

RANGE TOWNSHIP

MADISON COUNTY

REGULAR AUDIT

JANUARY 1, 1999 - DECEMBER 31, 2000

Whited Seigneur Sams & Rahe

CERTIFIED PUBLIC ACCOUNTANTS

213 South Paint Street

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Board of Trustees
Range Township

We have reviewed the Independent Auditor's Report of Range Township, Madison County, prepared by Whited Seigneur Sams & Rahe for the audit period January 1, 1999 through December 31, 2000. Based upon this review, we have accepted this report in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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. Range Township is responsible for compliance with these laws and regulations.

JIM PETRO
Auditor of State

June 11, 2001

**RANGE TOWNSHIP
MADISON COUNTY, OHIO
JANUARY 1, 1999 THROUGH DECEMBER 31, 2000**

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June 4, 2001

Board of Trustees
Range Township
Madison County
5650 Dyer Road
Mt. Sterling, Ohio 43143

Report of Independent Auditor

We have audited the accompanying financial statements of Range Township, Madison County, Ohio (the Township) as of and for the years ended December 31, 2000 and 1999. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Range Township, Madison County, Ohio, as of December 31, 2000 and 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 4, 2001 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

WHITED SEIGNEUR SAMS & RAHE, CPAs

**RANGE TOWNSHIP
MADISON COUNTY, OHIO
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES - CASH BASIS -
FOR THE YEAR ENDED DECEMBER 31, 2000**

	General	Special Revenue	Memorandum Only	Total
<u>CASH RECEIPTS:</u>				
Taxes	\$ 20,696	\$ 56,277	\$ 76,973	
Licenses, Permits and Fees	0	9,050	9,050	
Intergovernmental Receipts	42,942	62,777	105,719	
Interest	3,082	1,242	4,324	
Other Revenue	<u>0</u>	<u>9,412</u>	<u>9,412</u>	
TOTAL CASH RECEIPTS	66,720	138,758	205,478	
<u>CASH DISBURSEMENTS:</u>				
Current:				
General Government	61,656	0	61,656	
Public Safety	0	15,382	15,382	
Public Works	10,433	60,386	70,819	
Health	4,860	24,633	29,493	
Capital Outlay	10,500	29,803	40,303	
Debt Service:				
Principal Payment	0	19,403	19,403	
Interest	<u>0</u>	<u>3,894</u>	<u>3,894</u>	
TOTAL CASH DISBURSEMENTS	<u>87,449</u>	<u>153,501</u>	<u>240,950</u>	
TOTAL CASH RECEIPTS OVER / (UNDER) CASH DISBURSEMENTS	(20,729)	(14,743)	(35,472)	
<u>OTHER FINANCING SOURCES:</u>				
Proceeds of Notes	0	20,000	20,000	
Other Financing Sources	<u>3,493</u>	<u>2,900</u>	<u>6,393</u>	
TOTAL OTHER FINANCING SOURCES	<u>3,493</u>	<u>22,900</u>	<u>26,393</u>	
Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements	(17,236)	8,157	(9,079)	
Fund cash balances, January 1, 2000	<u>40,490</u>	<u>43,107</u>	<u>83,597</u>	
Fund cash balances, December 31, 2000	<u>\$ 23,254</u>	<u>\$ 51,264</u>	<u>\$ 74,518</u>	

SEE ACCOMPANYING NOTES AND AUDITOR'S REPORT

**RANGE TOWNSHIP
MADISON COUNTY, OHIO
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN FUND CASH BALANCE - FIDUCIARY FUND - CASH BASIS -
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Non- Expendable Trust
Operating Cash Receipts:	
Interest	\$ 49
Operating Cash Disbursements:	
Supplies and Materials	<u>0</u>
Operating Income	49
Fund cash balance, January 1, 2000	<u>1,052</u>
Fund cash balance, December 31 2000	<u><u>\$ 1,101</u></u>

**RANGE TOWNSHIP
MADISON COUNTY, OHIO
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES - CASH BASIS -
FOR THE YEAR ENDED DECEMBER 31, 1999**

