

HARTFORD TOWNSHIP

LICKING COUNTY

**JANUARY 1, 2015 TO DECEMBER 31, 2016
AGREED UPON PROCEDURES**



Dave Yost • Auditor of State

Board of Trustees
Hartford Township
PO Box 203
Croton, Ohio 43013

We have reviewed the *Independent Accountant's Report on Applying Agreed-Upon Procedures* of Hartford Township, Licking County, prepared by Julian & Grube, Inc., for the period January 1, 2015 through December 31, 2016. 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. Hartford 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, flowing style.

Dave Yost
Auditor of State

June 15, 2017

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Julian & Grube, Inc.
Serving Ohio Local Governments

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Hartford Township
Licking County
PO Box 203
Croton, Ohio 43013

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Hartford Township and the Auditor of State, on the receipts, disbursements and balances recorded in Hartford Township's 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 management of Hartford Township. Hartford 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 Hartford 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 and Investments

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 fund balances recorded in the Cash Summary by Fund Report to the December 31, 2014 balances 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 Cash Summary by Fund Reports. The amounts agreed.
4. We confirmed the December 31, 2016 bank account balances with Hartford Township's financial institutions. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2016 bank reconciliation without exception.

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 Payment Export, to determine the debits were dated prior to December 31. There were no exceptions.
6. We selected the reconciling credit (deposit in transit) from the December 31, 2016 bank reconciliation:
 - a. We did not trace the credit to a subsequent bank statement, as the \$3,753.03 receipt was posted in duplicate. We brought this to management's attention. They adjusted the reconciling credit simultaneously correcting the General Fund balance for this item.
 - b. We agreed the credit amounts to the Receipt Export. The credit was recorded as a November 2015 receipt for the same amount recorded in the reconciliation.
7. We inspected investments held at December 31, 2016 and December 31, 2015 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 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 Export. We also traced the advances noted on the Statement to the Receipt Export. The amounts agreed.
 - b. We inspected the Receipt Export to confirm 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 inspected the Receipt Export to confirm whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We inspected the Receipt Export to determine whether it included two real estate tax receipts for 2016 and 2015 plus two advances for 2016. We noted the Receipts Export included the proper number of tax receipts for each year.
3. We selected the five receipts from the State Distribution Transaction Lists (DTL) from 2016 and the three from 2015. We also haphazardly selected five receipts from the County Auditor's Monthly Allocation Sheets from 2016 and five from 2015.
 - a. We compared the amount from the above reports to the amount recorded in the Receipt Export. The amounts agreed.
 - b. We inspected the Receipt Export to determine whether these receipts were allocated to the proper fund(s). We found no exceptions.
 - c. We inspected the Receipt Export to determine whether the receipts were recorded in the proper year. We found no exceptions.
4. We confirmed the amount paid from the State of Ohio Public Works Commission to the vendor, on Hartford Township's behalf, during 2015 with the Commission. We found no exceptions.
 - a. We inspected the Receipt Export to determine whether the receipt was allocated to the proper fund. We found no exceptions.
 - b. We inspected the Receipt Export to determine whether the receipt was recorded in the proper year. We found no exceptions.

Debt

1. From the prior audit documentation, we observed the following bond and loan outstanding as of December 31, 2014. These amounts agreed to Hartford Townships January 1, 2015 balances on the summary we used in step 3.

Issue	Principal outstanding as of December 31, 2014:
CAT Maintainer Loan	\$71,795
Tractor Bonds	64,000

2. We inquired of management, and inspected the Receipt Export and Payment Export for evidence of debt issued during 2016 or 2015 or debt payment activity during 2016 or 2015. All debt noted agreed to the summary we used in step 3.
3. We obtained a summary of loan and bonded debt activity for 2016 and 2015 and agreed principal and interest payments from the related debt amortization schedules to Road and Bridge Fund payments reported in the Payment Export. 1 of 4 payments were properly recorded in total; however, the amounts applied to principal and interest did not agree to the amortization schedules. We also compared the date the debt service payments were due to the date Hartford Township made the payments, noting 4 of 4 payments were paid after the date due per the amortization schedule.
4. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the General fund per the Receipt Export. The amounts agreed. Hartford Township improperly recorded the \$153,283 proceeds in the General fund, rather than the Road and Bridge fund from which the funds were previously disbursed in accordance with the authorized purpose. We brought this item to management's attention. They adjusted the General and Road and Bridge fund balances.
5. For new debt issued during 2016, we inspected the debt legislation, noting Hartford Township must use the proceeds to purchase a dump truck and related road equipment. We inspected the Payment Export and noted Hartford Township purchased a truck, dump body, and plow attachments in August of 2016.

