



**PUT-IN-BAY TOWNSHIP
OTTAWA COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



**JIM PETRO
AUDITOR OF STATE**

STATE OF OHIO

**PUT-IN-BAY TOWNSHIP
OTTAWA COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants	1
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	4
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	6
Notes to the Financial Statements	9
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	17

This page intentionally left blank.



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

One Government Center
Room 1420
Toledo, Ohio 43604-2246
Telephone 419-245-2811
800-443-9276
Facsimile 419-245-2484
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Put-in-Bay Township
Ottawa County
624 Trenton Avenue
P.O. Box 127
Put-in-Bay, Ohio 43456-0127

To the Board of Trustees:

We have audited the accompanying financial statements of Put-in-Bay Township (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 described 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 and reserves for encumbrances 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.

As described in Note 10, the Township changed the fund type classification of the South Bass Emergency Medical Services Expendable Trust Fund and the Middle Bass Emergency Medical Services Expendable Trust Fund to Special Revenue Funds.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 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.

Put-in-Bay Township
Ottawa County
Report of Independent Accountants
Page 2

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

October 29, 2001

This page intentionally left blank.

**PUT-IN-BAY TOWNSHIP
OTTAWA 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>	
	<u>General</u>	<u>Special Revenue</u>
Cash Receipts:		
Local Taxes	\$140,684	\$404,021
Intergovernmental	107,254	137,388
Licenses, Permits, and Fees	7,546	1,900
Fines, Forfeitures, and Penalties	3,176	
Earnings on Investments	1,176	258
Other Revenue		34,225
	<hr/>	<hr/>
Total Cash Receipts	259,836	577,792
Cash Disbursements:		
Current:		
General Government	139,762	20,013
Public Safety	152,013	122,739
Public Works	17,543	269,621
Health		231
Conservation - Recreation		11,439
Debt Service:		
Redemption of Principal		32,500
Interest and Fiscal Charges		10,500
Capital Outlay		18,259
	<hr/>	<hr/>
Total Cash Disbursements	309,318	485,302
Total Receipts Over/(Under) Disbursements	<hr/>	<hr/>
	(49,482)	92,490
Other Financing Receipts/(Disbursements):		
Transfers-In		18,224
Transfers-Out	(4,732)	(13,492)
Other Sources	13,286	
	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	8,554	4,732
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<hr/>	<hr/>
	(40,928)	97,222
Fund Cash Balances, January 1	<hr/>	<hr/>
	90,416	193,131
Fund Cash Balances, December 31	<hr/> \$49,488	<hr/> \$290,353
Reserve for Encumbrances, December 31	<hr/>	<hr/>
	\$1,797	\$4,757

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

Governmental Fund Types

<u>Debt Service</u>	<u>Capital Projects</u>	<u>Fiduciary Funds</u>	<u>Totals (Memorandum Only)</u>
			\$544,705
	\$19,702		264,344
			9,446
			3,176
\$1,914			3,348
	2,310		36,535
<hr/>	<hr/>	<hr/>	<hr/>
1,914	22,012		861,554
			159,775
			274,752
			287,164
			231
			11,439
36,000			68,500
	19,702		10,500
<hr/>	<hr/>	<hr/>	<hr/>
36,000	19,702		37,961
<hr/>	<hr/>	<hr/>	<hr/>
36,000	19,702		850,322
<hr/>	<hr/>	<hr/>	<hr/>
(34,086)	2,310		11,232
			18,224
			(18,224)
			13,286
<hr/>	<hr/>	<hr/>	<hr/>
			13,286
(34,086)	2,310		24,518
58,965		\$1,027	343,539
<hr/>	<hr/>	<hr/>	<hr/>
\$24,879	\$2,310	\$1,027	\$368,057
<hr/>	<hr/>	<hr/>	<hr/>
			\$6,554

