



ALGER & ASSOCIATES, Inc.

Certified Public Accountants

AUGUSTA TOWNSHIP
CARROLL COUNTY, OHIO

REGULAR AUDIT
A&A

FOR THE YEARS ENDED
DECEMBER 31, 2013 and 2012



Dave Yost • Auditor of State

Board of Trustees
Augusta Township
8531 Kensington Rd NW
East Rochester, OH 44625

We have reviewed the *Independent Auditor's Report* of the Augusta Township, Carroll County, prepared by Alger & Associates, Inc., for the audit period January 1, 2012 through December 31, 2013. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Augusta Township is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

August 19, 2014

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**AUGUSTA TOWNSHIP
CARROLL COUNTY**

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ALGER & ASSOCIATES, Inc.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Augusta Township
Carroll County
8531 Kensington Rd NW.
East Rochester, OH 44625

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of Augusta Township, Carroll County, Ohio (the Township) as of and for the years ended December 31, 2013 and 2012.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Township's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1B of the financial statements, the Township prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1B and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2013 and 2012, or changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting


In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of Augusta Township, Carroll County as of December 31, 2013 and 2012, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1B.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2014, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance.

That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

Alger & Associates, Inc.
Alger & Associates, Inc.
Certified Public Accountants
North Canton, OH
June 18, 2014



Digitally signed by Alger & Associates, Inc.
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AUGUSTA TOWNSHIP
CARROLL COUNTY

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2013

	Governmental Fund Types			Totals
	General	Special Revenue	Permanent	(Memorandum Only)
Cash Receipts:				
Property and Other Local Taxes	\$66,353	\$105,051	\$0	\$171,404
Licenses, Permits and Fees	35	0	0	35
Intergovernmental	27,488	120,859	0	148,347
Special Assessments	0	1,829	0	1,829
Earnings on Investments	0	0	3	3
Miscellaneous	5,216	2,284	100	7,600
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	99,092	230,023	103	329,218
Cash Disbursements:				
Current:				
General Government	48,768	5,766	0	54,534
Public Safety	0	54,298	0	54,298
Public Works	14,750	194,785	0	209,535
Health	12,340	0	30	12,370
Capital Outlay	0	1,062	0	1,062
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	75,858	255,911	30	331,799
Total Receipts Over/(Under) Disbursements	<hr/>	<hr/>	<hr/>	<hr/>
	23,234	(25,888)	73	(2,581)
Other Financing Receipts/(Disbursements):				
Sale of Capital Assets	0	1,395	0	1,395
Advances In	500	0	0	500
Advances Out	0	(500)	0	(500)
Other Financing Uses	3,316	24,291	0	27,607
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	3,816	25,186	0	29,002
Net Change in Fund Cash Balances	<hr/>	<hr/>	<hr/>	<hr/>
	27,050	(702)	73	26,421
Fund Cash Balance, January 1	<hr/>	<hr/>	<hr/>	<hr/>
	13,962	95,410	7,202	116,574
Fund Cash Balance, December 31				
Nonspendable	0	0	5,000	5,000
Restricted	0	94,708	2,375	97,083
Unassigned	41,012	0	0	41,012
<i>Fund Cash Balance, December 31</i>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$41,012	\$94,708	\$7,275	\$142,995

The notes to the financial statements are an integral part of this statement

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AUGUSTA TOWNSHIP
CARROLL COUNTY

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2012

	Governmental Fund Types			Totals
	General	Special Revenue	Permanent	(Memorandum Only)
Cash Receipts:				
Property and Other Local Taxes	\$46,342	\$113,457	\$0	\$159,799
Intergovernmental	13,250	122,662	0	135,912
Special Assessments	0	1,410	0	1,410
Earnings on Investments	0	0	5	5
Miscellaneous	471	13,176	0	13,647
Total Cash Receipts	60,063	250,705	5	310,773
Cash Disbursements:				
Current:				
General Government	66,947	7,576	0	74,523
Public Safety	0	47,703	0	47,703
Public Works	639	125,195	0	125,834
Health	12,271	0	0	12,271
Capital Outlay	0	6,250	0	6,250
Total Cash Disbursements	79,857	186,724	0	266,581
Total Receipts Over/(Under) Disbursements	(19,794)	63,981	5	44,192
Other Financing Receipts/(Disbursements):				
Advances In	0	500	0	500
Advances Out	(500)	0	0	(500)
Other Financing Sources	52	0	0	52
Total Other Financing Receipts/(Disbursements)	(448)	500	0	52
Net Change in Fund Cash Balances	(20,242)	64,481	5	44,244
Fund Cash Balance, January 1	34,204	30,929	7,197	72,330
Fund Cash Balance, December 31				
Nonspendable	0	0	5,000	5,000
Restricted	0	95,410	2,202	97,612
Unassigned	13,962	0	0	13,962
Fund Cash Balance, December 31	\$13,962	\$95,410	\$7,202	\$116,574

