



**PULTNEY TOWNSHIP
BELMONT COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999-1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**PULTNEY TOWNSHIP
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REPORT OF INDEPENDENT ACCOUNTANTS

Pultney Township
Belmont County
56420 High Ridge Road
Bellaire, Ohio 43906

To the Board of Trustees:

We have audited the accompanying financial statements of Pultney Township, Belmont County, Ohio, (the Township) as of and for the years ended December 31, 1999 and 1998. 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 audit.

We conducted our audit in accordance with generally accepted auditing standards 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 audit 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 audit provides 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 Pultney Township, Belmont County, as of December 31, 1999 and 1998, 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 our report dated March 24, 2000, 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.

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

A handwritten signature in black ink, appearing to read "Jim Petro".

Jim Petro
Auditor of State

March 24, 2000

**PULTNEY TOWNSHIP
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN FUND CASH BALANCES
 ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>			<u>Fiduciary Fund Type</u>	Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Expendable Trust</u>	
Cash Receipts:					
Property Tax and Other Local Taxes	\$6,253	\$206,973	\$	\$	\$213,226
Intergovernmental Receipts	81,048	126,083			207,131
Earnings on Investments	4,355	1,451			5,806
Miscellaneous	5,376	1,385			6,761
Total Cash Receipts	<u>97,032</u>	<u>335,892</u>			<u>432,924</u>
Cash Disbursements:					
Current:					
General Government	79,946	143,903			223,849
Public Works		157,899			157,899
Health	14,151				14,151
Total Disbursements	<u>94,097</u>	<u>301,802</u>			<u>395,899</u>
Total Receipts Over/(Under) Disbursements	<u>2,935</u>	<u>34,090</u>			<u>37,025</u>
Fund Cash Balances January 1	<u>132,627</u>	<u>193,158</u>	14	<u>19,618</u>	<u>345,417</u>
Fund Cash Balances, December 31	<u>\$135,562</u>	<u>\$227,248</u>	<u>\$14</u>	<u>\$19,618</u>	<u>\$382,442</u>

The notes to the financial statements are an integral part of this statement.

**PULTNEY TOWNSHIP
 STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN FUND CASH BALANCES
 AGENCY FUND TYPE
 FOR THE YEAR ENDED DECEMBER 31, 1999**

	Agency
Non-Operating Cash Receipts:	
Other Non-Operating Receipts	\$8,500
Total Non-Operating Cash Receipts	8,500
Non-Operating Cash Disbursements:	
Other Non-Operating Cash Disbursements	4,000
Total Non-Operating Cash Disbursements	4,000
Net Receipts Over/(Under) Disbursements	4,500
Fund Cash Balances, January 1	3,000
Fund Cash Balances, December 31	\$7,500

The notes to the financial statements are an integral part of this statement.

**PULTNEY TOWNSHIP
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN FUND CASH BALANCES
 ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 1998**

	Governmental Fund Types			Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Expendable Trust	
Cash Receipts:					
Property Tax and Other Local Taxes	\$6,101	\$205,679	\$	\$	\$211,780
Intergovernmental Receipts	173,657	110,419			284,076
Earnings on Investments	3,396	1,132			4,528
Miscellaneous	9,428	5,595			15,023
Total Cash Receipts	192,582	322,825			515,407
Cash Disbursements:					
Current:					
General Government	79,966	147,471			227,437
Public Works		153,145			153,145
Health	11,763				11,763
Capital Outlay		2,333			2,333
Total Disbursements	91,729	302,949			394,678
Total Receipts Over/(Under) Disbursements	100,853	19,876			120,729
Fund Cash Balances January 1	31,774	173,282	14	19,618	224,688
Fund Cash Balances, December 31	\$132,627	\$193,158	\$14	\$19,618	\$345,417

The notes to the financial statements are an integral part of this statement.

**PULTNEY TOWNSHIP
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
AGENCY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 1998**

	Agency
Non-Operating Cash Receipts:	
Other Non-Operating Receipts	\$2,000
Total Non-Operating Cash Receipts	2,000
Non-Operating Cash Disbursements:	
Other Non-Operating Cash Disbursements	4,000
Total Non-Operating Cash Disbursements	4,000
Net Receipts Over/(Under) Disbursements	(2,000)
Fund Cash Balances, January 1	5,000
Fund Cash Balances, December 31	\$3,000

The notes to the financial statements are an integral part of this statement.

**PULTNEY TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Pultney Township, Belmont County, (the Township), is a body politic and corporate 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, including maintenance of roads and bridges, maintenance of cemeteries, fire protection and emergency medical services.

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.

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

C. Cash and Investments

The donated CSX stock is valued at fair market value on the date donated to the Township.

D. Fund Accounting

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Fund

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:

Motor Vehicle License Tax Fund - This fund receives motor vehicle license tax money to construct, maintain and repair Township roads.

Gasoline Tax Fund - This fund receives gasoline tax money to construct, maintain and repair Township roads.

PULTNEY TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Fund (Continued)

Road and Bridge Fund - This fund receives property taxes to maintain Township roads and bridges.

Fire Levy Fund - This fund receives property taxes to provide fire protection through contracts with local volunteer fire departments.

Federal Emergency Management Agency Fund (FEMA) - This fund receives monies from the Federal Emergency Management Agency to provide flood relief to the Township.

