
MINUTES OF SYMMES TOWNSHIP SPECIAL MEETING

AUGUST 14, 2018

The meeting was called to order at 6:00 p.m. Elected officials present were: Mr. Phil Beck, Mr. Kenneth Bryant, Ms. Jodie Leis and Ms. Carol Sims.

Also present: Kim Lapensee – Administrator and Kevin McDonough – Law Director.

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

Mr. Bryant made a motion to approve the Agenda. Mr. Beck seconded the motion. Motion passes.

NEW BUSINESS

Mr. Bryant asked for discussion concerning the Audit for Fiscal Years 2015 and 2016 with our external auditor. He stated that Jessica Heldman from Perry and Associates was here tonight to go through our audit results with the Board. Mr. Bryant stated that when the draft audit was presented, the Trustees were given the opportunity to schedule a post audit meeting, but decided to go ahead and release the audit back in January of 2018 because Moody (company that provides finance ratings for bonds) needed a copy of our current audit. He stated normally that these meetings are held prior to release but this is the first opportunity for everyone to get together due to vacations, etc.

Mrs. Heldman stated that she has an attendance sheet that needs to be filled out by the elected officials to have a record of the meeting. She stated that she was here to go over the post audit/draft report so that the Board would have an opportunity to rebut any findings (if it was still in draft form). She stated that when the draft was presented, we tried by emails to get together for a post audit review, but ended up having to send the report to the State because of the bond rating. She stated that she will explain all the footnotes, findings and the management letter that has been published on the auditor’s website.

Mrs. Heldman went page by page through the report and explained the footnotes. She made the following comments:

1. Page 1 – independent auditor’s report which is an opinion over the statements made in the report by the external auditor. This is what the State expects to see.
2. Page 2 – actual adverse opinion about the Cash reporting vs GAAP reporting and that it is presented fairly and in accordance with regulatory cash basis. The state allows for cash reporting.
3. Page 3 – there are financial statements for 2016 that have been filed electronically with the State of Ohio along with footnotes. Any adjustments and/or changes were also filed. There are fund types (General vs Special Revenue), and cash disbursements and receipts. After the financial reports, the footnotes (in depth detail about what has happened over a year) are listed.
4. Page 5 – describes what the township does, what risk insurance is carried, explains what fund accounting is, special revenue accounts, any significant funds, debt service funds, capital project funds, and the budgeting process. It also lists deposit investment notes, and where funds are invested. She stated that if this was a GAAP report, we would have to report our capital investments and leave balances.
5. Page 7 – note 3 required budget tables which lists receipt/disbursements and encumbrances or any variations. She stated that there was a variance in debt service funds (appropriations vs expenditures) which created the \$6,000,000-dollar variance which we received a finding for.

6. Note 4 – Deposits and investments where we are required to list investments and how much it makes up the overall portfolio. We are also required to disclose pool collateral or insurance pool collaterals.
7. Note 5 – lists property taxes set by the state.
8. Note 6 – lists the OTARMA risk insurance (property and liability insurance).
9. Note 7 – Pension plan to OPERS (not detailed because we report on a CASH basis), but would list net liability for all employees if the GAAP version was used.
10. Note 8 – Post employment benefits.
11. Next pages -
12. Note 9 – debt held by the township in an amortization table (listed year by year until after 5 then listed in 5-year increments). She stated that there were issues in our audit about how to report the park refunding bond and we got a finding for that.
13. Note 10 – required if we received any grant money.
14. 2015 footnotes are the same except years listed, debt note is different, and the differences are explained between findings and what gets reported in the management letter.
15. Page 20 – GAGIS letter – She stated that findings are material weaknesses (more severe) and most likely will affect your spreadsheets. She stated that significant deficiencies are not likely to affect your spreadsheets but are reported in a separate management letter with comments. She stated that these items are pointed out and should be fixed by the entity. If the entity responds, then the comments are included.
16. Page 21 – Non-Compliance Issues not included.
17. Page 22 – Audit findings (material weakness). She noted that Symmes received a finding for a posting error when the bond retirement fund was listed as such instead of a debt service fund. She stated that the transaction should have been listed as an in and out instead of in memo form. She stated because of that, our expenditures exceeded our appropriations. Finding 2016-01.
18. 1st bullet – bond retirement fund (should have been set up for a debt service fund).
19. 2nd bullet – bond issuance activities not being reported into the debt service fund. Even though we are reporting on a cash basis, we still need to record all those transactions on the financial report.
20. 3rd bullet – fund balance classifications (recorded as committed (special revenue with ordinance to use in specific manner - but should be restricted) for the park refunding bond.

