



Dave Yost • Auditor of State

WAYNE TOWNSHIP
MONROE COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Wayne Township
Monroe County
34207 Barber Ridge
Lewisville, Ohio 43754

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Wayne Township, Monroe 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, 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

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 Status Report to the December 31, 2013 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2015 beginning fund balances recorded in the Fund Status Report to the December 31, 2014 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, 2015 and 2014 fund cash balances reported in the Fund Status Reports. The amounts agreed.
4. We confirmed the December 31, 2015 bank account balance with the Township's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2015 bank reconciliation without exception.
5. We selected five outstanding checks haphazardly from the December 31, 2015 bank reconciliation:
 - a. We traced each outstanding check to the subsequent January bank statement. 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.

Property Taxes and Intergovernmental Cash 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 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 Report to determine whether it included two real estate tax receipts for 2015 and 2014. We noted the Revenue Ledger Report included the proper number of tax receipts for each year.
3. We selected all receipts from the State Distribution Transaction Lists (DTL) from 2015 and all from 2014. We also selected five receipts from the County Auditor's Appropriation History Reports from 2015 and five from 2014.
 - 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 audit documentation, we noted the following commercial promissory note outstanding as of December 31, 2013. This amount agreed to the Township's January 1, 2014 balance on the summary we used in step 3.

Issue	Principal outstanding as of December 31, 2013:
Commercial Promissory Note	\$22,387

2. We inquired of management, and scanned the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2015 or 2014 or debt payment activity during 2015 or 2014. All debt payment activity agreed to the summary we used in step 3. We noted no new debt issuances.
3. We obtained a summary of commercial promissory note debt activity for 2015 and 2014 and agreed principal and interest payments from the related debt amortization schedule to debt service fund payments reported in the Appropriation Ledger Report. We also compared the date the debt service payments were due to the date the Township made the payments. We found no exceptions. However, this type of debt does not meet the criteria for any of the debt allowed in Ohio Rev. Code Chapter 133. The Ohio Rev. Code contains various methods of incurring debt for Townships. Installment loans and promissory notes with banking institutions are not legal methods of debt for Townships. The Township should consult with legal counsel when the Board of Trustees anticipates incurring future debt.

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 (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 minute record and payroll records were 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.
 - 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, 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:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	1/31/16	12/30/15	\$809.68	\$809.68
State income taxes	1/15/16	1/5/16	\$92.04	\$92.04
OPERS retirement	1/30/16	12/31/15	\$491.35	\$491.35

4. For the pay periods ended November 5, 2015 and April 3, 2014, we recomputed the allocation of the Boards' salaries to the General and Gasoline Tax Funds per the Wage Detail Report. We found no exceptions.

5. For the pay periods described in the preceding step, we traced the Board's salary for time or services performed to supporting certifications the Revised Code requires. We found no exceptions.

6. We inquired of management and scanned the Wage 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. Insurance reimbursements made were in compliance with Ohio Rev. Code §§ 505.60 and 505.601 and federal regulations.

Non-Payroll Cash Disbursements

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:

- 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 Fiscal Officer certified disbursements requiring certification or issued a *Then and Now Certificate*, as required by Ohio Rev. Code § 5705.41(D). We found one instance in 2014 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 Comparison of Budget and Appropriated Report for the General, Gasoline Tax, and Backhoe Loan Retirement Funds for the year ended December 31, 2015 and for the General, Permissive Motor Vehicle License Tax, and Sloan Cemetery Funds for the year ended December 31, 2014. The amounts agreed.
2. We scanned the appropriation measures adopted for 2015 and 2014 to determine whether, for the General, Gasoline Tax and Permissive Motor Vehicle License Tax 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 § 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 Comparison of Budget and Appropriated Report for 2015 and 2014 for the following funds: General, Gasoline Tax, and Backhoe Loan Retirement Funds for the year ended December 31, 2015 and for the General, Permissive Motor Vehicle License Tax, and Sloan Cemetery Funds for the year ended December 31, 2014. The amounts on the appropriation resolutions agreed to the amounts recorded in the Comparison of Budget and Appropriated 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, Gasoline Tax and Backhoe Loan Retirement Funds for the year ended December 31, 2015 and for the General, Permissive Motor Vehicle License Tax, and Sloan Cemetery Funds for the year ended December 31, 2014. 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, 2015 and 2014 for the General, Permissive Motor Vehicle License Tax and Backhoe Loan Retirement Funds, as recorded in the Comparison of Disbursements and Encumbrances with Expenditure Activity 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, 2015 and 2014. 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 2015 and 2014 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 Summary by Fund Report for the years ended December 31, 2015 and 2014 for negative cash fund balance. 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, 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 § 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 § 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 to verify the Township filed their financial information within the allotted timeframe for the years ended December 31, 2015 and 2014. No exceptions noted.
2. We inquired of the Fiscal Officer and/or scanned the Fiscal Integrity Act Portal (<http://www.ohioauditor.gov/fiscalintegrity/default.html>) to determine whether the Fiscal Officer obtained the training required by Ohio Rev. Code § 507.12. The Fiscal Officer obtained the required training.

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

May 23, 2016



Dave Yost • Auditor of State

WAYNE TOWNSHIP

MONROE 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 16, 2016**