



Dave Yost • Auditor of State

**RICHLAND TOWNSHIP
BELMONT COUNTY**

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Richland Township
Belmont County
118 Overbaugh Avenue
St. Clairsville, Ohio 43950

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Richland Township, Belmont 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 and Investments

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 Status Report to the December 31, 2012 balances in the documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2014 beginning fund balances recorded in the Fund Status Report to the December 31, 2013 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, 2014 and 2013 fund cash balances reported in the Fund Status Reports. The amounts agreed.
4. We confirmed the December 31, 2014 bank account balances with the Township's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2014 bank reconciliation without exception.
5. We selected five outstanding checks haphazardly from the December 31, 2014 bank reconciliation:
 - a. We traced each outstanding check to the subsequent January and February bank statements. We found no exceptions.
 - b. We traced the amounts and dates to the check register, to determine the outstanding checks were dated prior to December 31. We noted no exceptions.

743 East State Street, Athens Mall Suite B, Athens, Ohio 45701-2157
Phone: 740-594-3300 or 800-441-1389 Fax: 740-594-2110

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Cash and Investments (Continued)

6. We tested investments held at December 31, 2014 and December 31, 2013 to determine that they:
 - a. Were of a type authorized by Ohio Rev. Code § 135.13, 135.14 or 135.144. We found no exceptions
 - b. Mature within the prescribed time limits noted in Ohio Rev. Code § 135.13 or 135.14. We noted no exceptions.

Property Taxes and Intergovernmental 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 Revenue Ledger. We also traced the advances noted on the Statement to the Revenue Ledger. The amounts agreed.
 - b. We determined whether the receipt was allocated to the proper funds as required by Ohio Rev. Code §§ 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 Revenue Ledger to determine whether it included two real estate tax receipts for 2014 and 2013. We noted the Revenue Ledger included the proper number of tax receipts for each year.
3. We selected five receipts from the State Distribution Transaction Lists (DTL) from 2014 and five from 2013. We also selected five receipts from the County Auditor's Cross Reference Report by Vendor from 2014 and five from 2013.
 - a. We compared the amount from the above reports to the amount recorded in the Receipt Detail Report. The amounts agreed.
 - b. We determined whether these receipts were allocated to the proper funds. We found no exceptions.
 - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Debt

1. From the prior agreed-upon procedures documentation, we noted the following lease outstanding as of December 31, 2012. This amount agreed to the Township's January 1, 2013 balance on the summary we used.

Issue	Principal outstanding as of December 31, 2012:
Police Cruiser Capital Lease	\$18,267

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 during 2014 or 2013. All debt payment activity noted agreed to the summary in Step 1. However, the Township classified the capital lease payment as capital outlay instead debt service principal and interest.

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 (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
 - b. We determined whether the fund and account codes 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. For any new employees selected in step 1, we determined whether the following information in the employees' personnel files was consistent with the information used to compute gross and net pay related to this check:
 - a. Name;
 - b. Authorized salary or pay rate;
 - c. Departments and funds to which the check should be charged;
 - d. Retirement system participation and payroll withholding;
 - e. Federal, State & Local income tax withholding authorization and withholding; and
 - f. Any other deduction authorizations (deferred compensation, etc.).

We found no exceptions related to steps a. – f. above.

3. 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 & Medicare	1/31/2015	12/31/2014	\$3,325.72	\$3,325.72
State income taxes	2/2/2015	1/12/2015	\$609.56	\$609.56
Local income tax	1/31/2015	1/13/2015	\$78.60	\$78.60
OPERS retirement	1/30/2015	1/8/2015	\$6,684.27	\$6,684.27

4. We haphazardly selected and recomputed one termination payment (unused vacation, etc.) using the following information, and agreed the computation to the amount paid as recorded in the Wage Detail Report:
 - a. Accumulated leave records;
 - b. The employee's pay rate in effect as of the termination date; and
 - c. The Township's payout policy.

The amount paid was consistent with the information recorded in a. through c. above.

5. We inquired of management and scanned the Payment Register 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. We noted no such reimbursements.

