



Dave Yost • Auditor of State

PERRY TOWNSHIP
MONROE COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Perry Township
Monroe County
38175 State Route 800
Sardis, Ohio 43946

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Perry Township, Monroe County, Ohio (the Township), 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, 2012 and 2011, 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, 2012 and December 31, 2011 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2011 beginning fund balances recorded in the Fund Status Report to the December 31, 2010 balances in the documentation in the prior year Agreed-Up on Procedures working papers. We found no exceptions. We also agreed the January 1, 2012 beginning fund balances recorded in the Fund Status Report to the December 31, 2011 balances in the Fund Status Report. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2012 and 2011 fund cash balances reported in the Fund Status Reports. The amounts agreed.
4. We confirmed the December 31, 2012 bank account balance with the Township's financial institution. We found no exceptions. We also agreed the confirmed balance to the amount appearing in the December 31, 2012 bank reconciliation without exception.
5. We selected five outstanding checks haphazardly from the December 31, 2012 bank reconciliation:
 - a. We traced each outstanding check to the subsequent January bank statement. We found no exceptions.
 - b. We traced the amounts and dates to the check register, to determine the outstanding checks were dated prior to December 31. We noted no exceptions.

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Property Taxes and Intergovernmental Cash Receipts

1. We selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the Statement) for 2012 and one from 2011:
 - 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 receipt was recorded in the proper year.
2. We scanned the Receipt Register Report to determine whether it included two real estate tax receipts for 2012 and 2011. 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 2012 and all four from 2011. We also selected five receipts from the County Auditor's Appropriation History Report from 2012 and five from 2011.
 - 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.

Debt

1. From the prior agreed-upon procedures documentation, we noted the following loans outstanding as of December 31, 2010. These amounts agreed to the Township's January 1, 2011 balances on the summary we used in step 3.

| Issue | Principal outstanding as of December 31, 2010: |
|------------------------------|--|
| John Deer Backhoe Loan | \$15,343 |
| Massey Ferguson Tractor Loan | 35,278 |

2. We inquired of management, and scanned the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2012 or 2011 or debt payment activity during 2012 or 2011. We noted no new debt issuances during 2012 or 2011. All debt payment activity during 2012 and 2011 agreed to the summary we used in Step 3.
3. We obtained a summary of debt activity for 2012 and 2011 and agreed principal and interest payments from the related debt amortization schedules to the Gasoline Tax 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 2012 and one payroll check for five employees from 2011 from the Employee Detail Adjustment Report and:

Payroll Cash Disbursements (Continued)

- a. We compared the hours and pay rate, or salary recorded in the Employee Detail Adjustment Report to supporting documentation (timesheets, 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 file, minute record 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, 2012 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 2012. We noted the following:

3.

| Withholding (plus employer share, where applicable) | Date Due | Date Paid | Amount Due | Amount Paid |
|---|-------------|--------------|---------------|----------------|
| Federal income taxes & Medicare | 1/31/13 | 12/29/12 | \$626.08 | \$626.08 |
| State income taxes | 1/15/13 | 12/29/12 | 92.48 | 92.48 |
| OPERS retirement | 1/30/13 | 12/29/12 | 830.59 | 830.59 |

4. For the pay periods ended March 31, 2012 and October 31, 2011, we recomputed the allocation of the Township Fiscal Officer and Trustee's salaries to the General, Motor Vehicle License Tax, Gasoline Tax, and Road and Bridge Funds per the Employee Detail Adjustment Report. We found no exceptions.
5. For the pay periods described in the preceding step, we traced the Township Fiscal Officer's and Trustee's salary for time or services performed to supporting certifications the Revised Code requires. We found no exceptions.

Non-Payroll Cash Disbursements

We haphazardly selected ten disbursements from the Payment Register Detail Report for the year ended December 31, 2012 and ten from the year ended 2011 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 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 two 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, Motor Vehicle License and Gasoline Tax Funds for the years ended December 31, 2012 and 2011. The amounts agreed.
2. We scanned the appropriation measures adopted for 2012 and 2011 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 total appropriations required by Ohio Rev. Code Sections 5705.38 and 5705.40, to the amounts recorded in the Appropriation Status Report for 2012 and 2011 for the following funds: General, Motor Vehicle License and Gasoline Tax. The amounts on the Appropriation Resolutions did not agree to the amounts recorded in the Appropriation Status Report. The Appropriation Status Report for 2012 recorded appropriations for the General, Motor Vehicle License and Gasoline Tax Funds of \$30,289, \$18,039 and \$139,691, respectively. However, the Appropriation Resolution reflected \$29,020, \$18,001, and \$125,863 for the General, Motor Vehicle License and Gasoline Tax Funds, respectively. The Appropriation Status Report for 2011 recorded appropriations for the General, Motor Vehicle License and Gasoline Tax Funds of \$28,549, \$13,356 and \$98,153, respectively. However, the Appropriation Resolution reflected \$21,042, \$15,728 and \$82,710 for the General, Motor Vehicle License and Gasoline Tax Funds, respectively. The Township Fiscal Officer should periodically compare amounts recorded in the Appropriation Status Report to amounts recorded on the Appropriation Resolution to assure they agree. If the amounts do not agree, the Township 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, Motor Vehicle License and Gasoline Tax Funds for the years ended December 31, 2012 and 2011. We noted the Motor Vehicle License Tax Fund appropriations for 2011 exceeded certified resources by \$268, contrary to Ohio Rev. Code Section 5705.39. The Township Trustees should not pass appropriations exceeding certified resources. Allowing this to occur could cause the Township to incur fund balance deficits.
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, 2012 and 2011 for the General, Motor Vehicle License and Gasoline Tax Funds, as recorded in the Appropriation Status Report. We noted that Gasoline Tax Fund expenditures for 2012 exceeded total appropriations by \$285 and the General and Gasoline Tax Funds' expenditures for 2011 exceeded appropriations by \$612 and \$6,766, respectively, contrary to Ohio Rev. Code Section 5705.41(B). The Township Fiscal Officer should not certify the availability of funds and should deny payment requests exceeding appropriations. The Township Fiscal Officer may request the Township Trustees to approve increased expenditure levels by increasing appropriations and amending estimated resources, if necessary, and if resources are available.

Compliance – Budgetary (Continued)

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, 2012 and 2011. We also inquired of management regarding whether the Township received new restricted receipts. The Township established the Federal Emergency Management Agency (FEMA) Fund during 2011 to segregate FEMA receipts and disbursements, in compliance with Section 5705.09.
7. We scanned the 2012 and 2011 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.
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

We inquired of management and scanned the Payment Register Detail Report for the years ended December 31, 2012 and 2011 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.



Dave Yost
Auditor of State

May 24, 2013

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PERRY TOWNSHIP

MONROE 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 18, 2013