**PUT-IN-BAY TOWNSHIP
OTTAWA 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**

	Governmental Fund Types		
	General	Special Revenue	Debt Service
Cash Receipts:			
Local Taxes	\$206,287	\$407,083	
Intergovernmental	70,537	171,469	
Charges for Services		10,929	
Licenses, Permits, and Fees	5,463	3,050	
Fines, Forfeitures, and Penalties	3,975		
Earnings on Investments	1,139	190	\$1,714
Other Revenue		45,161	
	<u>287,401</u>	<u>637,882</u>	<u>1,714</u>
Total Cash Receipts	<u>287,401</u>	<u>637,882</u>	<u>1,714</u>
Cash Disbursements:			
Current:			
General Government	112,147	28,155	
Public Safety	151,077	164,559	
Public Works		371,855	
Health		2,028	
Conservation - Recreation		4,976	
Debt Service:			
Redemption of Principal		65,000	
Interest and Fiscal Charges		17,250	
Capital Outlay		30,040	
	<u>263,224</u>	<u>683,863</u>	
Total Cash Disbursements	<u>263,224</u>	<u>683,863</u>	
Total Receipts Over/(Under) Disbursements	<u>24,177</u>	<u>(45,981)</u>	<u>1,714</u>
Other Financing Receipts/(Disbursements):			
Transfers-In		19,763	1,139
Transfers-Out	(1,139)	(19,763)	
Other Sources	13,633		
	<u>12,494</u>		<u>1,139</u>
Total Other Financing Receipts/(Disbursements)	<u>12,494</u>		<u>1,139</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>36,671</u>	<u>(45,981)</u>	<u>2,853</u>
Fund Cash Balances, January 1	<u>53,745</u>	<u>239,112</u>	<u>56,112</u>
Fund Cash Balances, December 31	<u>\$90,416</u>	<u>\$193,131</u>	<u>\$58,965</u>
Reserve for Encumbrances, December 31	<u>\$1,769</u>	<u>\$4,759</u>	

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

<u>Fiduciary Funds</u>	<u>Totals (Memorandum Only)</u>
	\$613,370
	242,006
	10,929
	8,513
	3,975
\$11	3,054
	<u>45,161</u>
<u>11</u>	<u>927,008</u>
	140,302
	315,636
	371,855
	2,028
	4,976
	65,000
	17,250
	<u>30,040</u>
	<u>947,087</u>
<u>11</u>	<u>(20,079)</u>
	20,902
	(20,902)
	<u>13,633</u>
	<u>13,633</u>
11	(6,446)
<u>1,016</u>	<u>349,985</u>
<u>\$1,027</u>	<u>\$343,539</u>
	<u>\$6,528</u>

This page intentionally left blank.

**PUT-IN-BAY TOWNSHIP
OTTAWA COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Put-in-Bay Township, Ottawa 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, fire protection, refuse collection, doctor services and emergency medical services. The Township contracts with the Village of Put-in-Bay to provide police protection.

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

The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

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.

**PUT-IN-BAY TOWNSHIP
OTTAWA COUNTY**

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

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.

South Bass Fire District Fund - This fund receives tax levy monies for providing fire services to South Bass Island.

3. Debt Service Funds

Debt service funds are used to accumulate resources for the payment of bonds and note indebtedness. The Township had the following significant debt service fund:

Note Retirement Fund - This fund receives transfers in to use to pay off note debt.

4. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Township had the following significant capital project fund:

Issue II Fund - The Township received a grant from the State of Ohio to replace a culvert on Any Avenue.

5. Fiduciary Funds (Trust and Agency Funds)

These funds are used to account for resources restricted by legally binding trust agreements and funds for which the Township is acting in an agency capacity.

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. Unencumbered appropriations lapse at year end.

**PUT-IN-BAY TOWNSHIP
OTTAWA COUNTY**

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

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered 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 carried over, and need not be reappropriated.

