



Dave Yost • Auditor of State





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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Moorefield Township  
Clark County  
1616 Moorefield Road  
Springfield, Ohio 45503

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Moorefield Township (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, 2015 and 2014, 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, 2015 and December 31, 2014 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2014 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2013 balances in the prior year agreed-upon procedures working papers. We found no exceptions. We also agreed the January 1, 2015 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2014 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, 2015 and 2014 fund cash balances reported in the Fund Status Reports. The amounts agreed.
4. We confirmed the December 31, 2015 bank account balances with the Township's financial institution. We noted a variance as identified below. We also agreed the confirmed balances to the amounts appearing in the December 31, 2015 bank reconciliation with an exception noted. The December 31, 2015 confirmed balance of the CDARS account was \$1,036,898.16; however, the December 31, 2015 bank reconciliation of the CDARS account showed the balance at \$1,036,546.62. The variance of \$351.54 was due to interest, which was posted after the end of the fiscal year, in January 2016.

### Cash and Investments (Continued)

5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2015 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 check register, to determine the debits were dated prior to December 31. We noted no exceptions.
6. We tested investments held at December 31, 2015 and December 31, 2014 to determine that they:
  - a. Were of a type authorized by Ohio Rev. Code Sections 135.13, 135.14 or 135.144. We found no exceptions
  - b. Mature within the prescribed time limits noted in Ohio Rev. Code Section 135.13 or 135.14. We noted no exceptions.

### Property Taxes and Intergovernmental Receipts

1. We selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the Statement) for 2015 and one from 2014:
  - a. We traced the gross receipts from the *Statement* to the amount recorded in the Receipt Detail Report. The amounts agreed.
  - b. We determined whether the receipt was allocated to the proper fund(s) 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 Detail Report to determine whether it included two real estate tax receipts for 2015 and 2014. We noted the Receipt Detail Report included the proper number of tax receipts for each year.
3. We selected five receipts from the State Distribution Transaction Lists (DTL) from 2015 and five from 2014. We also selected five Clark County Auditor disbursement checks from 2015 and five from 2014.
  - a. We compared the amount from the above report/check to the amount recorded in the Receipt Detail Report. The amounts agreed.
  - b. We determined whether these receipts were allocated to the proper fund(s). We found one exception. In 2014, an intergovernmental receipt for liquor permit fees, in the amount of \$330, was posted to the Ambulance and Emergency Medical Services Fund (2281), rather than to the General Fund. **Ohio Rev. Code §4301.30(D)(2)** states, in part, thirty-five percent of the undivided liquor permit fund shall be distributed by the superintendent of liquor controls at quarterly calendar periods to each township, the aggregate amounts shown by the statements to have been collected from permits in its territory, outside the limits of any municipal corporation located in the township, for the use of the general fund of the township, or for fire protection purposes, including building and equipment in the township, or for fire protection purposes, including buildings and equipment in the township or in an established fire district within the township, to the extent that the funds are derived from liquor permits within the territory comprising such fire district. The Township should implement procedures to review allocations of receipts to ensure they are properly recorded. The Fiscal Officer should adjust the balances of the funds accordingly.
  - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.

### **Over-The-Counter Cash Receipts**

1. We haphazardly selected 10 over-the-counter cash receipts from the year ended December 31, 2015 and 10 over-the-counter cash receipts from the year ended 2014 recorded in the Medicount Management Month End Activity Remittance Reports and determined whether the:
  - a. Receipt amount agreed to the amount recorded in the Revenue Receipt Register Report. The amounts agreed.
  - b. Amount charged complied with rates in force during the period. We found no exceptions.
  - c. Receipt was posted to the proper fund, and was recorded in the proper year. We found no exceptions.

### **Debt**

1. The prior agreed-upon procedures documentation disclosed no debt outstanding as of December 31, 2013.
2. We inquired of management, and scanned the Receipt Detail Report and Payment Register Detail Report for evidence of debt issued during 2015 or 2014 or debt payment activity during 2015 or 2014. We noted no new debt issuances, nor any debt payment activity during 2015 or 2014.

### **Payroll Cash Disbursements**

1. We haphazardly selected one payroll check for five employees from 2015 and one payroll check for five employees from 2014 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 (time cards, legislatively or statutorily-approved rate or salary). We found no exceptions.
  - b. We determined whether the fund and account code(s) to which the check was posted were reasonable based on the employees' duties as documented in the employees' personnel files and Minute record. 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. Department(s) and fund(s) to which the check should be charged
  - d. Retirement system participation and payroll withholding
  - e. Federal, State & Local income tax withholding authorization and withholding
  - f. Any other deduction authorizations (deferred compensation, etc.)