The notes to the financial statements are an integral part of this statement

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**AUGUSTA TOWNSHIP
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Augusta Township, Carroll County, (the Township) as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, and general government services. The Township contracts with the Augusta and Sandy Creek Joint Fire District to provide fire services.

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA) public entity risk pool. Note 6 to the financial statements provides additional information for this entity. This organization is:

Ohio Township Association Risk Management Authority (OTARMA) OTARMA, a risk-sharing pool, provides property and casualty coverage to Ohio Townships.

The Township's management believes these financial statements present all activities for which the Township is financially accountable.

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Deposits and Investments

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Township values Certificate of Deposits at cost.

D. Fund Accounting

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

AUGUSTA TOWNSHIP
CARROLL COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)

1. **Summary of Significant Accounting Policies (Continued)**

1. **General Fund**

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

2. **Special Revenue Funds**

These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

Gasoline Tax Fund - This fund receives gasoline tax money to pay for constructing, maintaining, and repairing Township roads.

3. **Permanent Funds**

These funds account for assets held under a trust agreement that are legally restricted to the extent that only earnings, not principal, are available to support the Township's programs. The Township had the following significant permanent fund:

Mt. Zion Cemetery Trust Fund - This fund receives interest earned on the nonexpendable corpus from a trust agreement. These earnings are used for the general maintenance and upkeep of the Township's cemetery

E. **Budgetary Process**

The Ohio Revised Code requires that each fund be budgeted annually.

1. **Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

2. **Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must approve estimated resources.

AUGUSTA TOWNSHIP
CARROLL COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)

2. Summary of Significant Accounting Policies (Continued)

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be re-appropriated. The Township did not encumber all commitments required by Ohio Law.

A summary of 2013 and 2012 budgetary activity appears in Note 3.

F. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

1. Nonspendable

The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

2. Restricted

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

3. Committed

Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

AUGUSTA TOWNSHIP
CARROLL COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)

1. **Summary of Significant Accounting Policies (Continued)**

F. **Fund Balance (Continued)**

5. **Unassigned**

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

G. **Property, Plant, and Equipment**

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

2. **Equity in Pooled Deposits and Investments**

The Township maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

	2013	2012
Demand deposits	<u>\$135,720</u>	<u>\$109,302</u>
Certificates of deposit	7,275	7,272
Total deposits	<u>\$142,995</u>	<u>\$116,574</u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

**AUGUSTA TOWNSHIP
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2013 and 2012 follows:

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$102,908	\$102,408	(\$500)
Special Revenue	255,709	255,709	0
Permanent	(4,915)	103	5,018
Total	\$353,702	\$358,220	\$4,518

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$84,971	\$75,858	\$9,113
Special Revenue	279,395	255,911	23,484
Permanent	100	30	70
Total	\$364,466	\$331,799	\$32,667

2012 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$60,115	\$60,115	\$0
Special Revenue	234,174	250,705	16,531
Permanent	82	5	(77)
Total	\$294,371	\$310,825	\$16,454

2012 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$92,173	\$79,857	\$12,316
Special Revenue	190,931	186,724	4,207
Permanent	2,000	0	2,000
Total	\$285,104	\$266,581	\$18,523

**AUGUSTA TOWNSHIP
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

4. Property Tax

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

5. Retirement Systems

The Township's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes the plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2013 and 2012, OPERS members contributed 10% of their gross salaries, with the Township contributed an amount equaling 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2013.

