

**MILLCREEK TOWNSHIP
COSHOCOTON COUNTY**

AGREED UPON PROCEDURES

FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

**Wolfe, Wilson, & Phillips, Inc.
37 South Seventh Street
Zanesville, Ohio 43701**



Dave Yost • Auditor of State

Board of Trustees
Mill Creek Township
29770 State Route 83
Coshocton, Ohio 43812

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of Mill Creek Township, Coshocton County, prepared by Wolfe, Wilson & Phillips, 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. Mill Creek 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

June 20, 2011

This Page is Intentionally Left Blank.

WOLFE, WILSON, & PHILLIPS, INC.
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Millcreek Township
Coshocton County
29770 State Route 83
Coshocton, Ohio 43812

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Millcreek Township, Coshocton County, Ohio (the Township) and the Auditor of State agreed, solely to assist the Board in evaluating certain 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 transaction; and management and the Board are responsible for complying with the compliance requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Publics Accountants' 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. 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 Journal 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 reconciliation to the total of December 31, 2010 and 2009 fund cash balances reported in the Cash Journal. The amounts agreed.
4. We confirmed the December 31, 2010 and 2009 bank account balance 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 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, 2010. We found 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 amount from the Statement to the amount recorded in the Receipts Ledger. The amount agreed.
 - b. We determined whether the receipt was allocated to the proper funds as required by Ohio Rev. Code 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 Receipts Ledger to determine whether it included the proper number of tax receipts for 2010 and 2009.
 - i. Two personal property tax receipts.
 - ii. Two real estate tax receipts.

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

3. We selected all receipts from the State Distribution Transaction Lists (DTL) from 2010 and all from 2009. We also selected five receipts from the County Auditor's DTLs from 2010 and five from 2009.
 - a. We compared the amount from the DTL to the amount recorded in the Receipts 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.
4. We confirmed the amounts paid for real estate tax from the Coshocton County Auditor to the Township during 2010 and 2009 with the Auditor's office. We found no exceptions.
 - a. We determined whether these receipts were allocated to the proper funds. We found no exceptions.
 - b. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Debt

1. We inquired of management and scanned the Receipt Register Report and Payment Register Detail Report for evidence of new bonded or note debt issued during 2010 or 2009 or outstanding as of December 31, 2010 or 2009. We noted no new debt issuances, nor any debt payment activity during 2010 and 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 Payroll Register and determined whether the following information in the employee personnel file and minute record was consistent with the information used to compute gross and net pay related to this check:
 - a. Name
 - b. Authorized salary or pay rate
 - c. Department(s) and fund(s) to which the check should be charged
 - d. Retirement system participation and payroll withholding
 - e. Federal, State & Local income tax withholding authorization and withholding

We found no exceptions related to steps a.-e above.

2. For the checks selected in step 1., we recomputed the gross and net pay amounts as follows:
 - 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 recomputed gross and net pay and agreed it to the amount recorded in the payroll register. We found no exceptions.
 - c. We determined whether the fund and account codes to which the check was posted was reasonable based on the employee's duties as documented in the minute record, timesheets or as required by statute. We also determined whether the payment was posted to the proper year. We found no exceptions.
3. 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 paid agreed to the amounts withheld during the final withholding period during 2010. We noted the following:

Withholding	Due Date	Date Paid	Amount W/H	Amount
Federal Income Taxes	January 31, 2011	December 27, 2010	\$ 898.31	\$ 898.31
State Income taxes	January 31, 2011	December 27, 2010	165.00	165.00
OPERS Retirement (withholding plus Employee share)	January 31, 2011	January 31, 2011	559.83	559.83

4. For the pay periods ended March 31, 2010, and August 31, 2009, we compared documentation and the re-computation supporting the allocation of Board salaries to the General and Road funds. We found no exceptions.
5. 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. For the Appropriation Ledger, we refooted checks recorded as General Fund disbursements for general government and checks recorded as public works in the Gasoline Tax Fund. We found no exceptions.
2. We agreed total disbursements (non-payroll and payroll) from the Appropriation Ledger and Payroll Register for the years ended December 31, 2010 and 2009 to the total disbursements in the Cash Journal. We found no exceptions.
3. We haphazardly selected ten disbursements from the Cash Journal for the year ended December 31, 2010 and ten from the year ended December 31, 2009 and determined whether:
 - a. In our opinion, the disbursements were for a public purpose. We found no exceptions.
 - b. The check number, date, payee name and amount recorded on the returned, canceled check image agreed to the check number, date, payee name and amount recorded in the Appropriation Ledger and to the names and amounts on the supporting invoices. We noted 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 twenty instances where the certification date was after the vendor invoice date. Ohio Rev. Code Section 5705.41(D) requires certifying at the time of a commitment, which should precede the invoice date.