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:

	<u>2000</u>	<u>1999</u>
Demand deposits	\$306,346	\$284,574
STAR Ohio	<u>61,711</u>	<u>58,965</u>
Total deposits and investments	<u><u>\$368,057</u></u>	<u><u>\$343,539</u></u>

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

Investments: Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**PUT-IN-BAY TOWNSHIP
OTTAWA COUNTY**

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

3. BUDGETARY ACTIVITY

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

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$301,034	\$273,122	(\$27,912)
Special Revenue	648,576	596,016	(52,560)
Debt Service	3,300	1,914	(1,386)
Capital Projects		22,012	22,012
Fiduciary	11		(11)
Total	<u>\$952,921</u>	<u>\$893,064</u>	<u>(\$59,857)</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$403,451	\$315,847	\$87,604
Special Revenue	842,000	503,551	338,449
Debt Service	62,265	36,000	26,265
Capital Projects		19,702	(19,702)
Fiduciary	1,038		1,038
Total	<u>\$1,308,754</u>	<u>\$875,100</u>	<u>\$433,654</u>

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$133,983	\$301,034	\$167,051
Special Revenue	827,658	657,645	(170,013)
Debt Service	2,800	2,853	53
Fiduciary	31	11	(20)
Total	<u>\$964,472</u>	<u>\$961,543</u>	<u>(\$2,929)</u>

**PUT-IN-BAY TOWNSHIP
OTTAWA COUNTY**

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

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$285,329	\$266,132	\$19,197
Special Revenue	1,115,900	708,385	407,515
Debt Service	59,846		59,846
Fiduciary	1,047		1,047
Total	\$1,462,122	\$974,517	\$487,605

The negative variance in the capital projects fund type is due to audit adjustments to report Issue II activity which was not recorded on the Township's books.

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.

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. DEBT

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
General Obligation Notes	\$215,000	5%

The general obligation note relates to fire station improvements.

**PUT-IN-BAY TOWNSHIP
OTTAWA COUNTY**

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

Amortization of the above debt, including interest, is scheduled as follows:

<u>Year ending December 31:</u>	<u>General Obligation Notes</u>
2001	\$80,750
2002	77,250
2003	<u>78,750</u>
Total	<u><u>\$236,750</u></u>

6. RETIREMENT SYSTEMS

The Township's 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 postretirement 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% and 10.84% of participants' gross salaries for 1999 and 2000, respectively. The Township has paid all contributions required through December 31, 2000.

7. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

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

8. RELATED PARTY TRANSACTIONS

A Township Trustee is owner of a company that the Township contracted for various maintenance work performed on North Bass Island during 2000 and 1999. The Township paid \$8,870 in 2000 and \$10,457 in 1999 for this work.

**PUT-IN-BAY TOWNSHIP
OTTAWA COUNTY**

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

9. SUBSEQUENT EVENTS

On February 13, 2001, the Township approved raising the resort tax from 1% to 1½ % effective May 1, 2001. The rate increase will increase resort tax revenue approximately \$38,000.

10. CHANGE IN FUND CLASSIFICATION

Prior to January 1, 1999, the South Bass and Middle Bass Emergency Medical Services Expendable Trust Funds were reported as fiduciary funds. Starting January 1, 1999, the Township reclassified these funds to special revenue funds. These changes required that adjustments be made to the January 1, 1999, fund balances as previously reported to reflect the the prior year's effect of adopting this change.

<u>Fund Type</u>	<u>Previously Stated Fund Balance 12/31/98</u>	<u>Adjustments</u>	<u>Restated Fund Balance 1/1/99</u>
Governmental:			
Special Revenue	\$219,400	\$19,712	\$239,112
Fiduciary	\$20,728	(\$19,712)	\$1,016

This page intentionally left blank.



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

One Government Center
Room 1420
Toledo, Ohio 43604-2246
Telephone 419-245-2811
800-443-9276
Facsimile 419-245-2484
www.auditor.state.oh.us

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

Put-in-Bay Township
Ottawa County
624 Trenton Avenue
P.O. Box 127
Put-in-Bay, Ohio 43456-0127

To the Board of Trustees:

We have audited the accompanying financial statements of Put-in-Bay Township (the Township) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated October 29, 2001, in which we noted the Township changed the fund type classification of the South Bass Emergency Medical Services Fund and the Middle Bass Emergency Medical Services Fund. 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 the 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to the management of the Township in a separate letter dated October 29, 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 the management of the Township in a separate letter dated October 29, 2001.

Put-in-Bay Township
Ottawa County
Report of Independent Accountants on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

This report is intended solely 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

October 29, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

PUT-IN-BAY TOWNSHIP

OTTAWA 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
NOVEMBER 8, 2001**