

MILLCREEK TOWNSHIP
UNION COUNTY, OHIO

AGREED UPON PROCEDURES
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

WOLF, ROGERS, DICKEY & CO.
Certified Public Accountants



Dave Yost • Auditor of State

Board of Trustees
Millcreek Township
15999 Thompson Road
Ostrander, Ohio 43061

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of Millcreek Township, Union County, prepared by Wolf, Rogers, Dickey & Co., for the period January 1, 2009 through December 31, 2010. 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. Millcreek 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

August 30, 2011

This Page is Intentionally Left Blank.

Wolf, Rogers, Dickey & Co.

Certified Public Accountants
38 South Franklin Street
P. O. Box 352
Delaware, Ohio 43015-0352

Telephone: 740-362-9031
Fax: 740-363-7799

Independent Accountants' Report on Applying Agreed-Upon Procedures

Millcreek Township
Union County, Ohio
15999 Thompson Rd.
Ostrander, Ohio 43061

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Millcreek Township, Union County, Ohio (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, 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 Fund Status 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 December 31, 2010 and 2009 fund cash balances reported in the Fund Status Reports. 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 reconciliations without exception.

Cash and Investments, continued

5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2010 bank reconciliation.
 - a. We traced each debit to 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.

6. We tested investments held at December 31, 2010 and 2009 to determine that they:
 - a. Were of a type authorized by Ohio Revised Code (ORC) Sections 135.13, 135.14 or 135.144. We found no exceptions.
 - b. Mature within the prescribed time limits noted in ORC Section 135.13 or 135.14. 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) from 2010 and one from 2009:
 - a. We traced the gross receipts from the Statement to the amount recorded in the Receipt Register report. The amount agreed.
 - b. We determined whether the receipt was allocated to the proper funds as required by ORC 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 2010 and 2009:
 - a. One personal property tax receipt in 2010 and two personal property tax receipts in 2009.
 - b. Two real estate tax receipts.We noted the Receipt Register Report 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 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.

Debt

1. The prior audit report disclosed no debt outstanding as of December 31, 2008.
2. We inquired of management and scanned the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2010 or 2009 or debt payment activity during 2010 or 2009. We noted no new debt issuances, nor any debt payment activity during 2010 or 2009.

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 Employee Detail Adjustment Report and:
 - 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 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 or 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, 2010 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 during 2010. We noted the following:

Withholding	Due Date	Date Paid	Amount W/H	Amount
Federal Income Taxes & Medicare	January 31, 2011	December 20, 2010	\$ 353.79	\$ 353.79
State Income Taxes	January 15, 2011	December 20, 2010	595.04	595.04
School District Taxes	January 15, 2011	December 20, 2010	189.53	189.53
OPERS Retirement	January 31, 2011	December 20, 2010	1303.26	1303.26

3. For the pay periods ended April 30, 2010 and October 31, 2009, we compared documentation and the recomputation supporting the allocation of Board salaries to the General Fund and Gasoline Tax Fund. Although the Township had established administrative procedures to document the proportionate amount of Trustees salaries to be charged 50% to the General Fund and 50% to the Gasoline Tax Fund in 2010, recomputation of the supporting documentation for one Trustee indicated that 57% should have been allocated to the General Fund and 43% to the Gasoline Tax Fund and for another Trustee 30% should have been allocated to the General Fund and 70% to the Gasoline Tax Fund. However, because we did not test all pay periods, our report provides no assurance regarding whether or not similar errors occurred.
4. For 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

We haphazardly selected ten disbursements from the Payment Register Detail Activity Report for the year ended December 31, 2010 and ten from the year ended December 31, 2009 and determined whether:

- a. The disbursements were for a proper public purpose. Two of the disbursements had no documentation to support proper public purpose.
- 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 Payment Register Detail Report and to the names and amounts on the supporting invoices. Two disbursements had no documentation to support names and amounts.
- c. The payment was posted to a fund consistent with the restricted purpose for which the fund's cash can be used. Two of the disbursements had no documentation to support the posting to the proper fund.
- d. The Fiscal Officer certified disbursements requiring certification or issued a *Then and Now Certificate*, as required by ORC Section 5705.41(D). We found no exceptions.

