



Dave Yost • Auditor of State





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

Union Township  
Ross County  
9254 Williamsport Pike  
Chillicothe, Ohio 45601

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Union Township, Ross 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 and Investments

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 Cash Summary by Fund Report to the December 31, 2012 balances in the December 31, 2012 Cash Summary by Fund report provided by the Township Fiscal Officer. We found no exceptions. We also agreed the January 1, 2014 beginning fund balances recorded in the Cash Summary by Fund Report to the December 31, 2013 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, 2014 and 2013 fund cash balances reported in the Fund Status Reports. The amounts agreed.
4. We confirmed the December 31, 2014 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, 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 Payment Register Detail Report, to determine the debits were dated prior to December 31. We noted no exceptions.

6. We tested investments held at December 31, 2014 and December 31, 2013 to determine that they:
  - a. Were of a type authorized by Ohio Rev. Code Sections 135.13, 135.14 or 135.144. We found no exceptions.
  - b. Mature within the prescribed time limits noted in Ohio Rev. Code Section 135.13 or 135.14. 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 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 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 five receipts from the State Distribution Transaction Lists (DTL) from 2014 and five from 2013. We also selected five receipts from the County Auditor's Vendor Audit Trail Report 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.
  - 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.

#### **Charges for Services Receipts**

We confirmed the amounts paid from MBI, the service organization that performs the emergency medical service billings, to the Township during 2014 and 2013:

- a. We determined whether these receipts were allocated to the proper fund. For 2013 the amount confirmed was \$471 more than the amount posted to the Ambulance and EMS Services Fund. For 2014 the amount confirmed was \$331 less than the amount posted to the Ambulance and EMS Services Fund. However, because we did not test all receipts, our report provides no assurance regarding whether or not differences occurred due to timing circumstances.

- b. We determined whether the receipts were recorded in the proper year. For 2013 the amount confirmed was \$471 more than the amount posted to the Ambulance and EMS Services Fund. For 2014 the amount confirmed was \$331 less than the amount posted to the Ambulance and EMS Services Fund. However, because we did not test all receipts, our report provides no assurance regarding whether or not differences occurred due to timing circumstances.

**Debt**

1. From the prior agreed-upon procedures report and inquiry with the Township's Fiscal Officer, we noted the following notes and loans outstanding as of December 31, 2012. These amounts agreed to the Townships January 1, 2013 balances on the summary we used in step 3.

Issue	Principal outstanding as of December 31, 2012:
Fire Truck Loan	\$119,238
Brush Truck Note	\$34,350

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. All debt noted agreed to the summary we used in step 3.
3. We obtained a summary of loan and note debt activity for 2014 and 2013 and agreed principal and interest payments from the related debt amortization schedules to the Ambulance and EMS Services Special Revenue Fund and the General Bond (Note) Retirement Debt Service Fund 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 noted the following exceptions related to the Rosenbauer fire truck loan, for which the Township received proceeds in 2013 and 2014:
- The due date for the first payment per the amortization schedule provided by the Township was October 1, 2013 whereas the first payment was made on November 25, 2013. The amortization schedule allocated the amount of \$41,317 between principal - \$37,460 and interest - \$3,857. When the November 25, 2013 payment was made, the Township had received \$154,678 of the total note amount of \$374,602. The payment was allocated entirely to principal by the bank.
  - The due date for the second payment per the amortization schedule provided by the Township was April 1, 2014 whereas the second payment was made by the Township on April 2, 2014. The amortization schedule allocated the amount of \$41,242 between principal - \$37,460 and interest - \$3,782. The Loan payment remittance from the bank indicated an amount due of \$38,348 allocated between principal - \$37,460 and interest - \$888. When the April 2, 2014 payment was made, the Township had received the entire \$374,602 principal amount of the note. The amount paid by the Township was \$41,243 which included additional principal in the amount of \$2,895.
  - The date due for the third payment per the amortization schedule provided by the Township was October 1, 2014 with payment being made by the Township on October 1, 2014 in the amount of \$40,759 and on October 15, 2014 in the amount of \$82. The amortization schedule allocated the amount of \$40,841 between principal - \$37,460 and interest - \$3,381. The Loan payment remittance from the bank indicated an amount due of \$40,759 allocated between principal - \$37,460 and interest - \$3,299.

We recommended and the Township obtained an updated amortization schedule from the financial institution from which it received the Rosenbauer fire truck loan.

4. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the Fire Fund per the Receipt Register Report. The amounts agreed.
5. For new debt issued during 2014 and 2013, we inspected the debt legislation, noting the Township must use the proceeds to purchase a pumper truck. We scanned the Payment Register Detail Report and noted the Township purchased the fire truck chassis in November 2013 and the Township purchased the pumper apparatus in April 2014.

**Payroll Cash Disbursements**

1. We haphazardly selected one payroll check for five employees from 2014 and one payroll check for five employees from 2013 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 determined whether the fund and account codes to which the check was posted were reasonable based on the employees' duties as documented in the minute record 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 & Medicare	January 31, 2015	December 31, 2014	\$3,351	\$3,351
State income taxes	January 15, 2015	December 30, 2014	\$422	\$422
Local income tax	January 31, 2014	December 31, 2014	\$75	\$75
OPERS retirement	January 30, 2015	December 31, 2014	\$2,480	\$2,480

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. Insurance reimbursements made were in compliance with ORC 505.60 and 505.601.

**Non-Payroll Cash Disbursements**

1. We haphazardly selected ten disbursements from the Payment Register Detail Report for the year ended December 31, 2014 and ten from the year ended 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 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, Road and Bridge and Fire 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, Road and Bridge and 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 2014 and 2013 for the following funds: General, Road and Bridge, and Fire Funds. 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, Road and Bridge and Fire 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, Road and Bridge and Fire 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 Interfund Transfer and Interfund Advance Reports for evidence of interfund transfers exceeding \$5,000 which Ohio Rev. Code Sections 5705.14 - .16 restrict. We found no evidence of transfers or advances 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 balance. 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 funds having a negative cash fund balance.

#### **Compliance – Contracts & 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

June 29, 2015



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**UNION TOWNSHIP**

**ROSS 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, 2015**