Compliance-Budgetary

1. We compared the total from the Amended Official Certificate of Estimated Resources, required by Ohio Revised Code Section 5705.36, to the amounts recorded in the Revenue Ledger for the General Fund, Motor Vehicle License Tax Fund and Gasoline Tax Fund for the years ended December 31, 2010 and 2009. The amounts on the Certificate did not agree because no amounts were recorded in the Revenue Ledger. The Fiscal Officer should periodically compare amounts recorded in the Revenue Ledger to amounts recorded on the Amended Official Certificate of Estimated Resources to assure they agree. If the amounts do not agree, the Trustees may be using inaccurate information for budgeting and monitoring purposes.
2. We scanned the appropriation measures adopted for 2010 and 2009 to determine whether, for the General Fund, Motor Vehicle License Tax Fund and the Gasoline Tax 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 Revised Code Section 5705.38(C). We found no exceptions.
3. We compared total appropriations required by Ohio Revised Code Section 5705.38 and 5705.40, to the amounts recorded in the Appropriation Ledger for 2010 and 2009 for the following funds: General Fund, Motor Vehicle License Tax Fund and the Gasoline Tax Fund. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Ledger, except for the General Fund. The Appropriation Ledger recorded appropriations for the General Fund of \$241,846 for 2010. However, the final total appropriations, including amendments, reflected \$229,846. The Fiscal Officer should periodically compare amounts recorded in the Appropriation Ledger to the approved appropriation measure plus amendments to assure they agree. If the amounts do not agree, the Trustees may be using inaccurate information for budgeting and monitoring purposes.

Compliance-Budgetary (Continued)

4. Ohio Revised Code Section 5705.39 prohibits appropriations from exceeding the certified resources from Step 1 above. We compared total appropriations to total certified resources for the General Fund, Motor Vehicle License Tax Fund and the Gasoline Tax Fund for the years ended December 31, 2010 and 2009. We noted that Gasoline Tax Fund appropriations for 2010 exceeded certified resources by \$12,000, contrary to Ohio Rev. Code Section 5705.39. The Trustees should not pass appropriations exceeding certified resources. Allowing this to occur could cause the Township to incur fund balance deficits.
5. Ohio Revised 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 Fund, Motor Vehicle License Tax Fund and the Gasoline Tax Fund, as recorded in the Appropriation Ledger. We noted no funds for which expenditures exceeded appropriations.
6. Ohio Revised Code Section 5705.09 requires establishing separate funds to segregate externally-restricted resources. We scanned the Receipts 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 Revised Code Section 5705.09 would require the Township to establish a new fund.
7. We scanned the 2010 and 2009 Receipts Ledger and Appropriation Ledger for evidence of interfund transfers exceeding \$5,000 which Ohio Revised 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 Revised Code Section 5705.13. We noted the Township did not establish these reserves.

Compliance – Contracts and Expenditures

1. We inquired of management and scanned the Appropriation 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 Revised Code Section 5549.21).
 - b. Construction and erection of a memorial building or monument costs exceeding \$25,000 (Ohio Revised Code Section 511.12).
 - c. Equipment for fire protection and communication costs exceeding \$50,000 (Ohio Revised Code Section 505.37 to 505.42).
 - d. Street lighting systems or improvement costs exceeding \$25,000 (Ohio Revised Code Section 515.07).
 - e. Building modification costs exceeding \$25,000 to achieve energy savings (Ohio Revised Code Section 505.264).
 - f. Private sewage collection tile costs exceeding \$25,000 (Ohio Revised 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 Revised Code Section 505.37(A)).

We identified no purchases subject to the aforementioned bidding requirements.

2. We inquired of management and scanned the Appropriation Ledger for the years ended December 31, 2010 and 2009 to determine if the township had road construction projects exceeding \$45,000 for which Ohio Revised 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.

Official Response: We agree with the exceptions noted above.

This report is intended solely for the information and use of those charged with governance and the Auditor of State and is not intended to be, and should not be used by anyone other than these specified parties.

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
March 17, 2011



Dave Yost • Auditor of State

MILL CREEK TOWNSHIP

COSHCTON 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
JUNE 30, 2011**