

JACKSON TOWNSHIP

CRAWFORD COUNTY

JANUARY 1, 2008 TO DECEMBER 31, 2009

AGREED UPON PROCEDURE



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 of Trustees (the Board) in evaluating receipts, disbursements and balances recorded in its cash-basis accounting records for the years ended December 31, 2009 and 2008, 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. We followed the American Institute of Certified Public Accountants' attestation standards for agreed-upon procedures engagements 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, 2009 and 2008 bank reconciliations.
 - No exceptions were noted during the testing of the bank reconciliations.
2. We agreed the January 1, 2008 beginning fund balances recorded in the Fund Status Report to the December 31, 2007 balances in the prior year audited financial statements.
 - We found no exceptions when agreeing the current year beginning balances to the prior year ending balances.
3. We agreed the totals per the bank reconciliations to the corresponding totals in the December 31, 2009 and 2008 cash balances reported in the Fund Status Reports.
 - The amounts agreed from the bank reconciliation to the Fund Status Report.

Cash (continued)

4. We confirmed the December 31, 2009 and 2008 bank account balances with the Township's financial institutions and agreed the confirmed amounts to the corresponding amounts in the bank reconciliations noted in Cash Step 3.
 - The confirmed balances agreed to those amounts within the bank reconciliation, and no exceptions were noted.
5. We selected five outstanding checks haphazardly from the December 31, 2009 bank reconciliation and traced to the corresponding bank statements showing timely clearing and traced the check's attributes per the cancelled check to the check register to verify checks were dated on or prior to December 31, 2009, as well as proper recording of checks within the check register.
 - We found no exceptions when testing the outstanding checks.
6. We tested investments held at December 31, 2009 and 2008 to determine that they were 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 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 2009 and one from 2008 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 2008 and 2009 which consist of two personal property tax receipts and 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 2009 and all receipts from 2008 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.

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

4. We selected five receipts from the County Auditor's confirmation from 2009 and five from 2008 and compared the amount 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 recode in the proper year.
 - We found no exceptions when comparing the County confirms to the Receipt Register Report.

Debt

1. We inquired of management, and scanned the Receipt Register Report and Payment Register Detail Report for evidence of bonded or note debt issued during 2009 or 2008 or outstanding as of December 31, 2009 or 2008.
 - No new debt proceeds were noted. No exceptions were noted during the debt testing.
2. We obtained a summary of debt activity for 2009 and 2008 and agreed the principal and interest payments from the related debt amortization schedules to debt service 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 during the debt testing.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2009 and one payroll check for five employees from 2008 from the Employee Detail Adjustment Report and determined whether the following information in the employee's files was consistent with the information used to compute gross and net pay related to this check:
 - Name
 - Authorized salary or pay rate
 - Department(s) and fund(s) to which the check should be charged
 - Retirement system participation and payroll withholding
 - Federal, State and Local income tax withholding authorization and withholding
 - Any other deduction authorizations (deferred compensation, etc.)
 - No exceptions were noted during the payroll check testing.
2. We tested the checks noted in Payroll Cash Disbursements Step 1 as follows:
 - 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)

Payroll Cash Disbursements (continued)

- We determined where the fund and 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.
 - No exceptions were noted during our testing of payroll cash disbursements.
3. We examined the last remittance of tax and retirement withholdings for the year ended December 31, 2009 to determine whether remittances were paid timely and that the amounts paid agreed to the amounts withheld during the final withholding period during 2009. We noted the following:

Withholding	Date Due	Date Paid	Amount Withheld	Amount Paid
Federal income tax	January 31, 2010	December 29, 2009	386.91	386.91
State income taxes	January 15, 2010	December 29, 2009	403.11	403.11
OPERS retirement (withholding plus employee share)	January 30, 2010	December 29, 2009	812.07	812.07

- No exceptions were noted during the testing of the withholdings and all payments tested were made timely.
4. For the years ended 2009 and 2008, we compared documentation and recomputed amounts supporting the allocation of Board salaries to the appropriate funds.
- No exceptions were noted when comparing Board salaries to fund allocations.

