

313 Second St.  
Marietta, OH 45750  
740.373.0056

1907 Grand Central Ave.  
Vienna, WV 26105  
304.422.2203

104 South Sugar St.  
St. Clairsville, OH 43950  
740.695.1569

1310 Market Street, Suite 300  
Wheeling, WV 26003  
304.232.1358



Certified Public Accountants, A.C.

**RANGE TOWNSHIP  
MADISON COUNTY  
Agreed-Upon Procedures**

**For the Years Ended December 31, 2016 and 2015**

[www.perrycpas.com](http://www.perrycpas.com)

*...“bringing more to the table”*

Tax – Accounting – Audit – Review – Compilation – Agreed Upon Procedure – Consultation – Bookkeeping – Payroll  
Litigation Support – Financial Investigations

Members: American Institute of Certified Public Accountants

- Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners •
- Association of Certified Anti - Money Laundering Specialists •





# Dave Yost • Auditor of State

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

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of Range Township, Madison County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the period January 1, 2015 through December 31, 2016. Based upon this review, we have accepted this report in lieu of the audit required by Section 117.11, Revised Code. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

## **Payroll Expenditure – Material Noncompliance/Finding for Recovery - Repaid Under Audit**

**Ohio Rev. Code § 505.24** sets the compensation levels of township trustees and **Ohio Rev. Code § 507.09** sets the compensation level for township fiscal officers.

During 2015 and 2016, the Fiscal Officer and Trustees were paid based on the \$750,000 to \$1,500,000 annual budget bracket, rather than the \$500,000 to \$750,000 annual budget bracket. Furthermore, the Fiscal Officer's salary was increased mid-term rather than at the beginning of her new term during 2016. As a result, we noted each of the elected officials received in excess of their statutorily allowed salaries for both 2015 and 2016.

In accordance with the forgoing facts, and pursuant to Ohio Rev. Code §117.28 a Finding for Recovery for public monies illegally expended in favor of the Township's General Fund is hereby issued individually against the elected officials, and jointly and severally against their respective bonding companies, as noted below:

<b>Elected Official</b>	<b>Bonding Company</b>	<b>2015 Overpayment</b>	<b>2016 Overpayment</b>	<b>Total Overpayment</b>
Luana Barker, Fiscal Officer	Travelers Casualty and Surety Company of America	\$2,829	\$2,936	\$5,765
Mark Anthony, Trustee	Ohio Township Association Risk Management Authority	\$1,284	\$1,348	\$2,632
Ronald Cress, Trustee	Ohio Township Association Risk Management Authority	\$1,284	\$1,284	\$2,568
Dennis Marshall, Trustee	Ohio Township Association Risk Management Authority	\$1,284	\$1,798	\$3,082

On June 15, 2017 Luana Barker repaid \$5,765, on June 17, 2017 Ronald Cress repaid \$2,568, and on June 19, 2017 Mark Anthony repaid \$2,632 and Dennis Marshall repaid \$3,082 in favor of Range Township's General Fund.

We recommend the Township review the statutory requirements related to elected official salaries and ensure the elected officials are being properly paid.

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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

Dave Yost  
Auditor of State

August 23, 2017

RANGE TOWNSHIP  
MADISON COUNTY

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Independent Accountants' Report on Applying Agreed-Upon Procedures.....	1

**This page intentionally left blank.**



313 Second St.  
Marietta, OH 45750  
740.373.0056

1907 Grand Central Ave.  
Vienna, WV 26105  
304.422.2203

104 South Sugar St.  
St. Clairsville, OH 43950  
740.695.1569

1310 Market St., Suite 300  
Wheeling, WV 26003  
304.232.1358

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

June 23, 2017

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

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of **Range Township, Madison County** (the Township) and the Auditor of State, on the receipts, disbursements and balances recorded in the Township's cash basis accounting records for the years ended December 31, 2016 and 2015 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the Township. The Township is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2016 and 2015 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Township. 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 recalculated the December 31, 2016 and December 31, 2015 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2015 beginning fund balances recorded in the Cash Journal to the December 31, 2014 balances in the prior year audited statements. Fund balances did not agree in the Bond Retirement and Permissive Motor Vehicle License Tax Funds. The error is due to when the Fiscal Officer transferred 2014 Cash Journal ending balances to the 2015 Cash Journal beginning balances in her manual system, she improperly posted the ending balance of the Bond Retirement Fund to the beginning balance of the Permissive Motor Vehicle License Tax Fund. In addition, the ending balance of the Permissive Motor Vehicle License Tax Fund was improperly posted to the beginning balance of the Bond Retirement Fund. The Township has made an adjustment to their manual ledgers reducing the Bond Retirement Fund by \$1,982 and increasing the Permissive Motor Vehicle License Tax Fund by \$1,982 to correct the error. We found no other exceptions. We also agreed the January 1, 2016 beginning fund balances recorded in the Cash Journal to the December 31, 2015 balances in the Cash Journal. The amounts agreed; however, the improper posting of beginning balances in 2015 continued throughout 2016 resulting in the Bond Retirement Fund ending balance being overstated and the Permissive Motor Vehicle License Tax Fund ending balance being understated. We noted no other exceptions.

