

GRAND PRAIRIE TOWNSHIP

MARION COUNTY

**JANUARY 1, 2011 TO DECEMBER 31, 2012
AGREED UPON PROCEDURES**



Dave Yost • Auditor of State

Board of Trustees
Grand Prairie Township
3447 Marion Bucyrus Rd
Marion, Ohio 43302-9766

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of Grand Prairie Township, Marion County, prepared by Holbrook & Manter, for the period January 1, 2011 through December 31, 2012. 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. Grand Prairie 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

September 17, 2013

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INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

Board of Trustees
Grand Prairie Township
Marion County
3447 Marion Bucyrus Rd
Marion, Ohio 43302-9766

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Grand Prairie Township (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, 2012 and 2011, 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, 2012 and 2011 bank reconciliations.
 - No exceptions were noted during the testing of the bank reconciliations.
2. We agreed the January 1, 2011 beginning fund balances recorded in the Fund Status Report to the December 31, 2010 balances in the prior year documentation in the prior year Agreed-Upon Procedures working papers. We also agreed the January 1, 2012 beginning fund balances recorded in the Fund Status Report to the December 31, 2011 balances in the Fund Status Report.
 - No exceptions were noted when comparing ending fund balances to beginning fund balances.

Cash and Investments (continued)

3. We agreed the totals per the bank reconciliations to the corresponding totals in the December 31, 2012 and 2011 cash balances reported in the Fund Status Reports.
 - The amounts agreed from the bank reconciliation to the Fund Status Report.
4. We confirmed the December 31, 2012 and 2011 bank account balances with the Township's financial institutions and agreed the confirmed balances to the corresponding amounts in the December 31, 2012 and 2011 bank reconciliations.
 - We noted no exceptions, and the amounts agreed.
5. We selected all reconciling debits (such as outstanding checks) haphazardly from the December 31, 2012 bank reconciliation and traced each debit appearing in the subsequent January bank statement. We also traced the amounts and date written to the check register to determine the debits were dated prior to December 31.
 - We found no exceptions when testing the reconciling debits.
6. We tested investments held at December 31, 2012 and 2011 to determine that they were a type authorized by Ohio Rev. Code Sections 135.13, 135.14 or 135.144 and matured within the prescribed time limits noted in Ohio Rev. Code Section 135.13 or 135.14.
 - We found no exceptions when testing investments.

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 2012 and one from 2011 and traced the gross receipts from the Statement to the amount recorded in the Receipt register Report, and determined whether the receipt was allocated to the proper fund(s) as required by Ohio Rev. Code Sections 5705.05-.06 and 5705.10, and whether the receipt was recorded in the proper year.
 - We found no exceptions during our testing of the County receipts.
2. We scanned the Receipt Register Report to determine whether it included two real estate tax receipts for 2012 and 2011.
 - We noted the Receipts Register Report included the proper number of tax receipts for each year.

Property Taxes, Intergovernmental and Other Confirmable Cash Receipts (continued)

3. We selected all receipts from the State Distribution Transaction Lists (DTL) from 2012 and all receipts from 2011 and compared the amount from the DTL to the amount recorded in the Receipt Register Report. We also determined whether these receipts were allocated to the proper funds and whether the receipts were recorded in the proper year.
 - We found no exceptions during our testing of the State receipts.
4. We selected five receipts from the County Auditor's confirmation from 2012 and five from 2011 and compared the amount to the amount recorded in the Receipt Register Report. We also determined whether these receipts were allocated to the proper funds and whether the receipts were recorded in the proper year.
 - We found no exceptions when comparing the County confirms to the Receipt Register Report.

Debt

1. The prior agreed-upon procedures documentation disclosed no debt outstanding as of December 31, 2010.
2. We inquired of management, and scanned the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2012 or 2011 or debt payment activity during 2012 or 2011.
 - We noted no new debt issuances, nor any debt payment activity during 2012 or 2011.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2012 and one payroll check for five employees from 2011 from the Employee Detail Adjustment Report and compared the hours and pay rate, or salary recorded in the Employee detail Adjustment Report to supporting documentation (timecards, legislatively or statutorily approved rate or salary). We also determined that 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 whether it was posted to the proper year.
 - We noted no exceptions when testing payroll checks for 2012; however, in 2011 100% of the Trustees' salaries were allocated to the Gasoline Tax Fund. Township officials are required to attend board meetings in order to conduct the regular business of the township. Attendance at board meetings and other activities supporting the general business of the township must be allocated to the general fund; therefore, the allocation of 100 percent of an official's compensation to funds other than the general fund is not permitted under Ohio law. Failure to make necessary allocation revisions could result in findings for adjustment that may serve to

Payroll Cash Disbursements (continued)

disqualify the township from lower-cost agreed upon procedure audits, result in qualified opinions, or otherwise increase audit costs.

Officials Response:- The Township is aware of these requirements and has corrected the issue in 2012 and subsequent periods.

2. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2012 to determine whether remittances were timely paid and that the amounts paid agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding period during 2012. We noted the following:

Withholding (plus employer share where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income tax & Medicare (and social security, for employees not enrolled in pension system)	January 31, 2013	December 21, 2012	368.61	368.61
State income taxes	January 15, 2013	December 19, 2012	120.20	120.20
OPERS retirement	January 30, 2013	December 20, 2012	497.98	497.98

- No exceptions were noted during the testing of the withholdings and all payments tested were made timely.
3. For the pay period ended May 15, 2012 and December 19, 2011, we recomputed the allocation of the Boards' salaries to the General and Gasoline Tax Fund per the Payment Detail Register.

