



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER

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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Gibson Township  
Mercer County  
1700 Industrial Drive  
P.O. Box 636  
Fort Recovery, Ohio 45846

We have performed the procedures enumerated below on Gibson Township's (the Township) receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2023 and 2022 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, 2023 and 2022 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, 2023 and 2022, 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, 2023 and December 31, 2022 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2022 beginning fund balances for each fund recorded in the Fund Ledger Report to the December 31, 2021 balances in the prior year agreed-upon procedures working papers. We found no exceptions. We also agreed the January 1, 2023 beginning fund balances for each fund recorded in the Fund Ledger Report to the December 31, 2022 balances in the Fund Ledger Report. We found no exceptions.
3. We agreed the 2023 and 2022 Bank Reconciliation as of December 31, 2023 and 2022 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.

**Cash (Continued)**

4. We confirmed the December 31, 2023 bank account balance with the Ohio Pooled Collateral System. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2023 bank reconciliation without exception.
5. We selected 5 reconciling debits (such as outstanding checks) from the December 31, 2023 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 Payment Register Detail, and determined the debits were dated prior to December 31. We found no exceptions.

**Property Taxes and Intergovernmental Cash Receipts**

1. We selected a total of 5 receipts from the *Statement of Semiannual Apportionment of Taxes*, State Distribution Transaction Lists (DTL), and the Mercer County Auditor Payment Ledger for 2023 and a total of 5 from 2022:
  - 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 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 2 real estate tax receipts for 2023 and 2022. The Receipt Register Report included the proper number of tax receipts for each year. We found no exceptions.

**Debt**

1. The prior agreed-upon procedures documentation disclosed no debt outstanding as of December 31, 2021.
2. We inquired of management and inspected the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2023 or 2022 or debt payment activity during 2023 or 2022. There were no new debt issuances, nor any debt payment activity during 2023 or 2022.

**Payroll Cash Disbursements**

1. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2023 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 2023. We observed the following:

### Payroll Cash Disbursements (Continued)

| Withholding (plus employer share, where applicable) | Date Due         | Date Paid         | Amount Due | Amount Paid |
|---|------------------|-------------------|------------|-------------|
| Federal income taxes & Medicare                     | January 31, 2024 | December 26, 2023 | \$110.98   | \$110.98    |
| State income taxes                                  | January 15, 2024 | December 26, 2023 | \$30.10    | \$30.10     |
| School district income tax                          | January 31, 2024 | December 26, 2023 | \$51.72    | \$51.72     |
| OPERS retirement                                    | January 30, 2024 | December 26, 2023 | \$918.70   | \$918.70    |

We found no exceptions.

2. For the pay periods ended May 31, 2023 and February 28, 2022, we
  - a. Recomputed the allocation of the Board of Trustees' salary amounts to the General, Gasoline Tax, and Road and Bridge Fund per the Wage Detail Report.
  - b. Traced the Board of Trustees' pay for time or services performed to supporting certifications the Revised Code requires.

We found no exceptions.

3. We compared total gross pay for the fiscal officer and each board of trustees for 2023 and 2022 to the compensation permitted by Ohio Rev. Code §§ 507.09 and 505.24, respectively. Their pay did not exceed the Ohio Rev. Code §§ 507.09 and 505.24 permitted amounts.

### Non-Payroll Cash Disbursements

We selected 10 disbursements from the Payment Register Detail Report for the year ended December 31, 2023 and 10 from the year ended 2022 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 payments made with an electronic funds transfer, the date, payee name and amount on the applicable bank statement agreed to the 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 including outstanding encumbrances) 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, 2023 and 2022 for the General, Road and Bridge, and Permissive Motor Vehicle License Tax Funds as recorded in the Appropriation Status Report. Expenditures did not exceed appropriations.

### **Compliance – Budgetary (Continued)**

2. We inspected the Fund Status Report for the years ended December 31, 2023 and 2022 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, denied or redacted 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 determined that the Township had a public records policy during the engagement period; however, there was no written acknowledgement that it was provided to the records custodian/manager as required by Ohio Rev. Code § 149.43(E)(2), which states, in part, all public offices shall adopt a public records policy in compliance with this section for responding to public records requests. The public office shall distribute the public records policy adopted by the public office under this division to the employee of the public office who is the records custodian or records manager or otherwise has custody of the records of that office. The public office shall require that employee to acknowledge receipt of the copy of the 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 determined if 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). Ohio Rev. Code § 149.43(E)(1) requires, in part, that to ensure that all employees of public offices are appropriately educated about a public office's obligations under division (B) of this section, all elected officials or their appropriate designees shall attend training approved by the attorney general as provided in section 109.43 of the Revised Code. However, a Trustee's term expired during the period and the term for the Fiscal Officer in place during the period has expired, but there is no evidence of public records training attended for these two expired terms.

### **Sunshine Law Compliance (Continued)**

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.

### **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, 2023 and 2022 in the Hinkle System. We found 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. There was no evidence provided to support that the fiscal officer obtained any of the required trainings before the most recently-ended term concluded.
3. The Township provided out-of-pocket insurance reimbursements in lieu of providing coverage to all employees.

We inspected the resolution authorizing reimbursements and determined it met the following documentation requirements for Ohio Rev. Code § 505.601.

  1. The Township has not chosen to procure a health plan,
  2. The Township has chosen to reimburse its officers and employees for each out-of-pocket premium,
  3. It provides for a maximum uniform monthly or yearly payment amount for each officer and employee, and
  4. It lists only the specific benefits allowed under Ohio Rev. Code § 505.60A that will be reimbursed.We found no exceptions.

