



Dave Yost • Auditor of State



**CAMBRIDGE TOWNSHIP  
GUERNSEY COUNTY**

**TABLE OF CONTENTS**

**TITLE** \_\_\_\_\_ **PAGE**

Independent Accountants' Report on Applying Agreed-Upon Procedures ..... 1

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

Cambridge Township  
Guernsey County  
PO Box 1383  
Cambridge, OH 43725

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Cambridge Township, Guernsey County, Ohio (the Township), on the receipts, disbursements and balances recorded in the Townships cash basis accounting records for the years ended December 31, 2016 and 2015 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the Township. The Township is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2016 and 2015 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Township. 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 recalculated the December 31, 2016 and December 31, 2015 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2015 beginning total fund balance recorded in the Cash Summary by Fund report to the December 31, 2014 balance in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2016 beginning fund balances recorded in the Cash Summary by Fund Report to the December 31, 2015 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, 2016 and 2015 fund cash balances reported in the Fund Status Reports. The amounts agreed.
4. We confirmed the December 31, 2016 bank account balances with the Township's financial institutions. We found no exceptions.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2016 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 Appropriation Payment Register, to determine the debits were dated prior to December 31. There were no exceptions.

### **Cash (Continued)**

6. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2016 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 Appropriation Payment Register, to determine the debits were dated prior to December 31. There were no exceptions.

### **Property Taxes, Intergovernmental and Other Confirmable Cash Receipts**

1. We haphazardly selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the Statement) for 2016 and one from 2015:
  - a. We traced the gross receipts from the *Statement* to the amount recorded in the Receipt Detail Report. The amounts agreed.
  - b. We inspected the Receipt Detail Report to confirm the receipt was allocated to the proper funds as required by Ohio Rev. Code §§ 5705.05-.06 and 5705.10. We found no exceptions.
  - c. We inspected the Receipt Detail Report to confirm whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We inspected the Receipt Detail Report to determine whether it included two real estate tax receipts for 2016 and 2015. The Receipt Detail Report included the proper number of tax receipts for each year.
3. We haphazardly selected five receipts from the State Distribution Transaction Lists (DTL) from 2016 and four from 2015. We also haphazardly selected five receipts from the Guernsey County Auditor's Accounts Payable Report from 2016 and five from 2015.
  - a. We compared the amount from the above reports to the amount recorded in the Receipt Detail Report. The amounts agreed.
  - b. We inspected the Receipt Detail Report to determine that these receipts were allocated to the proper funds. We found no exceptions.
  - c. We inspected the Receipt Detail Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

### **Payroll Cash Disbursements**

1. We haphazardly selected one payroll check for five employees from 2016 and one payroll check for five employees from 2015 from the Appropriation Payment Register and:
  - a. We compared the hours and pay rate, or salary recorded in the Wage Detail Report to time cards, pay stubs, and minute records. We found no exceptions.
  - b. We inspected the fund and account codes to which the check was posted to determine the posting was reasonable based on the employees' duties set by statute by the trustees. We also confirmed the payment was posted to the proper year. We found no exceptions.
2. For any new employees selected in step 1 we inspected the minute record for the following information and compared it with the information used to compute gross and net pay related to this check:
  - a. Name.
  - b. Authorized salary or pay rate.
  - c. Department(s) and fund(s) to which the check should be charged.
  - d. Retirement system participation and payroll withholding.

**Payroll (Continued)**

- e. Federal, State & Local income tax withholding authorization and withholding Any other deduction authorizations (deferred compensation, etc.).
- f. Any other deduction authorization (deferred compensation, etc.).

We found no exceptions related to steps a. – f. above.

3. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2016 to confirm 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 2016. 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)	1/31/17	1/4/17	\$1,351.61	\$1,351.61
State income taxes	1/31/17	1/4/17	\$178.62	\$178.62
Local income tax	1/18/17	1/1/17	\$190.74	\$190.74
OPERS retirement	1/30/17	1/4/17	\$3,275.64	\$3,275.64

4. For the pay periods ended January 6, 2016 and August 5, 2015, and all pay periods in the audit period for Board of Trustees, we recomputed the allocation of the Trustees' and Fiscal Officer's salaries to the Gasoline Tax and General Funds per the Appropriation Payment Register. We noted there were no certification sheets for the Trustees. We scanned the remaining pay periods for these years and we found no certifications were completed.

Ohio Rev. Code § 505.24(C) sets forth the method by which township trustees' compensation should be allocated.

Ohio Rev. Code §§ 505.24 and 507.09 require township trustees and fiscal officers, respectively, to certify the amount of work performed on restricted funds. The Board did not prepare any payroll certifications for 2016 or 2015.

The Gasoline Tax Fund was charged \$32,790 in 2016 and \$30,459 in 2015 without any payroll certifications for the Trustees. The Township made the adjustment to reduce the General Fund by \$63,249 and increase the Gasoline Tax Fund by \$63,249 on July 18, 2017.

