



Dave Yost • Auditor of State



**OXFORD TOWNSHIP  
TUSCARAWAS COUNTY**

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

Oxford Township  
Tuscarawas County  
8098 Church Road  
Guernsey, Ohio 43749

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Oxford Township, Tuscarawas County, Ohio (the Township), on the receipts, disbursements and balances recorded in the Township's cash basis accounting records for the years ended December 31, 2016 and 2015 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the Township. The Township is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2016 and 2015 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Township. 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 recalculated the December 31, 2016 and December 31, 2015 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2015 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2014 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2016 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2015 balances in the Cash Summary by Fund Report. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2016 and 2015 fund cash balances reported in the Fund Status Reports. The amounts agreed.
4. We confirmed the December 31, 2016 bank account balance with the Township's financial institution. We found no exceptions. We also agreed the confirmed balance to the amount appearing in the December 31, 2016 bank reconciliation without exception.

### **Cash (Continued)**

5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2016 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. There were no exceptions.

### **Property Taxes, Intergovernmental and Other Confirmable Cash Receipts**

1. We haphazardly selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the Statement) for 2016 and one from 2015:
  - a. We traced the gross receipts from the *Statement* to the amount recorded in the Receipt Register Report. The amounts agreed.
  - b. We inspected the Receipt Register Report to confirm 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 inspected the Receipt Register Report to confirm whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We inspected the Receipt Register Report to determine whether it included two real estate tax receipts for 2016 and 2015. The Receipts Register Report included the proper number of tax receipts for each year.
3. We haphazardly selected all receipts from the State Distribution Transaction Lists (DTL) from 2016 and all from 2015. We also haphazardly selected five receipts from the County's AP Disbursements with Description report for 2015 and five from the County's Expenditure Transaction History report for 2016.
  - a. We compared the amount from the above reports to the amount recorded in the Receipt Register Report. In 2015, one property tax reimbursement receipt tested was posted net of expense rather than the gross distribution, resulting in an understatement of receipts and disbursements in the General and Road and Bridge Funds of \$43 and \$58, respectively.
  - b. We inspected the Receipt Register Report to determine that these receipts were allocated to the proper funds. We found no exceptions.
  - c. We inspected the Receipts Register Report to determine whether the receipts were recorded in the proper year. We found no exceptions.
4. We confirmed the amount paid from the Reeves Foundation to the Township during 2015 to the remittance letter received to purchase a truck from Parkway Ford. We confirmed the amounts paid from Dominion Transmission, Inc. to the Township during 2016 to the remittance letter received for road damage repairs to Kings Ridge Road. We confirmed the amounts paid from Property Row LLC to the Township during 2016 to the damage agreement for road damage repairs to Foreman Club Road. We found no exceptions.
  - a. We inspected the Receipt Register Report to determine whether these receipts were allocated to the proper funds. We found no exceptions.
  - b. We inspected the Receipt Register Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

**Debt**

1. From the prior audit documentation, we observed the following lease was outstanding as of December 31, 2014. This amount agreed to the Township's January 1, 2015 balance on the summary we used in step 3.

<b>Issue</b>	<b>Principal outstanding as of December 31, 2014:</b>
Kansas State Bank – Patcher Lease	\$9,580

2. We inquired of management, and inspected the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2016 or 2015 or debt payment activity during 2016 or 2015. All debt agreed to the summary we used in step 3.
3. We obtained a summary of lease debt activity for 2016 and 2015 and agreed principal and interest payments from the related debt amortization schedules to General, Road and Bridge, and Gasoline Tax funds payments reported in the Payment Register Detail Report. We also compared the date the debt service payments were due to the date the Township made the payments. We found one exception, wherein the 2015 debt interest payment of \$284 was improperly classified as Principal Retirement instead of Interest.
4. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the Gasoline Tax fund per the Receipt Register Report. The amounts agreed.
5. For new debt issued during 2016 and 2015, we inspected the debt legislation, which stated the Township must use the proceeds to purchase a 2016 Ford F-550 4WD Super Duty truck. We inspected the Payment Register Detail Report and observed the Township purchased a 2016 Ford F-550 4WD Super Duty truck on December 31, 2015.

**Payroll Cash Disbursements**

1. We haphazardly selected one payroll check for five employees from 2016 and one payroll check for five employees from 2015 from the Payment Register 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 one exception in each year for an hourly employee who did not have completed timecards.
  - b. We inspected the fund and account code to which the check was posted to determine the posting was reasonable based on the employees' duties as documented in the employees' personnel files and minute record or as required by statute. We also confirmed the payment was posted to the proper year. We found no exceptions.
2. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2016 to confirm 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 2016. We observed the following:

**Payroll Cash Disbursements (Continued)**

<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, 2017	October 28, 2016 - December 29, 2016	\$2,011	\$2,011
State income taxes	January 15, 2017	December 29, 2016	\$409	\$409
OPERS retirement	January 30, 2017	December 29, 2016	\$1,600	\$1,600

3. For the pay periods ended March 31, 2016 and August 31, 2015, we recomputed the allocation of the Boards' salaries to the General and Road & Bridge Funds per the Wage Detail Report. We found no exceptions.
4. For the pay periods described in the preceding step, we traced the Boards' salary for time or services performed to supporting certifications the Revised Code requires. We found no exceptions.
5. We inquired of management and inspected the Payment Register Detail Report for the years ended December 31, 2016 and 2015 to determine if Township employees and/or Trustees were reimbursed for out-of-pocket insurance premiums. No such reimbursements occurred.

