



**BLANCHARD TOWNSHIP
HANCOCK COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999-1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

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REPORT OF INDEPENDENT ACCOUNTANTS

Blanchard Township
Hancock County
11016 Township Road 125
Findlay, Ohio 45840-9354

To the Board of Trustees:

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

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. 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 and reserves for encumbrances of the Township 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 14, 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 audit committee, management, 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

March 14, 2000

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

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$ 22,335	\$ 26,444	\$ 0	\$ 48,779
Intergovernmental	62,399	67,951		130,350
Licenses, Permits, and Fees	4,215			4,215
Earnings on Investments	3,360	4,107		7,467
Other Revenue	94	6,391		6,485
	<u>92,403</u>	<u>104,893</u>	<u>0</u>	<u>197,296</u>
Cash Disbursements:				
Current:				
General Government	39,331			39,331
Public Safety	2	8,609		8,611
Public Works	2,536	71,732		74,268
Health	13,617	1,800		15,417
Capital Outlay		8,124		8,124
	<u>55,486</u>	<u>90,265</u>	<u>0</u>	<u>145,751</u>
Total Cash Disbursements	<u>55,486</u>	<u>90,265</u>	<u>0</u>	<u>145,751</u>
Total Receipts Over Disbursements	<u>36,917</u>	<u>14,628</u>	<u>0</u>	<u>51,545</u>
Other Financing Receipts/(Disbursements):				
Transfers-In			40,000	40,000
Transfers-Out	(40,000)			(40,000)
Other Sources		650		650
	<u>(40,000)</u>	<u>650</u>	<u>40,000</u>	<u>650</u>
Total Other Financing Receipts/(Disbursements)	<u>(40,000)</u>	<u>650</u>	<u>40,000</u>	<u>650</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(3,083)	15,278	40,000	52,195
Fund Cash Balances, January 1	51,431	40,456	50,000	141,887
Fund Cash Balances, December 31	<u>\$ 48,348</u>	<u>\$ 55,734</u>	<u>\$ 90,000</u>	<u>\$ 194,082</u>
Reserve for Encumbrances, December 31	<u>\$ 5,046</u>	<u>\$ 2,916</u>	<u>\$ 0</u>	<u>\$ 7,962</u>

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

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

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$ 18,051	\$ 21,162	\$ 0	\$ 39,213
Intergovernmental	73,036	66,346		139,382
Licenses, Permits, and Fees	4,911			4,911
Earnings on Investments	2,437	2,978		5,415
Other Revenue	1,375	6,511		7,886
Total Cash Receipts	<u>99,810</u>	<u>96,997</u>	<u>0</u>	<u>196,807</u>
Cash Disbursements:				
Current:				
General Government	38,601			38,601
Public Safety	2	10,747		10,749
Public Works	5,000	58,126		63,126
Health	15,479	667		16,146
Capital Outlay	10,000	21,101		31,101
Total Cash Disbursements	<u>69,082</u>	<u>90,641</u>	<u>0</u>	<u>159,723</u>
Total Receipts Over Disbursements	<u>30,728</u>	<u>6,356</u>	<u>0</u>	<u>37,084</u>
Other Financing Receipts/(Disbursements):				
Transfers-In			50,000	50,000
Transfers-Out	(50,000)			(50,000)
Total Other Financing Receipts/(Disbursements)	<u>(50,000)</u>	<u>0</u>	<u>50,000</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(19,272)	6,356	50,000	37,084
Fund Cash Balances, January 1	70,703	34,100	0	104,803
Fund Cash Balances, December 31	<u>\$ 51,431</u>	<u>\$ 40,456</u>	<u>\$ 50,000</u>	<u>\$ 141,887</u>
Reserve for Encumbrances, December 31	\$ 4,661	\$ 576	\$ 0	\$ 5,237

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Blanchard Township, Hancock 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 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. 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 Township had no investments

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 Fund:

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. 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.

Fire Truck Pumper Fund - The Township transfers money from the General Fund to cover the cost of the future purchase of a fire truck.

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 level, 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.

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 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.

2. EQUITY IN POOLED CASH

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

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

2. EQUITY IN POOLED CASH (Continued)

	1999	1998
Demand deposits	\$ 194,082	\$ 141,887

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 73,745	\$ 92,403	\$ 18,658
Special Revenue	91,544	105,543	13,999
Capital Projects	0	40,000	40,000
Total	\$ 165,289	\$ 237,946	\$ 72,657

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 125,177	\$ 100,532	\$ 24,645
Special Revenue	124,577	93,181	31,396
Capital Projects	0	0	0
Total	\$ 249,754	\$ 193,713	\$ 56,041

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 65,843	\$ 99,810	\$ 33,967
Special Revenue	84,124	96,997	12,873
Capital Projects	0	50,000	50,000
Total	\$ 149,967	\$ 246,807	\$ 96,840

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

3. BUDGETARY ACTIVITY (Continued)

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 136,000	\$ 123,743	\$ 12,257
Special Revenue	114,570	91,217	23,353
Capital Projects	0	0	0
Total	\$ 250,570	\$ 214,960	\$ 35,610

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 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

The Township's officials and 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 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 1999 and 1998, members of PERS 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 has obtained commercial insurance for the following risks:

- General Liability
- Public Officials Liabilities
- Vehicles
- Property Coverage

The Township also provides health insurance to elected 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**

Blanchard Township
Hancock County
11016 Township Road 125
Findlay, Ohio 45840-9354

To the Board of Trustees:

We have audited the accompanying financial statements of Blanchard Township, Hancock County, Ohio, (the Township) as of and for the years ended 1999 and 1998, and have issued our report thereon dated March 14, 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 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.

Blanchard Township
Hancock County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
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This report is intended for the information and use of the audit committee, management, 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

March 14, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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BLANCHARD TOWNSHIP

HANCOCK 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
APRIL 4, 2000**