3. Debt Service Fund

The debt service fund is used to accumulate resources for the payment of bonds and note indebtedness. The Township's financial statements reflect the remaining balance of the General Bond (Note) Retirement Fund.

4. Fiduciary Funds (Trust and Agency Funds)

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 Fund. Other trust funds are classified as Expendable. Funds for which the Township is acting in an agency capacity are classified as Agency Funds. The Township had the following significant fiduciary funds:

Cemetery Bequest Fund - This fund receives donations for maintenance of the cemeteries.

Logging Bond Fund - This fund receives bonds from various logging companies which are held to insure appropriate repairs are made to township roads when logging activities have ceased.

E. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or 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.

2. 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.

**PULTNEY TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

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.

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Township.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>1999</u>	<u>1998</u>
Demand deposits	\$387,962	\$346,437
CSX Stock	<u>1,980</u>	<u>1,980</u>
Total deposits and investments	<u><u>\$389,942</u></u>	<u><u>\$348,417</u></u>

Deposits: Deposits are either (1) insured by the Federal Deposit Insurance Corporation or (2) collateralized by the financial institution's public entity deposit pool.

Investments: The CSX stock is held in certificate form in the custody of the Township.

PULTNEY TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and 1998, follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 77,644	\$ 97,032	\$ 19,388
Special Revenue	285,506	335,892	50,386
Debt Service			
Expendable Trust			
Total	\$ 363,150	\$ 432,924	\$ 69,774

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 215,272	\$ 94,097	\$ 121,175
Special Revenue	476,664	301,802	174,862
Debt Service	14		14
Expendable Trust	19,618		19,618
Total	\$ 711,568	\$ 395,899	\$ 315,669

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 65,644	\$ 192,582	\$ 126,938
Special Revenue	269,800	322,825	53,025
Debt Service	14		(14)
Expendable Trust			
Total	\$ 335,458	\$ 515,407	\$ 179,949

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 102,418	\$ 91,729	\$ 10,689
Special Revenue	455,745	302,949	152,796
Debt Service	14		14
Expendable Trust	19,618		19,618
Total	\$ 577,795	\$ 394,678	\$ 183,117

At December 31, 1999 and 1998, appropriations in the Fire Levy and Ambulance and Emergency Medical Service Levy Funds' exceeded estimated resources.

PULTNEY TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

4. 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 payment, 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.

5. RETIREMENT SYSTEMS

All of the Township's employees, as well as the Clerk and the Board of Trustees, belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement health care, 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 1999 and 1998, employees contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 1999.

6. RISK MANAGEMENT

The Township is insured with the Ed Stone Insurance Agency. This company assumes the risk of loss up to the limits of the Township's policies. Coverage amount is subject to deductibles and scheduled property. The following risks are covered by these companies:

- General liability and casualty
- Public officials' liability
- Vehicle
- Property

The Township also provides health insurance to its officials and full-time employees through a private carrier.

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Pultney Township
Belmont County
56420 High Ridge Road
Bellaire, Ohio 43906

To the Board of Trustees:

We have audited the accompanying financial statements of Pultney Township, Belmont County, Ohio (the Township), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated March 24, 2000. We conducted our audit in accordance with generally accepted auditing standards 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 the 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 instances of noncompliance that are required to be reported under *Government Auditing Standards*, which are described in the accompanying Schedule of Findings as items 1999-41007-001 and 1999-41007-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated March 24, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, 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 other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated March 24, 2000.

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

March 24, 2000

**PULTNEY TOWNSHIP
SCHEDULE OF FINDINGS
DECEMBER 31, 1999 AND 1998**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number	1999-41007-001
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Ohio Rev. Code Section 5705.39 prohibits a political subdivision or taxing unit from making a fund appropriation in excess of the estimated revenue available for expenditure from the fund as certified by the budget commission on the official certificate of estimated resources.

At December 31, 1999, the Fire Levy Fund had expenditures which exceeded estimated resources by \$6,706, and the Ambulance and Emergency Medical Service Levy Fund had expenditures which exceeded estimated resources by \$1,500.

At December 31, 1998, the Fire Levy Fund had expenditures which exceeded estimated resources by \$8,511, and the Ambulance and Emergency Medical Service Levy Fund had expenditures which exceeded estimated resources by \$4,151.

We recommend the Township compare appropriations to estimated revenue for each fund when the annual appropriation resolution is adopted and when supplemental amendments are passed to insure amounts appropriated do not exceed estimated revenues.

Finding Number	1999-41007-002
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Ohio Rev. Code Section 5705.10 states that all revenue derived from a specific source shall be credited to a special fund for the purpose for which the monies were received.

During 1999 and 1998, the Clerk recorded the financial activity for logging bonds in the General and Road and Bridge Funds, in the amounts of \$5,000 and \$2,500, respectively, instead of the Logging Bonds (Agency) Fund.

A finding for adjustment is hereby issued against the General Fund of Pultney Township, in the amount of \$5,000, and in favor of the Logging Bonds Fund and the Road and Bridge Fund of Pultney Township, in the amount of \$2,500, and in favor of the Logging Bonds Fund. The Clerk has posted these adjustments to his records, and these adjustments are reflected in the accompanying financial statements.



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PULTNEY TOWNSHIP

BELMONT 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 20, 2000**