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1035 Murdoch Ave.  
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104 South Sugar St.  
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**PIKE TOWNSHIP  
MADISON COUNTY  
Agreed-Upon Procedures  
For the Years Ended December 31, 2015 and 2014**

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- Association of Certified Anti - Money Laundering Specialists •





# Dave Yost • Auditor of State

Board of Trustees  
Pike Township  
3140 Rosedale Road  
Irwin, Ohio 43029

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of Pike Township, Madison County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the period January 1, 2014 through December 31, 2015. Based upon this review, we have accepted this report 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. Pike 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

August 3, 2016

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PIKE TOWNSHIP  
MADISON COUNTY

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

July 26, 2016

Pike Township  
Madison County  
3140 Rosedale Road  
Irwin, Ohio 43029

To the Board of Trustees:

We have performed the procedures enumerated below, with which the Board of Trustees and the management of **Pike Township**, Madison County, Ohio (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, 2015 and 2014, 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, 2015 and December 31, 2014 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2014 beginning fund balances recorded in the Combined Statement of Receipts, Disbursements and Changes in Fund Balances to the December 31, 2013 balances in the prior year audited statements. The December 31, 2013 ending balance for General Fund and Special Revenue Fund did not agree to the January 1, 2014 beginning balances. The December 31, 2013 General Fund balance was \$5,533 and the January 1, 2014 General Fund balance was \$11,345. The December 31, 2013 Special Revenue Fund balance was \$246,520 and the January 1, 2014 Special Revenue Fund balance was \$240,708. The \$5,812 difference is due to a prior audit adjustment that was not posted until May 1, 2014. We also agreed the January 1, 2015 beginning fund balances recorded in the Combined Statement of Receipts, Disbursements and Changes in Fund Balances to the December 31, 2014 balances in the Combined Statement of Receipts, Disbursements and Changes in Fund Balances. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2015 and 2014 fund cash balances reported in the Combined Statement of Receipts, Disbursements and Changes in Fund Balances. The amounts agreed.

...*"bringing more to the table"*

Tax—Accounting—Audit—Review—Compilation—Agreed Upon Procedure—Consultation—Bookkeeping—Payroll  
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### **Cash and Investments (Continued)**

4. We confirmed the December 31, 2015 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, 2015 bank reconciliation. We noted the Township did not record interest on a CD in the amount of \$69. No other exceptions noted.
5. We selected all reconciling debits (such as outstanding checks) from the December 31, 2015 bank reconciliation:
  - a. We traced each debit to the subsequent January bank statement. We found no exceptions.
  - b. We traced the amounts and dates 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, 2015 and December 31, 2014 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 2015 and one from 2014:
  - 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 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 Revenue Ledger to determine whether it included two real estate tax receipts for 2015 and 2014. We noted the Revenue Ledger included the proper number of tax receipts for each year.
3. We selected all receipts from the State Distribution Transaction Lists (DTL) from 2015 and all from 2014. We also selected five receipts from the Wayne County Vendor Report from 2015 and five from 2014.
  - a. We compared the amount from the above reports to the amount recorded in the Revenue Ledger. The amounts agreed.
  - b. We determined whether these receipts were allocated to the proper funds. We noted Homestead and Rollback receipts were recorded to the General Fund instead of the General Fund and the Fire/EMS Fund per the *Statement of Semiannual Apportionment of Taxes* in 2015 and 2014. The Township has posted an adjustment to their accounting system increasing the Fire/EMS Fund by \$6,126 and decreasing the General Fund by \$6,126. No other exceptions were noted, however, we determined in 2015 and 2014 that Rollback receipts were posted to Property and Other Local Taxes instead of Intergovernmental.
  - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.

**Debt**

1. The prior audit documentation disclosed no debt outstanding as of December 31, 2013.
2. We inquired of management, and scanned the Revenue Ledger and Appropriation Ledger for evidence of debt issued during 2015 or 2014 or debt payment activity during 2015 or 2014. We noted no new debt issuances, nor any debt payment activity during 2015 or 2014.

**Payroll Cash Disbursements**

1. We haphazardly selected one payroll check for five employees from 2015 and one payroll check for five employees from 2014 from the Wage Detail Reports and:
  - a. We compared the hours and pay rate, or salary recorded in the Wage Detail Reports to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
  - b. 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, 2015 to determine whether the remittances were timely paid, and if the amounts paid agreed to the amounts withheld, plus the employers share, where applicable, during the final withholding period of 2015. We noted the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	January 31, 2016	December 28, 2015	\$ 166.84	\$ 166.84
State income taxes	January 31, 2016	December 24, 2015	\$ 114.04	\$ 114.04
OPERS retirement	January 30, 2016	December 28, 2015	\$ 967.46	\$ 967.46
School District tax	January 31, 2016	December 23, 2015	\$ 143.83	\$ 143.83

3. For the pay periods ended July 31, 2015 and March 31, 2014, we recomputed the allocation of the Boards' salaries to the General and Gasoline Tax Fund per the Wage Detail Report. We found no exceptions.
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. We found no exceptions.

