

***WASHINGTON TOWNSHIP***  
***COLUMBIANA COUNTY, OHIO***

**AGREED UPON PROCEDURES**

**For the Years Ended December 31, 2015 and 2014**







# Dave Yost • Auditor of State

Board of Trustees  
Washington Township  
18698 Clarks Mill Road  
Salineville, Ohio 43945

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of Washington Township, Columbiana County, prepared by Charles E. Harris & Associates, Inc., for the period January 1, 2014 through December 31, 2015. Based upon this review, we have accepted this report in lieu of the audit required by Section 117.11, Revised Code. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

## **Fiscal Officer and Trustee Salary FFR Repaid under audit**

Per Ohio Revised Code Section 505.24 and 507.09 trustee and fiscal officer salaries are based on the annual budget of the township. On January 1, 2014 the annual budget of the Township was set at \$496,749.22 setting the fiscal officer salary at \$12,733 and the trustee salaries at \$8,490. On March 14, 2014 the annual budget was increased to \$501,188.82 which increases the salary of the fiscal officer to \$14,147 and the trustees to \$9,004. The Township incorrectly paid the fiscal officer and trustees the higher amount retroactively for pays when the January 1, 2014 budget was in effect.

Fiscal officer and trustee pays should be paid based on the budget in place at the time the work occurred.

In accordance with the forgoing facts and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery for public monies illegally expended is hereby issued against Tonya Sevek, Fiscal Officer; James Sevek, Trustee; Pete Sambrook, Trustee, and Charles Jarvis, Trustee and favor of Washington Township, Columbiana County in the amounts of \$278; \$101; \$101; and \$101 respectively. And in favor to the following Washington Township, Columbiana County funds:

Employee	General	Road and Bridge	Gasoline Tax	Motor Vehicle License Tax
Tonya Sevek	\$278			
James Sevek	10	16	58	17
Pete Sambrook	11	14	63	13
Charles Jarvis	11	21	44	25

Tonya Sevek, James Sevek, Pete Sembrook, and Charles Jarvis repaid \$278, \$101, \$101, and \$101 via payroll deductions on the following warrants 12045, 12048, 12047, and 12046 respectively.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements Washington Township is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

Dave Yost  
Auditor of State

June 1, 2016

**WASHINGTON TOWNSHIP  
COLUMBIANA COUNTY  
Audit Report  
For the Years Ended December 31, 2015 and 2014**

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

Washington Township  
Columbiana County  
18698 Clarks Mill Road  
Salineville, Ohio 43945

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Washington Township (the Township) and the Auditor of State 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, 2015 and 2014, 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, 2015 and December 31, 2014 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2014 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2013 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2015 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2014 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, 2015 and 2014 fund cash balances reported in the Fund Status Reports. The amounts agreed.
4. We observed the year-end bank balances on the financial institution's website. The balances agreed. We also agreed the confirmed balances to the amounts appearing in the December 31, 2015 bank reconciliation without exception.
5. We selected one (all) reconciling debit (such as outstanding checks) from the December 31, 2015 bank reconciliation:
  - a. We traced the debit to the subsequent January bank statement. We found no exceptions.
  - b. We traced the amount and date to the check register, to determine the debit was dated prior to December 31. We noted no exceptions.

6. We tested investments held at December 31, 2015 and December 31, 2014 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, Intergovernmental and Other Confirmable Cash Receipts**

1. We selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the Statement) for 2015 and one from 2014:
  - 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 2015 and 2014. We noted the Receipts Register Report included the proper number of tax receipts for each year.
3. We selected four (all) receipts from the State Distribution Transaction Lists (DTL) from 2015 and four (all) from 2014. We also selected five receipts from the County Auditor's DTLs from 2015 and five from 2014.
  - 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.
4. We confirmed the amounts paid from Spectra Energy to the Township during 2015 with the Corporation. We found no exceptions.
  - a. We determined whether these receipts were allocated to the proper funds. We noted receipt of monies held to ensure the satisfactory restoration of Township roads. A portion of these funds should have been placed in an Agency Fund, however the Township placed these amounts into the General Fund. We found no other exceptions.
  - b. 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, 2013.
2. We inquired of management, and scanned the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2015 or 2014 or debt payment activity during 2015 or 2014. All debt noted agreed to the summary we used in step 3.
3. We obtained a summary of note debt activity for 2015 and 2014. No loan payments are due until 2016.