**Non-Payroll Cash Disbursements**

We haphazardly selected ten disbursements from the Payment Register Detail Report for the year ended December 31, 2016 and ten from the year ended 2015 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 no exceptions.

**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 Gasoline Tax funds for the years ended December 31, 2016 and 2015. The amounts agreed.
2. We inspected the appropriation measures adopted for 2016 and 2015 to determine whether, for the General, Road & Bridge, and Fire 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 § 5705.38(C). We found no exceptions.



### Compliance – Budgetary (Continued)

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 2016 and 2015 for the following funds: General, Gasoline Tax, and Road & Bridge funds. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Status Report with the exception of the General and Road and Bridge funds in 2016 and the General, Gasoline Tax, and Road and Bridge funds in 2015. The appropriation resolutions reflected approved appropriations of \$84,248 and \$129,563 for the General and Road & Bridge funds in 2016, respectively. However, the Appropriation Status Report reflected \$88,241 and \$186,282, respectively. The appropriation resolutions reflected approved appropriations of \$77,424, \$92,446, and \$54,193 for General, Gasoline Tax, and Road and Bridge funds in 2015, respectively. However, the Appropriation Status Report reflected \$126,364, \$132,525, and \$55,936, respectively. The Board of Trustees and the Fiscal Officer should periodically compare expenditures to appropriations. If additional appropriations are needed, the Board of Trustees and the Fiscal Officer should take the necessary steps to adopt supplemental appropriations, if appropriate, to help prevent expenditures from exceeding appropriations and reduce the risk that a respective fund's cash balance could become negative.
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 Road & Bridge funds for the years ended December 31, 2016 and 2015. There were no funds for which appropriations exceeded certified resources.
5. Ohio Rev. Code § 5705.41(B) prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total approved appropriations for the years ended December 31, 2016 and 2015 for the General, Gasoline Tax, and Road and Bridge funds, as recorded in the Appropriation Status Report. Road and Bridge fund expenditures exceeded total appropriations by \$52,542 for 2016. For 2015, General, Gasoline Tax, and Road and Bridge fund expenditures exceeded total appropriations by \$25,891, \$28,755, and \$1,427, respectively, contrary to Ohio Rev. Code § 5705.41(B). The Fiscal Officer should not certify the availability of funds and should deny payment requests exceeding appropriations. The Fiscal Officer may request the Trustees to approve increased expenditure levels by increasing appropriations and amending estimated resources, if necessary, and if resources are available.
6. Ohio Rev. Code § 5705.09 requires establishing separate funds to segregate externally-restricted resources. We inspected the Receipt Register Report for evidence of new restricted receipts requiring a new fund during 2016 and 2015. We also inquired of management regarding whether the Township received new restricted receipts. We observed no evidence of new restricted receipts for which Ohio Rev. Code § 5705.09 would require the Township to establish a new fund.
7. For funds existing in prior years, inspect the fund activity to determine whether the fund is still being used for the statutorily approved purpose and that all the required funds were established. All the required funds were established and no funds for which the statutorily approved purpose was no longer valid were included on the accounting records.
8. We inspected the 2016 and 2015 Revenue Status Reports and Appropriation Status Reports for evidence of interfund transfers exceeding \$10 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.

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

9. We inquired of management and inspected the Appropriation Status Reports to determine whether the Township elected to establish reserve accounts permitted by Ohio Rev. Code § 5705.13. The Township did not establish these reserves.
10. We inspected the Cash Summary by Fund Report for the years ended December 31, 2016 and 2015 for negative cash fund balances. Ohio Rev. Code § 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 inspected the Payment Register Detail Report for the years ended December 31, 2016 and 2015 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**

Ohio Rev. Code § 117.38 requires townships to file their financial information in the HINKLE system within 60 days after the close of the fiscal year. We confirmed the Township filed their complete financial statements, as defined by AOS Bulletin 2016-007, within the allotted timeframe for the years ended December 31, 2016 and 2015 in the Hinkle system. There were no exceptions.

This report is for the use of the Township to assist in evaluating its receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2016 and 2015, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

July 19, 2017



# Dave Yost • Auditor of State

**OXFORD TOWNSHIP**

**TUSCARAWAS 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  
AUGUST 10, 2017**