

**JACKSON TOWNSHIP**

**CRAWFORD COUNTY**

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





# Dave Yost • Auditor of State

Board of Trustees  
Jackson Township  
7950 Oldfield Road  
Crestline, Ohio 44827

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of Jackson 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. Jackson 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  
Jackson Township  
7950 Oldfield Road  
Crestline, Ohio 44827

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Jackson 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 Agreed-Upon Procedures working papers.
  - The January 1, 2010 beginning fund balances tied to the December 31, 2009 balances in the prior year Agreed Upon Procedures working papers.
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.
  - The confirmed balances on the checking account agreed to those amounts within the bank reconciliation.
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.
6. We selected all reconciling credits (such as deposits in transit) from the December 31, 2011 bank reconciliation and traced each credit to the subsequent January bank statement and agreed the credit amounts to the Receipts Register. Each credit was recorded as a December receipt for the same amount recorded in the reconciliation.
  - We found no exceptions when testing the reconciling credits.
7. We tested investments held at December 31, 2011 and 2010 to determine that they were of a type authorized by Ohio Rev. Code Sections 135.13, 135.14 or 135.144 and matured within the prescribed time limits noted in Ohio Rev. Code Section 135.13 or 135.14. We also confirmed the December 31, 2011 and 2010 account balance with the Township's financial institutions and agreed to the corresponding amounts recorded in the December 31, 2011 and 2010 bank reconciliations.
  - We found no exceptions when testing investments.

### **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.

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

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 five 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. From the prior agreed upon procedures documentation, we noted the following bonds outstanding as of December 31, 2009. The amounts agreed to the Townships January 1, 2010 balances on the summary we used in Step 3.

<b>Issue</b>	<b>Principal outstanding as of December 31, 2009</b>
2007 Tractor Bond	\$ 15,432.06

2. We inquired of management, and scanned the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2011 or 2010 or payment activity during 2011 or 2010.
  - All debt noted agreed to the summary we used in Step 3.
3. We obtained a summary of bond debt activity for 2011 and 2010 and agreed principal and interest payments from the related debt amortization schedule 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 when comparing the payments from the amortization schedule to the actual payments recorded.

### **Debt (continued)**

4. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the General fund per the Receipt Register Report.
  - We found that the sale of the note and the capital outlay was not recorded by the Township. The net effect of the transaction is \$0 as the truck was financed and no proceeds were actually received by the Township. We will make management aware of the treatment for recording the transaction.

**Official's Response:** Management will monitor all future debt transactions for proper recording.

5. For new debt issued during 2010, we inspected the debt legislation, noting the Township must use the proceeds to purchase a new salt spreader / snow plow truck. We scanned the Payment Register Detail Report and found no payment for purchase of the aforementioned vehicle.
  - We found that the sale of the note and the capital outlay was not recorded by the Township. The net effect of the transaction is \$0 as the truck was financed and yearly debt payments commenced in 2011 and were properly paid in 2011. We will make management aware of the treatment for recording the transaction.

**Official's Response:** Management will monitor all future debt transactions for proper recording.

### **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.



**Payroll Cash Disbursements (continued)**

We noted the following:

<b>Withholding</b> (Plus employer share where applicable)	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Due</b>	<b>Amount Paid</b>
Federal income tax & Medicare	January 31, 2012	December 29, 2011	1,373.56	1,373.56
State income taxes	January 15, 2012	December 29, 2011	376.09	376.09
Local income taxes	January 15, 2012	December 29, 2011	22.50	22.50
OPERS retirement	January 30, 2012	December 29, 2011	685.99	685.99

- No exceptions were noted during the testing of the withholdings and all payments tested were made timely.
3. For the pay periods ended February 17, 2011 and November 18, 2010, we compared documentation and the recomputation supporting the allocation of the Trustees' salaries to the General and Gasoline Tax Fund per the Employee Detail Adjustment Report.
    - No exceptions were noted in the Trustees' allocation of salaries.
  4. For the pay periods described in the preceding step, we traced the Trustees' time for services performed to the supporting certifications that the Ohio Revised Code requires.
    - Certificates were not properly used from October 2011 as required by the Auditor of State Technical Bulletin 2011-007; however, timesheets were maintained during the year supporting the allocation to proper fund account codes.

