

**WARREN TOWNSHIP
TUSCARAWAS COUNTY**

AGREED-UPON PROCEDURES

**FOR THE YEARS ENDED
DECEMBER 31, 2010 AND 2009**

**Willoughby & Company, Inc.
Certified Public Accountants**



Dave Yost • Auditor of State

Board of Trustees
Warren Township
4093 State Route 212 NE
Mineral City, Ohio 44656

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of Warren Township, Tuscarawas County, prepared by Willoughby & Company, Inc., for the period January 1, 2009 through December 31, 2010. 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. Warren Township is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

September 16, 2011

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WILLOUGHBY & COMPANY, INC.

Certified Public Accountants

216 North Broadway, P.O. Box 1021, New Philadelphia, Ohio 44663
Phone (330) 602-1322 • Fax (330) 602-2610

June 30, 2011

Warren Township
Tuscarawas County
Mineral City, Ohio 44656

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Warren Township (the Township) and the Auditor of State agreed, solely to assist 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.

This report only describes exceptions exceeding \$10.

Cash and Investments

1. We tested the mathematical accuracy of the December 31, 2010 and December 31, 2009 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2009 beginning fund balances recorded in the Cash Summary by Fund Report to the December 31, 2008 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, 2010 and 2009 fund cash balances reported in the Cash Summary by Fund Report. The amounts agreed.
4. We confirmed the December 31, 2010 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.

**Warren Township
Tuscarawas County
Independent Accountants' Report on
Applying Agreed-Upon Procedures**

Cash (continued)

- 5. We selected five outstanding checks haphazardly from the December 31, 2010 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 date written to the check register, to determine the checks were dated prior to December 31. We noted no exceptions .**

- 6. We tested investments held at December 31, 2010 and 2009 to determine that they:**
 - a. Were of a type authorized by Ohio Rev. Code Sections 135.13, 135.14 or 135.144. We found no exceptions.**
 - b. Mature with the prescribed time limits noted in Ohio Rev. Code Section 135.13 or 135.14. We noted no exceptions.**

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 2010 and one from 2009:**
 - a. We traced the gross receipts from the Statement to the amount recorded in the Revenue Ledger. The amounts agreed.**
 - b. We determined whether the receipt was allocated to the proper funds as required by Ohio Rev. Code Section 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 Revenue Ledger 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 Revenue Ledger did include the proper number of tax settlement receipts each year.

Warren Township
Tuscarawas County
Independent Accountants' Report on
Applying Agreed-Upon Procedures

3. We selected four (all) receipts from the State Distribution Transaction Lists (DTL) from 2010 and five (all) from 2009. We also selected five receipts from the County Auditor's Distribution Lists (DTL) from 2010 and five from 2009.
 - a. We compared the amount from the DTL to the amount recorded in the Revenue Ledger. 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 prior audit report, we noted the following note outstanding as of December 31, 2008. These amounts agreed to the Townships January 1, 2009 balances on the summary we used in step 3.

<u>Issue</u>	<u>Principal outstanding as of December 31, 2008</u>
General Obligation Note John Deere Tractor & Mower	<u>\$33,029</u>

2. We inquired of management, and scanned the Revenue Ledger and Cash Journal for evidence of debt issued during 2010 or 2009 or debt payment activity during 2010 or 2009. All debt noted agreed to the summary we used in step 3.
3. We obtained a summary of debt activity for 2010 and 2009 and agreed principal and interest payments from the related debt amortization schedule to the Special Revenue – Gasoline Tax Fund payments reported in the Appropriations Ledger. We also compared the date the debt 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 all employees from 2010 and one payroll check for all employees from 2009 from the Payroll Register Detail Report and:
 - a. We compared the hours and pay rate, or salary to supporting documentation (timecard, legislatively or statutorily -approved rate or salary). We found no exceptions.
 - b. We determined whether the fund and account code(s) to which the check was posted were reasonable based on the employees' duties as documented in the employees' personnel files and minute record or as required by statute. We also determined whether the payment was posted to the proper year. We found no exceptions.

Warren Township
Tuscarawas County
Independent Accountants' Report on
Applying Agreed-Upon Procedures

Payroll Cash Disbursements (continued)

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 that the amounts withheld, plus the employer's share where applicable, during the final withholding period during 2010. We noted the following:

<u>Withholding</u>	<u>Date Due</u>	<u>Date Paid</u>	<u>Amount Due</u>	<u>Amount Paid</u>
Federal income taxes & Medicare	January 31, 2011	December 31, 2010	\$ 1,175.45	\$ 1,175.45
State income taxes	January 31, 2011	December 31, 2010	\$ 435.29	\$ 435.29
OPERS retirement	January 31, 2011	December 31, 2010	\$ 1,577.41	\$ 1,577.41

3. For the pay periods ended March 31, 2010 and September 30, 2009, we compared documentation and the recomputation supporting the allocation of Board salaries to the General Fund. We found no exceptions.

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Cash Journal 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.
 - 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 Appropriations Ledger 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.

Warren Township
Tuscarawas County
Independent Accountants' Report on
Applying Agreed-Upon Procedures

Compliance – Budgetary

1. We compared the total from the *Amended Official Certificate of Estimated Resources*, required by Ohio Rev. Code Section 5705.36(A)(1), to the amounts recorded in the Comparison of Budgeted and Actual Receipts from the Cash Basis Annual Financial Report for the General, Gasoline Tax and Road & Bridge Funds for the years ended December 31, 2010 and 2009. The amounts on the Certificate agreed to the amount recorded in the accounting system.
2. We scanned the appropriation measures adopted for 2010 and 2009 to determine whether, for the General, Gasoline Tax and Road & 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.
3. We compared the total appropriations required by Ohio Rev. Code Section 5705.38 and 5705.40, to the amounts recorded in the Appropriation Ledger for 2010 and 2009 for the following funds: General, Gasoline Tax and Road & Bridge Funds. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Ledger report.
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, Gasoline Tax and Road & Bridge Funds for the years ended December 31, 2010 and 2009. 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, 2010 and 2009 for the General, Gasoline Tax and Special Levy – Road Funds, as recorded in the Appropriation Ledger. 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 Revenue Ledger 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.

**Warren Township
Tuscarawas County
Independent Accountants' Report on
Applying Agreed-Upon Procedures**

Compliance – Budgetary (continued)

7. We scanned the 2010 and 2009 Revenue Ledger and Appropriation Ledger 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 Ledger 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 accounts.

Compliance – Contracts & Expenditures

1. We inquired of management and scanned the Cash Journal and Appropriations Ledger 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.

Warren Township
Tuscarawas County
Independent Accountants' Report on
Applying Agreed-Upon Procedures

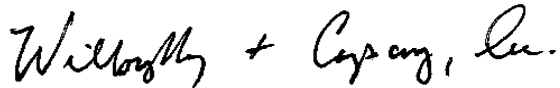
Compliance – Contracts & Expenditures (continued)

2. We inquired of management and scanned the Cash Journal 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.

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 and those charged with governance and 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.

Respectfully Submitted,



Willoughby & Company, Inc. – Certified Public Accountants

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Dave Yost • Auditor of State

WARREN TOWNSHIP

TUSCARAWAS 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 29, 2011