

TEXAS TOWNSHIP

CRAWFORD COUNTY

**JANUARY 1, 2012 TO DECEMBER 31, 2013
AGREED UPON PROCEDURES**



Dave Yost • Auditor of State

Board of Trustees
Texas Township
5772 Knauss Road
Sycamore, Ohio 44882

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of Texas Township, Crawford County, prepared by Holbrook & Manter, for the period January 1, 2012 through December 31, 2013. Based upon this review, we have accepted this report in lieu of the audit required by Section 117.11, Revised Code.

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. Texas Township is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

July 31, 2014

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INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

Board of Trustees
Texas Township
5772 Knauss Road
Sycamore, Ohio 44882

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Texas 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, 2013 and 2012, 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, 2013 and 2012 bank reconciliations.
 - No exceptions were noted during the testing of the bank reconciliations.
2. We agreed the January 1, 2012 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2011 documentation in the prior year Agreed-Upon Procedures working papers. We also agreed the January 1, 2013 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2012 balances in the Fund Ledger Report.
 - The beginning fund balances tied to the prior year ending fund balances.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2013 and 2012 fund cash balances reported in the Fund Status Reports.
 - The amounts agreed from the bank reconciliation to the Fund Status Report.

Cash and Investments (continued)

4. We confirmed the December 31, 2013 and 2012 bank account balance with the Township's financial institution and agreed the confirmed balances to the amounts appearing in the December 31, 2013 and 2012 bank reconciliations.
 - The confirmed balance of the checking account agreed to those amounts within the bank reconciliation, and no exceptions were noted.

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 2013 and one from 2012 and traced the gross receipts from the *Statement* to the amount recorded in the Receipt Register Report, determined whether the receipt was allocated to the proper fund(s) as required by Ohio Rev. Code Sections 5705.05-.06 and 5705.10, and determined whether the receipt was recorded in the proper year.
 - We found no exceptions during our testing of the County receipts.
2. We scanned the Receipt Register Report to determine whether it included two real estate tax receipts for 2013 and 2012.
 - We found no exceptions during our testing of receipts.
3. We selected all receipts from the State Distribution Transaction Lists (DTL) from 2013 and all receipts from 2012 and compared the amount from the DTL to the amount recorded in the Receipt Register Report. We also determined whether these receipts were allocated to the proper funds and whether the receipts were recorded in the proper year.
 - We found no exceptions during our testing of the State receipts.
4. We also selected five receipts from the County Auditor's DTLs from 2013 and five from 2012 and compared the amount from the DTL to the amount recorded in the Receipt Register Report. We also determined whether these receipts were allocated to the proper funds and whether the receipts were recorded in the proper year.
 - We found no exceptions when comparing the County confirms to the Receipt Register Report.
5. We agreed the amounts paid from the Ohio Public Works Commission to the Township during 2012 to the documentation supporting the amount received. We determined whether the receipt was allocated to the proper fund and whether the receipt was recorded in the proper year.
 - The receipt was recorded to the proper fund; however, it was recorded to miscellaneous when it should have been recorded to Ohio Public Works.

Debt

1. The prior agreed upon procedures documentation disclosed no debt outstanding as of December 31, 2011.
2. We inquired of management, and scanned the Receipt Register Report and Payment Register Detail Report for evidence of debt issued and payment activity during 2013 and 2012.
 - We noted no new debt issuances or any debt payment activity during 2013 and 2012.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for each employees from 2013 and one payroll check for each employees from 2012 from the Employee Detail Adjustment Report and tested the following attributes:
 - 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 determined whether the account code(s) to which the check was posted was reasonable based on the employees’ duties as documented in the employees’ personnel files and time records and determined whether the payment was posted to the proper year.
- No exceptions were noted during our testing of payroll cash disbursements.
2. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2013 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 2013. We noted the following:

Withholding (Plus employer share where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income tax & Medicare	January 31, 2014	December 18, 2013	679.50	679.50
State income taxes	January 15, 2014	December 9, 2013	62.85	62.85
OPERS retirement	January 30, 2014	December 9, 2013	633.07	633.07

- No exceptions were noted during the testing of the withholdings and all payments tested were made timely.

