

BLANCHARD TOWNSHIP

HARDIN COUNTY, OHIO

AUDITED FINANCIAL STATEMENTS

JANUARY 1, 1998 - DECEMBER 31, 1999



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street, 1st Floor
Columbus, Ohio 43215

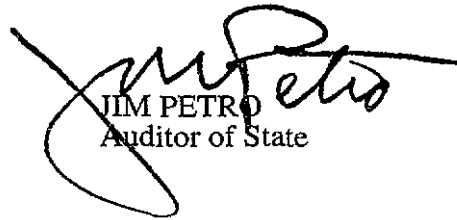
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Board of Trustees
Blanchard Township

We have reviewed the Independent Auditor's Report of Blanchard Township, Hardin County, prepared by Vanessa L. Blevins, CPA for the audit period January 1, 1998 through December 31, 1999. 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. Blanchard Township is responsible for compliance with these laws and regulations.


JIM PETRO
Auditor of State

July 10, 2000

BLANCHARD TOWNSHIP

JANUARY 1, 1998 TO DECEMBER 31, 1999

Table of Contents

Report of Independent Accountants

Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types For the Year Ended December 31, 1999	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Fiduciary Funds For the Year Ended December 31, 1999	2
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types For the Year Ended December 31, 1999	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Fiduciary Funds For the Year Ended December 31, 1999	4
Notes to the Financial Statements	5-9
Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	

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REPORT OF INDEPENDENT ACCOUNTANTS

Blanchard Township
2682 County Road 159
Dunkirk, Ohio 45836

To the Members of the Board of Township Trustees:

We have audited the accompanying financial statements of Blanchard Township, Hardin 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.

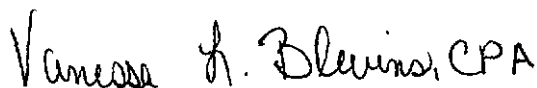
We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable 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 audit provides a reasonable basis for our opinion.

As described 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 Blanchard Township, Hardin County, Ohio, 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 May 28, 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 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. However, this report is a public record and is available upon specific request.



Vanessa L. Blevins, CPA

May 28, 2000

**BLANCHARD TOWNSHIP
HARDIN COUNTY, OHIO**

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

	General	Special Revenue	Capital Projects	Total (Memorandum Only)
Cash receipts:				
Taxes	\$ 35,088	\$ 22,932	\$ -	\$ 58,020
Intergovernmental	28,086	62,664	16,810	107,560
Fines, licenses, and permits	-	5,641	-	5,641
Interest Revenue	1,937	1,986	-	3,923
Miscellaneous	14	1,300	-	1,314
	<hr/>			
Total cash receipts	65,125	94,523	16,810	176,458
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Cash disbursements:				
Current:				
Public safety	10,901	-	-	10,901
Public health services	-	25,218	-	25,218
Public works	-	78,090	-	78,090
Conservation- Recreation	-	-	-	-
General government	58,140	-	-	58,140
Capital outlay	11,240	-	16,810	28,050
	<hr/>			
Total cash disbursements	80,281	103,308	16,810	200,399
	<hr/>			
Total receipts over/(under) disbursement	(15,156)	(8,785)	-	(23,941)
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Fund cash balances, January 1, 1999	89,673	81,528	-	171,201
	<hr/>			
Fund cash balances, December 31, 1999	\$ 74,517	\$ 72,743	\$ -	\$ 147,260

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

**BLANCHARD TOWNSHIP
HARDIN COUNTY, OHIO**

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

	Nonexpendable Trust
Operating Cash receipts:	
Interest	\$ 130
Total operating cash receipts	130
Cash disbursements:	
Supplies and materials	-
Total operating cash disbursements	-
Operating income/(loss)	130
Fund cash balances, January 1, 1999	3,079
Fund cash balances, December 31, 1999	\$ 3,209

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

**BLANCHARD TOWNSHIP
HARDIN COUNTY, OHIO**

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

	General	Special Revenue	Capital Project	Total (Memorandum Only)
Cash receipts:				
Taxes	\$ 33,251	\$ 21,697	\$ -	\$ 54,948
Intergovernmental	33,767	59,069	-	92,836
Fines, licenses, and permits	-	8,367	-	8,367
Interest Revenue	1,937	2,067	-	4,004
Miscellaneous	2,830	1,205	-	4,035
Total cash receipts	71,785	92,405	-	164,190
Cash disbursements:				
<i>Current:</i>				
Public safety	11,079	-	-	11,079
Public health services	-	38,341	-	38,341
Public Works	-	50,465	-	50,465
Conservation- Recreation	-	-	-	-
General government	44,959	-	-	44,959
Capital outlay	-	11,979	-	11,979
Total cash disbursements	56,038	100,785	-	156,823
Total receipts over disbursements	15,747	(8,380)	-	7,367
Fund cash balances, January 1, 1999	73,927	89,909	-	163,836
Fund cash balances, December 31, 1999	\$ 89,674	\$ 81,529	\$ -	\$ 171,203

