



Mary Taylor, CPA  
Auditor of State





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

Monroe Township  
Allen County  
8500 Slabtown Rd  
Columbus Grove, OH 45830

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Monroe Township (the Township) 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, 2009 and 2008, 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 attestation standards established by the American Institute of Certified Public 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 Board. 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

1. We tested the mathematical accuracy of the December 31, 2009 and December 31, 2008 bank reconciliations. We found no exceptions.
2. We agreed the totals per the bank reconciliations to the total of December 31, 2009 and 2008 fund cash balances reported in the Fund Status Reports. The amounts agreed.
3. We confirmed the December 31, 2009 bank account balances with the Township's financial institutions. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2009 bank reconciliation without exception.
4. 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.

#### 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 2008:
  - a. We traced the amount from the *Statement* to the amount recorded in the Receipt Register Report. The amount agreed.

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### **Property Taxes, Intergovernmental and Other Confirmable Cash Receipts (Continued)**

- b. We determined whether the receipt was allocated to the proper fund(s) 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 Receipt Register Report to determine whether it included the proper number of tax receipts for 2009 and 2008:
    - a. Two personal property tax receipts
    - b. Two real estate tax receipts

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

3. We selected five receipts from the State Distribution Transaction Lists (DTL) from 2009 and five from 2008. We also selected five receipts from the County Auditor's DTLs from 2009 and five from 2008.
  - 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 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**

We haphazardly selected 10 over-the-counter cash receipts from the year ended December 31, 2009 and 10 over-the-counter cash receipts from the year ended 2008 recorded in the duplicate cash receipts book 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 audit period. We found no exceptions.
- c. Receipt was posted to the proper fund(s), and was recorded in the proper year. We found no exceptions.

### **Debt**

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 2008 or outstanding as of December 31, 2009 or 2008. We noted neither new debt issuances, nor any debt payment activity during 2009 or 2008.

### **Payroll Cash Disbursements**

1. We haphazardly selected one payroll check for five employees from 2009 and one payroll check for five employees from 2008 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:

**Payroll Cash Disbursements (Continued)**

- 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 no exceptions related to steps a. – f. above.

2. For the checks we 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 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 third quarter remittance of tax and retirement withholdings of the year ended December 31, 2009 to determine whether remittances were timely paid, and that the amounts paid agreed to the amounts withheld during the third quarter withholding period of 2009. We noted the following:

<u>Withholding</u>	<u>Date Due</u>	<u>Date Paid</u>	<u>Amount</u>
Federal income taxes	September 30, 2009	September 28, 2009	\$ 709.30
State income taxes	September 30, 2009	September 28, 2009	\$ 469.83
OPERS retirement (withholding plus employee share)	November 2, 2009	September 28, 2009	\$2,123.21

4. For the pay periods ended 5/12/08, 7/14/08, 11/10/08, 7/27/09, 1/26/09, and 9/28/09, we compared documentation and the recomputation supporting the allocation of Board salaries to the General Fund. All Trustee salaries were recorded in the General Fund. We found no exceptions.

**Non-Payroll Cash Disbursements**

1. We haphazardly selected ten disbursements from the Payment Register Detail Report for the year ended December 31, 2009 and ten from the year ended 2008 and determined whether:
  - a. In our opinion, 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 found four 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 Rev. Code Section 5705.36, to the amounts recorded in the Revenue Status Report for the General, Gas Tax, and Fire funds for the years ended December 31, 2009 and 2008. The amounts on the *Certificate* did not agree to the amount recorded in the accounting system.

The Revenue Status Report recorded budgeted (i.e. certified) resources for the General fund of \$150,531 for 2008. However, the final *Amended Official Certificate of Estimated Resources* reflected \$129,558.

The Revenue Status Report recorded budgeted (i.e. certified) resources for the Gas Tax fund of \$88,234 for 2008. However, the final *Amended Official Certificate of Estimated Resources* reflected \$63,913.

The Revenue Status Report recorded budgeted (i.e. certified) resources for the Fire Levy fund of \$55,264 for 2008. However, the final *Amended Official Certificate of Estimated Resources* reflected \$53,445.

The Revenue Status Report recorded budgeted (i.e. certified) resources for the General fund of \$120,768 for 2009. However, the final *Amended Official Certificate of Estimated Resources* reflected \$129,558.

The Revenue Status Report recorded budgeted (i.e. certified) resources for the Gas Tax fund of \$86,977 for 2009. However, the final *Amended Official Certificate of Estimated Resources* reflected \$63,913.

The Revenue Status Report recorded budgeted (i.e. certified) resources for the Fire Levy fund of \$57,443 for 2009. However, the final *Amended Official Certificate of Estimated Resources* reflected \$53,445.

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.

2. We scanned the appropriation measures adopted for 2009 and 2008 to determine whether, for the General, Gas Tax, and Fire Levy 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 Section 5705.38 and 5705.40, to the amounts recorded in the Appropriation Status Report for 2009 and 2008 for the following funds: General, Gas Tax, and Fire Levy. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Status report, except for the General Fund in both 2009 and 2008. In 2008 the Appropriation Status Report showed \$200,793 while the final Appropriation Resolution shows \$195,733. In 2009 the Appropriation Status Report showed \$224,424 while the final Appropriation Resolution shows \$224,395. The Fiscal Officer should periodically review the amount recorded in the Appropriation Status Report and ensure that the amounts agree to the final Appropriation Resolution.

#### **Compliance – Budgetary (Continued)**

4. Ohio Rev. 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, Gas Tax, and Fire Levy funds for the years ended December 31, 2009 and 2008. For the year ended December 31, 2008 we noted that General Fund appropriations exceeded certified resources by \$764, Gas Tax appropriations exceeded certified resources by \$1,011, and the Fire Levy appropriations exceeded certified resources by \$7,773. For the year ended December 31, 2009, General Fund appropriations exceeded certified resources by \$29 contrary to **Ohio Rev. Code Section 5705.39**. The fiscal officer and Trustees should not pass appropriations exceeding certified resources. Allowing this to occur could cause the Township to incur fund balance deficits.
5. Ohio Rev. Code Section 5705.41(B) prohibits expenditures (disbursements plus certified commitments) of money unless it has been appropriated. We compared total expenditures to total appropriations for the years ended December 31, 2009 and 2008 for the General, Gas Tax and Fire Levy 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 2008. 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 2008 Revenue Status Reports and Appropriation Status Reports for evidence of interfund transfers exceeding \$500 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 2008 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)
  - d. Street lighting systems or improvement costs exceeding \$25,000 (Ohio Rev. Code Section 515.07)
  - 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 Section 521.05)

**Compliance – Contracts & Expenditures (Continued)**

- 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 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, 2009 and 2008 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.

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



**Mary Taylor, CPA**  
Auditor of State

February 16, 2010





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**MONROE TOWNSHIP**

**ALLEN 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  
MARCH 30, 2010**