



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Portage Township
Wood County
9408 Bays Road
Cygnet, Ohio 43413-9736

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Portage Township, Wood County, Ohio (the Township) agreed, solely to assist the Board in evaluating receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2014 and 2013, and certain compliance requirements related to these transactions and balances. Management is responsible for recording transactions; and management and the Board are responsible for complying with the compliance requirements. 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*. 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

1. We tested the mathematical accuracy of the December 31, 2014 and December 31, 2013 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2013 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2012 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2014 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2013 balances in the Fund Ledger Report. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2014 and 2013 fund cash balances reported in the Fund Status Reports. The amounts agreed.
4. We confirmed the December 31, 2014 bank account balance with the Township's financial institution. We found no exceptions. We also agreed the confirmed balance to the amounts appearing in the December 31, 2014 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2014 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 Listing, to determine the debits were dated prior to December 31. We noted no exceptions.

Property Taxes and Other Confirmable Cash Receipts

1. We selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the Statement) for 2014 and one from 2013:

- a. We traced the gross receipts from the *Statement* to the amount recorded in the Receipt Register Report. The amounts agreed.
 - b. We determined whether the receipt was allocated to the proper funds as required by Ohio Rev. Code Sections 5705.05-.06 and 5705.10. We found no exceptions.
 - c. We determined whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We scanned the Receipt Register Report to determine whether it included two real estate tax receipts for 2014 and 2013. We noted the Receipts Register Report included the proper number of tax receipts for each year.
3. We selected all of the receipts from the State Distribution Transaction Lists (DTL) from 2014 and all of the receipts from 2013. We also selected five receipts from the Wood County DTL from 2014 and five from 2013.
 - a. We compared the amount from the above reports to the amount recorded in the Receipt Register Report. The amounts agreed.
 - b. We determined whether these receipts were allocated to the proper funds. We found one exception. The manufactured home tax rollback receipt in 2013 was incorrectly distributed. The correct distribution is as follows: General Fund: \$10.20; Road District Fund: \$4.73; and Road and Bridge Fund: \$5.41. As a result, the General Fund was overstated by \$10.14, the Road District Fund was understated by \$4.73, and the Road and Bridge Fund was understated by \$5.41. No other exceptions were noted. The Township has recorded the adjustment to the accounting system.
 - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Debt

1. The prior audit documentation disclosed no debt outstanding as of December 31, 2012.
2. We inquired of management, and scanned the Receipt Detail Report and Payment Register Detail Report for evidence of debt issued during 2014 or 2013 or debt payment activity during 2014 or 2013. We noted no new debt issuances, nor any debt payment activity during 2014 or 2013.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2014 and one payroll check for five employees from 2013 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 (timesheet, legislatively or statutorily-approved rate or salary). We found no exceptions.
 - b. We determined whether the fund and account code to which the check was posted were reasonable based on the employees' duties as documented in the minute record **or** as required by statute. We also determined whether the payment was posted to the proper year. We found no exceptions.
2. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2014 to determine whether 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 2014. We noted the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes and Medicare	January 31, 2015	December 31, 2014	\$2,277.61	\$2,277.61
State income taxes	January 31, 2015	December 31, 2014	398.43	398.43
School District income tax	January 15, 2015	December 31, 2014	210.68	210.68
OPERS retirement	January 30, 2015	December 31, 2014	1,631.76	1,631.76

3. We inquired of management and scanned the Payment Register Report and Wage Detail Report for the years ended December 31, 2014 and 2013 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.

Non-Payroll Cash Disbursements

We haphazardly selected ten disbursements from the Payment Register Report for the year ended December 31, 2014 and ten from the year ended December 31, 2013 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 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 five instances where the certification date was after the vendor invoice date, and there was also no evidence that a *Then and Now Certificate* was issued. Ohio Rev. Code Section 5705.41(D) requires certifying at the time of a commitment, which should be on or before the invoice date, unless a *Then and Now Certificate* is used. We recommend the fiscal officer certify disbursements in accordance with Ohio Rev. Code Section 5705.41(D). Because we did not test all disbursements requiring certification, our report provides no assurance whether or not additional similar errors occurred.

