



**GERMAN TOWNSHIP  
CLARK COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 1999-1998**



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

---

**STATE OF OHIO**



**GERMAN TOWNSHIP  
CLARK COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Report of Independent Accountants .....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types and Similar Fiduciary Fund – For the Year Ended December 31, 1999 .....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types and Similar Fiduciary Fund – For the Year Ended December 31, 1998 .....	4
Notes to the Financial Statements .....	5
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	11
Schedule of Findings .....	13
Schedule of Prior Audit Findings .....	14

This page intentionally left blank.



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

One First National Plaza  
130 West Second Street  
Suite 2040  
Dayton, Ohio 45402  
Telephone 937-285-6677  
800-443-9274  
Facsimile 937-285-6688  
www.auditor.state.oh.us

## REPORT OF INDEPENDENT ACCOUNTANTS

German Township  
Clark County  
3940 Lawrenceville Drive  
Springfield, Ohio 45504

To the Board of Trustees:

We have audited the accompanying financial statements of German Township, Clark County, (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 audit 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 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 German Township, Clark County, 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 June 5, 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 management, Board of Trustees and other 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.

A handwritten signature in black ink, appearing to read "Jim Petro".

**Jim Petro**  
Auditor of State

June 5, 2000

This page intentionally left blank.

**GERMAN TOWNSHIP  
CLARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES AND SIMILAR FIDUCIARY FUND  
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 Fund</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$36,083	\$738,105	\$	\$774,188
Intergovernmental	114,258	237,446		351,704
Charges for Services		15,000		15,000
Licenses, Permits, and Fees	4,840	4,150		8,990
Fines, Forfeitures, and Penalties	20,440			20,440
Earnings on Investments	32,865	4,551	68	37,484
Other Revenue	3,373	15,795		19,168
	<u>211,859</u>	<u>1,015,047</u>	<u>68</u>	<u>1,226,974</u>
<b>Total Cash Receipts</b>				
<b>Cash Disbursements:</b>				
Current:				
General Government	104,826	182,028		286,854
Public Safety	32,566	336,025		368,591
Public Works		261,085		261,085
Health	11,816	4,821		16,637
Debt Service:				
Redemption of Principal	47,500			47,500
Interest and Fiscal Charges	14,210			14,210
Capital Outlay	2,105	89,529		91,634
	<u>213,023</u>	<u>873,488</u>		<u>1,086,511</u>
<b>Total Cash Disbursements</b>				
Total Receipts Over/(Under) Disbursements	<u>(1,164)</u>	<u>141,559</u>	<u>68</u>	<u>140,463</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Transfers-In		27,150		27,150
Advances-In	15,000	17,150		32,150
Transfers-Out	(27,150)			(27,150)
Advances-Out	(17,150)	(15,000)		(32,150)
Other Sources	63	3,170		3,233
	<u>(29,237)</u>	<u>32,470</u>		<u>3,233</u>
<b>Total Other Financing Receipts/(Disbursements)</b>				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(30,401)	174,029	68	143,696
Fund Cash Balances, January 1	<u>196,323</u>	<u>450,670</u>	<u>4,302</u>	<u>651,295</u>
<b>Fund Cash Balances, December 31</b>	<u>\$165,922</u>	<u>\$624,699</u>	<u>\$4,370</u>	<u>\$794,991</u>
Reserve for Encumbrances, December 31	<u>\$</u>	<u>\$69,352</u>	<u>\$</u>	<u>\$69,352</u>

