



**CENTER TOWNSHIP  
WILLIAMS COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000-1999**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**CENTER TOWNSHIP  
WILLIAMS COUNTY**

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## REPORT OF INDEPENDENT ACCOUNTANTS

Center Township  
Williams County  
04266 County Road 12  
Bryan, Ohio 43506-8986

To the Board of Trustees:

We have audited the accompanying financial statements of Center Township, Williams 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 the Township 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 our report dated July 20, 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 audits.

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.

**Jim Petro**  
Auditor of State

July 20, 2001

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**CENTER TOWNSHIP  
WILLIAMS COUNTY**

**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, 2000**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Fiduciary Funds</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$39,625	\$117,714		\$157,339
Intergovernmental	85,844	77,323		163,167
Special Assessments		7,808		7,808
Licenses, Permits, and Fees	18,441	5,850		24,291
Fines, Forfeitures, and Penalties	1,429			1,429
Earnings on Investments	13,602	755	\$162	14,519
Other Revenue	4,487	4,897	8,987	18,371
<b>Total Cash Receipts</b>	<u>163,428</u>	<u>214,347</u>	<u>9,149</u>	<u>386,924</u>
<b>Cash Disbursements:</b>				
Current:				
General Government	97,597	5,786		103,383
Public Safety		34,106		34,106
Public Works	35,695	179,042		214,737
Health	3,292	9,199	6,085	18,576
Capital Outlay	17,641	5,137		22,778
<b>Total Cash Disbursements</b>	<u>154,225</u>	<u>233,270</u>	<u>6,085</u>	<u>393,580</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>9,203</u>	<u>(18,923)</u>	<u>3,064</u>	<u>(6,656)</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Other Sources	100			100
Other Uses	(9,407)			(9,407)
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>(9,307)</u>			<u>(9,307)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(104)	(18,923)	3,064	(15,963)
Fund Cash Balances, January 1	<u>103,468</u>	<u>123,288</u>	<u>2,341</u>	<u>229,097</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$103,364</b></u>	<u><b>\$104,365</b></u>	<u><b>\$5,405</b></u>	<u><b>\$213,134</b></u>

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

**CENTER TOWNSHIP  
WILLIAMS COUNTY**

**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>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Fiduciary Funds</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$38,375	\$114,280		\$152,655
Intergovernmental	59,839	76,389		136,228
Special Assessments		8,003		8,003
Licenses, Permits, and Fees	23,311	1,980		25,291
Fines, Forfeitures, and Penalties	104			104
Earnings on Investments	20,971	249	\$160	21,380
Other Revenue	529	7,518		8,047
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	143,129	208,419	160	351,708
<b>Cash Disbursements:</b>				
Current:				
General Government	101,780	4,324		106,104
Public Safety		27,050		27,050
Public Works	56,761	156,995		213,756
Health	8,941	6,335		15,276
Miscellaneous			13	13
Capital Outlay	347,957	3,716		351,673
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	515,439	198,420	13	713,872
Total Cash Receipts Over/(Under) Disbursements	(372,310)	9,999	147	(362,164)
Fund Cash Balances, January 1	475,778	113,289	2,194	591,261
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, December 31</b>	<b>\$103,468</b>	<b>\$123,288</b>	<b>\$2,341</b>	<b>\$229,097</b>

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



**CENTER TOWNSHIP  
WILLIAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Center Township, Williams 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, including road and bridge maintenance, cemetery maintenance. The Township contracts with the City of Bryan and the Village of Edgerton to provide fire 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. 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 and Investments**

Certificates of deposit are valued at cost.

**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 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:

*Road and Bridge Fund* - This fund receives property tax money for constructing, maintaining and repairing Township roads and bridges.

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

*Fire Levy Fund* - This fund receives tax revenues for maintaining fire services.

**CENTER TOWNSHIP  
WILLIAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**3. Fiduciary Funds (Trust Funds)**

These funds are used to account for resources restricted by legally binding trust agreements. The Township had the following significant fiduciary fund:

*Brown Cemetery Beautification Fund* - This Fund receives donations and interest earned on a gift held by the Bryan Area Foundation.

**E. Budgetary Process**

The Ohio Revised Code requires that each fund 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.