However, while applying our procedures, we identified Trustees Gary Post and Mark Post were reimbursed for unallowable health care reimbursements.

**Other Compliance (Continued)**

- a. **Ohio Rev. Code § 505.601** states that if a board of township trustees does not procure an insurance policy or group health care services as provided in section 505.60 of the Revised Code, the board of township trustees may reimburse any township officer or employee for each out-of-pocket premium attributable to the coverage provided for that officer or employee for insurance benefits described in division (A) of section 505.60 of the Revised Code that the officer or employee otherwise obtains, if all of the following conditions are met:

(A) The board of township trustees adopts a resolution that states that the township has chosen not to procure a health care plan under section 505.60 of the Revised Code and has chosen instead to reimburse its officers and employees for each out-of-pocket premium attributable to the coverage provided for them for insurance benefits described in division (A) of section 505.60 of the Revised Code that they otherwise obtain.

(B) That resolution provides for a uniform maximum monthly or yearly payment amount for each officer or employee to cover themselves and their immediate dependents, beyond which the township will not reimburse the officer or employee.

(C) That resolution states the specific benefits listed in division (A) of section 505.60 of the Revised Code for which the township will reimburse all officers and employees of the township. The township may not reimburse officers and employees for benefits other than those listed in division (A) of section 505.60 of the Revised Code.

In addition, **Ohio Rev. Code § 505.60(G)(4)** states that as used in this section and section 505.601 of the Revised Code "premium" does not include any deductible or health care costs paid directly by a township officer or employee.

The Township adopted a resolution on October 25, 2017 to approve health insurance premium reimbursements with language from section 505.601 of the Revised Code and established a maximum insurance premium reimbursement amount of \$10,000.

For the period of January 1, 2022 through October 31, 2024, Township Trustee Gary Post received a total amount of \$17,628.88 for costs that he paid to Samaritan Ministries for "health care sharing costs". However, these costs are not health insurance premiums under the above related Revised Code sections.

In accordance with the foregoing facts, and pursuant to **Ohio Rev. Code § 117.28**, a finding repaid under audit for public monies illegally expended is hereby issued against Gary Post, Trustee, in the amount of \$17,628.88, and in favor of the Township's general fund (\$1,762.87), road and bridge fund (\$7,933), and gasoline tax fund (\$7,933.01).

Repayment was made by the Township's insurance company via check on January 8, 2025, in the amount of \$38,616.44 (\$17,628.88 for this finding plus \$20,987.56 for finding b. in this section). This amount was deposited and recorded to the Township's general fund, road and bridge fund, and gasoline tax fund as identified above.

- b. **Ohio Rev. Code § 505.601** states that if a board of township trustees does not procure an insurance policy or group health care services as provided in section 505.60 of the Revised Code, the board of township trustees may reimburse any township officer or employee for each out-of-pocket premium attributable to the coverage provided for that officer or employee for insurance benefits described in division (A) of section 505.60 of the Revised Code that the officer or employee otherwise obtains, if all of the following conditions are met:



**Other Compliance (Continued)**

(A) The board of township trustees adopts a resolution that states that the township has chosen not to procure a health care plan under section 505.60 of the Revised Code and has chosen instead to reimburse its officers and employees for each out-of-pocket premium attributable to the coverage provided for them for insurance benefits described in division (A) of section 505.60 of the Revised Code that they otherwise obtain.

(B) That resolution provides for a uniform maximum monthly or yearly payment amount for each officer or employee to cover themselves and their immediate dependents, beyond which the township will not reimburse the officer or employee.

(C) That resolution states the specific benefits listed in division (A) of section 505.60 of the Revised Code for which the township will reimburse all officers and employees of the township. The township may not reimburse officers and employees for benefits other than those listed in division (A) of section 505.60 of the Revised Code.

In addition, **Ohio Rev. Code § 505.60(G)(4)** states that as used in this section and section 505.601 of the Revised Code "premium" does not include any deductible or health care costs paid directly by a township officer or employee.

The Township adopted a resolution on October 25, 2017 to approve health insurance premium reimbursements with language from section 505.601 of the Revised Code and established a maximum insurance premium reimbursement amount of \$10,000.

For the period of January 1, 2022 through October 31, 2024, Township Trustee Mark Post received a total amount of \$20,987.56 for costs that he paid to Samaritan Ministries for "health care sharing costs". However, these costs are not health insurance premiums under the above related Revised Code sections.

In accordance with the foregoing facts, and pursuant to **Ohio Rev. Code § 117.28**, a finding repaid under audit for public monies illegally expended is hereby issued against Mark Post, Trustee, in the amount of \$20,987.56, and in favor of the Township's general fund (\$2,081.55), road and bridge fund (\$10,560.48), gasoline tax fund (\$8,173.10), and permissive gas tax fund (\$172.43).

Repayment was made by the Township's insurance company via check on January 8, 2025, in the amount of \$38,616.44 (\$20,987.56 for this finding plus \$17,628.88 for finding a. in this section). This amount was deposited and recorded to the Township's general fund, road and bridge fund, gasoline tax fund, and permissive gas tax fund as identified above.

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.

A handwritten signature in black ink, reading "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber  
Auditor of State  
Columbus, Ohio

January 27, 2025

# OHIO AUDITOR OF STATE KEITH FABER



**GIBSON TOWNSHIP**

**MERCER 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 2/18/2025**

65 East State Street, Columbus, Ohio 43215  
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This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)