Memorandum

Only

	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
<u>CASH RECEIPTS:</u>			
Taxes	\$ 18,407		\$ 63,116
Licenses, Permits and Fees	0	5,650	5,650
Intergovernmental Receipts	34,215	66,707	100,922
Interest	2,976	658	3,634
Other Revenue	<u>4,714</u>	<u>4,102</u>	<u>8,816</u>
TOTAL CASH RECEIPTS	60,312	121,826	182,138

<u>CASH DISBURSEMENTS:</u>			
Current:			
General Government	63,025	0	63,025
Public Safety	0	17,890	17,890
Public Works	694	52,818	53,512
Health	5,365	14,068	19,433
Capital Outlay	5,385	21,303	26,688
Debt Service:			
Principal Payment	5,112	13,273	18,385
Interest	<u>558</u>	<u>4,323</u>	<u>4,881</u>
TOTAL CASH DISBURSEMENTS	80,139	123,675	203,814

TOTAL CASH RECEIPTS OVER /			
(UNDER) CASH DISBURSEMENTS	(19,827)	(1,849)	(21,676)

OTHER FINANCING SOURCES:

Other Financing Sources			
	<u>363</u>	<u>5,500</u>	<u>5,863</u>

TOTAL OTHER FINANCING			
SOURCES	<u>363</u>	<u>5,500</u>	<u>5,863</u>

Excess of Cash Receipts and Other			
Financing Sources Over/(Under)	(19,464)	3,651	(15,813)
Cash Disbursements			

Fund cash balances,			
January 1, 1999	<u>59,954</u>	<u>39,456</u>	<u>99,410</u>

Fund cash balances,			
December 31, 1999	<u>\$ 40,490</u>	<u>\$ 43,107</u>	<u>\$ 83,597</u>

**RANGE TOWNSHIP
MADISON COUNTY, OHIO
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN FUND CASH BALANCE - FIDUCIARY FUND - CASH BASIS -
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Non- Expendable Trust
Operating Cash Receipts:	
Interest	\$ 52
Operating Cash Disbursements:	
Supplies and Materials	<u>0</u>
Operating Income	52
Fund cash balance, January 1, 1999	<u>1,000</u>
Fund cash balance, December 31, 1999	<u><u>\$ 1,052</u></u>

**RANGE TOWNSHIP
MADISON COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Description of the Entity - Range Township, Madison County, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides general governmental services, road maintenance and repairs, emergency fire services, and cemetery operations.

The Township's management believes these financial statements present all activities for which the Township is financially accountable.

b) Basis of Accounting - These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

c) Cash - Demand deposits are valued at cost.

d) Fund Accounting - The Township uses fund accounting to segregate cash that is restricted as to use. The Township classifies its funds into the following types:

General Fund - The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

Special Revenue Funds - These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

Gasoline Tax - This fund receives gasoline tax money for constructing, maintaining and repairing Township roads.

Fire - This fund receives monies from property taxes for purchasing fire equipment and vehicles and providing emergency fire services.

Fiduciary Fund - Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Township to maintain the corpus of the trust, the fund is classified as a nonexpendable trust. Funds for which the Township is acting in an agency capacity are classified as agency funds. The Township had the following significant fiduciary fund:

**RANGE TOWNSHIP
MADISON COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cemetery Bequest Fund - This fiduciary fund is used to account for assets held by the Township in a trustee capacity.

Budgetary Process - The Ohio Revised Code requires that each fund be budgeted annually.

Appropriations - Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

Estimated Resources - Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also approve estimated resources.

Encumbrances - The Ohio Revised Code requires the Township to reserve (encumber) appropriations when commitments are made. Range Township does not encumber when commitments are made but does provide certification at the time of payment through the use of then and now certificates.

A summary of 2000 and 1999 budgetary activity appears in Note 4.

- f) Property, Plant and Equipment - Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

NOTE 2 - EQUITY IN POOLED CASH

The Township maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 was as follows:

Demand deposits	<u>2000</u>	<u>1999</u>
	\$ 75,619	\$ 84,649

Deposits - Deposits are insured by the Federal Depository Insurance Corporation.