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

**GERMAN TOWNSHIP  
CLARK COUNTY**

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

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Fiduciary Fund</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$30,966	\$666,721	\$	\$697,687
Intergovernmental	131,053	201,762		332,815
Charges for Services		17,500		17,500
Licenses, Permits, and Fees	5,112	5,900		11,012
Fines, Forfeitures, and Penalties	25,693			25,693
Earnings on Investments	31,465	4,537	46	36,048
Other Revenue	6,232	57,659		63,891
<b>Total Cash Receipts</b>	<u>230,521</u>	<u>954,079</u>	<u>46</u>	<u>1,184,646</u>
<b>Cash Disbursements:</b>				
Current:				
General Government	74,077	119,673		193,750
Public Safety	32,500	225,810		258,310
Public Works		367,355		367,355
Health	13,339	86,338		99,677
Capital Outlay	11,869	164,843		176,712
Court Judgement	306,402			306,402
<b>Total Cash Disbursements</b>	<u>438,187</u>	<u>964,019</u>		<u>1,402,206</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>(207,666)</u>	<u>(9,940)</u>	<u>46</u>	<u>(217,560)</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Proceeds from Sale of Public Debt:				
Sale of Bonds	300,000			300,000
Transfers-In		28,180		28,180
Advances-In		10,000		10,000
Transfers-Out	(28,180)			(28,180)
Advances-Out	(10,000)			(10,000)
Other Sources	5,314	12,619		17,933
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>267,134</u>	<u>50,799</u>		<u>317,933</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>59,468</u>	<u>40,859</u>	<u>46</u>	<u>100,373</u>
<b>Fund Cash Balances, January 1</b>	<u>136,855</u>	<u>409,811</u>	<u>4,256</u>	<u>550,922</u>
<b>Fund Cash Balances, December 31</b>	<u>\$196,323</u>	<u>\$450,670</u>	<u>\$4,302</u>	<u>\$651,295</u>
<b>Reserve for Encumbrances, December 31</b>	<u>\$374</u>	<u>\$3,093</u>	<u>\$</u>	<u>\$3,467</u>

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



**GERMAN TOWNSHIP  
CLARK COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

German Township, Clark 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 and police 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 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.

**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:

**GERMAN TOWNSHIP  
CLARK COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

**2. Special Revenue Funds (Continued)**

**Motor Vehicle License Tax and Permissive Motor Vehicle License Funds** - receive distribution of motor vehicle license tax from the county auditor to maintain and repair roads and road equipment.

**Gasoline Tax Fund** - receives semi-annual tax settlements from the county auditor to maintain and repair roads.

**Road and Bridge Fund** - receives semi-annual tax settlements from the county auditor and rollback and homestead reimbursements for reductions in property taxes. This fund is used to maintain and repair roads, road equipment, and machinery.

**Fire District Fund** - receives money from semi-annual tax settlements from the county auditor and is used to pay the expenses related to the township fire department.

**3. 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. The Township had the following significant fiduciary fund:

**Cemetery Bequest Fund** - A nonexpendable trust fund - Amounts donated are maintained in perpetuity. Investment earnings are used for grave upkeep as specified by the donor.

**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.

**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.

**GERMAN TOWNSHIP  
CLARK COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process (Continued)**

**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. The Township did not encumber all commitments required by Ohio law.

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 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	\$138,534	\$133,572
STAR Ohio	<u>656,457</u>	<u>517,723</u>
Total deposits and investments	<u><u>\$794,991</u></u>	<u><u>\$651,295</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.

**3. BUDGETARY ACTIVITY**

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

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$211,536	\$226,922	\$15,386
Special Revenue	1,042,185	1,062,517	20,332
Fiduciary	<u>70</u>	<u>68</u>	<u>(2)</u>
Total	<u><u>\$1,253,791</u></u>	<u><u>\$1,289,507</u></u>	<u><u>\$35,716</u></u>

**GERMAN TOWNSHIP  
CLARK COUNTY**

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

**3. BUDGETARY ACTIVITY (Continued)**

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$351,959	\$257,323	\$94,636
Special Revenue	1,456,472	957,840	498,632
Fiduciary	4,352	0	4,352
Total	\$1,812,783	\$1,215,163	\$597,620