4. We attempted to agree the amount of debt proceeds from the debt documents to amounts recorded in the Receipt Register Report, however we noted that the Township did not record the loan transaction.
5. For new debt issued during 2015, we inspected the debt legislation, noting the Township must use the proceeds to purchase a 2015 Terrastar SFA 4x4 truck. We scanned the Payment Register Detail Report and noted that the Township did not record the disbursement for the truck, although the truck is in possession of the Township.

**Payroll Cash Disbursements**

1. We haphazardly selected one payroll check for five employees from 2015 and one payroll check for five employees from 2014 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 that the Fiscal Officer and the three Trustees were overpaid by \$278.92 and \$101.39 each, respectively. We brought this to management's attention, and these amounts will be repaid during 2016.
  - 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 employees' personnel files and minute records. We also determined whether the payment was posted to the proper year. We found no exceptions.
2. For any new employees selected in step 1 we determined whether the following information in the employees' personnel files and minute record 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, 2015 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 2015. 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 (and social security, for employees not enrolled in pension system)	January 31, 2016	January 4, 2016	\$838.13	\$838.13
State income taxes	January 31, 2016	January 19, 2016	\$326.18	\$326.18

Local income tax	January 31, 2016	January 19, 2016	\$210.43	\$210.43
OPERS retirement	January 30, 2016	January 19, 2016	\$1,669.89	\$1,669.89

4. For the pay periods ended May 31, 2015 and November 30, 2014, we recomputed the allocation of the Fiscal Officer's and Boards' salaries to the General, Gasoline Tax, Road and Bridge Fund, and Motor Vehicle License Tax Fund per the Employee Detail Adjustment Report. We found no exceptions.
5. For the pay periods described in the preceding step, we traced the Fiscal Officer's and Boards' salary for time or services performed to supporting certifications the Revised Code requires. We found no exceptions.
6. We inquired of management and scanned the Payment Register Detail Report for the years ended December 31, 2015 and 2014 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

1. We haphazardly selected ten disbursements from the Payment Register Detail Report for the year ended December 31, 2015 and ten from the year ended December 31, 2014 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, Gasoline Tax and Fire funds for the years ended December 31, 2015 and 2014. The amounts on the *Certificate* agreed to the amount recorded in the accounting system, except for the following funds. The Revenue Status Report recorded budgeted (i.e. certified) resources for the General fund of \$35,463 for 2015. However, the final *Amended Official Certificate of Estimated Resources* reflected \$220,663. The Revenue Status Report recorded budgeted (i.e. certified) resources for the General fund of \$36,448 for 2014. However, the final *Amended Official Certificate of Estimated Resources* reflected \$37,322. The Revenue Status Report recorded budgeted (i.e. certified) resources for the Gasoline Tax fund of \$60,047 for 2014. However, the final *Amended Official Certificate of Estimated Resources* reflected \$90,158. The Revenue Status Report recorded budgeted (i.e. certified) resources for the Fire fund of \$34,000 for 2014. However, the final *Amended Official Certificate of Estimated Resources* reflected \$37,835. 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 2015 and 2014 to determine whether, for the General, Gasoline Tax 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 2015 and 2014 for the following funds: General, Gasoline Tax and 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, Gasoline Tax and Fire funds for the years ended December 31, 2015 and 2014. 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, 2015 and 2014 for the General, Gasoline Tax 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, 2015 and 2014. We also inquired of management regarding whether the Township received new restricted receipts. We noted that the Township received money from Spectra Energy which should have been placed in an Agency Fund, however the Township placed these items in the General Fund.
7. We scanned the 2015 and 2014 Revenue Status Reports and Appropriation Status Reports for evidence of interfund transfers exceeding \$1 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, 2015 and 2014 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, 2015 and 2014 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, the Board of Trustees, the Auditor of State and others within the Township, and is not intended to be, and should not be used by anyone other than these specified parties.

*Charles Harris Associates*

**CHARLES E. HARRIS & ASSOCIATES, INC.**

March 17, 2016

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# Dave Yost • Auditor of State

**WASHINGTON TOWNSHIP**

**COLUMBIANA 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 14, 2016**