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 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 inspected the fund and account code(s) to which the check was posted to determine the posting was reasonable based on the employees' duties as documented in the employees' personnel files 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, 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:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare	January 31, 2017	December 31, 2016	\$1,378.90	\$1,378.90
State income taxes	January 15, 2017	December 31, 2016	271.93	271.93
OPERS retirement	January 30, 2017	December 31, 2016	2,662.43	2,662.43

3. For the pay periods ended November 30, 2016 and February 28, 2015, we recomputed the allocation of the Boards' salaries to the General, Road and Bridge, and Cemetery Funds per the Wage Detail Report. We found no exceptions.
4. For the pay periods described in the preceding step, we traced the Boards' salary for time or services performed to supporting certifications the Revised Code requires. We found no exceptions.
5. We inquired of management and scanned the Payment Export 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 ORC 505.60 and 505.601 and federal regulations.

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Payment Export for the year ended December 31, 2016 and ten from the year ended 2015 and determined whether:
- The disbursements were 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 Export and to the names and amounts on the supporting invoices. We found no exceptions.
 - 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.
 - 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 nine instances where the certification date was after the vendor invoice date, and there was also no evidence that a *Then and Now Certificate* was issued. Ohio Rev. Code Section 5705.41(D) requires certifying at the time of a commitment, which should be on or before the invoice date, unless a *Then and Now Certificate* is used. Because we did not test all disbursements requiring certification, our report provides no assurance whether or not additional similar errors occurred.

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 District funds for the years ended December 31, 2016 and 2015. The amounts on the *Certificate* did not agree to the amounts recorded in the accounting system for the General, Road and Bridge, and Fire funds. The Revenue Status Report recorded budgeted (i.e. certified) resources for the General fund of \$354,374 for 2016 and \$287,679 for 2015, the Road and Bridge fund of \$531,561 for 2016 and \$494,007 for 2015, and the Fire District fund of \$314,779 for 2016 and \$412,661 for 2015. However, the final *Amended Official Certificate of Estimated Resources* reflected \$319,034 for 2016 and \$295,412 for 2015 in the General fund, \$447,538 for 2016 and \$506,727 for 2015 in the Road and Bridge fund, and \$427,144 for 2016 and \$414,725 for 2015 in the Fire District fund. 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 inspected the appropriation measures adopted for 2016 and 2015 to determine whether, for the General, Road and Bridge and Fire District 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 2016 and 2015 for the following funds: General, Road and Bridge, and Fire District. 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 District funds for the years ended December 31, 2016 and 2015. 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, 2016 and 2015 for the General, Road and Bridge and Fire District funds, 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 Export for evidence of new restricted receipts requiring a new fund during December 31, 2016 and 2015. We also inquired of management regarding whether Hartford Township received new restricted receipts. Hartford Township received new restricted receipts in the form of bond proceeds during 2016. Per the debt agreement the township was to establish a Bond Retirement Fund for the purpose of servicing the new debt, we noted no such fund established.
7. For funds existing in prior years, we inspected 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 noted 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 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.
9. We inquired of management and scanned the Appropriation Status Reports to determine whether Hartford Township elected to establish reserve accounts permitted by Ohio Rev. Code Section 5705.13. We noted Hartford Township did not establish these reserves.

10. We inspected the Cash Summary by Fund Report for the years ended December 31, 2016 and 2015 for negative cash fund balance. Ohio Rev. Code Section 5705.10 (l) 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 scanned the Payment Export for the years ended December 31, 2016 and 2015 to determine if Hartford 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.

Other Compliance

1. Ohio Rev. Code Section 117.38 requires townships to file their financial information in the HINKLE system within 60 days after the close of the fiscal year. We confirmed Hartford Township filed their complete financial statements, as defined by AOS Bulletin 2015-007, within the allotted timeframe for the years ended December 31, 2016 and 2015 in the HINKLE system. No exceptions noted.
2. We inquired of the fiscal officer and scanned the Fiscal Integrity Act Portal (<http://www.ohioauditor.gov/fiscalintegrity/default.html>) to determine whether the fiscal officer obtained the training required by Ohio Rev. Code Section 507.12 and 733.81. Fiscal Officer obtained the required training.

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 Hartford 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 Hartford Township to assist in evaluating 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.



Julian & Grube, Inc.
May 11, 2017



Dave Yost • Auditor of State

HARTFORD 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
JUNE 27, 2017