Per the Township the two disbursements were for payments to individuals who attend zoning meetings on behalf of the Township. The Fiscal Officer is notified by the Zoning Board secretary as to the number of meetings attended which is then verified in the Zoning Board minutes. We suggest that copies of these minutes become support documentation for these disbursements.

However, because we did not test all non-payroll disbursements, our report provides no assurance whether or not other similar errors occurred.

Compliance – Budgetary

1. We compared the total amounts from the *Official Certificate of Estimated Resources*, (the *Certificate*) required by ORC Section 5705.36(A)(1), to the amounts recorded in the Revenue Status Report for the General Fund, Gasoline Tax Fund, and the Fire Fund for the years ended December 31, 2010 and 2009. The amounts agreed.
2. We scanned the appropriation measures adopted for 2010 and 2009 to determine whether, for the General Fund, Gasoline Tax Fund and the Fire Fund, the Trustees appropriated separately for “each office, department, and division, and within each, the amount appropriated for personal services,” as is required by ORC Section 5705.38(C). We found no exceptions.
3. We compared total appropriations required by ORC Section 5705.38 and 5705.40, to the amounts recorded in the Appropriation Status Report for 2010 and 2009 for the following funds: General Fund, Gasoline Tax Fund and the Fire Fund. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Status Report.
4. ORC Section 5705.39 prohibits appropriations from exceeding the certified resources. We compared total appropriations to total certified resources for the General Fund, Gasoline Tax Fund and the Fire Fund for the years ended December 31, 2010 and 2009. We noted no funds for which appropriations exceeded certified resources.

Compliance – Budgetary, continued

5. ORC 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, Gasoline Tax Fund and the Cemetery Fund, as recorded in the Appropriation Status Report. We noted no funds for which expenditures exceeded appropriations.
6. ORC 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, 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 ORC Section 5705.09 would require the Township to establish a new fund.
7. We scanned the 2010 and 2009 Revenue Status Reports and Appropriation Status Reports for evidence of interfund transfers which ORC 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 Status Reports to determine whether the Township elected to establish reserve accounts permitted by ORC Section 5705.13. We noted the Township did not establish these reserves.

Compliance – Contracts and Expenditures

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

Compliance – Contracts and Expenditures, continued

- h. Maintenance and repair of roads exceeding \$45,000 (ORC Section 5575.01)
- i. Construction or reconstruction of a township road exceeding \$15,000/per mile (ORC Section 5575.01)

We identified no purchases subject to the aforementioned bidding requirements.

- 2. We inquired of management and scanned the Payment Register Detail Report 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 maintain or repair township roads (cost of project \$5,000-\$15,000/per mile) for which ORC 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.

Township response:

In response to the agreed upon procedures report for fiscal years ended December 31, 2010 and 2009 under Payroll Cash Disbursements item #3:

Unless all pay periods for the trustees in question were reviewed for fiscal years 2009 and 2010, it is unfair to assess they were improperly paid from either the General Fund or Gasoline Tax Fund which was established by resolution as a 50%/50% split. One month a trustee may have had 57% charged to the General Fund and 43% charged to the Gasoline Tax Fund. However, without averaging the trustees entire year charged to both the General Fund and Gasoline Tax Fund it cannot be determined whether they were improperly paid from a fund or not. Time charged to a particular fund may have “corrected” to the 50 percent split charged to each fund by the end of the year.

Going forward, the township will be more cognizant of the trustee’s time charged to both the General Fund and Gasoline Tax Fund.

* * * * *

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.

Wolf, Rogers, Dickey & Co.

Wolf, Rogers, Dickey & Co.
Certified Public Accountants

June 23, 2011

This Page is Intentionally Left Blank.



Dave Yost • Auditor of State

MILLCREEK TOWNSHIP

UNION 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 13, 2011**