



Dave Yost • Auditor of State



GALLIPOLIS TOWNSHIP  
GALLIA COUNTY

TABLE OF CONTENTS

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

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

Gallipolis Township  
Gallia County  
1069 Second Avenue  
Gallipolis, Ohio 45631

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Gallipolis Township, Gallia 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, 2010 and 2009, 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. The Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). Government Auditing Standards considers this service to impair the independence of the Auditor of State to provide attest services to the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, Government Auditing Standards permits the Auditor of State to perform this engagement, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code § 117.11(A) mandates the Auditor of State to perform attest services for Ohio governments.

This report only describes exceptions exceeding \$10.

### Cash

1. We tested the mathematical accuracy of the December 31, 2010 and December 31, 2009 bank reconciliations. We found no exceptions.

### **Cash (Continued)**

2. We agreed the January 1, 2009 beginning fund balances recorded in the Fund Status Report to the December 31, 2008 balances in the prior year audited statements. We found that the January 1, 2009 beginning General Fund cash balance per the Fund Status Report exceeded the December 31, 2008 ending balance in the prior year audited statements by \$116. We also found that the January 1, 2009 beginning Motor Vehicle License Tax Fund cash balance per the Fund Status Report was \$116 less than the December 31, 2008 ending balance in the prior year audited statements.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2010 and 2009 fund cash balances reported in the Fund Status Reports. The amounts agreed.
4. We confirmed the December 31, 2010 and 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, 2010 bank reconciliation without exception.
5. We selected five outstanding debits (such as outstanding checks) haphazardly from the December 31, 2010 bank reconciliation:
  - a. We traced each debit to the subsequent January bank statement. We found no exceptions.
  - b. We traced the amounts and date written to the check register, to determine the debits were dated prior to December 31. We noted no exceptions.

### **Property Taxes, Intergovernmental and Other Confirmable Cash Receipts**

1. We selected a property tax receipt from the Gallia County Real Estate Summary - Second Half 2010 Report for 2010 and from the Gallia County Real Estate Summary - First Half 2009 Report for 2009:
  - a. We traced the gross receipts from the Gallia County Real Estate Settlement Summary Reports to the amounts recorded in the Receipt Register Report. The amounts agreed.
  - b. We determined whether the receipts were 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 receipts were recorded in the proper year. The receipts were recorded in the proper year.
2. We scanned the Receipt Register Report to determine whether it included the proper number of tax receipts for 2010 and 2009:
  - a. Two personal property tax receipts
  - b. Two real estate tax receipts

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

3. We selected all four receipts in 2009 and both receipts in 2010 from the State Distribution Transaction List (DTL).
  - a. We compared the amount from the DTL to the amount recorded in the Receipt Register Report. The amounts agreed.

**Property Taxes, Intergovernmental and Other Confirmable Cash Receipts (Continued)**

- 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. The prior audit report disclosed no debt outstanding as of December 31, 2008.
- 2. We inquired of management, and scanned the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2010 or 2009 or debt payment activity during 2010 or 2009. We noted no new debt issuances, nor any debt payment activity during 2010 or 2009.

**Payroll Cash Disbursements**

- 1. We haphazardly selected one payroll check for five employees from 2010 and one payroll check for five employees from 2009 from the Employee Detail/Adjustment Report and:
  - 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 on the employee timesheets 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, 2010 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 during 2010. We noted the following:

Withholding	Date Due	Date Paid	Amount Withheld	Amount Paid
Federal income taxes & Medicare	January 31, 2011	January 3, 2011	\$602.44	\$602.44
State income taxes	January 15, 2011	January 14, 2011	\$654.62	\$654.62
OPERS retirement	January 30, 2011	January 4, 2011	\$1,054.94	\$1,054.94

**Non-Payroll Cash Disbursements**

- 1. We haphazardly selected ten disbursements from the Payment Register Detail Report for the year ended December 31, 2010 and ten from the year ended 2009 and determined whether:
  - a. The disbursements were for a proper public purpose. We found no exceptions.

### Non-Payroll Cash Disbursements (Continued)

- 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 six 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 amounts 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 Tax, and Gasoline Tax funds for the years ended December 31, 2010 and 2009. At December 31, 2010, the estimated receipts posted to the accounting system were less than the amounts on the *Amended Official Certificate of Estimated Resources* as follows: General Fund by \$4,205, Motor Vehicle License Tax Fund by \$110 and Gasoline Tax Fund by \$100. At December 31, 2009, the estimated receipts posted to the accounting system were less than the amounts on the Amended Official Certificate of Estimated Resources as follows: General Fund by \$4,500, Motor Vehicle License Tax Fund by \$110 and Gasoline Tax Fund by \$33,017.
2. We scanned the appropriation measures adopted for 2010 and 2009 to determine whether, for the General, Motor Vehicle License Tax 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 Section 5705.38 and 5705.40, to the amounts recorded in the Appropriation Status Report for 2010 and 2009 for the following funds: General Fund, Motor Vehicle License Tax, and Gasoline Tax Funds. In 2009, the total General Fund appropriations per the accounting system exceeded the Appropriation Measure by \$32,983. In 2009, the total Gasoline Tax Fund appropriations per the system exceeded the Appropriation Measure by \$23,170.
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, 2010 and 2009. 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, 2010 and 2009 for the General, Motor Vehicle License and Gasoline Tax Funds, as recorded in the Appropriation Status Report. We noted that General Fund expenditures for 2009 exceeded total appropriations by \$22,252, contrary to Ohio Rev. Code Section 5705.41(B).
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, 2010 and 2009. 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 2010 and 2009 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**

1. We inquired of management and scanned the Payment Register Detail report for the years ended December 31, 2010 and 2009 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))
  - 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 no purchases subject to the aforementioned bidding requirements.

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

2. We inquired of management and scanned the Payment Register Detail Report for the years ended December 31, 2010 and 2009 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.

**Officials' Response** – We did not receive a response 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 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 4, 2011



# Dave Yost • Auditor of State

**GALLIPOLIS TOWNSHIP**

**GALLIA 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 24, 2011**