



Dave Yost • Auditor of State





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

Ripley Township  
Huron County  
885 Plymouth East Road  
Plymouth, Ohio 44865-9774

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Ripley Township, Huron 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, 2014 and 2013, 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, 2014 and December 31, 2013 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2013 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2012 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2014 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2013 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, 2014 and 2013 fund cash balances reported in the Fund Status Reports. The amounts agreed.
4. We confirmed the December 31, 2014 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, 2014 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2014 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 and Intergovernmental Cash Receipts**

1. We selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes (the Statement)* for 2014 and one from 2013:
  - a. We traced the gross receipts from the *Statement* to the amount recorded in the Receipt Register Report. The amounts did not agree. In 2014 the property tax settlement was posted net of administrative fees resulting in receipts and disbursements being understated in the General and Road and Bridge funds by \$2,729 and \$2,155, respectively. In 2013 the property tax settlement was posted net of administrative fees resulting in receipts and disbursements being understated in the General and Road and Bridge funds by \$2,708 and \$2,138, respectively. We recommend the property tax settlements be posted at gross including administrative fees. Those fees should then, correspondingly, be posted as offsetting expenditures.
  - 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 Receipt Register Report to determine whether it included two real estate tax receipts for 2014 and 2013. 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 2014 and all from 2013. We also selected five receipts from the Huron County Auditor Confirmation from 2014 and five from 2013.
  - a. We compared the amount from the above reports to the amount recorded in the Receipt Register Report. The amounts agreed except for homestead and rollback settlements received in 2014 and 2013. In 2014 homestead and rollback settlements were posted net of administrative fees resulting in General and Road and Bridge fund receipts and disbursements being understated by \$30 and \$61, respectively. In 2013 homestead and rollback settlements were posted net of administrative fees resulting in General and Road and Bridge fund receipts and disbursements being understated by \$11 and \$33, respectively. We recommend homestead and rollback settlements be posted at gross including administrative fees. Those fees should then, be posted as offsetting expenditures.
  - b. We determined whether these receipts were allocated to the proper funds. The amounts were allocated properly except for homestead and rollback settlements received in 2014 and 2013. The incorrect allocations resulted in fund balances being improperly overstated / (understated) by the following amounts:

<b>Fund Type / Fund</b>	<b>2014 Amount</b>	<b>2013 Amount</b>
General Fund	\$ 31	\$ 24
<b>Special Revenue Fund Type</b>		
Road and Bridge Fund	(31)	(24)

Ohio Rev. Code, § 5705.10(D), requires revenue derived from a source other than the 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 Fiscal Officer should allocate rollback/homestead monies in the same manner as general property tax monies are allocated on the Statement of Semiannual Apportionment of Taxes. Because we did not test fund allocation for all receipts, our report provides no assurance whether or not additional similar errors occurred. The Fiscal Officer made the adjustments to the Township's ledgers on September 21, 2015.

- c. We determined whether the receipts were recorded in the proper year. We found no exceptions.

**Debt**

- 1. The prior audit documentation disclosed no debt outstanding as of December 31, 2012.
- 2. We inquired of management, and scanned the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2014 or 2013 or debt payment activity during 2014 or 2013. We noted no new debt issuances, nor any debt payment activity during 2014 or 2013.

**Payroll Cash Disbursements**

- 1. We haphazardly selected one payroll check for all employees from 2014 and one payroll check for all employees from 2013 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 recomputed gross and net pay and agreed it to the amount recorded in the payroll register. We found no exceptions.
  - c. We determined whether the fund and account code to which the check was posted were reasonable based on the employees' duties or as required by statute. 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, 2014 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 2014. We noted the following:

<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 and Medicare	January 31, 2015	December 29, 2014	\$298	\$298
State income taxes	January 15, 2015	December 29, 2014	104	104
School district income tax	January 30, 2015	December 29, 2014	129	129
OPERS retirement	January 30, 2015	December 29, 2014	1,111	1,111

- 3. We inquired of management and scanned the Payment Register Detail Report for the years ended December 31, 2014 and 2013 to determine if Township employees and/or trustees were reimbursed for out-of-pocket insurance premiums. We noted no such reimbursements.

### **Non-Payroll Cash Disbursements**

We haphazardly selected ten disbursements from the Payment Register Detail Report for the year ended December 31, 2014 and ten from the year ended December 31, 2013 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 six instances 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. We recommend the Fiscal Officer certify disbursements in accordance with the requirements of Ohio Rev. Code Section 5705.41(D).

### **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 and Bridge funds for the years ended December 31, 2014 and 2013. The amounts agreed.
2. We scanned the appropriation measures adopted for 2014 and 2013 to determine whether, for the General, Gasoline Tax, and Road and 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 2014 and 2013 for the following funds: General, Gasoline Tax, and Road and Bridge. 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, Gasoline Tax, and Road and Bridge funds for the years ended December 31, 2014 and 2013. We noted no funds for which appropriations exceeded certified resources.
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, 2014 and 2013 for the General, Gasoline Tax, and Road and Bridge fund, 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, 2014 and 2013. 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 2014 and 2013 Revenue Status Reports and Appropriation Status Reports for evidence of interfund transfers 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.
9. We scanned the Cash Summary by Fund Report for the years ended December 31, 2014 and 2013 for negative cash fund balances. Ohio Rev. Code Section 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 fund having a negative cash fund balance.

#### **Compliance – Contracts and Expenditures**

We inquired of management and scanned the Payment Register Detail Report for the years ended December 31, 2014 and 2013 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

Columbus, Ohio

August 11, 2015

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# Dave Yost • Auditor of State

**RIPLEY TOWNSHIP**

**HURON 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  
OCTOBER 20, 2015**