**Official's Response:** Management will utilize certificates in 2012.

**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 funds 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 no exceptions during our testing of 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, the Motor Vehicle License Tax, the Gasoline Tax, the Road and Bridge Fund, the Fire & EMS Fund and the Public Works Commission Projects Fund for the years ended December 31, 2011 and 2010.
  - The amounts on the Certificate agreed to the amounts recorded in the accounting system; however, the Township entered into a loan agreement for a truck during 2011 at which time the Township did not record the sale of the note and the capital outlay. If properly recorded, the amounts on the Certificate would not agree to the amounts recorded in the accounting system, unless they updated the budget appropriately with the County Auditor.

**Official's Response:** Management will monitor all future debt transactions for proper recording.

2. We scanned the appropriation measures adopted for 2011 and 2010 to determine whether, for the General, the Motor Vehicle License Tax, the Gasoline Tax, the Road and Bridge Fund, the Fire & EMS Fund and the Public Works Commission Projects 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 during 2011 when scanning appropriation measures to determine that each department had personal services appropriated separately; however, during 2010, a Public Works Commission Project Fund, created specifically for road projects, was not properly accounted for within the appropriations submitted to the County Auditor.

**Official's Response:** Management will monitor and record the necessary information in the future.

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: General, Motor Vehicle License Tax, Gasoline Tax, Road and Bridge Fund, Fire & EMS Fund and Public Works Commission Projects Fund.
  - The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Status reports, except for the Public Works Commission Project Fund in 2010 as noted as an exception in #2 above. Appropriations were not properly submitted for amendment.

**Official's Response:** Management will monitor and record the necessary information in the future.

**Compliance-Budgetary (continued)**

4. Ohio Rev. Code Section 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, the Motor Vehicle License Tax, the Gasoline Tax funds, the Road and Bridge Fund, the Fire & EMS Fund and the Public Works Commission Projects Fund for the years ended December 31, 2011 and 2010.

- We noted no exceptions when comparing appropriations to certified resources as filed with the County Auditor; however, the recording of the purchase of the new truck and the OPWC project, had they been handled appropriately, may have created variances.

**Official's Response:** Management will monitor and record the necessary information in the future.

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, and the Road and Bridge Fund, as recorded in the Appropriation Status Report.

- We noted no funds for which expenditures exceeded appropriations, except for the Public Works Commission Project Fund in 2010. No amended Appropriations Status Report for 2010 was issued upon receipt of funds. We will make management aware of obtaining amended certificates. We also noted the Township entered into a loan for a truck during 2011 at which time the Township did not record the sale of the note and the capital outlay. If properly recorded, expenditures would have exceeded appropriations as filed with the County Auditor.

**Official's Response:** Management will monitor and record the necessary information in the future.

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**

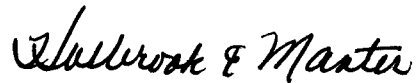
1. We inquired of management and scanned the Payment Register Detail report for the years ended December 31, 2011 and 2010 for procurements requiring competitive bidding under the following statutes:
  - a. Materials, machinery and tools used in constructing, maintaining and repairing roads and culverts, 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 road sealing project exceeding \$45,000 in 2010, subject to Ohio Rev. Code Section 5575.01. For this project, we noted that the Board of Trustees advertised the project in the local newspaper, and in the Trustee's opinion selected the lowest responsive and responsible bidder.

**Compliance-Contracts & Expenditures (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 over the stated project amounts 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 preformed 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 8, 2012

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# Dave Yost • Auditor of State

JACKSON 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