
ALGER & ASSOCIATES, LLC



WASHINGTON TOWNSHIP
STARK COUNTY, OHIO

AGREED-UPON PROCEDURES

A R A

FOR THE ENDED

DECEMBER 31, 2010 & 2009



Dave Yost • Auditor of State

Board of Trustees
Washington Township
5789 Beachwood Avenue NE
Alliance, Ohio 44601

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of Washington Township, Stark County, prepared by Alger & Associates, LLC, 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. Washington 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 1, 2011

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ALGER & ASSOCIATES, LLC

Certified Public Accountants

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Washington Township
Stark County
5843 Beachwood Ave NE
Alliance, Ohio 44601

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Washington Township (the Township) 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, 2009 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, 2009 and December 31, 2010 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 the December 31, 2009 and 2010 fund cash balances reported in the Cash Journal. 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.
5. We selected five outstanding checks haphazardly from the December 31, 2009 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.

6927 Burgundy Ave. N.W.
North Canton, OH 44720
(330) 353-5851

542 Ablemarle Circle
Delaware, OH 43015
(740) 816-2961

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 2010:
 - a. We traced the gross receipts from the *Statement* to the amount recorded in 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 2009 and 2010:
 - a. Two personal property tax receipts
 - 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 all the receipts from the State Distribution Transaction Lists (DTL) from 2009 and all from 2010.
 - a. We compared the amount from the DTL to the amount recorded in the Cash Journal Report. The amounts agreed.
 - b. We determined whether these receipts were allocated to the proper fund(s). We found no exceptions.
 - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Over-The-Counter Cash Receipts

4. We tested all of the over-the-counter cash receipts from the year ended December 31, 2009 recorded in the receipt journal and determined whether the:
 - a. Receipt amount agreed to the amount recorded in the Receipt Register Report. The amounts agreed.
 - b. Amount charged complied with rates in force during the period. We found no exceptions.
 - c. Receipt was posted to the proper fund(s), and was recorded in the proper year.

We noted the Township does not issue pre-numbered receipts for the monthly cleanup fees, thus we were only able to trace the deposits to the ledgers. The Township should issue pre-number receipts for all revenues collected and reconcile the receipts to the deposits on a timely basis.

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 2010 or outstanding as of December 31, 2009 or 2010. 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 five employees from 2009 and one payroll check for five employees from 2010 from the Employee Detail Adjustment Report and determined whether the following information in the 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.
 - f. Any other deduction authorizations (deferred compensation, etc.)

We found an exception related to attribute (e). The Township had not withheld medicare taxes from one of their employees since his start date of July 2, 2002. 26 U.S.C. §3102(a) codes require the employing government to withhold federal, state, and local income and employment-related taxes (such as Medicare.)

2. We tested the checks we selected in step 1, 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 determined whether the fund and account code(s) to which the check was posted was 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.
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	Date Due	Date Paid	Amount Withheld	Amount Paid
Federal income taxes	January 31, 2011	December 29, 2010	\$1,149.01	\$1,149.01
State income taxes	January 15, 2011	December 29, 2010	\$361.98	\$361.98
OPERS retirement (withholding plus employee share)	January 31, 2011	December 29, 2010	\$1,806.83	\$3,031.26

Payroll Cash Disbursements – (Continued)

4. For the years ended March 15, 2009 and August 29, 2010, we tested all of the Board salaries, per diem amounts to the General Fund. 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. We haphazardly selected fourteen disbursements from the Payment Register Detail Report for the year ended December 31, 2009 and fourteen 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 noted ten instances in 2009 and seven instances in 2010 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 *Certificate of 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 the General, Gasoline Tax, Road and Bridge, and Fire Equipment funds for the years ended December 31, 2009 and 2010. The amounts on the *Certification* agreed to the amount recorded in the accounting system, except for the following instances.

The Revenue Status Report recorded budgeted (i.e. certified) resources for the Fire Equipment Fund for \$68,277.00 for 2009. However, the final *Amended Official Certificate of Estimated Resources* reflected \$0. In 2010, the Revenue Status Report recorded budgeted (i.e. certified) resources for the General Fund for \$95,101.94. However, the final *Amended Official Certificate of Estimated Resources* reflected \$79,101.94. The Fiscal Officer should periodically compare amounts recorded in the Revenue Status Report to amounts recorded on the *Amended Official Certification 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 2009 and 2010 to determine whether, for the General, Gasoline Tax, and Road and Bridge, 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.

Compliance – Budgetary – (Continued)

3. We compared 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 2010 for the following funds: The General, Gasoline Tax, Road and Bridge and Fire Equipment Fund.

The amounts on the appropriation resolutions did not agreed to the amounts recorded in the Appropriation Status report. For 2009, the General Fund has \$84,058.74 more in the Appropriation Status Report, the Gasoline Fund has \$228.40 more and the Fire Equipment Fund was not appropriated for in the Minutes. The total of that Fund in the Appropriation Status Report was \$11,535.00. For 2010, the General \$72,845.71 more in the Appropriation Status Report than in the Minutes.

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, Road and Bridge and Fire Equipment Fund for the years ended December 31, 2009 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, 2009 and 2010 for the General, Gasoline Tax, Road and Bridge and Fire Equipment fund, 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, 2009 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 2009 and 2010 Revenue Status Reports and Appropriation Status Reports for evidence of interfund transfers exceeding \$1,000 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 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, 2009 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. (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)

Compliance – Contracts & Expenditures – (Continued)

- 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))

We noted in 2009 the Township remodeled the Township Administrative Building at a cost of \$47,650. The Township did not go out for bids on this project contrary to Ohio Revised Code Section 515.07.

- 2. We inquired of management and scanned the Payment Register Detail Report for the years ended December 31, 2009 and 2010 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). We identified no projects requiring the county engineer to complete a force account cost estimate.
- 3. For the road maintenance project described in step 1 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 Township went contracted with Central Allied Enterprises, Inc. for the Township's paving project. The bid submitted includes the prevailing wage laws as required by the State of Ohio, however it does not provide a schedule of those wages.

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 is not intended to be, and should not be used by anyone other than these specified parties.

Alger & Associates, LLC

February 22, 2011



Dave Yost • Auditor of State

WASHINGTON TOWNSHIP

STARK 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 14, 2011**