



Dave Yost • Auditor of State



WARREN TOWNSHIP  
WASHINGTON COUNTY

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

Warren Township  
Washington County  
95 Coffman Road  
Marietta, Ohio 45750

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Warren Township, Washington 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. The Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to provide attest services to the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to perform this engagement, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code § 117.11(A) mandates the Auditor of State to perform attest services for Ohio governments.

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 Summary by Fund Report to the December 31, 2009 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, 2011 and 2010 fund cash balances reported in the Fund Status Reports. The amounts agreed.
4. We confirmed the December 31, 2011 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, 2011 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2011 bank reconciliation:
  - a. We traced each debit to the subsequent January bank statement. We found no exceptions.

743 East State Street, Athens Mall Suite B, Athens, Ohio 45701-2157  
Phone: 740-594-3300 or 800-441-1389 Fax: 740-594-2110

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### Cash and Investments (Continued)

- b. We traced the amounts and dates written to the check register, to determine the debits were dated prior to December 31. We noted no exceptions.
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 found the Township had two \$100,000 certificates of deposits that had maturity periods of two years, which is longer than the prescribed time limit noted in Ohio Rev. Code Section 135.13 for interim monies. There was no indication that the Township designated any monies as inactive monies.

### 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 Revenue Ledger. 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 Revenue Ledger 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 receiptsWe noted the Revenue Ledger included the proper number of tax settlement receipts for each year.
3. We selected three receipts from the State Distribution Transaction Lists (DTL) from 2011 and three from 2010. We also selected five receipts from the County Auditor's Detail Check Report by Chk No from 2011 and five from 2010.
  - a. We compared the amounts from the DTL and the County Auditor's Detail Check Report by Chk No to the amount recorded in the Revenue Ledger. The amounts agreed.
  - b. We determined whether these receipts were allocated to the proper fund(s). We found one receipt of \$452.03 for manufactured homestead exemption recorded in the General Fund in 2011 that should have been recorded in the following funds at the following amounts; Road and Bridge Fund, \$145.65, Special Levy – Fire Dept Operating, \$28.01, and Special Levy – Fire Dept Equipment, \$79.76, with the remaining \$198.61 staying in the General Fund. We brought this to management's attention and the Township made an adjustment on March 21, 2012 to correct this misposting. However, because we did not test all receipts, our report provides no assurance regarding whether or not other similar errors occurred.
  - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.

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

4. We confirmed the amount paid from the Ohio Public Works Commission to the Township during 2011 and 2010 with the Commission. We found no exceptions.
  - a. We determined whether this receipt was allocated to the proper fund. We found no exceptions.
  - b. We determined whether this receipt was recorded in the proper year. We found no exceptions.
  
5. We confirmed all the amounts paid from the Washington County Engineer for Permissive Sales Tax to the Township during 2011 and 2010 with the Washington County Engineer. We found no exceptions.
  - a. We determined whether these receipts were allocated to the proper fund. We found no exceptions.
  - b. We determined whether the receipts were recorded in the proper year. We found no exceptions.

**Debt**

1. From the prior audit report, we noted the following bonds and leases outstanding as of December 31, 2009. These amounts agreed to the Townships January 1, 2010 balances on the summary we used in step 3.

| Issue                              | Principal outstanding as of December 31, 2009: |
|------------------------------------|--|
| Dump Truck Capital Lease – R107    | \$59,356                                       |
| Pumper Fire Truck Capital Lease    | \$124,233                                      |
| 2007 Real Estate Acquisition Bonds | \$154,200                                      |

2. We inquired of management, and scanned the Revenue Ledger and Payment Register Detail Report for evidence of debt issued during 2011 or 2010 or debt payment activity during 2011 or 2010. All debt noted agreed to the summary we used in step 3.
  
3. We obtained a summary of bonded and lease debt activity for 2011 and 2010 and agreed principal and interest payments from the related debt amortization schedules to Inman Liberty N.W.E.T. (Morris) Debt Service Fund, the Road and Bridge Fund and the Special Levy – Fire Dept Equipment Fund payments reported in the Payment Register Detail Report. We also compared the date the debt service payments were due to the date the Township made the payments. We found no exceptions.

**Payroll Cash Disbursements**

1. We haphazardly selected one payroll check for the four elected officials and one part-time employee from 2011 and one payroll check for the four elected officials and one part-time employee from 2010 from the Payroll Register Detail Report and:
  - a. We compared the hours and pay rate, or salary recorded in the Payroll Register Detail Report 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 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.

**Payroll Cash Disbursements (Continued)**

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<br/>(plus employer<br/>share, where<br/>applicable)</b> | <b>Date Due</b>  | <b>Date Paid</b> | <b>Amount Due</b> | <b>Amount Paid</b> |
|--|------------------|------------------|-------------------|--------------------|
| Federal income taxes & Medicare  | January 31, 2012 | 12/27/11         | \$1,801.20        | \$1,801.20         |
| State income taxes   | January 15, 2012 | 12/27/11         | \$334.33          | \$334.33           |
| OPERS retirement   | January 30, 2012 | 12/27/11         | \$3,329.28        | \$3,329.28         |

3. We haphazardly selected and recomputed one leave payment (unused sick leave in excess of 1200 hours) using the following information, and agreed the computation to the amount paid as recorded in the Payroll Register Detail Report:
  - a. Accumulated leave records
  - b. The employee's pay rate in effect as of the payout date
  - c. The Township's payout policy.

The amount paid was consistent with the information recorded in a. through c. above.

**Non-Payroll Cash Disbursements**

1. We haphazardly selected ten disbursements from the Payment Register Detail Report for the year ended December 31, 2011 and ten 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 found no exceptions.

**Compliance – Budgetary**

1. We compared the total amounts from 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 and Road and Bridge funds for the years ended December 31, 2011 and 2010. The amounts agreed.



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

2. We scanned the appropriation measures adopted for 2011 and 2010 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.
3. We compared total appropriations required by Ohio Rev. Code Sections 5705.38 and 5705.40, to the amounts recorded in the Appropriation Status Report for 2011 and 2010 for the following funds: General, Gasoline Tax and Road and Bridge funds. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Status report.
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 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, Gasoline Tax and Road and Bridge funds, 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 Revenue Ledger 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. The Township established the Brush Road Slip Repair Project Fund during 2011 to record receipts and disbursements from the Ohio Public Works Commission for the Brush Road slip repair project, in compliance with Section 5705.09.
7. We scanned the 2011 and 2010 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, 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 (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)

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

- 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 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 a road rescue ambulance exceeding \$25,000, subject to Ohio Rev. Code Section 515.07. For this project, we noted that the Board purchased the ambulance through the State Purchase Exchange therefore not requiring the item to be bid.

- 2. We inquired of management and scanned the Payment Register Detail Report 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.

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.



**Dave Yost**  
Auditor of State

March 29, 2012



# Dave Yost • Auditor of State

WARREN TOWNSHIP

WASHINGTON 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 17, 2012