



**WALDO TOWNSHIP  
MARION COUNTY**

**AGREED-UPON PROCEDURES**

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



**Mary Taylor, CPA**  
Auditor of State



**WALDO TOWNSHIP  
MARION COUNTY**

**TABLE OF CONTENTS**

| <b>TITLE</b>  | <b>PAGE</b> |
|---|-------------|
| Independent Accountants' Report on Applying Agreed-Upon Procedures..... | 1           |

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# Mary Taylor, CPA

## Auditor of State

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

Waldo Township  
Marion County  
P.O. Box 64  
Waldo, Ohio 43356

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Waldo Township, Marion County, Ohio, (the Township) agreed, solely to assist the Board in evaluating certain 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 attestation standards established by the American Institute of Certified Public Accountants' 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 Board. 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 totals per the bank reconciliations to the total of December 31, 2009 and 2008 fund cash balances reported in the Fund Status Reports. The amounts agreed.
3. We confirmed the December 31, 2009 bank account balances with the Township's financial institutions. We found no exceptions. We also observed the year-end bank balances on the financial institution's website. The balances agreed. We also agreed the confirmed balances to the amounts appearing in the December 31, 2009 bank reconciliation without exception.
4. We selected all outstanding checks 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.
5. There were no deposits in transit on the December 31, 2009 bank reconciliation.
6. We tested interbank account transfers occurring in December of 2008 to determine if they were properly recorded in the accounting records and on each bank statement. We found no exceptions. There were no interbank account transfers in December of 2009.

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### Cash and Investments (Continued)

7. We tested investments held at December 31, 2009 and December 31, 2008 to determine that they:
  - a. Were of a type authorized by Ohio Rev. Code 135.13, 135.14 or 135.144. We found no exceptions.
  - b. Mature within the prescribed time limits noted in Ohio Rev. Code 135.13 or 135.14. We noted no exceptions at December 31, 2008. At December 31, 2009, the Township held two certificates of deposit with maturities of 13 months and 18 months.

Ohio. Rev. Code § 135.13 requires that interim deposits in certificates of deposit mature not more than one year from the date of deposit unless the interim deposits have been designated as inactive funds by the Board of Trustees, at which time, the certificates of deposit are required to mature prior to the end of the depository contract with the financial institution. The Township should purchase certificates of deposits with maturities of one year or less or designate the funds held in such certificates of deposit as inactive.

### Property Taxes and Intergovernmental 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 amount from the *Statement* to the amount recorded in the Receipt Register Report. The amount agreed.
  - b. We determined whether the receipt was allocated to the proper fund(s) as required by Ohio Rev. Code 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 Receipt Register Report to determine whether it included the proper number of tax receipts for 2009 and 2008:
  - i. Two personal property tax receipts
  - ii. Two real estate tax receipts

We noted the Receipts Register Report included the proper number of tax settlement receipts for each year.

3. We selected all receipts from the State Distribution Transaction Lists (DTL) from 2009 and 2008. We also selected five receipts from the County Auditor's DTLs from 2009 and five from 2008.
  - a. We compared the amount from the DTL to the amount recorded in the Receipt Register Report. The amounts agreed.
  - b. We determined whether these receipts were allocated to the proper fund(s). We noted the two real property tax rollbacks from the State DTL in both 2009 and 2008, each being approximately \$4,400, were allocated solely to the General Fund rather than being allocated to both the General and the Road and Bridge Funds. Of the four \$4,400 receipts, approximately \$475 of each receipt should have been allocated to the Road and Bridge Fund.

Ohio Rev. Code § 5705.10 requires that all revenue derived from a special levy to be credited to a special fund for the purpose for which the levy was made. The Township has agreed to and properly posted these adjustments to the accounting records.

- c. We determined 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 2009 and one payroll check for five employees from 2008 from the Payroll Ledger and determined whether the following information in the 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. Department(s) and fund(s) 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. For the checks we selected in step 1, we recomputed the gross and net pay amounts 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 recomputed gross and net pay and agreed it to the amount recorded in the payroll register. We found no exceptions.
  - c. We determined whether the fund and account code(s) to which the check was posted was reasonable based on the employees' duties as documented in the minute record or as required by statute. We also determined whether the payment was posted to the proper year. For the two Trustee payroll checks selected in both 2009 and 2008 in step 1 above, "Statements of Monthly Activity" were completed by the Trustees as documentation for the 75% allocation of gross payroll to the Gasoline Tax Fund. We noted no additional exceptions.