### Payroll Cash Disbursements (Continued)

5. We inquired of management and scanned the Appropriation Ledger for the years ended December 31, 2015 and 2014 to determine if Township employees and/or trustees were reimbursed for out-of-pocket insurance premiums. We noted reimbursements to all elected officials were not properly allocated to funds based on payroll certifications. The Township has posted an adjustment to their accounting system decreasing the General Fund by \$17,750 and increasing the Gasoline Tax Fund by \$17,750 to properly allocate these reimbursements. No other exceptions were noted.

### Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Appropriation Ledger for the year ended December 31, 2015 and ten from the year ended 2014 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 Appropriation Ledger 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. A portion of an expense for cemetery repairs was improperly charged to the Gasoline Tax Fund. The Township has posted an adjustment to their accounting system decreasing the General Fund by \$5,000 and increasing the Gasoline Tax Fund by \$5,000 to properly allocate this expense. No other exceptions were noted.
  - 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 twelve instances where the certification date was after the vendor invoice date, or *Then and Now Certificates* issued did not use an appropriate then date. 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.

### Compliance – Budgetary

1. We compared the total estimated receipts 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, Motor Vehicle License Tax, and Gasoline Tax Funds for the years ended December 31, 2015 and 2014. The amounts on the *Certificate* did not agree for all funds tested in 2015 and 2014. The Revenue Status Report recorded budgeted (i.e. certified) resources for the General, Motor Vehicle License Tax, and Gasoline Tax Funds of \$57,437, \$1,842, and \$134,075 respectively for 2015. However, the final *Official Certificate of Estimated Resources* reflected \$37,797, \$1,319, and \$79,731 for 2015. The Revenue Status Report recorded budgeted (i.e. certified) resources for the General, Motor Vehicle License Tax, and Gasoline Tax Funds of \$57,437, \$1,842, and \$134,075 respectively for 2014. However, the final *Official Certificate of Estimated Resources* reflected \$71,328, \$2,400, and \$105,100 for 2014. 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.

**Compliance – Budgetary (Continued)**

2. We scanned the appropriation measures adopted for 2015 and 2014 to determine whether, for the General, Motor Vehicle License Tax, and Gasoline Tax 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 2015 and 2014 for the following funds: General, Motor Vehicle License Tax, and Gasoline Tax Funds. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Status report for all funds except the General Fund in 2015 and 2014. The Appropriation Status Report recorded appropriations for the General Fund of \$71,010 for 2015 and \$66,010 for 2014. However, the final total appropriations reflected \$71,328 for 2015 and \$71,328 for 2014. No other exceptions were noted.
4. Ohio Rev. Code Sections 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, Motor Vehicle License Tax, and Gasoline Tax Funds for the years ended December 31, 2015 and 2014. We noted that General Fund appropriations for 2015 exceeded certified resources by \$29,975, contrary to Ohio Rev. Code Section 5705.39. The 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) from exceeding appropriations. We compared total expenditures to total appropriations for the years ended December 31, 2015 and 2014 for the General, Motor Vehicle License Tax, and Gasoline Tax 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, 2015 and 2014. 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 2015 and 2014 Revenue Ledgers and Appropriation Status Reports for evidence of interfund transfers exceeding \$1,000 which Ohio Rev. Code Sections 5705.14 - .16 restrict. We noted the Township transferred \$10,000 and \$5,000 from the Capital Projects Fund to the General Fund in 2015 and 2014 respectively. Ohio Rev. Code Section 5705.16 does not permit this transfer without approval of the Tax Commissioner and the Court of Common Pleas. The Township did not obtain this approval. We therefore requested management to adjust this amount to the Capital Projects Fund. We noted the fiscal officer adjusted this amount.
8. We inquired of management and scanned the Appropriation Status Report 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 – Budgetary (Continued)**

9. We scanned the Cash Summary by Fund Report for the years ended December 31, 2015 and 2014 for negative cash fund balance. Ohio Rev. Code Section 5705.10 (I) provides that money paid into a fund must be used for the purposes for which such fund is established. As a result, a negative fund cash balance indicates that money from one fund was used to cover the expenses of another. We noted no funds having a negative cash fund balance.

**Compliance – Contracts & Expenditures**

We inquired of management and scanned the Appropriation Ledger for the years ended December 31, 2015 and 2014 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.

**Other Compliance**

1. Ohio Rev. Code Section 117.38 requires entities to file their financial information in the HINKLE system formerly known as the Annual Financial Data Reporting System (AFDRS) within 60 days after the close of the fiscal year. We reviewed AFDRS to verify the Township filed their financial information within the allotted timeframe for the years ended December 31, 2015 and 2014. No exceptions noted.

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 and 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.



**Perry and Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

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# Dave Yost • Auditor of State

PIKE 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  
AUGUST 16, 2016