Non-Payroll Cash Disbursements

We haphazardly selected ten disbursements from the Payment Register Detail Report for the year ended December 31, 2014 and ten from the year ended 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 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 Township Fiscal Officer certified disbursements requiring certification or issued a *Then and Now Certificate*, as required by Ohio Rev. Code § 5705.41(D). We found two 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 § 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. 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 § 5705.36(A)(1), to the amounts recorded in the Revenue Status Report for the General, Motor Vehicle License Tax, and Road and Bridge Funds for the years ended December 31, 2014 and 2013. The amounts on the *Certificate* agreed to the amount recorded in the accounting system, except for the General and Road and Bridge Funds in 2014 and 2013. The Revenue Status Report recorded budgeted (i.e. certified) resources for the General and Road and Bridge Funds of \$649,343 and \$440,000, respectively for 2014. However, the final *Amended Official Certificate of Estimated Resources* reflected \$652,841 for the General Fund and \$460,000 for the Road and Bridge Fund. The Revenue Status Report recorded budgeted (i.e. certified) resources for the General and Road and Bridge Funds of \$406,350 and \$430,000, respectively for 2013. However, the final *Amended Official Certificate of Estimated Resources* reflected \$419,352 for the General Fund and \$445,000 for the Road and Bridge Fund. The Township 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 Township 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, Motor Vehicle License Tax, and Road and Bridge Funds, the Township 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 § 5705.38(C). We found no exceptions.
3. We compared total appropriations required by Ohio Rev. Code §§ 5705.38 and 5705.40, to the amounts recorded in the Appropriation Status Report for 2014 and 2013 for the following funds: General, Motor Vehicle License Tax, and Road and Bridge Funds. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Status report.
4. Ohio Rev. Code §§ 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, Motor Vehicle License Tax, and Road and Bridge Funds for the years ended December 31, 2014 and 2013. We noted no funds for which appropriations exceeded certified resources.

Compliance – Budgetary (Continued)

5. Ohio Rev. Code § 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, Motor Vehicle License Tax, and Road and Bridge Funds, as recorded in the Appropriation Status Report. We noted no funds for which expenditures exceeded appropriations.
6. Ohio Rev. Code § 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. We noted no evidence of new restricted receipts for which Ohio Rev. Code § 5705.09 would require the Township to establish a new fund.
7. We scanned the 2014 and 2013 Revenue Status Reports and Appropriation Status Reports for evidence of interfund transfers which Ohio Rev. Code § 5705.14 - .16 restrict. We found no evidence of transfers these Sections prohibit, or for which § 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 § 5705.13. We noted the Township did not establish these reserves.
9. We scanned the Cash Journal for the years ended December 31, 2014 and 2013 for negative cash fund balances. Ohio Rev. Code § 5705.10(l) 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 & Expenditures

We inquired of management and scanned the Payment Register Detail 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 § 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.

Credit Cards

1. Document the establishments where credit accounts were and the controls over the use of these accounts. The Township has a credit card policy which states the Fiscal Officer shall maintain possession of the Township credit card, which may be provided to and used by a Township employee only for pre-approved Township purposes. The Township only has one actual credit card for Staples. However, the Township does have business accounts at Rural King, Lowes, and Walmart.
2. We reviewed all credit card expenditures to Rural King, Lowes, Staples, and Wal-Mart for 2014 and 2013 to determine whether the expenditures were for a proper public purpose. We found no exceptions.
3. We inspected the Township's minutes to determine whether detailed monthly disbursements and bank reconciliations were presented and approved.

Credit Cards (Continued)

We scanned the monthly Payment Listing for 2014 and 2013 and the vouchers supporting such payments. The vouchers consisted of the check stub, vendor invoices and purchase orders which were approved by at least 2 or all 3 Township Trustees. We also scanned the monthly bank reconciliations for 2014 and 2013. All monthly bank reconciliations for 2014 and 2013 were approved by at least 2 or all 3 Township Trustees.