The Township should review to H.B. 153, as well as Ohio Rev. Code §§ 505.24 and 507.09, and adopt formal administrative procedures regarding signed certifications of the allocation of payroll by each Trustee for each monthly pay period. The Fiscal Officer should not distribute the Trustees' salary until such signed certification is obtained. If they are paid 100% out of the General Fund, no certification is required.

5. For the pay periods described in the preceding step, we traced the Trustees' and Fiscal Officer's salaries for time or services performed to supporting certifications the Revised Code requires. We noted there were no certification sheets for the Trustees' salaries. The Township should require its Trustees to complete certifications documenting the percentage of time that the Trustees spend providing services related to each fund they charge.

### **Payroll (Continued)**

6. We haphazardly selected and recomputed one termination payment (unused vacation, etc.) using the following information, and agreed the computation to the amount paid as recorded in the Appropriation Payment Register
  - a. Accumulated leave records.
  - b. The employee's pay rate in effect as of the termination date.
  - c. The Township's payout policy.

The amount paid was consistent with the information recorded in a. through c. above.

7. We inquired of management and inspected the Payment Register Detail Report for the years ended December 31, 2016 and 2015 to determine if township employees and/or trustees were reimbursed for out-of-pocket insurance premiums. Insurance reimbursements made were in compliance with Ohio Rev. Code §§ 505.60 and 505.601 and federal regulations.

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

We haphazardly selected ten disbursements from the Appropriation Payment Register for the year ended December 31, 2016 and ten from the year ended 2015 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 Appropriation Payment Register 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 § 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 § 5705.36(A)(1), to the amounts recorded in the Comparison of Budget and Appropriated Report for the General, Motor Vehicle License Tax, and Gasoline Tax Funds for the years ended December 31, 2016 and 2015. The amounts agreed.
2. We inspected the appropriation measures adopted for 2016 and 2015 to determine whether, for the General, Motor Vehicle License Tax, and Gasoline Tax 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 § 5705.38(C). We found no exceptions.
3. We compared total appropriations required by Ohio Rev. Code §§ 5705.38 and 5705.40, to the amounts recorded in the Comparison of Budget and Appropriated Report 2016 and 2015 for the following funds: General, Motor Vehicle License Tax, and Gasoline Tax. The amounts on the appropriation resolutions agreed to the amounts recorded in the Comparison of Budget and Appropriated Report for 2016 and 2015.
4. Ohio Rev. Code §§ 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, Motor Vehicle License Tax, and Gasoline Tax Funds for the years ended December 31, 2016 and 2015. We found no funds for which appropriations exceeded certified resources.



### **Compliance – Budgetary (Continued)**

5. Ohio Rev. Code § 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, 2016 and 2015 for the General, Motor Vehicle License Tax, and Gasoline Tax Funds, as recorded in the Appropriation Payment Register. We found no funds for which expenditures exceeded appropriations.
6. Ohio Rev. Code § 5705.09 requires establishing separate funds to segregate externally-restricted resources. We inspected the Receipt Detail Report for evidence of new restricted receipts requiring a new fund during December 31, 2016 and 2015. We also inquired of management regarding whether the Township received new restricted receipts. We observed no evidence of new restricted receipts for which Ohio Rev. Code § 5705.09 would require the Township to establish a new fund.
7. For funds existing in prior years, inspect the fund activity to determine whether the fund is still being used for the statutorily approved purpose and that all the required funds were established. We found that all the required funds were established and no funds for which the statutorily approved purpose was no longer valid were included on the accounting records.
8. We inspected the 2016 and 2015 Receipt Detail Report and Appropriation Payment Register for evidence of interfund transfers exceeding \$1,000 which Ohio Rev. Code §§ 5705.14 - .16 restrict. We found no evidence of transfers these Sections prohibit, or for which § 5705.16 would require approval by the Tax Commissioner and Court of Common Pleas.
9. We inquired of management and inspected the Appropriation Payment Register to determine whether the Township elected to establish reserve accounts permitted by Ohio Rev. Code § 5705.13. The Township did not establish these reserves.
10. We inspected the Fund Status Report for the years ended December 31, 2016 and 2015 for negative cash fund balances. Ohio Rev. Code § 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. No funds had a negative cash fund balance.

### **Compliance – Contracts & Expenditures**

We inquired of management and inspected the Appropriation Payment Register for the years ended December 31, 2016 and 2015 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 § 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.

### **Other Compliance**

Ohio Rev. Code § 117.38 requires townships to file their financial information in the HINKLE system within 60 days after the close of the fiscal year. Financial information for 2016 was filed on April 4, 2017 and financial information for 2015 was filed on February 27, 2017 which was not within the allotted timeframes. The Township should make sure their financial information is filed in the HINKLE system before the 60 day deadline.

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*. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Township's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is for the use of the Township to assist in evaluating its receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2016 and 2015 and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.

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

**Dave Yost**  
Auditor of State  
Columbus, Ohio

July 18, 2017



# Dave Yost • Auditor of State

**CAMBRIDGE TOWNSHIP**

**GUERNSEY 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 3, 2017**