



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

St. Albans Township
Licking County
2585 Johnstown-Alexandria Road
Alexandria, Ohio 43001

We have performed the procedures enumerated below, with which the Board of Trustees and the management of St. Albans Township (the Township) have 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 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 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 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 receipts were 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 Statement of Semi-Annual Apportionments 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.

Over-The-Counter Cash Receipts

We haphazardly selected 10 over-the-counter cash receipts from the year ended December 31, 2014 and 10 over-the-counter cash receipts from the year ended 2013 recorded in the duplicate cash receipts book and determined whether the:

- a. Receipt amount agreed to the amount recorded in the Receipt Register Report. The amounts agreed.
- b. Amount charged complied with rates in force during the period. We found no exceptions.
- c. Receipt was posted to the proper funds, and was recorded in the proper year. We found no exceptions.

Debt

1. From the prior audit documentation, we noted the following bond 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 Station Bond	\$1,184,879

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 bond debt activity for 2014 and 2013 and agreed principal and interest payments from the invoiced m payment schedule, to 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 found no exceptions.

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 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 determined whether the fund and account code(s) 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 one exception in which a Trustees' pay came solely from the Road and Bridge Fund as approved by resolution. Township officials are required to attend board meetings in order to conduct the regular business of the township. Attendance at board meetings and other activities supporting the general business of the township must be allocated to the general fund; therefore, the allocation of 100 percent of an official's compensation to funds other than the general fund is not permitted under Ohio Rev. Code 505.24. The transaction selected for testing covered the period of Feb. 1 - Feb 28, 2013; the Trustee was in attendance for the meeting on February 13. Therefore, \$57 of the selected payroll check should have been paid from the general fund. Adjustments were made by the Township to its accounting ledgers. We recommend the Fiscal Officer to properly allocate salaries in accordance with Ohio Rev. Code section 505.24.

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.

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes	31-Jan-15	1/2/2015	\$ 34,184.04	\$ 34,184.04
State income taxes	15-Jan-15	1/2/2015	\$ 1,771.10	\$ 1,771.10
School District Income Tax- Centerburg	2-Feb-15	1/2/2015	\$ 89.28	\$ 89.28
School District Income Tax- Jackson Town	2-Feb-15	1/2/2015	\$ 577.20	\$ 577.20
School District Income Tax- Newark	2-Feb-15	1/2/2015	\$ 829.21	\$ 829.21
School District Income Tax- Reynoldsburgh	2-Feb-15	1/2/2015	\$ 101.92	\$ 101.92
School District Income Tax- South West Licking	2-Feb-15	1/2/2015	\$ 173.49	\$ 173.49
OPERS retirement (withholding plus employee share)	31-Jan-15	12/31/2014	\$ 2,673.60	\$ 2,673.60

Payroll Cash Disbursements (Continued)

3. For the pay periods ended January 31, 2014 and November 30, 2013, we recomputed the allocation of the Boards salaries to the General and Road and Bridge Fund per the Employee Wage Detail Report. In FY 2013 & 2014, we found that two of three Trustees tested were paid 100% of their annual salary from the Road and Bridge fund in violation of Ohio Rev. Code section 505.24. As a result, we reviewed all pays in 2014 and 2013 for both Trustees paid exclusively from the Road and Bridge fund and calculated the amount of time which should have been charged to the general fund for general township business and meetings. For 2014, the road and bridge fund paid an excess of \$1,754 in trustee salaries. For 2013, the road and bridge fund paid an excess of \$1,585 in trustee salaries. Adjustments were made by the Township to its accounting ledgers. We recommend the Fiscal Officer to properly allocate salaries in accordance with Ohio Rev. Code section 505.24.
4. For the pay periods described in the preceding step, we traced the Trustee' salary for time or services performed to supporting certifications the Revised Code requires. We found the Trustees approved a resolution for two trustees' annual salaries to be paid 100% from the road & bridge fund. This resolution is in violation of Ohio Rev. Code section 505.24 as time spent for general business activities and for board of Trustee meetings are required to be paid from the Township General fund. We recommend for the Township to pass a new resolution to allocate salaries in accordance with the Ohio Rev. Code.
5. 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

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 one instance in each fiscal year where disbursements were erroneously posted to restricted funds instead of being paid from the general fund. For 2014, \$1,666 was incorrectly posted to the Motor Vehicle License Tax fund and \$2,000 was incorrectly posted to the Gas Tax Fund. For 2013, \$50 was incorrectly posted to the Motor Vehicle License Tax Fund. Adjustments were made by the Township to its accounting ledgers. We recommend for the fiscal officer to only post allowable expenditures to restricted funds.
 - 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 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, Motor Vehicle Tax, and Road and Bridge funds for the years ended December 31, 2014 and 2013. The amounts on the *Certificate* did not agree to the amount recorded in the accounting system for the General, Gas Tax, and Road and Bridge funds. The Revenue Status Report recorded budgeted (i.e. certified) resources for the General fund of \$142,169, for the Gas Tax Fund \$101,909, and for the Road and Bridge Fund \$267,664 for 2014. However, for FY 2014 the final *Amended Official Certificate of Estimated Resources* reflected \$146,998 for General Fund, \$84,265 for Gas Tax Fund, and \$196,462 for Road and Bridge. For FY 2013, the Revenue Status Report recorded budgeted (i.e. certified) resources for the General Fund of \$120,446, Gas Tax Fund \$87,000, and for the Road and Bridge fund \$188,061. However, for FY 2013, the Final Amended Official Certificate of Estimated Resources reflected \$121,218 for General Fund, Gas Tax fund \$88,338, and for Road and Bridge \$194,481. 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 2014 and 2013 to determine whether, for the General, Gas 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, Gas Tax, and Road and Bridge. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Status Report for all selected funds in 2013 and for the Road & Bridge fund in 2014. The amounts on the appropriation resolutions did not agree to the amounts recorded in the Appropriation Status report in 2014 for the General and Gas Tax funds. The Appropriation Status Report recorded final appropriations for the General fund of \$141,232; and for the Gas Tax Fund \$101,909 for 2014. However, the FY 2014 final appropriation measures submitted to the County Auditor reflected \$129,103 for General Fund; and \$93,909 for Gas Tax Fund. The fiscal officer should periodically compare amounts recorded in the Appropriation Status Report to amounts recorded on the appropriation measures submitted to the County. If the amounts do not agree, the Trustees may be using inaccurate information for budgeting and monitoring purposes.
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, Gas Tax, and Road and Bridge funds for the years ended December 31, 2014 and 2013. We noted that Gas Tax Fund appropriations for 2014 exceeded certified resources by \$735, contrary to Ohio Rev. Code Section 5705.39. The Trustees should not pass appropriations exceeding certified resources. Allowing this to occur could cause the Township to incur fund balance deficits.

Compliance – Budgetary (Continued)

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, Gas Tax, and Road and Bridge funds, as approved in the annual appropriation measure. We noted that General Fund expenditures for 2014 exceeded total appropriations by \$1,314, contrary to Ohio Rev. Code Section 5705.41(B). The Fiscal Officer should not certify the availability of funds and should deny payment requests exceeding appropriations. The Fiscal Officer may request the Trustees to approve increased expenditure levels by increasing appropriations and amending estimated resources, if necessary, and if resources are available.
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 exceeding \$1000 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 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.

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

April 28, 2015

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ST ALBANS TOWNSHIP

LICKING 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
MAY 19, 2015**