**3. Encumbrances**

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

A summary of 2000 and 1999 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:

**CENTER TOWNSHIP  
WILLIAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

	<u>2000</u>	<u>1999</u>
Demand deposits	\$151,716	\$117,800
Certificates of deposit	<u>61,418</u>	<u>111,297</u>
Total deposits	<u>\$213,134</u>	<u>\$229,097</u>

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

**3. BUDGETARY ACTIVITY**

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

2000 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$163,428	\$163,528	\$100
Special Revenue	213,347	213,347	
Fiduciary	<u>9,185</u>	<u>9,149</u>	<u>(36)</u>
Total	<u>\$385,960</u>	<u>\$386,024</u>	<u>\$64</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$221,784	\$163,632	\$58,152
Special Revenue	330,113	233,270	96,843
Fiduciary	<u>2,498</u>	<u>6,085</u>	<u>(3,587)</u>
Total	<u>\$554,395</u>	<u>\$402,987</u>	<u>\$151,408</u>

1999 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$142,596	\$143,129	\$533
Special Revenue	208,380	208,419	39
Fiduciary	<u>151</u>	<u>160</u>	<u>9</u>
Total	<u>\$351,127</u>	<u>\$351,708</u>	<u>\$581</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$576,648	\$515,439	\$61,209
Special Revenue	298,536	198,420	100,116
Fiduciary	<u>2,312</u>	<u>13</u>	<u>2,299</u>
Total	<u>\$877,496</u>	<u>\$713,872</u>	<u>\$163,624</u>

**CENTER TOWNSHIP  
WILLIAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

Expenditures exceeded appropriations by \$6,085 in the Brown Cemetery Beautification Fund in 2000, contrary to Ohio Revised Code § 5705.41(B).

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by 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.

Public utilities are also taxed on personal and real property located within the Township.

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**

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

PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% and 10.84% of participants' gross salaries for 1999 and 2000, respectively. The Township has paid all contributions required through December 31, 2000

**6. RISK POOL MEMBERSHIP**

The Township belongs to the Ohio Government Risk Management Plan (the "Plan"), an unincorporated non-profit association with over 600 governmental entity members providing a formalized, jointly administered self-insurance risk management program and other administrative services.

Pursuant to § 2744.081 of the Ohio Revised Code, the Plan is deemed a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the member's deductible.

The Plan uses conventional insurance coverages and reinsures these coverages 100%, rather than using a risk pool of member funds to pay individual and collective losses. Therefore, the individual members are only responsible for their self-retention (deductible) amounts which vary from member to member.



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

Center Township  
Williams County  
04266 County Road 12  
Bryan, Ohio 43506-8986

To the Board of Trustees:

We have audited the accompanying financial statements of Center Township, Williams County, Ohio, (the Township) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated July 20, 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 audits 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 2000-40186-001 and 2000-40186-002. We also noted a certain immaterial instance of noncompliance that we have reported to management of the Township in a separate letter dated July 20, 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 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 July 20, 2001.

Center Township  
Williams County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
Page 2

This report is intended for the information and 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.

**Jim Petro**  
Auditor of State

July 20, 2001

**CENTER TOWNSHIP  
WILLIAMS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2000 AND 1999**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2000-40186-001**

**Finding for Recovery**

Ohio Constitution, Article I, Section 20, generally prohibits public officials from receiving increases in compensation in the middle of a term of office. Further, Am. Sub H.B. No. 408, 1996, amended Ohio Revised Code § 507.09 to increase the compensation of Township Clerks effective only for those officials who began office after May 8, 1996. The term of office for James Davis, Clerk, began on April 1, 1996, thus not entitling him to an increase in compensation under House Bill 408 until April 1, 2000. Mr. Davis was paid the higher rate of pay specified in House Bill 408 for the first three months of 2000. This resulted in an overpayment of \$417.50.

In accordance with the facts and pursuant to Ohio Revised Code § 117.28, a finding for recovery is hereby issued for public monies improperly expended against James Davis, Clerk, and his bonding company, Ohio Government Risk Management Plan, jointly and severally, in favor of the General Fund in the total amount of four hundred-seventeen dollars and fifty cents (\$417.50)

**FINDING NUMBER 2000-40186-002**

**Noncompliance Citation**

Ohio Revised Code § 5705.41 (B) states that no subdivision or taxing unit is to expend money unless it has been appropriated. The Township's expenditures exceeded appropriations in the Brown Cemetery Beautification Fund, an Expendable Trust Fund, by the following amounts in 2000:

<u>Year</u>	<u>Appropriations</u>	<u>Actual Expenditures</u>	<u>Variance</u>
2000	<u><u>          </u></u>	<u><u>\$6,085</u></u>	<u><u>(\$6,085)</u></u>

Township Officials should regularly monitor budgets to make sure that there are sufficient appropriations to fund anticipated expenditures. When budget modifications are required they should be authorized by the Township Trustees.







STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**CENTER TOWNSHIP**

**WILLIAMS 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 14, 2001**