6. Risk Management

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. York Risk Pooling Services, Inc. (formally known as American Risk Pooling Consultants, Inc.) (York or Management), functions as the administrator of the Pool and provides underwriting claims, loss control, risk management, and reinsurance services for the Pool. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2013, OTARMA retained \$350,000 for casualty claims and \$250,000 for property claims.

**AUGUSTA TOWNSHIP
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

6. Risk Management (continued)

The aforementioned casualty and property reinsurance agreement does not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2013 and 2012 (the latest information available).

	2013	2012
Assets	\$34,954,286	\$34,771,270
Liabilities	8,486,363	9,355,082
Net Position	\$26,467,923	\$25,416,188

At December 31, 2013 and 2012, respectively, the liabilities above include approximately \$7.9 and \$8.7 million of estimated incurred claims payable. The assets above also include approximately \$7.4 and \$7.8 million of unpaid claims to be billed to approximately 948 member governments in the future, as of December 31, 2013 and 2012, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2013, the Township's share of these unpaid claims collectible in future years is approximately \$2,532.

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

Contributions to OTARMA	
2013	2012
\$4,603	\$4,748

After one year of membership, a member may withdraw on the anniversary of the date of joining OTARMA, if the member notifies OTARMA in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

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ALGER & ASSOCIATES, Inc.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Augusta Township
Carroll County
8531 Kensington Rd NW.
East Rochester, OH 44625

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' Government Auditing Standards, the financial statement of Augusta Township, Carroll County, (the Township) as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statement, and have issued our report thereon dated June 18, 2014 wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statement, but not to the extent necessary to opine on the effectiveness of the Township's internal control. Accordingly, we have not opined on it.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Township's financial statements. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

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North Canton, OH 44720
Phone (330) 353-5851
Fax (330) 768-7578

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statement are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items, 2013-001 through 2013-004.

Entity's Response to Findings

The Township's response to the findings identified in our audit is described in the accompanying schedule of findings. We did not audit the Township's response and, accordingly, we express no opinion on **it**.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Alger &
Associates, Inc.

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Associates, Inc., ou,
email=galger53@att.net, c=US
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Alger & Associates, Inc.
Certified Public Accountants
North Canton, OH
June 18, 2014

AUGUSTA TOWNSHIP
CARROLL COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2013 AND 2012
(Continued)

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2013 – 001

Non- Compliance Citations – Budgetary

1. Accurate budgetary information within the Township’s accounting system (UAN) is pertinent to ensure that the Township has accurate and complete information for decision-making processes. Budgetary information entered into the accounting system does not match amounts per the formally adopted appropriations nor the amended certificate of estimated resources. The amount recorded in the Revenue Status Report or the Appropriation Status Report 2013 and 2012 for the following funds did not agree to the amount on the formally adopted appropriations or certified revenues per the Carroll County Auditor.

Appropriations				
Fund	Year	Appropriations per County Auditor	Per UAN	Variance
General Fund	2012	\$94,600	\$92,100	\$2,500
Special Revenue Funds	2012	184,092	221,283	(37,191)
Special Assessment Fund	2012	5,287	5,287	0
Cemetery Trust Fund	2012	2,000	0	2,000
Total	2012	\$285,979	\$318,670	(\$32,691)
General Fund	2013	\$84,398	\$89,013	(\$4,615)
Special Revenue Funds	2013	275,243	327,206	(51,963)
Special Assessment Fund	2013	2,600	2,600	0
Cemetery Trust Fund	2013	100	100	0
Total	2013	\$362,341	\$418,919	(\$56,578)

The appropriations variances were due in part because the amended appropriations approved by the Board of Trustees were not forwarded to the County for approval, but were entered into the accounting system.

The Township should implement budget procedures, such as making sure Board approved amended appropriations are forwarded to the County Auditor for approval, then entered into the accounting system, ensuring minutes include accurate information on budgetary amendments and reconciling budgetary information within the accounting system to formally approved budgets, to ensure that budgetary information is presented accurately and completely.