Ms. Leis asked who we could call with questions. Mrs. Heldman stated that we would call her unless they are out of contract with Symmes Township/state. She stated that they are not lawyers and cannot give advice and can't make management decisions, but she would like to make sure information gets entered correctly instead of giving out findings.

21. 4th bullet – there was a typo entered.
22. Next Page – how they proposed the adjustment. At the bottom is the official's response (optional and not required).

Mr. Bryant asked if they should review the draft financial statement before it is submitted. Mrs. Heldman stated that it is always helpful if the board reviews and approves it. She stated that all financial information is filed with the state each February. She recommends that this information be reviewed before it is entered.

Ms. Leis asked if they should review the bank statements along with the balance statements. Mrs. Heldman stated that it is recommended to review both at the same time to check for accuracy and that they match. They also check to make sure all the numbers match.

23. Schedule of prior audits – some recommendations were fixed and some were not.

Mrs. Heldman went over the management letter. She stated that this is not made public on the website, but is available upon request to the Auditor's office. She stated that these are recommendations made to the management team to address that are not severe enough to be mentioned in the audit, but should be addressed. She stated that in the 4th paragraph there is an ongoing investigation that still has not been completed. She stated that there are non-compliance issues that should be resolved:

1. Records of board meetings/minutes that were not available for 2016.
2. The ORC requires a records retention policy be established and posted that it is available. Mrs. Leis asked if we don't have a policy, can we destroy records. Mr. Bryant stated that we have a policy, it just isn't posted. Mrs. Heldman stated that the schedule should also be part of that policy.
3. Ethics Commission opinion that stated that Fiscal Officer cannot be an appointed official (Cemetery Sexton) if she is an elected official which has been resolved. She stated that it was pointed out in a prior audit.
4. Budgetary issues where the budget exceeded estimated resources (TIF fund) certificate filed with the county each year. She stated that the noted TIF proceeds fund exceeded it for one year.
5. Budgetary where the bond issuance should have been listed as appropriations and expenditures and expenditures exceeded appropriations.

Recommendations:

1. Disaster Recovery Plan – the township should have a written and approved disaster recovery plan just in case. Mrs. Lapensee asked if she just needed to write down exactly what they are doing and have the board approve the policy. Mrs. Heldman stated yes.

Ms. Leis asked if they reviewed credit card statements. Mrs. Heldman stated yes, they went through each statement and matched up bills for each one. Ms. Leis asked what happens when you get late fees or finance charges. Mrs. Heldman stated that depending on the amount of fees, it will get listed in the management letter. She stated that only samples are taken. She stated that if they are significant, then they will get referred to the Auditor and would be noted on the audit report in the management letter. She stated that there were not that many in the sample. She stated that if the late fees were substantial and did materially affect the financial statements, then the auditor would decide to issue a finding for recovery.

Mr. Joe Grossi, _____ Paul Meadows Drive, asked how those late fees would affect him as a tax payer; is he paying for those. Mrs. Heldman stated yes, that is why they issue the finding for recovery. She stated that she is only allowed to refer that information to the Auditors office for an investigation and finding for recovery.

Mrs. Jennifer Ryan, _____ Rich Road, asked if there was a finding for recovery issued. Mrs. Heldman stated that there was no finding for recovery issued for this report. She stated that if there was a finding it would have been reported at the beginning of the audit report. Mrs. Ryan asked when a finding for recovery is issued on the website. Mrs. Heldman stated that if they are issued, its typically issued at the conclusion of an audit period and before the audit is posted.

Mr. Grossi asked what happens if there is no issued finding for recovery; does he just eat it as a tax payer. Mrs. Heldman stated that as auditors they have thresholds they look into which is \$500.00. She stated that any expenditures not appropriate for the township, they are required to send that to the auditor.

Mrs. Ryan stated that under that 4th paragraph of the management letter, it states that there is an ongoing investigation. She asked if that investigation has been completed yet. Mrs. Heldman stated no. Mrs. Ryan asked if any of the reports are available to the public yet. Mrs. Heldman stated no.