**RANGE TOWNSHIP
MADISON COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

NOTE 3 - DEBT OBLIGATIONS

Debt outstanding at December 31, 2000 and December 31, 1999 consisted of the following:

	<u>2000</u>	<u>1999</u>
Note Payable		
Principal Outstanding	\$20,075	\$10,909
Interest Rate	5.75%	5.25%
Capital Lease		
Principal Outstanding	\$50,484	\$58,978
Interest Rate	5.82%	5.82%

The outstanding note at December 31, 1999 was issued for the purpose of purchasing a dump truck and snow plow attachment. The outstanding note at December 31, 2000 was issued for the purpose of purchasing a pickup truck for the fire department.

A lease-purchase agreement outstanding at December 31, 2000 and 1999 was entered into to obtain a fire-fighting vehicle.

The requirements to amortize note debt and the lease agreement as of December 31, 2000, including interest payments of \$3,310 and \$9,146, respectively, are as follows:

<u>Year Ending December 31</u>	<u>Note Payable</u>	<u>Capital Lease Agreement</u>
2001	4,677	\$ 11,926
2002	4,677	11,926
2003	4,677	11,926
2004	4,677	11,926
2005	4,677	11,926
TOTAL	<u>\$ 23,385</u>	<u>\$ 59,630</u>

NOTE 4 - BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2000 and December 31, 1999 were as follows:

	<u>2000 Budgeted vs. Actual Receipts</u>	
<u>Fund Type</u>	<u>Budgeted</u>	<u>Actual</u>
General	\$ 61,643	\$ 70,213
Special Revenue	151,166	161,658
Trust and Agency	50	49
	<u>\$212,859</u>	<u>\$231,920</u>
		<u>\$ 19,061</u>

**RANGE TOWNSHIP
MADISON COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

NOTE 4 - BUDGETARY ACTIVITY(Continued)

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	Appropriation <u>Authority</u>	Budgetary <u>Expenditures</u>	Variance
General	\$102,459	\$ 87,449	\$ 15,010
Special Revenue	191,000	153,501	37,499
Trust	<u>0</u>	<u>0</u>	<u>0</u>
	<u>\$293,459</u>	<u>\$240,950</u>	<u>\$ 52,509</u>
	<u>1999 Budgeted vs. Actual Receipts</u>		

<u>Fund Typ</u>	Budgeted	Actual	Variance
General	\$ 46,744	\$ 60,675	\$ 13,931
Special Revenue	116,528	127,326	10,798
Trust	<u>0</u>	<u>52</u>	<u>52</u>
	<u>\$163,272</u>	<u>\$188,053</u>	<u>\$ 24,781</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	Appropriation <u>Authority</u>	Budgetary <u>Expenditures</u>	Variance
General	\$106,550	\$ 80,139	\$ 26,411
Special Revenue	155,300	123,675	31,625
Trust	<u>0</u>	<u>0</u>	<u>0</u>
	<u>\$261,850</u>	<u>\$203,814</u>	<u>\$ 58,036</u>

NOTE 5 - PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payments, the first half is due December 31. The second half payment is due the following June 20.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

**RANGE TOWNSHIP
MADISON COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

NOTE 6 - RETIREMENT SYSTEMS

Employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries, except for pay periods from July 1, 2000 through December 31, 2000 in which the Township contributed 8.13025% of the participants' gross salaries. The Township has paid all contributions required through December 31, 2000.

NOTE 7 - RISK MANAGEMENT

The Township is a member participant in the Ohio Government Risk Management Plan and has obtained insurance for the following risks:

- Comprehensive property and general liability
- Wrongful Acts
- Automobile
- Inland Marine
- Fire Vehicle

The Township also provides health insurance coverage to the elected officials and full-time employees through private carriers.

Whited Seigneur Sams & Rahe

CERTIFIED PUBLIC ACCOUNTANTS



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June 4, 2001

Board of Trustees
Range Township
Madison County
5650 Dyer Road
Mt. Sterling, Ohio 43143

Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

We have audited the accompanying financial statements of Range Township, Madison County, Ohio (the Township) as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated June 4, 2001. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated June 4, 2001.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted

one matter involving the internal control over financial reporting that we have reported to management of the Township in a separate letter dated June 4, 2001.

This report is intended for the information and use of management and Board of Trustees and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

WHITED SEIGNEUR SAMS & RAHE, CPAs



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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RANGE TOWNSHIP

MADISON 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
JUNE 19, 2001**