

**STOKES TOWNSHIP**

**MADISON COUNTY**

**REGULAR AUDIT**

**JANUARY 1, 1999 - DECEMBER 31, 2000**





**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**  

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**JIM PETRO, AUDITOR OF STATE**

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Board of Trustees  
Stokes Township  
Madison County  
14565 Moon Road  
South Solon, Ohio 43153

We have reviewed the Independent Auditor's Report of the Stokes Township, Madison County, prepared by Whited Seigneur Sams & Rahe, CPAs, for the audit period January 1, 1999 to December 31, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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. Stokes Township is responsible for compliance with these laws and regulations.

**JIM PETRO**  
Auditor of State

May 23, 2001

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**STOKES TOWNSHIP  
MADISON COUNTY, OHIO  
JANUARY 1, 1999 THROUGH DECEMBER 31, 2000**

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# Whited Seigneur Sams & Rahe

CERTIFIED PUBLIC ACCOUNTANTS

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April 23, 2001

Board of Trustees  
Stokes Township  
Madison County  
14565 Moon Road  
South Solon, Ohio 43153

## Report of Independent Auditor

We have audited the accompanying financial statements of Stokes Township, Madison 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 Stokes Township, Madison County, Ohio, 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 a report dated April 23, 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 audits 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 the officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

WHITED SEIGNEUR SAMS & RAHE, CPAs



**STOKES TOWNSHIP  
MADISON COUNTY, OHIO  
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND  
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES - CASH BASIS -  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>General</u>	<u>Special Revenue</u>	Memorandum <u>Only</u>  <u>Total</u>
<b><u>CASH RECEIPTS:</u></b>			
Taxes	\$ 11,257	\$ 14,976	\$ 26,233
Charges for Services	0	1,965	1,965
Licenses, Permits and Fees	0	5,391	5,391
Intergovernmental Receipts	31,112	63,358	94,470
Interest	4,396	4,305	8,701
Other Revenue	<u>0</u>	<u>2,482</u>	<u>2,482</u>
 TOTAL CASH RECEIPTS	 46,765	 92,477	 139,242
<b><u>CASH DISBURSEMENTS:</u></b>			
General Government	41,616	0	41,616
Public Safety	0	9,669	9,669
Public Works	0	70,935	70,935
Health	13,566	5,089	18,655
Capital Outlay	<u>100</u>	<u>11,006</u>	<u>11,106</u>
 TOTAL CASH DISBURSEMENTS	 <u>55,282</u>	 <u>96,699</u>	 <u>151,981</u>
 TOTAL CASH RECEIPTS OVER / (UNDER) CASH DISBURSEMENTS	 (8,517)	 (4,222)	 (12,739)
 Fund cash balances, January 1, 2000	 <u>65,436</u>	 <u>91,402</u>	 <u>156,838</u>
 Fund cash balances, December 31, 2000	 <u>\$ 56,919</u>	 <u>\$ 87,180</u>	 <u>\$144,099</u>

**STOKES TOWNSHIP**  
**MADISON COUNTY, OHIO**  
**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND**  
**CHANGES IN FUND CASH BALANCE - FIDUCIARY FUND - CASH BASIS -**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

	Non- Expendable <u>Trust</u>
Operating Cash Receipts:	
Interest	\$ 116
Operating Cash Disbursements:	
Supplies and Materials	<u>76</u>
Operating Income/(Loss)	40
Fund cash balance, January 1, 2000	<u>2,329</u>
Fund cash balance, December 31, 2000	<u>\$ 2,369</u>

**STOKES TOWNSHIP  
MADISON COUNTY, OHIO  
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND  
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES - CASH BASIS -  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>General</u>	<u>Special Revenue</u>	Memorandum <u>Only</u>  <u>Total</u>
<b><u>CASH RECEIPTS:</u></b>			
Taxes	\$ 9,666	\$ 14,689	\$ 24,355
Charges for Services	0	1,965	1,965
Licenses, Permits and Fees	0	4,396	4,396
Intergovernmental Receipts	18,777	61,923	80,700
Interest	4,304	3,465	7,769
Other Revenue	<u>0</u>	<u>2,924</u>	<u>2,924</u>
 TOTAL CASH RECEIPTS	 32,747	 89,362	 122,109
<b><u>CASH DISBURSEMENTS:</u></b>			
General Government	38,506	0	38,506
Public Safety	0	8,286	8,286
Public Works	0	48,942	48,942
Health	13,537	4,814	18,351
Capital Outlay	<u>0</u>	<u>35,170</u>	<u>35,170</u>
 TOTAL CASH DISBURSEMENTS	 <u>52,043</u>	 <u>97,212</u>	 <u>149,255</u>
 TOTAL CASH RECEIPTS OVER/ (UNDER) CASH DISBURSEMENTS	 (19,296)	 (7,850)	 (27,146)
<b><u>OTHER FINANCING SOURCES:</u></b>			
Sale of Assets	<u>100</u>	<u>6,587</u>	<u>6,687</u>
 TOTAL OTHER FINANCING SOURCES	 <u>100</u>	 <u>6,587</u>	 <u>6,687</u>
 EXCESS OF CASH RECEIPTS AND OTHER FINANCING SOURCES OVER/ (UNDER) CASH DISBURSEMENTS AND OTHER FINANCING USES	 (19,196)	 (1,263)	 (20,459)
 Fund cash balances, January 1, 1999	 <u>84,632</u>	 <u>92,665</u>	 <u>177,297</u>
 Fund cash balances, December 31, 1999	 <u>\$ 65,436</u>	 <u>\$ 91,402</u>	 <u>\$156,838</u>