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$521,776	\$535,835	\$14,059
Special Revenue	995,958	1,004,878	8,920
Fiduciary	50	46	(4)
Total	\$1,517,784	\$1,540,759	\$22,975

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$564,593	\$476,741	\$87,852
Special Revenue	1,384,387	967,112	417,275
Fiduciary	4,306	0	4,306
Total	\$1,953,286	\$1,443,853	\$509,433

A payment was made from the General Fund during 1998 for \$300,000 from proceeds of a bond issue to satisfy a court ordered judgement to pay legal fees. This is considered deemed appropriated at the time of payment. Budgetary appropriations have been duly modified to reflect this amount.

Contrary to Ohio Rev. Code Section 5705.39, appropriations exceeded the Official Certificate of Estimated Resources in the Road District Fund and Partnership Fund during 1998 and Fire District Fund and the Road District Fund during 1999.

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

**GERMAN TOWNSHIP  
CLARK COUNTY**

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

**4. PROPERTY TAX (Continued)**

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, 1999 was as follows:

	Principal	Interest Rate
General Obligation Bonds	\$252,500	4.750%

The general obligation bonds were issued to pay legal fees based on a court ordered judgement. The bonds are collateralized solely by the Township's taxing authority.

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

Year ending December 31:	General Obligation Bonds
2000	\$38,405
2001	38,403
2002	38,345
2003	38,429
2004	38,347
Subsequent	153,530
Total	\$345,459

**6. RETIREMENT SYSTEMS**

The Township's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is 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. PERS members 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.

**GERMAN TOWNSHIP  
CLARK COUNTY**

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

**7. RISK MANAGEMENT**

The Township has obtained commercial insurance for the following risks:

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

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



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One First National Plaza  
130 West Second Street  
Suite 2040  
Dayton, Ohio 45402  
Telephone 937-285-6677  
800-443-9274  
Facsimile 937-285-6688  
www.auditor.state.oh.us

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

German Township  
Clark County  
3940 Lawrenceville Drive  
Springfield, Ohio 45504

To the Board of Trustees:

We have audited the financial statements of German Township, Clark County, (The Township) as of and for the years ended December 31, 1999 and 1998 and have issued our report thereon dated June 5, 2000. 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.

**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 audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 1999-40312-001. We also noted a certain immaterial instance of noncompliance that we have reported to management of the Township in a separate letter dated June 5, 2000.

**Internal Control Over Financial Reporting**

In planning and performing our audit, 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 a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Township in a separate letter dated June 5, 2000.

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

**Jim Petro**  
Auditor of State

June 5, 2000



GERMAN TOWNSHIP  
CLARK COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 1999 AND 1998

FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

Finding Number 1999-40312-001

Ohio Rev. Code Section 5705.39, requires that total appropriations from each fund not exceed the total estimated revenue. No appropriation measure is to become effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.

Appropriations exceeded the Official Certificate of Estimated Resources in the following funds during the audit period:

<u>Fund/Function/Object</u>	<u>Appropriations</u>	<u>Estimated Resources</u>	<u>Excess</u>
Road District Fund 1998	\$243,410	\$206,010	\$37,400
Partnership Fund 1998	84,579	36,200	48,379
Fire District Fund 1999	748,263	725,563	23,000
Road District Fund 1999	227,151	214,351	12,800

The Township should develop procedures for monitoring appropriations and estimated resources at the level adopted by the Board. These procedures could include, but not limited to, a more detailed review of various budgetary reports that are available to the Township.

**GERMAN TOWNSHIP  
CLARK COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 1999 AND 1998**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected ?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No <u>Longer Valid</u> ; <b><i>Explain:</i></b>
1997-40312-001	ORC Section 5705.39, Appropriations exceed estimated resources	No	No Action Taken
1997-40312-002	ORC Section 5705.14, Transfers	Yes	N/A



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

**GERMAN TOWNSHIP**

**CLARK 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  
JULY 25, 2000**