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

**Payroll Cash Disbursements (Continued)**

3. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2015 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 2015. We noted the following:

<b>Withholding (plus employer share, where applicable)</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Due</b>	<b>Amount Paid</b>
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	January 31, 2016	December 30, 2015	\$5,814.80	\$5,814.80
State income taxes	January 15, 2016	December 30, 2015	\$2,037.28	\$2,037.28
School district income taxes	January 31, 2016	December 30, 2015	\$384.25	\$384.25
City of Springfield income tax	January 31, 2016	December 30, 2015	\$79.14	\$79.14
OPERS retirement	January 30, 2016	December 30, 2015	\$6,877.78	\$6,877.78
OP&F retirement	January 31, 2016	December 30, 2015	\$1,856.33	\$1,856.33

4. We inquired of management and scanned the Payment Register Detail Report for the years ended December 31, 2015 and 2014 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**

1. We haphazardly selected ten disbursements from the Payment Register Detail Report for the year ended December 31, 2015 and ten from the year ended 2014 and determined whether:
- The disbursements were for a proper public purpose. We found no exceptions.
  - 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.
  - 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.
  - 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 one instance 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 Section 5705.36(A)(1), to the amounts recorded in the Revenue Status Report for the General, Gasoline Tax, and Cemetery Funds for the years ended December 31, 2015 and 2014. The amounts on the *Certificate* agreed to the amounts recorded in the accounting system, except for the Cemetery Fund. The Revenue Status Report recorded budgeted (i.e. certified) resources for the Cemetery Fund of \$7,014 for 2014; however, the final *Amended Official Certificate of Estimated Resources* reflected \$6,364. 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 2015 and 2014 to determine whether, for the General, Gasoline Tax, and Cemetery 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 noted the Trustees appropriated at the fund level for all funds in 2015 and 2014, which does not meet the requirements of Ohio Rev. Code Section 5705.38(C). The Township should implement procedures to appropriate all funds at the required level.
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 2015 and 2014 for the following funds: the General, Gasoline Tax, and Cemetery Funds. The amounts on the appropriation measures did not agree to the amounts recorded in the accounting system as follows:

<b>Fund</b>	<b>2014 Appropriations</b>	<b>2014 Appropriation Status Report</b>	<b>2015 Appropriations</b>	<b>2015 Appropriation Status Report</b>
General Fund	\$974,161	\$744,080	\$908,920	\$662,037
Gasoline Tax Fund	\$219,826	\$211,118	\$214,644	\$194,644
Cemetery Fund	\$42,590	\$32,454	\$40,329	\$39,729

The Trustees approved appropriations based on estimated resources. The Fiscal Officer should periodically compare approved appropriations to the amounts recorded in the Appropriation Status Report to assure they agree. If they 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 Cemetery Funds for the years ended December 31, 2015 and 2014. We noted that the Gasoline Tax and Cemetery Fund appropriations for 2014 exceeded certified resources by \$8,707 and \$7,236, respectively. In addition, we noted that the Gasoline Tax Fund appropriations for 2015 exceeded certified resources by \$9,563, contrary to Ohio Rev. Code Section 5705.39. The Trustees should not pass appropriations exceeding certified resources. Allowing this to occur could cause the Township to incur fund balance deficits.

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

5. Ohio Rev. Code Section 5705.41(B) prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures, as recorded in the Appropriation Status Report, to total appropriations for the years ended December 31, 2015 and 2014 for the General, Gasoline Tax, and Cemetery Funds, as recorded in the appropriation measures. 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, 2015 and 2014. We also inquired of management regarding whether the Township received new restricted receipts. The Township established the Police District Fund (2081) during 2014 to segregate police levy receipts and disbursements, in compliance with Ohio Rev. Code Section 5705.09. We also noted that the Miscellaneous Special Revenue Fund (2902) was established during 2015 to segregate Federal Emergency Management Agency receipts and disbursements for the installation of tornado sirens, in compliance with Section 5705.09 and 2 CFR Part 176.210.
7. We scanned the 2015 and 2014 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 Fund Ledger Reports for the years ended December 31, 2015 and 2014 for negative cash fund balance. 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 & Expenditures**

We inquired of management and scanned the Payment Register Detail Report for the years ended December 31, 2015 and 2014 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.

### **Other Compliance**

1. Ohio Rev. Code Section 117.38 requires townships to file their financial information in the HINKLE system, formerly known as the Annual Financial Data Reporting System (AFDRS), within 60 days after the close of the fiscal year. We reviewed AFDRS and the Uniform Accounting Network (UAN) system to verify that the Township filed their financial information within the allotted timeframe for the years ended December 31, 2015 and 2014. No exceptions were noted.



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 "Y" and "O".

**Dave Yost**  
Auditor of State

Columbus, Ohio

May 13, 2016

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# Dave Yost • Auditor of State

**MOOREFIELD TOWNSHIP**

**CLARK 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  
JUNE 7, 2016**