

**EAST TOWNSHIP
CARROLL COUNTY**

AGREED-UPON PROCEDURES

**FOR THE YEARS ENDED
DECEMBER 31, 2009 AND 2008**

**Willoughby & Company, Inc.
Certified Public Accountants**



Dave Yost • Auditor of State

Board of Trustees
East Township
8194 Trout Road
Kensington, Ohio 44427

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of East Township, Carroll County, prepared by Willoughby & Company, Inc., for the period January 1, 2008 through December 31, 2009. Based upon this review, we have accepted these reports 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. East 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

August 12, 2011

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WILLOUGHBY & COMPANY, INC.

Certified Public Accountants

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Phone (330) 602-1322 • Fax (330) 602-2610

June 24, 2011

East Township
Carroll County
Kensington, Ohio 44427

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below, with which the Board of Trustees and the management of East Township (the Township) and the Auditor of State agreed, solely to assist Board in evaluating receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2009 and 2008, 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, 2009 and December 31, 2008 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2008 beginning fund balances recorded in the Cash Summary by Fund Report to the December 31, 2007 balances in the prior year audited statements. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2009 and 2008 fund cash balances reported in the Fund Status Report. The amounts agreed.
4. We confirmed the December 31, 2009 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, 2009 bank reconciliation without exception.

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Cash (continued)

5. We selected five outstanding checks haphazardly from the December 31, 2009 bank reconciliation:
 - a. We traced each check to the debit appearing in the subsequent January bank statement. We found no exceptions.
 - b. We traced the amounts and date written to the check register, to determine the checks were dated prior to December 31. We noted no exceptions .

6. We tested investments held at December 31, 2009 and 2008 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 with 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 2009 and one from 2008:
 - a. We traced the gross receipts from the Statement to the amount recorded in the Revenue Ledger. The amounts agreed.
 - b. We determined whether the receipt was allocated to the proper funds as required by Ohio Rev. Code Section 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 Revenue Ledger to determine whether it included the proper number of tax receipts for 2009 and 2008:
 - a. Two personal property tax receipts
 - b. Two real estate tax receipts

We noted the Revenue Ledger did include the proper number of tax settlement receipts each year.

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Property Taxes, Intergovernmental and Other Confirmable Cash Receipts (continued)

3. We selected four (all) receipts from the State Distribution Transaction Lists (DTL) from 2009 and four (all) from 2008. We also selected five receipts from the County Auditor's Distribution Lists (DTL) from 2009 and five from 2008.
 - a. We compared the amount from the DTL to the amount recorded in the Revenue Ledger. 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.

Debt

1. We inquired of management, and scanned the Revenue Ledger and Cash Journal for evidence of bonded or note debt issued during 2009 or 2008 or outstanding as of December 31, 2009 or 2008. We noted no new debt issuances during 2009 or 2008.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for all employees from 2009 and one payroll check for all employees from 2008 from the Payroll Register Detail Report and 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.

2. We tested the checks we selected in Step 1, as follows:
 - a. We compared the hours and pay rate, or salary amount used in computing gross pay to supporting documentation (timecard, legislatively or statutorily -approved rate or salary). We found no exceptions.
 - 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 record or as required by statute. We also determined whether the payment was posted to the proper year. We found no exceptions.

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Payroll Cash Disbursements (continued)

3. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2009 to determine whether remittances were timely paid, and that the amounts paid agreed to the amounts withheld during the final withholding period during 2009. We noted the following:

<u>Withholding</u>	<u>Date Due</u>	<u>Date Paid</u>	<u>Amount Withheld</u>	<u>Amount Paid</u>
Federal income taxes	February 1, 2010	December 31, 2009	\$ 259.06	\$ 259.06
State income taxes	February 1, 2010	December 31, 2009	\$ 296.57	\$ 296.57
OPERS retirement (withholding plus employee share)	February 1, 2010	December 31, 2009	\$ 633.28	\$ 1,519.88

4. For the pay periods ended July 31, 2009 and June 30, 2008, we compared documentation and the recomputation supporting the allocation of Board salaries to the General, Motor Vehicle License and Gasoline Tax Funds. We found no exceptions.
5. For the pay periods described in the preceding step, we traced Board time or services performed to time or activity sheets. We found no exceptions.

