

DALLAS TOWNSHIP

CRAWFORD COUNTY

**JANUARY 1, 2010 TO DECEMBER 31, 2011
AGREED UPON PROCEDURES**



Dave Yost • Auditor of State

Board of Trustees
Dallas Township
1121 State Route 294
Bucyrus, Ohio 44820

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of Dallas Township, Crawford County, prepared by Holbrook & Manter, for the period January 1, 2010 through December 31, 2011. 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. Dallas 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

September 26, 2012

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INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

Board of Trustees
Dallas Township
1121 ST RT 294
Bucyrus, Ohio 44820

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Dallas 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, 2011 and 2010, 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, 2011 and 2010 bank reconciliations.
 - No exceptions were noted during the testing of the bank reconciliations.
2. We agreed the January 1, 2010 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2009 balances in the prior year audited financial statements.
 - The January 1, 2010 beginning fund balances tied to the December 31, 2009 balances on the prior year audited financial statements.
3. We agreed the totals per the bank reconciliations to the corresponding totals in the December 31, 2011 and 2010 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, 2011 and 2010 bank account balances with the Township's financial institutions and agreed the confirmed balances to the corresponding amounts appearing in the December 31, 2011 and 2010 bank reconciliations. We also confirmed the collateral amounts on these cash balances.
 - The confirmed balances on the checking account agreed to those amounts within the bank reconciliation, and no exceptions were noted.
 - The balances of the collateral and FDIC limits adequately covered the cash balances at December 31, 2011 and 2010.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2011 bank reconciliation and traced each debit appearing in the subsequent January and February bank statements. We also traced the amounts and date written to the check register, to determine that the debits were dated prior to December 31.
 - We found no exceptions when testing the reconciling debits.

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 2011 and one from 2010 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 the proper number of tax receipts for 2011 and 2010 which includes two real estate tax receipts.
 - We found no exceptions during our testing of receipts.
3. We selected all receipts from the State Distribution Transaction Lists (DTL) from 2011 and all receipts from 2010 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 six receipts from the County Auditor's DTLs from 2011 and five from 2010 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.

Debt

1. The prior audit documentation disclosed no debt outstanding as of December 31, 2009.
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 2011 and 2010.
 - We noted no new debt issuances or any debt payment activity during 2011 and 2010.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2011 and one payroll check for five employees from 2010 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, 2011 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 2011. We noted the following:

Withholding (Plus employer share where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income tax & Medicare	January 31, 2012	December 22, 2011	540.60	540.60
State income taxes	January 15, 2012	December 22, 2011	83.49	83.49
OPERS retirement	January 30, 2012	December 13, 2011	764.06	764.06

- No exceptions were noted during the testing of the withholdings and all payments tested were made timely.
3. For the pay periods ended October 8, 2011 and March 6, 2010, we compared documentation and the recomputation supporting the allocation of the Boards' salaries to the General, Gasoline Tax Fund, and the Road and Bridge Fund per the Employee Detail Adjustment Report.
 - No exceptions were noted in the Boards' allocation of salaries.

Payroll Cash Disbursements (continued)

4. For the pay periods described in the preceding step, we traced the Boards' time for services performed to supporting certifications the Revised Code requires.
 - During 2011, the Township was utilizing the proper time sheets and provided them to the fiscal officer each pay, however beginning in October of 2011, the required certification was not implemented. The 2010 pay periods tested, we found no exceptions.

Official's Response: The Fiscal Officer is now aware of the requirement to utilize the certifications and will properly do so in the future.

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Payment Register Detail Report for the year ended December 31, 2011 and ten from the year ended 2010 to determine the following:
 - The disbursements are for a proper public purpose.
 - 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.
 - The payment was posted to a fund consistent with the restricted purpose for which the fund's cash can be used.
 - 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 two instances where warrant amounts exceeded corresponding purchase orders. No additional purchase order was issued and approved. Because we did not test all disbursements requiring purchase orders, our report provides no assurance whether additional similar errors occurred.
 - No exceptions were noted in the testing of non-payroll cash disbursements.

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, Motor Vehicle License Tax Fund, Gasoline Tax Fund, Road and Bridge Fund, Fire Fund and Ambulance Fund for the years ended December 31, 2011 and 2010.
 - The amounts on the Certificate agreed to the amount recorded in the accounting system.

Compliance-Budgetary (continued)

2. We scanned the appropriation measures adopted for 2011 and 2010 to determine whether, for the General Fund, Motor Vehicle License Tax Fund, Gasoline Tax Fund, Road and Bridge Fund, Fire Fund and Ambulance 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 2011 and 2010 for the following funds: the General Fund, Motor Vehicle License Tax Fund, Gasoline Tax Fund, Road and Bridge Fund, Fire Fund and Ambulance 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 for the General Fund, Motor Vehicle License Tax Fund, Gasoline Tax Fund, Road and Bridge Fund, Fire Fund and Ambulance Fund. We compared total appropriations to total certified resources for the years ended December 31, 2011 and 2010.
 - 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, 2011 and 2010 for the General Fund, Motor Vehicle License Tax Fund, Gasoline Tax Fund, Road and Bridge Fund, Fire Fund and Ambulance Fund as recorded in the Appropriation Status Report.
 - 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, 2011 and 2010. 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 2011 and 2010 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.

Compliance-Budgetary (continued)

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.

Compliance-Contracts & Expenditures

1. We inquired of management and scanned the Payment Register Detail report for the years ended December 31, 2011 and 2010 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 (\$50,000 effective September 29, 2011) (Ohio Rev. Code Section 5549.21)
 - b. Construction and erection of a memorial building or monument costs exceeding \$25,000 (\$50,000 effective September 29, 2011) (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 (\$50,000 effective September 29, 2011) (Ohio Rev. Code Section 515.01 & 515.07)
 - e. Building modification costs exceeding \$25,000 (\$50,000 effective September 29, 2011) to achieve energy savings (Ohio Rev. Code Section 505.264)
 - f. Private sewage collection tile costs exceeding \$25,000 (\$50,000 effective September 29, 2011) (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))
 - h. Maintenance and repair of roads exceeding \$45,000 (Ohio Rev. Code Section 5575.01)
 - i. Construction or reconstruction of a township road exceeding \$15,000/per mile (Ohio Rev. Code Section 5575.01)
 - We identified a contract for road improvements in 2011 and 2010 exceeding \$45,000, subject to Ohio Rev. Code Section 5575.01. For these projects, the Board of Trustees advertised the projects in the local newspaper, and selected the lowest responsive and responsible bidder.

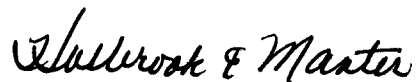
Compliance-Budgetary (continued)

2. We inquired of management and scanned the Payment Register Detail Report for the years ended December 31, 2011 and 2010 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.

3. For the road maintenance project described in step 1 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. The contract included the Ohio Department of Commerce's schedule of prevailing rates.
 - No exceptions noted.

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, 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.



Certified Public Accountants

June 9, 2012

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Dave Yost • Auditor of State

DALLAS 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
OCTOBER 9, 2012