



Dave Yost • Auditor of State





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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Blanchard Township  
Hancock County  
11016 Township Road 125  
Findlay, Ohio 45840-9354

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Blanchard Township, Hancock County, Ohio (the Township), 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, 2011 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, 2011 and December 31, 2010 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2010 beginning fund balances recorded in the Cash Basis Annual Financial Report to the December 31, 2009 balances in the prior year Agreed-Upon Procedures working papers. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2011 and 2010 fund cash balances reported in the Cash Basis Annual Financial Report. The amounts agreed.
4. We confirmed the December 31, 2011 bank account balances with the Township's financial institutions. The Township CD balance was confirmed as \$86,104.96, carrying balance on Financial Statements is \$85,000. Variance of \$1,104.96 is interest that was not posted at December 31, 2011. We recommend all CD interest be receipted when it is credited to the CD.
5. We selected all reconciling credits (such as deposits in transit) haphazardly from the December 31, 2011 bank reconciliation:
  - a. We traced each credit to the subsequent January bank statement. We found no exceptions.
  - b. We agreed the credit amounts to the Receipts Journal. Each credit was recorded as a December receipt for the same amount recorded in the reconciliation.

6. We tested investments held at December 31, 2011 and December 31, 2010 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 within 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 2011 and one from 2010:
  - a. We traced the gross receipts from the *Statement* to the amount recorded in the Receipt Journal. The amounts agreed.
  - b. We determined whether the receipt was allocated to the proper funds 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 Cash Journal to determine whether it included the proper number of tax receipts for 2011 and 2010:
  - a. Two personal property tax receipts
  - b. Two real estate tax receipts

We noted the Cash Journal included the proper number of tax settlement receipts for each year.

3. We selected all receipts from the State Distribution Transaction Lists (DTL) from 2011 and all from 2010. We also selected five receipts from the County Auditor's DTLs (DTL) from 2011 and five from 2010.
  - a. We compared the amount from the above report to the amount recorded in the Receipts Journal. The Township posted one Homestead and Rollback receipt at net resulting in revenue and expenses being understated in Fiscal Year 2011 by \$27.04. We recommend the Fiscal Officer record all revenues at the gross amount with a corresponding expenditure for all deductions.
  - 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 agreed-upon procedures documentation disclosed no debt outstanding as of December 31, 2009.

2. We inquired of management, and scanned the Cash Journal for evidence of debt issued during 2011 or 2010 or debt payment activity during 2011 or 2010. We noted no new debt issuances, nor any debt payment activity during 2011 or 2010.

**Payroll Cash Disbursements**

1. We haphazardly selected one payroll check for five employees from 2011 and one payroll check for five employees from 2010 from the Appropriation Ledger and:
  - a. We compared the salary recorded in the Appropriation Ledger to supporting documentation (board approved minutes and 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 Appropriation Ledger. We found no exceptions.
  - c. 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, 2011 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 of 2011. We noted the following:

<b>Withholding (plus employer share, where applicable)</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Due</b>	<b>Amount Paid</b>
Federal income taxes and Medicare	January 31, 2012	December 13, 2012	\$677.96	\$677.96
State income taxes	February 1, 2012	December 13, 2012	211.36	211.36
School district income tax	January 15, 2012	December 31, 2012	128.61	128.61
OPERS retirement	January 30, 2012	January 10, 2012	826.27	826.27

**Non-Payroll Cash Disbursements**

1. From the Appropriation Ledger, we re-footed checks recorded as General Fund disbursements for health, and checks recorded as public works in the Motor Vehicle License fund for 2011. We found no exceptions.
2. We haphazardly selected ten disbursements from the Cash Journal for the year ended December 31, 2011 and ten from the year ended December 31, 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 Cash Journal 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.

### **Compliance – Budgetary**

- 1. We compared the total estimated receipts from the Amended Certificate of the Total Amount From All Sources Available For Expenditures and Balances, required by Ohio Rev. Code Section 5705.36(A)(1), to the amounts recorded in the Receipts Journal for the General, Motor Vehicle License Tax, and Road and Bridge Funds for the years ended December 31, 2011 and 2010. The amounts agreed.
- 2. We scanned the appropriation measures adopted for 2011 and 2010 to determine whether, for the General, Motor Vehicle License 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.
- 3. We compared total appropriations required by Ohio Rev. Code Sections 5705.38 and 5705.40, to the amounts recorded in the Appropriation Ledger for 2011 and 2010 for the following funds: General, Motor Vehicle License Tax, and Road and Bridge Funds. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Ledger.
- 4. Ohio Rev. Code Sections 5075.36(A)(5) and 5705.39 prohibits appropriations from exceeding the certified resources. We compared total appropriations to total certified resources for the General, Motor Vehicle License Tax, and Road and Bridge Funds for the years ended December 31, 2011 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, 2011 and 2010 for the General, Motor Vehicle License Tax, and Road and Bridge 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 Receipts Journal for evidence of new restricted receipts requiring a new fund during December 31, 2011 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 2011 and 2010 Receipts Journal 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 was not required to establish these reserves.

**Compliance – Contracts and Expenditures**

1. We inquired of management and scanned the Cash Journal report for the years ended December 31, 2011 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 (\$50,000 effective September 29, 2011) (Ohio Rev. Code Section 5549.21)
  - b. Construction and erection of a memorial building or monument costs exceeding \$25,000 (\$50,000 effective September 29, 2011) (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 (\$50,000 effective September 29, 2011) (Ohio Rev. Code Section 515.01 and 515.07)
  - e. Building modification costs exceeding \$25,000 (\$50,000 effective September 29, 2011) to achieve energy savings (Ohio Rev. Code Section 505.264)
  - f. Private sewage collection tile costs exceeding \$25,000 (\$50,000 effective September 29, 2011) (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.

2. We inquired of management and scanned the Cash Journal for the years ended December 31, 2011 and 2010 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.

**Officials' Response:**

We did not receive a response from Officials to the exceptions reported above.

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "Y" and "O".

**Dave Yost**  
Auditor of State

April 12, 2012





# Dave Yost • Auditor of State

**BLANCHARD TOWNSHIP**

**HANCOCK 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 26, 2012**