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Cash Journal for the year ended December 31, 2009 and ten from the year ended 2008 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 Appropriations Ledger 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.

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Non-Payroll Cash Disbursements

2. We haphazardly selected ten disbursements from the Cash Journal for the year ended December 31, 2009 and ten from the year ended 2008 and determined whether:
 - e. The disbursements were for a proper public purpose. We found no exceptions.
 - f. 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 Appropriations Ledger and to the names and amounts on the supporting invoices. We found no exceptions.
 - g. 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.
 - h. 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 from the *Amended Official Certificate of Estimated Resources*, required by Ohio Rev. Code Section 5705.36(A)(1), to the amounts recorded in the Comparison of Budgeted and Actual Receipts from the Cash Basis Annual Financial Report for the General, Motor Vehicle License and Gasoline Tax Funds for the years ended December 31, 2009 and 2008. The amounts on the Certificate agreed to the amount recorded in the accounting system except for the General Fund for 2009. The *Amended Official Certificate of Estimated Resources* was higher than the Township's Uniform Accounting Network by \$30,282 an amount approved by the Carroll County Auditor but not updated in the Township's Uniform Accounting Network system.
2. We scanned the appropriation measures adoption for 2009 and 2008 to determine whether, for the General, Motor Vehicle License 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 Section 5705.38(C). We found no exceptions.
3. We compared the total appropriations required by Ohio Rev. Code Section 5705.38 and 5705.40, to the amounts recorded in the Appropriation Ledger for 2009 and 2008 for the following funds: General, Motor Vehicle Licenses and Gasoline Tax Funds. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Ledger report with no exceptions.
4. Ohio Rev. Code Section 5705.39 prohibits appropriations from exceeding the certified resources. We compared total appropriations to total certified resources for the General, Motor Vehicle License and Gasoline Tax Funds for the years ended December 31, 2009 and 2008. We noted no funds for which appropriations exceeded certified resources.

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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, 2009 and 2008 for the General, Motor Vehicle Licenses and Gasoline Tax Funds, as recorded in the Appropriation Ledger. 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 Revenue Ledger for evidence of new restricted receipts requiring a new fund during December 31, 2009 and 2008. We also inquired of management regarding whether the Township received new restricted receipts. We noted no 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 2009 and 2008 Revenue Ledger and Appropriation Ledger 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.**
8. **We inquired of management and scanned the Appropriation Ledger 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 accounts.**

Compliance – Contracts & Expenditures

1. **We inquired of management and scanned the Cash Journal and Appropriations Ledger for the years ended December 31, 2009 and 2008 for procurements requiring competitive bidding under the following statutes:**
 - a. **Materials, machinery and tools used in constructing, maintaining and repairing roads and culverts, where costs exceeded \$25,000 (Ohio Rev. Code Section 5549.21)**
 - b. **Construction and erection of a memorial building or monument costs exceeding \$25,000 Ohio Rev. Code Section 511.12)**
 - c. **Equipment for fire protection and communication costs exceeding \$50,000 (Ohio Rev. Code Sections 505.37 to 505.42)**
 - d. **Street lighting systems or improvement costs exceeding \$25,000 (Ohio Rev. Code Section 515.07)**
 - e. **Building modification costs exceeding \$25,000 to achieve energy savings (Ohio Rev. Code Section 505.264)**
 - f. **Private sewage collection tile costs exceeding \$25,000 (Ohio Rev. Code Sections 521.02 to 521.05)**
 - g. **Fire apparatus, mechanical resuscitators, other fire equipment, appliances, materials, fire hydrants, buildings, or fire-alarm communications equipment or service costs exceeding \$50,000 (Ohio Rev. Code Section 505.37(A))**

We identified no purchases subject to the aforementioned bidding requirements.

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Compliance – Contracts & Expenditures (continued)

2. We inquired of management and scanned the Cash Journal and Appropriation Ledger for the years ended December 31, 2009 and 2008 to determine if the Township had road construction projects exceeding \$45,000 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 and those charged with governance and the Auditor of State and is not intended to be, and should not be used by anyone other than these specified parties.

Respectfully Submitted,



Willoughby & Company, Inc. – Certified Public Accountants

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Dave Yost • Auditor of State

EAST TOWNSHIP

CARROLL 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 25, 2011**