

**PERRY TOWNSHIP
LICKING COUNTY**

AGREED-UPON PROCEDURES

JANUARY 1, 2010 – DECEMBER 31, 2011





Dave Yost • Auditor of State

Board of Trustees
Perry Township
6870 Licking Valley Road
Frazeyburg, Ohio 43822

We have reviewed the *Independent Auditors' Report on Applying Agreed-Upon Procedures* of Perry Township, Licking County, prepared by Wilson, Shannon & Snow, Inc., for the period January 1, 2010 through December 31, 2011. Based upon this review, we have accepted this report 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. Perry 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

April 12, 2012

This page intentionally left blank.

**PERRY TOWNSHIP
LICKING COUNTY**

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT ON APPLYING AGREED-UPON PROCEDURES.....	1

This page intentionally left blank.



INDEPENDENT AUDITORS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Perry Township
Licking County
6414 Branch Road
Frazeyburg, Ohio 43822

To the Board of Trustees:

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Perry Township, Licking County (the Township) and the Auditor of 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 December 31, 2010 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2010 beginning fund balances recorded in the Cash Summary by Fund to the December 31, 2009 balances in the prior year audited statements. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2011 and 2010 fund cash balances reported in the Fund Status Reports. The amounts agreed.
4. We confirmed the December 31, 2011 bank account balances with the Township's financial institutions. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2011 bank reconciliation without exception.
5. We selected five outstanding checks from the December 31, 2011 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 dates written to the check register, to determine the checks were dated prior to December 31. We noted no exceptions.

Wilson, Shannon & Snow, Inc.

CERTIFIED PUBLIC ACCOUNTANTS
Ten West Locust Street
Newark, Ohio 43055
(740) 345-6611
1-800-523-6611
FAX (740) 345-5635

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:
 - a. We traced the gross receipts from the *Statement* to the amount recorded in the Receipt Register Report. We also traced the advances noted on the Statement to the Receipt Register Report. The amounts agreed.
 - b. We determined whether the receipt was allocated to the proper fund(s) 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 the proper number of tax receipts for 2011 and 2010:
 - a. One personal property tax receipt in 2010, none in 2011.
 - b. Two real estate tax receipts, plus one advance.

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

3. We selected five receipts from the State Distribution Transaction Lists (DTL) from 2011 and five from 2010. We also selected five receipts from the County Auditor's DTLs from 2011 and five from 2010.
 - 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 funds. We found no exceptions.
 - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.
4. We confirmed the amounts paid from the Ohio Public Works Commission to the Township during 2010 with the Commission. We found no exceptions.
 - a. We determined whether these receipts were allocated to the proper fund. We found no exceptions.
 - b. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Debt

1. From the prior audit report, we noted the following backhoe note outstanding as of December 31, 2009. This amount agrees to the Township's January 1, 2010 balances on the summary we used in step 3.

<u>Issue</u>	Principal outstanding as of December 31, 2011:
Backhoe Note	\$0

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 debt payment activity during 2011 or 2010. We noted no new debt issuances and all debt noted agreed to the summary we used in step 3.

3. We obtained a summary of backhoe note debt activity for 2011 and 2010 and agreed principal and interest payments from the related debt amortization schedule to the General Fund, Gasoline Tax Fund, and Road and Bridge 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 six employees from 2011 and one payroll check for six employees from 2010 from the manual payroll records:
 - a. We compared the hours and pay rate, or salary manual payroll record to supporting documentation (timesheets, 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 manual payroll record. We found no exceptions.
 - c. 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 minute record and 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, 2011 to determine whether remittances were timely paid, and if the amounts paid agreed to the amounts withheld, 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 taxes	01/31/12	12/31/11	\$1,051.88	\$1,051.88
State income taxes	01/15/12	12/31/11	125.64	125.64
OPERS retirement	01/30/12	12/29/11	1,150.64	1,150.64
School income taxes	01/15/12	12/31/11	116.50	116.50

3. For the pay periods ended March 31, 2011 and August 31, 2010, we compared documentation and the recomputation supporting the allocation of Board salaries to the General and Gas Tax Funds. We found no exceptions.
4. For the pay periods described in the preceding step, we traced Board time or services performed to time or activity sheets. We found no exceptions.

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 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 no exceptions.

We did note one instance in which a contracted individual who provides cemetery mowing services submitted an invoice which indicated a summary of total hours worked for the month paid. We recommend the Township require an itemized daily accounting of what days were worked, hours worked, services provided and performed, and approval from a Trustee evidencing the services billed were performed.

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 all funds for the years ended December 31, 2011 and 2010. The amounts agreed for 2011 and for 2010 we noted the following exceptions:

Fund	Revenue Status Report	Amended Certificate of Estimated Resources – 12/31/10	Variance
General	\$103,350	\$118,362	\$15,012
Motor Vehicle License Tax	9,180	9,200	20
Gas Tax	87,325	87,941	616
Road and Bridge	23,000	23,161	161
Fire	64,900	67,202	2,302
Cemetery Bequest	70	60	10
OPWC	0	53,065	53,065

We recommend the Township post estimated receipts certified by the County Auditor to the accounting system of the Township.

2. We scanned the appropriation measures adopted for 2011 and 2010 to determine whether, for all 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 2011 and 2010 for the following funds General, Motor Vehicle License Tax and Gasoline Tax Funds. 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. We compared total appropriations to total certified resources for all funds for the years ended December 31, 2011 and 2010. We noted no funds for which appropriations exceeded 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, Gas Tax and Motor Vehicle License Tax 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, 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 occurring for either 2011 or 2010 upon review of the Revenue Status Reports and Appropriation Status Reports or within the minutes.
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, 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 in 2010 and \$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 in 2010 and \$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 (Ohio Rev. Code Section 515.07).
 - e. Building modification costs exceeding \$25,000 in 2010 and \$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 in 2010 and \$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 one road project exceeding \$25,000 in 2010 and no projects in 2011 subject to Ohio Rev. Code Section 515.07. For this project, we noted that the Board advertised the project in a local newspaper, and selected the lowest responsible bidder.

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.

Perry Township
Licking County
Independent Auditors' Report on
Applying Agreed-Upon Procedures

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 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.

Wilson, Shannon & Snow, Inc.

WILSON, SHANNON & SNOW INC.

February 12, 2012



Dave Yost • Auditor of State

PERRY TOWNSHIP

LICKING 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
APRIL 24, 2012