



OHIO AUDITOR OF STATE
KEITH FABER



**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, 2018 and 2017 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, 2018 and 2017 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, 2018 and December 31, 2017 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2017 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2016 balances in the prior year documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2018 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2017 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, 2018 and 2017 fund cash balances reported in the Fund Status Report. The amounts agreed.
4. We confirmed the December 31, 2018 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, 2018 bank reconciliation without exception.
5. We selected a sample (agreed upon) of five reconciling debits (such as outstanding checks) from the December 31, 2018 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 and Intergovernmental Receipts

1. We selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the Statement) for 2018 and one from 2017:
 - 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 2018 and 2017. The Receipt Register Report included the proper number of tax receipts for each year.
3. We selected all three receipts from the State Distribution Transaction Lists (DTL) from 2018 and all three from 2017. We also selected a sample (agreed upon) of five receipts from the County Auditor's Audit Export Disbursement Reports from 2018 and five from 2017.
 - a. We compared the amount from the above reports to the amount recorded in the Receipt Register Report. The amounts agreed.
 - 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 Receipt Register Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

Debt

1. From the prior agreed-upon procedures documentation, we observed the following lease was outstanding as of December 31, 2016. This amount agreed to the Township's January 1, 2017 balance on the summary we used in procedure 3.

Issue	Principal outstanding as of December 31, 2016:
2016 Ford F-550 4WD Super Duty Lease	\$28,395

2. We inquired of management, and inspected the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2018 or 2017 or debt payment activity during 2018 or 2017. All debt agreed to the summary we used in procedure 3.
3. We obtained a summary of lease debt activity for 2018 and 2017 and agreed principal and interest payments from the related debt amortization schedules to the General and Gasoline Tax Fund's 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 no exceptions.
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 2018, we inspected the debt legislation, which stated the Township must use the proceeds to purchase a tar spreader. We inspected the Payment Register Report and observed the Township purchased a tar spreader in July of 2018.

Payroll Cash Disbursements

1. We selected one payroll check for five employees from 2018 and one payroll check for five employees from 2017 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 inspected the fund and account codes to which the check was posted to determine the posting was reasonable based on the employees' duties as documented in the minute record and employee time sheet or as required by statute. We also confirmed the payment was posted to the proper year. We found no exceptions.

2. For any new employees selected in procedure 1 we inspected the employee's personnel files, minute record, and Ohio Rev. Code for the following information and compared it with the information used to compute gross and net pay related to this check:
 - a. Name
 - b. Authorized salary or pay rate
 - c. Department and funds to which the check should be charged
 - d. Retirement system participation and payroll withholding
 - e. Federal and State income tax withholding authorization and withholding

We found no exceptions related to procedures a. – e. above.

3. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2018 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 2018. We observed the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare	January 31, 2019	December 30, 2018	\$552	\$552
State income taxes	January 31, 2019	December 30, 2018	\$383	\$383
OPERS retirement	January 30, 2019	December 30, 2018	\$1,521	\$1,521

4. For the pay periods ended February 28, 2018 and June 30, 2017, we recomputed the allocation of the Boards' salaries to the General, Gasoline Tax and Road and Bridge Funds per the Wage Detail Report. We found exceptions for two of the three Trustees in 2017 where the percent by fund on the payroll certifications was not the percent actually paid by each fund. No exceptions were noted with Trustee certifications for the 2018 pay.

Ohio Rev. Code § 505.24 (C) sets forth the method by which Township Trustees' Compensation should be allocated. Trustee salary is required to be paid from the Township General Fund or from other Township funds in such proportions as the Board may specify by resolution. Each Trustee must certify the percentage of time spent working on matters to be paid from the Township General Fund and from other Township funds in such proportions as the kind of services performed. Auditor of State Bulletin 2013-002 further clarified that townships were not permitted to allocate 100 percent of officials' salaries to restricted funds. As Township officials are required to attend board meetings; and, such activities supporting the general business of the Township must be all allocated to the General Fund. In 2018 and 2017 while payroll certifications were prepared and a resolution was approved, the Township resolution failed to state the percent paid by fund. The Fiscal Officer did not pay two of the three Trustees in accordance with the percentages documented on their

Payroll Cash Disbursements (Continued)

certifications by fund for the pay period selected for 2017. The monthly certifications maintained by the Trustees both documented their percentages logged per fund worked as 80% from the General Fund and 20% from the Road and Bridge Fund. The percentages logged per the certification showed a higher percentage in the General Fund and less in the Road and Bridge Fund than what was actually paid. For these two Trustees, we determined that \$917 more should have been paid from the General Fund instead of the Road and Bridge Fund for the entire year of 2017. This \$917 adjustment was agreed to by management and was posted to the Township's ledgers.

5. For the pay periods described in the preceding procedure, we traced the Boards' salary for time or services performed to supporting certifications the Revised Code requires. We found exceptions as noted in procedure #4 above.
6. We inquired of management and inspected the Payment Register Report for the years ended December 31, 2018 and 2017 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 selected a sample (agreed upon) of 10 disbursements from the Payment Register Report for the year ended December 31, 2018 and 10 from the year ended 2017 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 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 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 inspect 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, Road and Bridge and Fire District Funds for the years ended December 31, 2018 and 2017. The amounts agreed.
2. We inspected the appropriation measures adopted for 2018 and 2017 to determine whether, for the General, Road and 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 2018 and 2017 for the following funds: General, Road and Bridge, and Fire District Funds. The General, Road and Bridge, and Fire District Fund appropriations recorded on the Appropriation Status Report exceeded the Board approved amounts by \$1,626, \$414, and \$127, respectively, for 2018. The General Fund appropriations recorded on the Appropriation Status Report exceeded the Board approved amount by \$2,803 for 2017. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Status Report for the Road and Bridge and the Fire District Funds in 2017. 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, Road and Bridge and Fire District Funds for the years ended December 31, 2018 and 2017. 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 appropriations for the years ended December 31, 2018 and 2017 for the General, Road and Bridge and Fire District Funds, as recorded in the Appropriation Status Report. There were no funds for which expenditures exceeded appropriations.
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 December 31, 2018 and 2017. 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, we inspected 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 2018 and 2017 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 Section 5705.16 would require approval by the Tax Commissioner (effective after June 30, 2017) or Court of Common Pleas (effective through June 30, 2017).
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, 2018 and 2017 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. No funds had a negative cash fund balance.

Compliance – Contracts & Expenditures

We inquired of management and inspected the Payment Register Report for the years ended December 31, 2018 and 2017 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. This statute also permits the Auditor of State to extend the deadline for filing a financial report and establish terms and conditions for any such extension. The Auditor of State established policies, regarding the filing of complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System. We confirmed the Township filed their complete financial statements, as defined by AOS Bulletin 2015-007 and Auditor of State established policy, within the allotted timeframe for the years ended December 31, 2018 and 2017 in the Hinkle system. There were no exceptions.

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

This report is to provide assistance in the evaluation of the Township's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2018 and 2017, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.



Keith Faber
Auditor of State

Columbus, Ohio

May 29, 2019

OHIO AUDITOR OF STATE KEITH FABER



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
JUNE 25, 2019**