in the Appropriation Status Report. Expenditures did not exceed appropriations, however, we found the appropriations in the UAN system did not agree to the legislatively approved amounts for the General and Road and Bridge funds for 2021 and 2020.
2. We inspected the one interfund transfer for 2020 from the Interfund Transfer Listing Report 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, 2021 and 2020 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 found a negative fund balance of \$67,628 in the General Bond Retirement fund for 2021.

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 method for tracking public records during the engagement period therefore the requests, if any, could not be determined for noncompliance with Ohio Rev. Code §§ 149.43(E)(2) and 149.43(B)(7)(c).
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 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 inspected the Township's policy manual and determined the public records policy was included as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
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 Sunshine Law Attendance Reports 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 documented their compliance with the CARES Act three-prong test. We then selected five transactions including 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 should have paid back to the county treasurer and determined the unencumbered balance of money of \$9,697 was not returned to the County Treasurer by November 20, 2020.

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, 2021 and 2020 in the Hinkle system. We found financial information was filed on October 24, 2022 and April 19, 2021 for fiscal years 2021 and 2020, respectively, which was not within the allotted timeframe.
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 did not obtain the required training.

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

April 25, 2023

OHIO AUDITOR OF STATE KEITH FABER



AUBURN TOWNSHIP

GEAUGA 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 5/9/2023

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This report is a matter of public record and is available online at
www.ohioauditor.gov