



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Caesarscreek Township
Greene County
2034 East Spring Valley Paintersville Road
Xenia, OH 45385

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Caesarscreek 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, 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 the prior year Agreed-Upon Procedures work 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 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, 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.

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 Receipt Register 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 Register Report to determine whether it included two real estate tax receipts for 2012 and 2011. We noted the Receipts Register Report included the proper number of tax receipts for each year.
3. We selected all receipts from the State Distribution Transaction Lists (DTL) from 2012 and all from 2011. We also selected five receipts from the Greene County Vendor Audit History Report from 2012 and five from 2011.
 - a. We compared the amount from the above reports to the amount recorded in the Receipt Register Report. The amounts agreed.
 - b. We determined whether these receipts were allocated to the proper funds. Four out of the five receipts homestead and rollback receipts amounting to \$34,638 from the State of Ohio were not posted to proper funds. No exceptions were noted with the County Receipts.

Ohio Rev. Code Section 5705.10(D), in part, states that all revenue derived from a source other than general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose.

The Township posted \$13,852 in homestead and rollback revenues from the State of Ohio related to its road levy and \$20,786 of homestead and rollback revenues related to its Fire, Fire and EMS levies in the General Fund instead of the respective Road and Bridge Fund and Special Levy – Fire Fund.

In accordance with forgoing facts, a finding for adjustment in the amount of \$34,638 is issued against Caesarscreek Township's general fund and in favor of Road and Bridge Fund in the amount of \$13,852 and Special Levy – Fire Fund in the amount of \$20,786.

The Township adjusted fund balances on May 6, 2013 to correct the revenue mis-posting noted above.

- c. 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 code(s) to which the check was posted were reasonable based on the employees' duties as documented in the minute record. We also determined whether the payment was posted to the proper year. We found no exceptions.
2. 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 (and social security, for employees not enrolled in pension system)	January 31, 2013	January 8, 2013	\$1,019	\$1,019
State income taxes	January 15, 2013	January 11, 2013	483	483
School District Income Tax	January 31, 2013	January 15, 2013	186	186
OPERS retirement	January 30, 2013	January 11, 2013	1,824	1,824

3. For the pay periods ended March 31, 2012 and October 31, 2011, we recomputed the allocation of the Boards' salaries to the General and Road & Bridge Funds per the Employee Detail Adjustment 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.

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Payment Register Detail Report for the year ended December 31, 2012 and ten from the year ended 2011 and determined whether:
 - a. The disbursements were for a proper public purpose. We found one instance where supporting documentation was not maintained by the Township. Because we did not test all disbursements, our report provides no assurance whether or not additional similar errors occurred. No other exceptions were noted.
 - 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 one instance where supporting documentation was not maintained by the Township. We also noted the following:

On December 28, 2008, the Township entered into an agreement with the Xenia Township for the provision of fire and emergency medical services from Xenia Township Fire Department to Caesarscreek Township.

Non-Payroll Cash Disbursements (Continued)

The contract provisions called for Caesarscreek Township to pay Xenia Township an annual fee of one hundred thousand dollars (\$100,000) for the first year of said agreement and for the second through fifth years of the agreement, the prior year's annual fee plus an increase in the amount of one and a half (1 ½) percent.

The contract is in effect for the period of five years beginning January 1, 2009 and terminating on December 31, 2013.

Based on the above contract, the following annual payments were due from Caesarscreek Township to Xenia Township for the fire and EMS contract:

<u>Year</u>	<u>Amount</u>
2009	\$100,000
2010	101,500
2011	103,023
2012	104,568
2013	\$106,136

During 2011, the Township made following quarterly payments to Xenia Township:

Check Number	Check Date	Check Amount
010765	02/20/11	\$ 25,958
010863	05/31/11	25,959
010987	09/14/11	25,958
011086	11/30/11	25,959
Total		<u>\$103,834</u>
Contract from Above		<u>103,023</u>
Overpayment		<u>\$ 811</u>

In accordance with the forgoing facts, and pursuant to Ohio Revised Code Section 117.28, a finding for recovery for public money illegally expended in the amount of \$811 is hereby issued against Xenia Township and in favor of Caesarscreek Township's, Greene County, Fire Fund.

Xenia Township repaid the \$811 via warrant number 17504. Caesarscreek Township should also revisit payments made to Xenia Township in 2010 and 2009 to verify that they were in accordance with the contract agreement.

- c. The payment was posted to a fund consistent with the restricted purpose for which the fund's cash can be used. We found one instance where supporting documentation was not maintained by the Township. No other exceptions were noted.

Non-Payroll Cash Disbursements (Continued)

- 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 one instance where supporting documentation was not maintained by the Township. Additionally, there was 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 Section 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 Road & Bridge 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 Road & Bridge Funds during 2011. The Revenue Status Report recorded budgeted (i.e. certified) resources for the General fund of \$69,348 for 2011; and \$66,705 for the Road & Bridge Fund for 2011. However, the final *Amended Official Certificate of Estimated Resources* reflected \$72,018 and \$67,560 respectively. 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, Gasoline Tax and Road & Bridge 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, Gasoline Tax and Road & Bridge Funds. No variance was noted between the two documents during 2011. However, a variance of \$5,000 was noted in the Gasoline Tax Fund during 2012 where the Appropriation Status Report was greater than the approved appropriations. Per review of the minutes, there was no Board approval of the change in appropriations during the year. Ohio Revised Code 5705.38 states that on or about the first day of each fiscal year the taxing authority of each subdivision or other taxing unit shall pass an appropriation measure, and thereafter during the year it may pass any supplemental appropriation measures as it finds necessary, based on the revised tax budget or the official certificate of estimated resources or amendments of the certificate. The Board should also review and approve all changes made to the appropriations during the year to prevent overspending available funds.
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 Road & Bridge Funds for the years ended December 31, 2012 and 2011. We noted no funds for which appropriations exceeded certified resources.

Compliance – Budgetary (Continued)

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, Gasoline Tax and Road & Bridge 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 \$1,000 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 established a Tractor Fund (4902) in January of 2012 that is a Capital Project Reserve fund in accordance with Ohio Rev. Code Section 5705.13(C). We noted that the Fund received a \$5,000 transfer from the Gasoline Tax Fund as approved with Resolution 02-12. The balance in this account as of December 31, 2012 was \$5,000 which did not exceed the limit set by the Resolution.

Compliance – Contracts & 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

May 28, 2013



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CAESARSCREEK TOWNSHIP

GREENE 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
JULY 9, 2013**