We noted no exceptions when testing payroll checks for 2012; however, in 2011 100% of the Trustees' salaries were allocated to the Gasoline Tax Fund. Township officials are required to attend board meetings in order to conduct the regular business of the township. Attendance at board meetings and other activities supporting the general business of the township must be allocated to the general fund; therefore, the allocation of 100 percent of an official's compensation to funds other than the general fund is not permitted under Ohio law. Failure to make necessary allocation revisions could result in findings for adjustment that may serve to disqualify the township from lower-cost agreed upon procedure audits, result in qualified opinions, or otherwise increase audit costs.

Officials Response:- The Township is aware of these requirements and has corrected the issue in 2012 and subsequent periods.

Payroll Cash Disbursements (continued)

4. For the pay periods described in the preceding step, we traced the Boards' salary for time or services performed to supporting certifications the Revised Code requires.
 - Trustees did not complete certifications for time or services performed, however they did maintain time logs to verify the allocation to those funds other than the general fund during 2012.

Officials Response:- Trustees are now aware of this requirement and will complete certifications moving forward.

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Payment Register Detail Report for the year ended December 31, 2012 and ten from the year ended 2011 to determine the following:
 - The disbursements are for a proper public purpose.
 - 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.
 - The disbursements are posted to a fund consistent with the restricted purpose for which the fund's cash can be used.
 - 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 four instances where there was no invoice to support the disbursement. Two instances were for health insurance reimbursements that were approved in the minutes. One instance was for a payment made to the cemetery for a verbal rent agreement between the Township and the cemetery for use of their building for meetings. The fourth was for the annual Township conference in Columbus that a Trustee was reimbursed for.
- We found one instance where the certification date was after the vendor invoice date, and there was also no evidence that a *Then and Now Certificate* was issued. Ohio Rev. Code Section 5705.41 (D) requires certifying at the time of a commitment, which should be on or before the invoice date, unless a *Then and Now Certificate* is used. Because we did not test all disbursements requiring certification, our report provides no assurance whether or not additional similar errors occurred.

Official's Response:- The Fiscal Officer will begin to make a copy of insurance reimbursement requests and will try to obtain a signed written agreement with the cemetery. The Fiscal Officer will continue to monitor and will try to certify expenditures prior to making disbursements.

Compliance-Budgetary

1. We compared the total estimated receipts from the Amended 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, and the Road and Bridge Funds for the years ended December 31, 2012 and 2011.
 - The Revenue Status report recorded budgeted (i.e. certified) resources for the General Fund of \$66,458 and \$69,087 for 2012 and 2011, respectively. However, the final *Amended Official Certificate of Estimated Resources* reflected \$61,290 and \$67,551 for 2012 and 2011, respectively.
 - The Revenue Status report recorded budgeted resources for the Gasoline Tax Fund of \$74,922 and \$72,529 for 2012 and 2011, respectively. However, the final *Amended Official Certificate of Estimated Resources* reflected \$75,000 and \$73,294 for 2012 and 2011, respectively.
 - The Revenue Status report recorded budgeted resources for the Road and Bridge Fund of \$8,712 and \$8,338 for 2012 and 2011, respectively. However, the final *Amended Official Certificate of Estimated Resources* reflected \$8,746 and \$8,360 for 2012 and 2011, respectively.
 - The fiscal officer should periodically compare amounts recorded in the Revenue Status Report 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.

Officials Response:- The Fiscal Officer is aware of the requirement to amend the Certificate of Estimated Resources with the County Auditor and the Fiscal Officer will closely monitor this process moving forward.

2. We scanned the appropriation measures adopted for 2012 and 2011 to determine whether, for the General, Gasoline 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 when comparing appropriation measures to Trustee salaries for personal services.
3. We compared the total appropriations required by Ohio Rev. Code Section 5705.38 and 5705.40 to the amounts recorded in the Appropriation Status Report for 2012 and 2011 for the General, Gasoline Tax, and the Road and Bridge Funds.
 - The amounts on the appropriation resolution agreed to the amounts recorded in the Appropriation Status report.

Compliance-Budgetary (continued)

4. Ohio Rev. Code Section 5705.36(A)(5) and 5705.39 prohibits appropriations from exceeding the certified resources. We compared total appropriations to total certified resources for the General, Gasoline Tax, and Road and Bridge Funds for the years ended December 31, 2012 and 2011.
 - We noted no funds for which appropriations exceeded certified resources; therefore, no exceptions were noted.
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, 2012 and 2011 for the General, Gasoline Tax, and Road and Bridge Funds, as recorded in the Appropriation Status Report.
 - We noted no funds for which expenditures exceeded appropriations; therefore, no exceptions were noted.
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, 2012 and 2011. 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. No exceptions were noted.
7. We scanned the 2012 and 2011 Revenue Status Reports and Appropriation Status Reports for evidence of interfund transfers exceeding \$2,000 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. No exceptions were noted.
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; therefore, no exceptions were noted.

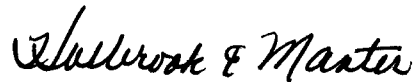
Compliance-Contracts & Expenditures

We inquired of management and scanned the Payment Register Detail report for the years ended December 31, 2012 and 2011 to determine if the Township preceded 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 preformed 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.



Certified Public Accountants

June 24, 2013



Dave Yost • Auditor of State

GRAND PRAIRIE TOWNSHIP

MARION 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
OCTOBER 1, 2013**