[www.perrycpas.com](http://www.perrycpas.com)  
...*"bringing more to the table"*

### **Cash and Investments (Continued)**

3. We agreed the totals per the bank reconciliations to the total of the December 31, 2016 and 2015 fund cash balances reported in the Combined Statement of Receipts, Disbursement and Changes in Fund Balances. The amounts agreed.
4. We confirmed the December 31, 2016 bank account balances with the Township's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2016 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2016 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. There were no exceptions.
6. We selected all reconciling credits (such as deposits in transit) from the December 31, 2016 bank reconciliation:
  - a. We traced each credit to the subsequent January bank statement. We found no exceptions.
  - b. We agreed the credit amounts to the Receipts Journal. Each credit was recorded as a December receipt for the same amount recorded in the reconciliation.
7. We traced interbank account transfers occurring in December of 2016 to the accounting records and bank statements to determine if they were properly recorded. We found no exceptions.
8. We inspected investments held at December 31, 2016 and December 31, 2015 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 and Intergovernmental Receipts**

1. We haphazardly selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the Statement) for 2016 and one from 2015:
  - a. We traced the gross receipts from the *Statement* to the amount recorded in the Receipts Journal. The amounts agreed.
  - b. We inspected the Receipts Journal to confirm 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 inspected the Receipts Journal to confirm whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We inspected the Receipts Journal to determine whether it included two real estate tax receipts for 2016 and 2015. The Receipts Journal included the proper number of tax receipts for each year.
3. We selected all receipts from the State Distribution Transaction Lists (DTL) from 2016 and all from 2015. We also haphazardly selected five receipts from the Madison County Audit Trail by Vendor from 2016 and five from 2015.

**Property Taxes and Intergovernmental Receipts (Continued)**

- a. We compared the amount from the above reports to the amount recorded in the Receipts Journal. The amounts agreed.
- b. We inspected the Receipts Journal to determine that these receipts were allocated to the proper funds. We found no exceptions.
- c. We inspected the Receipts Journal to determine whether the receipts were recorded in the proper year. We found no exceptions.

**Debt**

- 1. From the prior audit documentation, we observed the following bonds and loans were outstanding as of December 31, 2014. These amounts agreed to the Townships January 1, 2015 balances on the summary we used in step 3.

Issue	Principal outstanding as of December 31, 2014:
Fire Station Bond	\$390,000
Fire Rescue Truck Loan	\$77,500
Pumper Truck Loan	\$111,775
Dump Truck Bond	\$111,100

- 2. We inquired of management, and inspected the Receipts Journal and Appropriation Ledger for evidence of debt issued during 2016 or 2015 or debt payment activity during 2016 or 2015. All debt noted agreed to the summary we used in step 3.
- 3. We obtained a summary of bonded and loan debt activity for 2016 and 2015 and agreed principal and interest payments from the related debt amortization schedules to Gasoline Tax, Fire District, Bond Retirement and Permissive Motor Vehicle License Tax fund payments reported in the Appropriation Ledger. We also compared the date the debt service payments were due to the date the Township made the payments. One payment for the Dump Truck Bond was improperly classified as Public Works instead of Debt Service. We found no other exceptions.

**Payroll Cash Disbursements**

- 1. We haphazardly selected one payroll check for five employees from 2016 and one payroll check for five employees from 2015 from the Payroll Record and:
  - a. We compared the hours and pay rate, or salary recorded in the Payroll Record to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions. We noted during our testing the Fiscal Officer was overpaid in 2016 and 2015 by \$2,936 and \$2,830, respectively. It was also noted in 2016 that all Trustees were overpaid. One Trustee was overpaid by \$1,348, another Trustee was overpaid by \$1,284 and the last Trustee was overpaid by \$1,798. In addition, all Trustees were overpaid in 2015 by \$1,284. No other exceptions noted. The Township Fiscal Officer and Trustees repaid the Township for all overpayments by June 19, 2017.
  - b. We recomputed gross and net pay and agreed it to the amount recorded in the payroll register. We found no exceptions.
  - c. We inspected the fund and account codes to which the check was posted to determine the posting was reasonable based on the employees' duties as documented in the minute record. We also confirmed the payment was posted to the proper year. We found no exceptions.