Payroll Cash Disbursements (continued)

3. For the pay periods ended July 8, 2013 and October 8, 2012, we recomputed the allocation of the Fiscal Officer's and Boards' salaries to the General and Gasoline Tax Funds per the Employee Detail Adjustment Report.
 - We found that the allocation of time between the General and Gasoline Tax Funds appeared reasonable when compared to the Boards' timesheets for the noted pay periods.
4. For the pay periods described in the preceding step, we traced the Fiscal Officer's and Boards' salary for time or services performed to the supporting certifications that the Ohio Revised Code requires.
 - The Township properly utilized the certifications for salary allocation.
5. We inquired of management and scanned the Payment Register Detail Report for the years ended December 31, 2013 and 2012 to determine if township employees and /or trustees were reimbursed for out-of-pocket insurance premiums.
 - We found one insurance reimbursement that did not have the proper support attached for 2012 or 2013. Support was provided for current premium amounts; however, support could not be located for 2012 or 2013. All other 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, 2013 and ten from the year ended 2012 to determine the following:

The disbursements are for a proper public purpose. We found no exceptions.

- 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.
- This payment was posted to a fund consistent with the restricted purpose for which the fund's cash can be used. We found no exceptions.
- 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 issues in 2013. In 2012, we found one insurance reimbursement that did not have the proper support attached; however, support was provided for current premium amounts for the same individual.

Compliance-Budgetary

1. We compared the total estimated receipts from the Amended 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 Fund, Gasoline Tax Fund, and the Road and Bridge Fund for the years ended December 31, 2013 and 2012.
 - The amounts on the Certificate agreed to the amount recorded in the accounting system.
2. We scanned the appropriation measures adopted for 2013 and 2012 to determine whether, for the General Fund and the Gasoline Tax Fund, 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 when scanning appropriation measures to determine that each department had personal services appropriated separately.
3. We compared the total appropriations required by Ohio Rev. Code Section 5705.38 and 5705.40 to the amounts recorded in the Appropriation Status Report for 2013 and 2012 for the General Fund, Motor Vehicle License Tax Fund, Gasoline Tax Fund, Road and Bridge Fund, Cemetery Fund, Street Lighting Fund and Cemetery Bequest Fund.
 - The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Status report.
4. Ohio Rev. Code Section 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 Fund, Gasoline Tax Fund, and the Cemetery Fund for the years ended December 31, 2013 and 2012.
 - We noted no exceptions when comparing appropriations to 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, 2013 and 2012, as recorded in the Appropriation Status Report for the General and Gasoline Tax Fund.
 - We noted no exceptions where expenditures exceeded appropriations.
6. Ohio Rev. Code Section 5705.09 requires establishing separate funds to segregate externally-restricted resources. We scanned the Receipts Register Report for evidence of new restricted receipts requiring a new fund during December 31, 2013 and 2012. 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.

Compliance-Budgetary (continued)

7. We scanned the 2013 and 2012 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. No exceptions were noted.
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; therefore, no exceptions were noted.
9. We scanned the Cash Summary by Fund Report for the years ended December 31, 2013 and 2012 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 was established. As a result, a negative fund cash balance indicates that money from one fund was used to cover the expenses of another.
 - No negative fund balances were noted for the years ended December 31, 2013 or December 31, 2012.

Compliance-Contracts & Expenditures

1. We inquired of management and scanned the Payment Register Detail Report for the years ended December 31, 2013 and 2012 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 preformed 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, 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.

Shullbrook & Mante

Certified Public Accountants

June 25, 2014
Marion, Ohio

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Dave Yost • Auditor of State

TEXAS TOWNSHIP

CRAWFORD 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 12, 2014**