



OHIO AUDITOR OF STATE
KEITH FABER



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

German Township
Montgomery County
12102 State Route 725 West
Germantown, Ohio 45327-9761

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of German Township (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 the December 31, 2017 balances in the prior year audited statements. 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 Status Report. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2019 and 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 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, 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 and February bank statement. Two out of the five outstanding checks examined did not clear the bank.
 - 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.

Cash and Investments (Continued)

6. We selected all reconciling credits (such as deposits in transit) from the December 31, 2019 bank reconciliation:
 - a. We traced each credit to the subsequent January or February bank statement. The outstanding deposit in transit was due to a \$150 rezoning fees that was posted twice to the Township's accounting system in October 2019. The Township should make an adjustment in its accounting system to correct the error. Long outstanding reconciling items should be investigated and appropriately cleared from the bank reconciliations.
 - b. We agreed the credit amounts to the Receipts Register. The credit was recorded as an October receipt for the same amount recorded in the reconciliation.

7. 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 Sections 135.13, 135.14 or 135.144. We found no exceptions
 - b. Mature within the prescribed time limits noted in Ohio Rev. Code Section 135.13 or 135.14. We noted 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 and State Distribution Transaction Lists (DTL)* 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 Export Report. The amounts agreed.
 - b. We inspected the Receipt Export 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 no exceptions.
 - c. We inspected the Receipt Export 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 plus four advances for 2019 and 2018. The Receipt Register Report included the proper number of tax receipts for each year.

Debt

1. From the prior audit documentation, we observed the following loans 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:
Valley View Water & Sewer District Debt	\$151,701
Ohio Infrastructure Bank Loan	\$91,387

2. We inquired of management, and inspected the Receipt Export Report and Payment Export 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.

Debt (Continued)

3. We obtained a summary of debt activity for 2019 and 2018 and agreed principal and interest payments from the related debt amortization schedules to General and Gasoline Tax fund payments reported in the Payment Export Report. We also compared the date the debt service payments were due to the date the Township made the payments. We noted that the Township made \$43,117 in principal payment in excess of amortization schedule on the Ohio Infrastructure Bank Loan.

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 code(s) to which the check was posted to determine the posting was reasonable based on the employees' duties as documented in the employees' personnel files. We also confirmed the payment was posted to the proper year. We found no exceptions.
 - c. For any new employees selected we inspected the employees' personnel files for the following information and compared it with the information used to compute gross and net pay related to this check:
 - i. Name
 - ii. Authorized salary or pay rate and department(s) and fund(s) to which the check should be charged
 - iii. Retirement system, Federal, State & Local income tax withholding authorization and withholding
 We found no exceptions related to procedures i. – iii. above.

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 & Medicare (and social security, for employees not enrolled in pension system)	January 31, 2020	January 16, 2020	\$2,793	\$2,793
State income taxes	January 15, 2020	January 17, 2020	\$1,744	\$1,744
Local income tax – West Carrollton	January 31, 2020	February 4, 2020	\$640	\$640
OPERS retirement	January 30, 2020	February 4, 2020	\$12,877	\$12,877

As stated above, the Township was late in remitting withholdings to the appropriate agencies. Failure of the Township to timely remit withholdings may result in fines and penalties being assessed against the Township.

Payroll Cash Disbursements (Continued)

3. For the pay periods ended September 30, 2019 and April 30, 2018, we
 - a. Recomputed the allocation of the Fiscal Officer's and Boards' salaries to the General, Gasoline Tax, Police District, and Garbage & Waste Disposal District Funds per the Wage Detail Report.
 - b. Traced the Fiscal Officer's and Boards' salary 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 2019 and 2018 to the compensation permitted by Ohio Revised Code Sections 507.09 and 505.24, respectively. We found that Trustees and Fiscal Officer elected to be paid 25% less than the statutory rate permitted under Ohio Revised Code Sections 507.09 and 505.24.
5. We inquired of management and inspected the Payments Report for the years ended December 31, 2019 and 2018 to determine if township employees and/or trustees were reimbursed for out-of-pocket insurance premiums. Insurance reimbursements made were in compliance with ORC 505.60 and 505.601 and federal regulations.

Non-Payroll Cash Disbursements

1. We selected 10 disbursements from the Payment Export Report for the year ended December 31, 2019 and 10 from the year ended 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 Export 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 no exceptions.

Compliance – Budgetary

1. Ohio Rev. Code Section 5705.41(B) prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total approved appropriations (Ohio Rev. Code Section 5705.38 and 5705.40) plus any carryover appropriations for the years ended December 31, 2019 and 2018 for the General, Police District and Road District Levy fund. There were no funds for which expenditures exceeded appropriations.
2. We inspected the Appropriation Status Report for the Sunbury Cemetery Bequest Fund. Not more than 5% of non-spendable monies were released, spent, or otherwise modified during the engagement period.
3. We inspected the 2019 and 2018 Receipt Export Report and Payment Export Report for evidence of interfund transfers exceeding \$1,000 which Ohio Rev. 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.

Compliance – Budgetary (Continued)

4. 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 Section 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 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 all public records requests from the engagement period and inspected each request to determine the Township was compliant and responded to the request in accordance with their adopted policy as required by Ohio Rev. Code § 149.43(B)(1). We found no exceptions.
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 selected all public records requests with redactions from the engagement period and inspected to determine the Township was redacting records and making the redactions visible, and provided an explanation which included the legal authority to the requester as required by Ohio Rev. Code § 149.43(B)(1). We found no exceptions.
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). The Township was unable to provide written evidence that the Public Records policy was provided to the Fiscal Officer, who was the records custodian for the Township.
7. We inspected the Township's policy manual and determined the public records policy was not included as required by Ohio Rev. Code § 149.43(E)(2). Including public records policy in the employee manual or handbook will allow employees to be aware of the Township's policy and how to handle any public records request they might get during the course of their employment.
8. 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.
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.

Sunshine Law Compliance (Continued)

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 no exceptions.
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 § 121.232(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.
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 Section 121.22(G).
 - c. Formal governing board actions were adopted in open meetings.

The Township entered into an executive session during the January 14, 2019 meeting for “personnel matters.” Court rulings in *Maddox v. Greene Services Board of Directors., 2d Dist No. 2013-CA-38, 2014-Ohio-2312* noted that non-specific references to “personnel matters” or “personnel issues” does not satisfy Revised Code §121.22(G). Additionally, the Trustees entered into an executive session on November 18, 2019; however, the minutes did not document the reason for entering into an executive session. The Township should verify that it enters into an executive session in accordance with the requirements of Ohio Rev. Code §121.22(G) and the Board minutes clearly document the reason for going into an executive session.

Other Compliance

1. Ohio Rev. 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 the years ended December 31, 2019 and 2018 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 Section 507.12 and 733.81. Fiscal Officer obtained the required training.

Other Compliance (Continued)

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 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.
- b. 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.

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, 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

July 27, 2020

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OHIO AUDITOR OF STATE KEITH FABER



GERMAN TOWNSHIP

MONTGOMERY 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 8/25/2020

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