AUGUSTA TOWNSHIP
CARROLL COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2013 AND 2012
(Continued)

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2013 – 002

Non- Compliance Citations – Budgetary

Ohio Rev. Code Section 5705.36(A)(1) allows the Township to request amended certificates of estimated resources with the County Budget Commission upon determination by the Fiscal Officer that revenue will be less than the amount in the original certificate of estimated resources. The total estimated receipts from the Amended Official Certificate of Estimated Resources, required by Ohio Rev. Code Section 5705.36(A)(1), did not agree to the amounts recorded in the Revenue Status Report [the accounting system] for the year ended December 31, 2012 & 2013. For 2012, the Revenue Status Report recorded budgeted (i.e. certified) resources of \$269,345 however, the final Amended Official Certificate of Estimated Resources reflected \$294,371. For 2013, the Revenue Status Report recorded budgeted (i.e. certified) resources of \$358,220 however, the final Amended Official Certificate of Estimated Resources reflected \$353,702.

The Fiscal Officer should periodically compare amounts recorded in the Revenue Status Report to amounts recorded on the Amended Official Certificate of Estimated Resources to assure they agree. If the amounts do not agree, the Trustees may be using inaccurate information for budgeting and monitoring purposes.

Fund	Year	Resources		Variance
		Certificate of Estimated Resources	Per UAN	
General Fund	2012	\$60,115	\$52,234	\$7,881
Special Revenue Funds	2012	232,764	215,701	17,064
Special Assessment Fund	2012	1,410	1,410	0
Cemetery Trust Fund	2012	82	\$0	82
Total	2012	\$294,371	\$269,345	\$25,027
General Fund	2013	\$102,908	\$102,408	\$500
Special Revenue Funds	2013	253,227	253,227	0
Special Assessment Fund	2013	2,482	2,482	0
Cemetery Trust Fund	2013	(4,915)	103	(5,018)
Total	2013	\$353,702	\$358,220	(\$4,518)

**AUGUSTA TOWNSHIP
CARROLL COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2013 AND 2012
(Continued)**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2013 – 003

Non- Compliance Citations – Budgetary

Ohio Rev. Code Section 5705.39 states that appropriations are limited by estimated revenue. The total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure therefrom, as certified by the budget commission, or in case of appeal, by the board of tax appeals. No appropriation measure shall become effective until the county auditor files with the appropriating authority a certificate that the total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed such official estimate or amended official estimate. When the appropriation does not exceed such official estimate, the county auditor shall give such certificate forthwith upon receiving from the appropriating authority a certified copy of the appropriation measure. Appropriations shall be made from each fund only for the purposes for which such fund is established.

In 2012, the Township had appropriations which exceeded estimated revenues: Motor Vehicle \$4,058, Gas Tax \$1,445 and Special Assessment \$ 2,481.

FINDING NUMBER 2013 – 004

Non- Compliance Citations – Budgetary

Ohio Rev. Code Section 5705.41(B) states that no subdivision or taxing unit shall make any expenditure of money unless it has been appropriated.

In 2012 and 2013, the following funds had expenditures in excess of appropriations:

Disbursements in Excess of Appropriations				
Fund	Year	Appropriations	Total Disbursements Per UAN	Variance
Road & Bridge	2012	\$28,800	\$49,932	(\$21,132)
Augusta Fire	2012	34,000	41,996	(7,996)
Road & Bridge	2013	44,925	49,749	(\$4,824)
Augusta Fire	2013	34950	46537	(11,587)
Minerva Fire	2013	6280	8261	(1,981)

AUGUSTA TOWNSHIP
CARROLL COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2013 AND 2012
(Continued)

<p>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</p>
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Officials' Response:

The Findings noted in this report were due to the Township passing amendments to the appropriations and estimated revenues, however, these amendments were not submitted to the County Auditor. The Township has implemented procedures to insure all amendments will be submitted in the future. Also as noted in the audit report, the Elected Officials have implemented procedures to correct the Findings noted in the prior audit report. We will continue to monitor our financial and budgetary information in order to insure these findings are not repeated.

**AUGUSTA TOWNSHIP
CARROLL COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2013 AND 2012**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2011-01 & 2011-02	State ex rel. McClure v Hagerman, 155 Ohio St 320 (1951) "proper public purpose"	Yes	
2011-03	ORC §5705.41(D) Certification of available funds	Yes	
2011-04	Material Weakness - Failure to consistently follow a uniform chart of accounts	Yes	
2011-05	Material Weakness – Failure to provide adequate documentation or sufficient information re	Yes	

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Dave Yost • Auditor of State

AUGUSTA TOWNSHIP

CARROLL COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 02, 2014**