**STOKES TOWNSHIP**  
**MADISON COUNTY, OHIO**  
**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND**  
**CHANGES IN FUND CASH BALANCE - FIDUCIARY FUND - CASH BASIS -**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

	Non- Expendable <u>Trust</u>
Operating Cash Receipts:	
Interest	\$ 104
Operating Cash Disbursements:	
Supplies and Materials	<u>100</u>
Operating Income/(Loss)	4
Fund cash balance, January 1, 1999	<u>2,325</u>
Fund cash balance, December 31, 1999	<u><u>\$ 2,329</u></u>

**STOKES TOWNSHIP  
MADISON COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- a) Description of the Entity - Stokes Township, Madison 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, road maintenance and repairs, emergency fire services, and cemetery operations.

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 - Demand deposits are valued at cost.
- d) Fund Accounting - The Township uses fund accounting to segregate cash that is restricted as to use. The Township classifies its funds into the following types:

General Fund - The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

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:

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

Fire - This fund receives monies from property taxes for purchasing fire equipment and vehicles and providing emergency fire services.

Fiduciary Fund - 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. Funds for which the Township is acting in an agency capacity are classified as agency funds. The Township had the following significant fiduciary fund:

Cemetery Bequest Fund - This fiduciary fund is used to account for assets held by the Township in a trustee capacity.

**STOKES TOWNSHIP  
MADISON COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

e) Budgetary Process - The Ohio Revised Code requires that each fund be budgeted annually.

Appropriations - Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the 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.

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.

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 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.

**NOTE 2 - EQUITY IN POOLED CASH**

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

	<u>2000</u>	<u>1999</u>
Demand deposits	\$146,468	\$159,167

Deposits - Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by securities specifically pledged by the financial institution to the Township.

**STOKES TOWNSHIP  
MADISON COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999**

**NOTE 3 - BUDGETARY ACTIVITY**

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

2000 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
General	\$ 48,799	\$ 46,765	\$ (2,034)
Special Revenue	98,782	92,477	(6,305)
Trust and Agency	<u>110</u>	<u>116</u>	<u>6</u>
	<u>\$147,691</u>	<u>\$139,358</u>	<u>\$ (8,333)</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 72,945	\$ 55,282	\$17,663
Special Revenue	139,455	96,699	42,756
Trust and Agency	<u>110</u>	<u>76</u>	<u>34</u>
	<u>\$212,510</u>	<u>\$152,057</u>	<u>\$ 60,453</u>

1999 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
General	\$ 37,785	\$ 32,847	\$ (4,938)
Special Revenue	88,365	95,949	7,584
Trust and Agency	<u>120</u>	<u>104</u>	<u>(16)</u>
	<u>\$126,270</u>	<u>\$128,900</u>	<u>\$ 2,630</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 70,522	\$ 52,043	\$ 18,479
Special Revenue	146,272	97,212	49,060
Trust and Agency	<u>100</u>	<u>100</u>	<u>0</u>
	<u>\$216,894</u>	<u>\$149,355</u>	<u>\$ 67,539</u>

**STOKES TOWNSHIP  
MADISON COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999**

**NOTE 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 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.

**NOTE 5 - RETIREMENT SYSTEMS**

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 post-retirement 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% of participants' gross salaries, except for pay periods from July 1, 2000 through December 31, 2000 in which the Township contributed 8.13025% of the participants' gross salaries. The Township has paid all contributions required through December 31, 2000.

**NOTE 6 - RISK MANAGEMENT**

The Township is a member participant in the Ohio Government Risk Management Plan and has obtained insurance for the following risks:

- Comprehensive property and general liability
- Wrongful Acts
- Automobile
- Inland Marine
- Fire Vehicle
- Electronic Data Processing

The Township also provides health insurance coverage to the elected officials and full-time employees through private carriers.



# Whited Seigneur Sams & Rahe

CERTIFIED PUBLIC ACCOUNTANTS

Jerry B. Whited, CPA  
Donald R. Seigneur, CPA



John R. Sams, CPA  
Barry L. Rahe, CPA

213 South Paint Street  
Chillicothe, Ohio 45601

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April 23, 2001

Board of Trustees  
Stokes Township  
Madison County  
14565 Moon Road  
South Solon, Ohio 43153

## **Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

We have audited the accompanying financial statements of Stokes Township, Madison County, Ohio (the Township) as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated April 23, 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### **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.

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

Respectfully submitted,

WHITED SEIGNEUR SAMS & RAHE, CPAs



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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800-282-0370  
Facsimile 614-466-4490

**STOKES 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  
MAY 31, 2001**