Compliance – Budgetary

1. We compared the total estimated receipts from the *Amended Official Certificate of Estimated Resources*, required by Ohio Rev. Code Section 5705.36(A)(1), to the amounts recorded in the Revenue Status Report for the General, Gasoline Tax, and Road District funds for the years ended December 31, 2014 and 2013. In 2014, the amounts on the *Certificate* agreed to the amount recorded in the accounting system, except for the General Fund and the Road District Fund. The Revenue Status Report recorded budgeted (i.e. certified) resources for the General fund of \$81,150 and for the Road District fund of \$67,500. However, the final *Amended Official Certificate of Estimated Resources* reflected \$81,216 and \$67,505, respectively. In 2013, the Revenue Status Report recorded budgeted (i.e. certified) resources for the General fund of

\$62,550 and for the Road District fund of \$60,000. However, the final *Amended Official Certificate of Estimated Resources* reflected \$75,718 and \$63,619, respectively. 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.

2. We scanned the appropriation measures adopted for 2014 and 2013 to determine whether, for the General, Gasoline Tax, and Road District funds, the Trustees appropriated separately for "each office, department, and division, and within each, the amount appropriated for personal services," as is required by Ohio Rev. Code Section 5705.38(C). We found no exceptions.
3. We compared total appropriations required by Ohio Rev. Code Sections 5705.38 and 5705.40, to the amounts recorded in the Appropriation Status Report for 2014 and 2013 for the following funds: General Fund, Gasoline Tax Fund, and Road District Fund. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Status Report, except for the General Fund and the Gasoline Tax Fund. In 2014, the Appropriation Status Report recorded total appropriations for the General fund of \$129,054 and for the Gasoline Tax fund of \$100,322. However, total appropriations, including approved amendments, reflected \$126,554 and \$100,234, respectively. In 2013, the Appropriation Status Report recorded total appropriations for the General fund of \$120,827. However, total appropriations, including approved amendments, reflected \$118,327. The fiscal officer should periodically compare amounts recorded in the Appropriation Status Report to approved appropriation amounts to assure they agree, and should only enter amounts receiving prior Board approval into the system. If the amounts do not agree, the Trustees may be using inaccurate information for budgeting and monitoring purposes.
4. Ohio Rev. Code Sections 5705.36(A)(5) and 5705.39 prohibits appropriations from exceeding the certified resources. We compared total appropriations to total certified resources for the General, Gasoline Tax, and Road District funds for the years ended December 31, 2014 and 2013. We noted no funds for which appropriations exceeded certified resources.
5. Ohio Rev. Code Section 5705.41(B) prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total appropriations for the years ended December 31, 2014 and 2013 for the General, Gasoline Tax, and Road District fund, as recorded in the Appropriation Status Report. We noted no funds for which expenditures exceeded appropriations.
6. Ohio Rev. Code Section 5705.09 requires establishing separate funds to segregate externally-restricted resources. We scanned the Receipt Register Report for evidence of new restricted receipts requiring a new fund during December 31, 2014 and 2013. We also inquired of management regarding whether the Township received new restricted receipts. The Township established a new Private Purpose Trust fund during 2014 to segregate receipts given in trust to be used solely for the maintenance and upkeep of the Portage Cemetery, and the related disbursements, in compliance with Section 5705.09. We also noted that the Trustees established an additional Private Purpose Trust fund during 2014, to segregate receipts donated by the Lenawee Community Foundation to be used to reset 40 memorial stones in the Jerry City Cemetery, and the related disbursements, in compliance with Section 5705.09.
7. We scanned the 2014 and 2013 Revenue Status Reports and Appropriation Status Reports for evidence of interfund transfers 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 and Court of Common Pleas.

8. We inquired of management and scanned the Appropriation Status Reports to determine whether the Township elected to establish reserve accounts permitted by Ohio Rev. Code Section 5705.13. We noted the Township did not establish these reserves.
9. We scanned the Cash Summary by Fund Report for the years ended December 31, 2014 and 2013 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. We noted no funds having a negative cash fund balance.

Compliance – Contracts and Expenditures

We inquired of management and scanned the Payment Register Report for the years ended December 31, 2014 and 2013 to determine if the Township proceeded by force account (i.e. used its own employees) to maintain or repair roads (cost of project \$15,000-\$45,000) or to construct or reconstruct Township roads (cost of project \$5,000-\$15,000/per mile) for which Ohio Rev. Code Section 5575.01 requires the county engineer to complete a force account project assessment form (i.e., cost estimate). We identified no projects requiring the county engineer to complete a force account cost estimate.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the Township's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management, those charged with governance, and others within the Township, and is not intended to be, and should not be used by anyone other than these specified parties.



Dave Yost
Auditor of State

Columbus, Ohio

April 16, 2015

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PORTAGE TOWNSHIP

WOOD 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
MAY 7, 2015**