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Payment Register Detail Report for the year ended December 31, 2009 and ten from the year ended 2008 and 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 disbursements are 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).
- During our testing of non-payroll disbursements, no exceptions were noted.

Compliance-Budgetary

1. We compared the total 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 each Fund for the years ended December 31, 2009 and 2008.
 - The amounts agreed, no exceptions were noted.
2. We scanned the appropriation measures adopted for 2009 and 2008 to determine whether, for the General, Gasoline Tax, and Road and Bridge 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 when comparing appropriation measures to Trustee salaries for personal services.
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 2009 and 2008 for the General and Special Revenue Funds.
 - The amounts on the appropriation resolutions agreed to the amount recorded in the Appropriation Status report. Total actual expenses were less than appropriations per the Township’s Annual Appropriation Resolution for 2008 and 2009.
4. Ohio Rev. Code Section 5705.39 prohibits appropriations from exceeding the certified resources. We compared total appropriations to certified resources for the years ended December 31, 2009 and 2008.
 - We found no funds for which appropriations exceeded certified resources; therefore, no exceptions were noted.
5. Ohio Rev. Code Section 5705.41(B) prohibits expenditures from exceeding appropriations. We compared total expenditures to total appropriations for the years ended December 31, 2009 and 2008 for the General and Special Revenue Funds, as recorded in the Appropriation Status Report.
 - We noted no funds for which expenditures exceeded appropriations; therefore, no exceptions were noted.
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, 2009 and 2008. 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. No exceptions were noted.

Compliance-Budgetary (continued)

7. We scanned the 2009 and 2008 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.
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

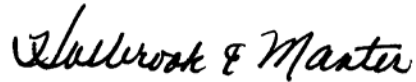
1. We inquired of management and scanned the Payment Register Detail report for the years ended December 31, 2009 and 2008 for procurements requiring competitive bidding under the following statutes:
 - Materials, machinery and tools used in constructing, maintaining and repairing roads and culverts, where costs exceeded \$25,000. (Ohio Rev. Code Section 5549.21)
 - Construction and erection of a memorial building or monument costs exceeding \$25,000. (Ohio Rev. Code Section 511.12)
 - Equipment for fire protection and communication costs exceeding \$50,000. (Ohio Rev. Code Sections 505.37 to 505.42)
 - Street lighting systems or improvement costs exceeding \$25,000. (Ohio Rev. Code Section 515.07)
 - Building modification costs exceeding \$25,000 to achieve energy savings. (Ohio Rev. code Section 505.264)
 - Private sewage collection tile costs exceeding \$25,000. (Ohio Rev. Code Sections 521.02 to 521.05)
 - 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))
 - We identified no purchases exceeding \$25,000 which would be subject to the aforementioned bidding requirements.
2. We inquired of management and scanned the Payment Register Detail Report for the years ended December 31, 2009 and 2008 to determine if the township had road construction projects exceeding \$45,000 for which Ohio Rev. Code Section 5575.01 requires the County Engineer to complete a force account project assessment form (i.e., cost estimate).

Compliance-Contracts & Expenditures (continued)

- We identified one project exceeding \$45,000 during 2009 for road maintenance. We then read the contract and noted that the Crawford County Engineer completed the force account project assessment form for 2009. No projects exceeding \$45,000 were noted for 2008 requiring the County Engineer to complete a force account cost estimate. No exceptions were noted.
3. For the road maintenance project described in step 2 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.
- We read the contract and noted that the contractor was to pay prevailing wages to their employees and the contract included a schedule of prevailing rates. No exceptions were 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 the Township and the Auditor of State and is not intended to be, and should not be used by anyone else.



Certified Public Accountants

June 29, 2010



Mary Taylor, CPA
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
SEPTEMBER 28, 2010**