**Payroll Cash Disbursements (Continued)**

2. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2016 to confirm 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 2016. We noted the following:

<b>Withholding (plus employer share, where applicable)</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Due</b>	<b>Amount Paid</b>
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	January 31, 2017	January 13, 2017	\$907.38	\$907.38
State income taxes	January 15, 2017	January 12, 2017	\$542.49	\$542.49
OPERS retirement	January 30, 2017	January 12, 2017	\$1,856.67	\$1,856.67

3. We inquired of management and inspected the Appropriation Ledger for the years ended December 31, 2016 and 2015 to determine if township employees and/or trustees were reimbursed for out-of-pocket insurance premiums. We noted during our testing that insurance reimbursements were made after June 30, 2015 contrary to AOS Bulletin 2015-002. It was also noted that no insurance reimbursements were taxed in 2016 or 2015. No other exceptions noted.

**Non-Payroll Cash Disbursements**

1. From the Appropriation Ledger, we re-footed checks recorded as General Fund disbursements for *public works*, and checks recorded as *public works* in the Road and Bridge Fund for 2016. We found no exceptions.
2. We haphazardly selected ten disbursements from the Appropriation Ledger for the year ended December 31, 2016 and ten from the year ended 2015 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. 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 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 Comparison of Budgeted and Actual Receipts Report for the General, Motor Vehicle License Tax and Gasoline Tax funds for the years ended December 31, 2016 and 2015. The amounts agreed.

**Compliance – Budgetary (Continued)**

2. We inspected the appropriation measures adopted for 2016 and 2015 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 Sections 5705.38 and 5705.40, to the amounts recorded in the Comparison of Cash Disbursements and Encumbrances with Expenditure Authority Report for 2016 and 2015 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 Comparison of Cash Disbursements and Encumbrances with Expenditure Authority Report.
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, 2016 and 2015. 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, 2016 and 2015 for the General, Motor Vehicle License Tax and Gasoline Tax fund, as recorded in the Comparison of Cash Disbursement and Encumbrances with Expenditure Authority 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 inspected the Receipts Journal for evidence of new restricted receipts requiring a new fund during December 31, 2016 and 2015. We also inquired of management regarding whether the Township received new restricted receipts. We observed no evidence of new restricted receipts for which Ohio Rev. Code Section 5705.09 would require the Township to establish a new fund.
7. For funds existing in prior years, inspect the fund activity to determine whether the fund is still being used for the statutorily approved purpose and that all the required funds were established. We noted all the required funds were established and no funds for which the statutorily approved purpose was no longer valid were included on the accounting records.
8. We inspected the 2016 and 2015 Comparison of Budgeted and Actual Receipts Reports and Comparison of Cash Disbursements and Encumbrances with Expenditure Authority Reports for evidence of interfund transfers exceeding \$1,000 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.
9. We inquired of management and inspected the Comparison of Cash Disbursements and Encumbrances with Expenditure Authority 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 – Budgetary (Continued)**

10. We inspected the Cash Journal for the years ended December 31, 2016 and 2015 for negative cash fund balances. 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. No funds had a negative cash fund balance.

### **Compliance – Contracts & Expenditures**

We inquired of management and inspected the Appropriation Ledger for the years ended December 31, 2016 and 2015 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 townships to file their financial information in the HINKLE system within 60 days after the close of the fiscal year. We confirmed the Township filed their complete financial statements, as defined by AOS Bulletin 2016-007, within the allotted timeframe for the years ended December 31, 2016 and 2015 in the Hinkle system. No exceptions noted.
2. We inquired of the fiscal officer and inspected the Fiscal Integrity Act Portal to determine whether the fiscal officer obtained the training required by Ohio Rev. Code Section 507.12 and 733.81. The Fiscal Officer, whose term commenced on April 1, 2016, has not yet obtained any of the 12 hours of training. She still has the remainder of her term to complete the required training.

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*. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Township's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is for the use of the Township to assist in evaluating its receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2016 and 2015, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.



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



# Dave Yost • Auditor of State

**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  
SEPTEMBER 5, 2017**