2. Board Oversight and Involvement – Mrs. Heldman stated that more information should be given to the Board each month in the form of a Treasurer's report. She stated that bank reconciliations should also be included. Ms. Sims stated that she has asked the Board to look at more information and they have not. She asked what she can do. Mr. Bryant stated that they have been waiting for this meeting to hear all of this information. He asked if the Board passed a resolution authorizing the Board President to approve the bank reconciliations would suffice. Mrs. Heldman stated yes. Ms. Leis stated that we could also handle this during the Treasurers Report where she could report the beginning and ending balances. Mrs. Heldman stated that it would address some, but not all. She stated that the bank reconciliations should be noted with initials. Ms. Sims stated that she presents the reports to the board, but they do not approve them. She stated that its hard

for them to approve them if they are receiving them that night. Mrs. Heldman stated that they should receive those reports in advance of the meeting. Mr. Bryant stated that they should be on the agenda.

Mrs. Heldman stated that this is the whole report for 2015 and 2016 and 2017 and 2018 will be next year.

Mrs. Ryan stated that under Board oversight the Board is responsible for ensuring that oversight is in plan over the township operations. She wanted to know how the board obtains information from the Fiscal Officer. Mr. Bryant stated that there are a number of different ways in which the Board receives information, but generally speaking through packets for our review and if something is missing, we go and request it. Mrs. Ryan stated that she noticed that in the June minutes, Mrs. Leis had a public records request for records from the Fiscal Officer. She wanted to know if that was how they obtained information. Ms. Sims stated that usually not. Mr. Bryant stated that they should not have to. Ms. Sims stated that this is the only time this has happened. Ms. Leis stated that no its not. Mrs. Leis stated that she has requested VISA statements a couple of times and have not yet received them to this day. Ms. Leis stated that she asked for these records publicly because she is not receiving the information she is asking for. Mr. Grossi asked if this was basic checks and balances and if it is not; why not? Mrs. Ryan stated that she does not understand because it says right in the audit that the board if responsible for all township operations which includes fiscal operations. She stated that she has no idea why a Township Trustees would have to resort to a public records request for a document, especially a credit card statement which should easily be filed in an office. Ms. Sims stated that she has explained before that she does not pay from statements and therefore statements are not retained. She stated that the information is over in her office at any time anyone wants to see them. Mrs. Ryan wanted to know why there is a public records request to see that information. Ms. Sims stated that the public records referred to in the June 5 meeting was not for statements. Ms. Leis stated that when she asked for the VISA statements, Ms. Sims explained to her that she did not have the statements and that is why she could not get them. She stated that she asked her to go to the bank and get copies and still have not received the copies. Mrs. Ryan asked if Ms. Leis could obtain a bank statement and if not, how could that be possible? Ms. Sims stated that all of the records are available and all Ms. Leis has to do is come look at them. Ms. Leis stated that she asked for the information and was told the credit card statements would have to be obtained from the bank because she did not keep the statements. She stated that she has the email where she was told that. Ms. Sims stated that the credit card statements were obtained and provided to the auditor for review. Ms. Leis stated that she still did not receive the information requested. Ms. Sims stated that they are next door and she should let her know when she wants to come and take a look at them. She stated that if she wants them copied, then she can copy them. Mr. Bryant stated that this was her original request. Ms. Sims stated that our public records policy states that she has to charge .10 cents a copy. Ms. Sims asked if she still wanted the copies. Ms. Leis stated that she is the Trustee and she should be able to get the copies. Ms. Sims stated again that the information is available for review. Mr. Grossi asked if the other two Trustees get this because Ms. Leis is the only one doing the talking. Mr. Bryant stated that now they are reviewing every check that is leaving and they are aware. Mrs. Ryan stated that there should be no information in this office that the Trustees are not aware of and it should be made available at all times. Mr. Bryant stated that if wants a record, he just goes next door to get it. He stated that he has never had to make a request. Ms. Leis stated that she has never been told the information was available.

Mr. Grossi asked if Mrs. Heldman was available for anyone to ask questions. Mrs. Heldman stated that she is contracted by the board to help the township. If he has any questions, they can call the Auditor's line for questions.

OLD BUSINESS

None

EXECUTIVE SESSION

None

Minutes of SPECIAL

Held Township Admin. Bldg.

August 14, 2018

Mr. Bryant made a motion to adjourn the meeting. Ms. Leis seconded the motion and the roll call vote was as follows: Mr. Bryant - 'aye'; Mr. Beck - 'aye'; Ms. Leis- 'aye'.

Meeting adjourned at 7:05 p.m.

Approved:

Kenneth Bryant, Board President

Carol Sims, Fiscal Officer