



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Benton Township
Paulding County
3708 State Route 500
Payne, Ohio 45880-9319

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Benton Township, Paulding 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, 2012 and 2011, 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, 2012 and December 31, 2011 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2011 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2010 balances in documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2012 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2011 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, 2012 and 2011 fund cash balances reported in the Fund Status Reports. The amounts agreed.
4. We confirmed the December 31, 2012 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, 2012 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2012 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 inspected the Fund Status Report to determine whether the Finding For Adjustment identified in the prior agreed-upon procedures report, due from the Motor Vehicle License Tax fund, payable to the General fund, was properly posted to the report. We found no exceptions.

Property Taxes, Intergovernmental and Other Confirmable Cash Receipts

1. We selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the Statement) for 2012 and one from 2011:
 - a. We traced the gross receipts from the *Statement* to the amount recorded in the Revenue Ledger. The amounts agreed.
 - b. We determined whether the receipt was allocated to the proper funds 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 Revenue Ledger to determine whether it included two real estate tax receipts for 2012 and 2011. We noted the Revenue Ledger included the proper number of tax receipts for each year.
3. We selected all three receipts from the State Distribution Transaction Lists (DTL) from 2012 and all three from 2011. We also selected five receipts from the County Auditor's Vendor Expense Report from 2012 and five from 2011.
 - a. We compared the amount from the above reports to the amount recorded in the Revenue Ledger. The amounts agreed, except for a payment of estate tax received from the County Auditor on September 29, 2011 which was recorded at \$28,095.93 instead of the gross amount of \$28,917.87. The Township also did not record the amount \$821.94 in fees deducted by the County Auditor. The Township should record the gross amount of estate tax settlements and deduct the related fees as expenditures.
 - 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.
4. We confirmed the amounts paid from Ohio Risk Management to the Township during 2012 to supporting documentation. We found no exceptions.
 - a. We determined whether these receipts were allocated to the proper fund. We found no exceptions.
 - b. We determined whether the receipts were 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, 2010.

2. We inquired of management, and scanned the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2012 or 2011 or debt payment activity during 2012 or 2011. We noted no new debt issuances, or any debt payment activity during 2012 or 2011.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2012 and one payroll check for five employees from 2011 from the Employee Detail Adjustment Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Employee Detail Adjustment 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 on the Daily Calendar Job Description. We also determined whether the payment was posted to the proper year. We noted two pay checks (#2816 in 2011 and #3087 in 2012), where, based on the employees' duties, the fund and accounts recorded were not reasonable. In 2011, \$213.81 recorded in the Gas Tax fund should have been recorded to the Cemetery (\$53.45) and the General fund (\$160.36). In 2012, \$329.35 recorded in the Road and Bridge fund should have been recorded to the Cemetery (\$131.74) and the General fund (\$197.61). Adjustments were recorded to the Township's accounting records for these differences. We recommend payroll checks be recorded to funds based on the employees' duties as documented on the Daily Calendar Job Descriptions.
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
 - 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, 2012 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 2012. We noted the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare	January 31, 2013	January 4, 2013	\$422.74	\$422.74
State income taxes	January 15, 2013	December 31, 2012	249.57	249.57
OPERS retirement	January 30, 2013	December 31, 2012	1,276.53	1,276.53

4. For the pay periods ended April 6, 2012 and November 5, 2011, we recomputed the allocation of the Trustees' salaries to the General, Gas Tax, and Road and Bridge Fund per the Employee Detail Adjustment Report. For each pay period, we noted incorrect allocations for two trustees. The salaries tested for Trustee Mark Crosby and Trustee Joe Thomas were allocated to the Road and Bridge fund and Gas Tax funds, respectively. A portion of these salaries should be allocated to the Cemetery fund and General fund as follows:

	General fund	Cemetery fund	Total
Trustee Crosby			
November 5, 2011	\$233.24	\$58.33	\$291.57
April 6, 2012	207.02	51.74	258.76
Total	\$440.26	\$110.07	\$550.33
Trustee Thomas			
November 5, 2011	\$197.36	\$49.35	\$246.71
April 6, 2012	362.29	90.57	452.86
Total	\$559.65	\$139.92	\$699.57

Adjustments were made to the Township's accounting records to correct these allocations to the Road and Bridge and Gas Tax fund.

Ohio Revised Code §505.24(C) requires each trustee to 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 kinds of services performed. We recommend the payroll be allocated in accordance with services performed from the certifications.

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

Non-Payroll Cash Disbursements

We haphazardly selected ten disbursements from the Payment Register Detail Report for the year ended December 31, 2012 and ten from the year ended December 31, 2011 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 Section 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 Section 5705.36(A)(1), to the amounts recorded in the Revenue Status Report for the General, Gas Tax, and Fire/EMS funds for the years ended December 31, 2012 and 2011. The amounts on the *Certificate* agreed to the amount recorded in the accounting system, except for the General and Gas Tax Fund in 2011. The Revenue Status Report recorded budgeted (i.e. certified) resources for the General fund of \$46,000 and the Gas Tax of \$96,000 for 2011. However, the final *Amended Official Certificate of Estimated Resources* reflected \$45,204 in the General Fund and \$96,041 in the Gas Tax Fund. 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 2012 and 2011 to determine whether, for the General, Gas Tax, and EMS/Fire 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 found no exceptions.
- 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 2012 and 2011 for the following funds: General, Gas Tax, and EMS/Fire fund. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Status report.
- 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, Gas Tax, and Fire/EMS funds for the years ended December 31, 2012 and 2011. We noted the General Fund appropriations for 2011 exceeded certified resources by \$795, 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.
- 5. Ohio Rev. Code Section 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, 2012 and 2011 for the General, Gas Tax, and Fire/EMS funds, as recorded in the Appropriation Status Report. 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, 2012 and 2011. 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 Section 5705.09 would require the Township to establish a new fund.
7. We scanned the 2012 and 2011 Revenue Status Reports and Appropriation Status Reports for evidence of interfund transfers exceeding \$5,000 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.

Compliance – Contracts and Expenditures

We inquired of management and scanned the Payment Register Detail Report for the years ended December 31, 2012 and 2011 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.

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.



Dave Yost
Auditor of State

August 13, 2013



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BENTON TOWNSHIP

PAULDING 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 29, 2013**