Fuel Receipts

For the years ending December 31, 2013 and December 31, 2014, we:

1. Agreed fuel used per the Township's records for the Cumberland Trail Fire District's fuel tank to the amount reported on the Township's invoice sent to the Cumberland Trail Fire District. We found no exceptions.
2. Amounts charged complied with the agreement between the Township and Cumberland Trail Fire District. No agreement exists between the Township and Cumberland Trail Fire District. Amounts charged per gallon for 2014 agreed to the Belmont Petroleum Corp. invoice attached to the December check stub #7537 and 2013 agreed to the Belmont Petroleum Corp. invoice attached to the November check stub #7901. The Township Trustees should enter into a formal written agreement with the Cumberland Trail Fire District for the purchasing, usage, and billing of fuel.
3. Agreed ending fuel tank balance of the prior year to the beginning balance of the subsequent year. The amounts agreed.
4. The invoice sent to Cumberland Trail Fire District from the Township was approved by the Township Trustees prior to being sent. The invoice for 2014 and 2013 was not approved by the Township Trustees. The Township Trustees should review and approve the invoice for fuel usage prior to it being sent to the Cumberland Trail Fire District for payment.
5. Agreed amount received per the Fiscal Officer's duplicate receipt to the invoice sent to the Cumberland Trail Fire District. The amounts agreed.

Scrap Metal Receipts

1. We selected all scrap metal receipts from the year ended December 31, 2014 from the Revenue Receipt Register to determine whether:
 - a. Amounts from the scrap metal purchaser's receipt agreed to the fiscal officer's duplicate receipt. The amounts agreed.
 - b. The date and amount of the metal purchaser's receipt agreed the fiscal officer's duplicate receipt. The amounts agreed. However, the dates of the metal purchaser's receipts were April 10, 2014 and April 11, 2014 and the date of the fiscal officer's duplicate receipt was June 7, 2014. Also, the date of the metal purchaser's receipt was October 29, 2014 and the date of the fiscal officer's duplicate receipt was December 13, 2014. The Township employee receiving scrap metal receipts should pay-in receipts with the Township Fiscal Officer in a timely manner and the Township Fiscal Officer should deposit receipts into the Township depository and record such receipts to the accounting system in a timely manner.
 - c. Amount and date of duplicate receipt agrees to the Receipt Register Report. The amounts and dates agreed.

There were no scrap metal receipts noted in 2013.

Scrap Metal Receipts (Continued)

2. We inspected the Township's minutes to determine whether detailed monthly disbursements and bank reconciliations were presented and approved. We scanned the monthly Payment Listing for 2014 and 2013 and the vouchers supporting such payments. The vouchers consisted of the check stub, vendor invoices and purchase orders which were approved by at least 2 or all 3 Township Trustees. We also scanned the monthly bank reconciliations for 2014 and 2013. All monthly bank reconciliations for 2014 and 2013 were approved by at least 2 or all 3 Township Trustees.

Official's Responses:

Compliance – Budgetary Step #1 - Normally I, as Richland Township Fiscal Officer, record 96% to 98% of the anticipated estimated revenue, depending upon the financial climate at the given time. I also only appropriate 96-98% of the overall available resources. This is normally done on the two major funds ie: General and Road and Bridge. The balance of the funds, I record 100% of the revenue and appropriations and track accordingly. This assures me that the township is not in jeopardy of over spending. The revenue is monitored on a monthly basis but never changed to the actual received amounts.

Fuel Receipts Step #2 and #4 – The Township and Fire District made this agreement years (and apparently not in paper form) before I became Fiscal Officer. Currently one of our trustees is the former fire chief that was employed at the start of forming a fire district. He doesn't remember any type of formal agreement being put in place. I disagree that the board needs to sign the annual billing of fuel to the Fire District. Having them meet and sign a letter for invoices will do nothing than delay and add another layer to the work that the Fiscal Officer has to perform. If 30 plus years ago the Clerk billing in this manner worked, then it should be sufficient now.

Scrap Metal Receipts Step #1 – I have worked as Fiscal Officer for 20 years and the foreman has continually kept the money he collects from scraping the metal for several trips to the salvage yard before turning it in. He also turns in the "scrap metal receipt" which reflects the amount of cash he was given by the salvage yard. I have no control over his timely deposits. He has been told time and time again by myself and the trustees that I need this money asap for depositing. I feel any things like this that I can't control need to be specific in nature as it a reflection on my job performance not others that are employed at the township.

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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

December 9, 2015



Dave Yost • Auditor of State

RICHLAND TOWNSHIP

BELMONT 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
DECEMBER 29, 2015**