The "Statement of Monthly Activity" completed by the Trustees each month documents the percentage of time spent on Township roads. However, no timesheet or similar method of recordkeeping, documenting the proportionate amount chargeable to other Township funds based on the kinds of services rendered, was completed by each Trustee as support for the 75% allocation documented on the Statement. We recommend that each Trustee utilize a timesheet or similar method of recordkeeping to document the proportionate amount chargeable to other Township funds based on the kinds of services rendered.

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:

| <b>Withholding</b>                                 | <b>Date Due</b>  | <b>Date Paid</b> | <b>Amount</b> |
|--|------------------|------------------|---------------|
| Federal income taxes                               | January 31, 2010 | December 8, 2009 | \$223         |
| State income taxes                                 | January 15, 2010 | January 12, 2009 | \$119         |
| OPERS retirement (withholding plus employee share) | January 30, 2010 | December 8, 2009 | \$1,082       |

### Payroll Cash Disbursements (Continued)

4. For the pay periods ended March 31, 2009 and August 31, 2008, we compared documentation and the recomputation supporting the allocation of Board salaries to the General and Gasoline Tax Funds. We noted exceptions that have been documented in Step #2 of the Payroll Cash Disbursements section of this report.
5. For the pay periods described in the preceding step, we traced Board time or services performed to time or activity sheets. We noted exceptions that have been documented in Step #2 of the Payroll Cash Disbursements section of this report.

### Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Payment Register Detail Report for the year ended December 31, 2009 and ten from the year ended 2008 and determined whether:
  - a. In our opinion, 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 for check #7655, dated February 12, 2008, in the amount of \$82, made out to the United States Postal Service, that no supporting invoice was maintained. The Township should maintain supporting invoices for all disbursements.
  - 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 eight instances where the certification date was after the vendor invoice date. Ohio Rev. Code Section 5705.41(D) requires certifying at the time of a commitment, which should precede the invoice date.

### Compliance – Budgetary

1. We compared the total from the *Amended Official Certificate of Estimated Resources*, required by Ohio Rev. Code Section 5705.36, to the amounts recorded in the Revenue Status Report for the General, Gasoline Tax and Cemetery funds for the years ended December 31, 2009 and 2008. The amounts on the *Certificate* agreed to the amount recorded in the accounting system.
2. We scanned the appropriation measures adopted for 2009 and 2008 to determine whether, for the General, Gasoline Tax and Cemetery 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 Section 5705.38 and 5705.40, to the amounts recorded in the Appropriation Status Report for 2009 and 2008 for the following funds: General, Gasoline Tax, and Cemetery. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Status report.
4. Ohio Rev. Code Section 5705.39 prohibits appropriations from exceeding the certified resources from Step 1 above. We compared total appropriations to total certified resources for the General, Gasoline Tax and Cemetery funds for the years ended December 31, 2009 and 2008. We noted no funds for which appropriations exceeded certified resources.



### **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, Gasoline Tax and Cemetery 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 Register Report 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 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 2009 and 2008 Revenue Status Reports and Appropriation Status Reports for evidence of interfund transfers which Ohio Rev. Code Sections 5705.14-.16 restrict. We noted no evidence of interfund transfers in either 2009 or 2008.
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.

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

1. We inquired of management and scanned the Payment Register Detail report 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.

2. We inquired of management and scanned the Payment Register Detail Report 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 one project in 2008 requiring the County Engineer to complete a cost estimate. We noted that the Township requested and received a cost estimate from the County Engineer for the project.

**Compliance – Contracts & Expenditures (Continued)**

3. For the road maintenance project described in step 2 above, we read the contract and noted that it required the contractor to pay prevailing wages to their employees as required by Ohio Rev. Code Sections 4115.04 and 4115.05. We also noted the contract did not include the Ohio Director of Commerce's schedule of prevailing rates.

Ohio Rev. Code § 4115.04 requires that the Ohio Director of Commerce's schedule of prevailing wages be attached to and made part of the specifications for the work. The Township should attach the schedule of prevailing wages to all required bid specifications.

**Officials' Response**

We did not receive responses from Officials to the exceptions reported above.

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 those charged with governance and is not intended to be, and should not be used by anyone other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

January 26, 2010



**Mary Taylor, CPA**  
Auditor of State

**WALDO TOWNSHIP**

**MARION 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 6, 2010**