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

**BLANCHARD TOWNSHIP
HARDIN COUNTY, OHIO**

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

	Nonexpendable Trust
Operating Cash receipts:	
Interest	\$ 146
Total operating cash receipts	146
Cash disbursements:	
Supplies and materials	-
Total operating cash disbursements	-
Operating income/(loss)	146
Fund cash balances, January 1, 1998	2,933
Fund cash balances, December 31, 1998	\$ 3,079

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

**BLANCHARD TOWNSHIP
HARDIN COUNTY, OHIO**

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Blanchard Township, Hardin 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. The Township provides general governmental services, including road maintenance, fire protection and cemetery 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:

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.

**BLANCHARD TOWNSHIP
HARDIN COUNTY, OHIO**

NOTES TO FINANCIAL STATEMENTS
(Continued)

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:

Gas Tax Fund - This fund receives gasoline tax money for constructing, maintaining and repairing Township streets.

Cemetery fund - This fund receives tax revenue and sale of lot receipts for the upkeep of the Township cemetery.

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 Funds - Receives proceeds from the interest income earned on the principal.

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 fund, function or object level of control, and appropriations may not exceed estimated resources. The Board 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 1999 and 1998 budgetary activity appears in Note 2.

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.

**BLANCHARD TOWNSHIP
HARDIN COUNTY, OHIO**

NOTES TO FINANCIAL STATEMENTS
(Continued)

2. BUDGETARY ACTIVITY

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

1998 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 57,850	\$ 71,784	\$ 13,934
Special Revenue	80,900	92,404	11,504
Fiduciary	200	146	(54)
Total	<u>\$ 138,950</u>	<u>\$ 164,334</u>	<u>\$ 25,384</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 129,550	\$ 56,038	\$ 73,512
Special Revenue	172,500	100,785	71,715
Fiduciary	-	-	-
Total	<u>\$ 302,050</u>	<u>\$ 156,823</u>	<u>\$ 145,227</u>

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 63,400	\$ 65,126	\$ 1,726
Special Revenue	91,600	94,523	2,923
Capital Projects	-	16,810	16,810
Fiduciary	160	130	(30)
Total	<u>\$ 155,160</u>	<u>\$ 176,589</u>	<u>\$ 21,429</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 151,550	\$ 80,281	\$ 71,269
Special Revenue	164,000	103,309	60,691
Capital Projects	16,810	16,810	-
Fiduciary	-	-	-
Total	<u>\$ 332,360</u>	<u>\$ 200,400</u>	<u>\$ 131,960</u>

**BLANCHARD TOWNSHIP
HARDIN COUNTY, OHIO**

NOTES TO FINANCIAL STATEMENTS
(Continued)

4. 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	\$ 147,761	\$ 171,574
Certificates of deposit	2,708	2,708
Total deposits	<u>\$ 150,469</u>	<u>\$ 174,282</u>

Deposits

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

5. PROPERTY TAX

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

**BLANCHARD TOWNSHIP
HARDIN COUNTY, OHIO**

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

6. RETIREMENT SYSTEMS

The Township's full-time 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 1999 and 1998, PERS members contributed 8.5 percent of their gross salaries. The Township contributed an amount equal to 13.55 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 1999.

7. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

- General liability
- Public Officials Liability
- Automobile Liability, Comprehensive and Collision
- Property Coverage

The Township provides health coverages for an official through a private carrier.

Vanessa L Blevins, CPA

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS

Blanchard Township
2682 County Road 159
Dunkirk, Ohio

To the Members of the Board of Township Trustees:

We have audited the financial statements of Blanchard Township, Hardin County, (the Township) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated May 28, 2000. We conducted our audits 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 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 management of Blanchard Township in a separate letter dated May 28, 2000.

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 May 28, 2000.*

● Page 2

This report is intended for the information of the board of trustees and management and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Sincerely,

Vanessa L. Blevins, CPA

Vanessa L. Blevins, CPA

May 28, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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BLANCHARD TOWNSHIP

HARDIN 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 21, 2000**