



**GRAND RAPIDS TOWNSHIP  
WOOD COUNTY**

**REGULAR AUDIT**

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



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

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**STATE OF OHIO**



**GRAND RAPIDS TOWNSHIP  
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STATE OF OHIO  
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## REPORT OF INDEPENDENT ACCOUNTANTS

Grand Rapids Township  
Wood County  
P.O. Box 410  
Grand Rapids, Ohio 43522-0410

To the Board of Trustees:

We have audited the accompanying financial statements of Grand Rapids Township, Wood 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 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 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 June 20, 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 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

June 20, 2000

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**GRAND RAPIDS TOWNSHIP  
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**

	<u>Governmental Fund Types</u>				<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Fiduciary Funds</u>	
<b>Cash Receipts:</b>					
Local Taxes	\$17,618	\$91,933			\$109,551
Intergovernmental	30,069	71,386			101,455
Charges for Services		14,706			14,706
Licenses, Permits, and Fees	1,182	5,358			6,540
Earnings on Investments	7,262	2,853		\$620	10,735
Other Revenue		6,471			6,471
<b>Total Cash Receipts</b>	<u>56,131</u>	<u>192,707</u>		<u>620</u>	<u>249,458</u>
<b>Cash Disbursements:</b>					
Current:					
General Government	25,854	40,950			66,804
Public Safety		8,031			8,031
Public Works		94,584	\$90		94,674
Health	6,872	10,345			17,217
Capital Outlay		11,584			11,584
<b>Total Cash Disbursements</b>	<u>32,726</u>	<u>165,494</u>	<u>90</u>		<u>198,310</u>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	<u>23,405</u>	<u>27,213</u>	<u>(90)</u>	<u>620</u>	<u>51,148</u>
<b>Other Financing Receipts:</b>					
Other Sources	<u>6</u>				<u>6</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements</b>	23,411	27,213	(90)	620	51,154
<b>Fund Cash Balances, January 1</b>	<u>129,785</u>	<u>255,460</u>	<u>90</u>	<u>10,200</u>	<u>395,535</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$153,196</u></u>	<u><u>\$282,673</u></u>		<u><u>\$10,820</u></u>	<u><u>\$446,689</u></u>

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

**GRAND RAPIDS TOWNSHIP  
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, 1998**

	<u>Governmental Fund Types</u>				<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Fiduciary Funds</u>	
<b>Cash Receipts:</b>					
Local Taxes	\$16,926	\$138,961			\$155,887
Intergovernmental	27,640	74,632			102,272
Charges for Services		22,924			22,924
Licenses, Permits, and Fees	1,786	5,442			7,228
Earnings on Investments	4,791	3,840		\$200	8,831
Other Revenue		10,760		10,000	20,760
	<u>51,143</u>	<u>256,559</u>		<u>10,200</u>	<u>317,902</u>
<b>Total Cash Receipts</b>					
<b>Cash Disbursements:</b>					
Current:					
General Government	27,538	46,597			74,135
Public Safety		2,932			2,932
Public Works		43,420			43,420
Health	6,037	10,024			16,061
Debt Service:					
Redemption of Principal			\$72,890		72,890
Capital Outlay		5,051			5,051
	<u>33,575</u>	<u>108,024</u>	<u>72,890</u>		<u>214,489</u>
<b>Total Cash Disbursements</b>					
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	<u>17,568</u>	<u>148,535</u>	<u>(72,890)</u>	<u>10,200</u>	<u>103,413</u>
<b>Other Financing Receipts/(Disbursements):</b>					
Transfers-In			72,980		72,980
Transfers-Out		(72,980)			(72,980)
Other Sources	1,822				1,822
	<u>1,822</u>	<u>(72,980)</u>	<u>72,980</u>		<u>1,822</u>
<b>Total Other Financing Receipts/(Disbursements)</b>					
<b>Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements</b>	19,390	75,555	90	10,200	105,235
<b>Fund Cash Balances, January 1</b>	<u>110,395</u>	<u>179,905</u>			<u>290,300</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$129,785</u></u>	<u><u>\$255,460</u></u>	<u><u>\$90</u></u>	<u><u>\$10,200</u></u>	<u><u>\$395,535</u></u>

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



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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Grand Rapids Township, Wood 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 and fire protection.

**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**

Certificates of deposit 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:

**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:

Fire Fund - This fund receives property tax money for providing fire and rescue services to the residents of the township.

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

**3. Debt Service Fund**

The debt service fund is used to accumulate resources for the payment of note indebtedness.

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

**4. Fiduciary Fund (Trust)**

The Township has the Betty Bock nonexpendable trust fund. This fund is used to account for resources restricted for use by the Township.

**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. Appropriations lapse at year end.

**2. 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.

**3. Encumbrances**

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual 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 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:

	<u>1999</u>	<u>1998</u>
Demand deposits	\$346,689	\$295,535
Certificates of deposit	<u>100,000</u>	<u>100,000</u>
Total deposits	<u><u>\$446,689</u></u>	<u><u>\$395,535</u></u>

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

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

**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	\$43,509	\$56,137	\$12,628
Special Revenue	199,265	192,707	(6,558)
Debt Service			
Fiduciary	500	620	120
Total	<u>\$243,274</u>	<u>\$249,464</u>	<u>\$6,190</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$173,294	\$32,726	\$140,568
Special Revenue	454,724	165,494	289,230
Debt Service	90	90	
Fiduciary	700		700
Total	<u>\$628,808</u>	<u>\$198,310</u>	<u>\$430,498</u>

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$38,562	\$52,965	\$14,403
Special Revenue	240,083	256,559	16,476
Debt Service	72,980	72,980	
Fiduciary	10,200	10,200	
Total	<u>\$361,825</u>	<u>\$392,704</u>	<u>\$30,879</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$148,957	\$33,575	\$115,382
Special Revenue	419,988	181,004	238,984
Debt Service	72,890	72,890	
Fiduciary	10,000		10,000
Total	<u>\$651,835</u>	<u>\$287,469</u>	<u>\$364,366</u>

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

**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.

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 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:

- Property
- Liability
- Wrongful Acts
- Automobile
- Inland Marine
- Fire Vehicle RC
- EDP



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

Grand Rapids Township  
Wood County  
P.O. Box 410  
Grand Rapids, Ohio 43522-0410

To the Board of Trustees:

We have audited the accompanying financial statements of Grand Rapids Township, Wood County, Ohio, (the Township) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated June 20, 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. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated June 20, 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 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 June 20, 2000.

Grand Rapids Township  
Wood County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
Page 2

This report is intended 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

June 20, 2000



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**GRAND RAPIDS TOWNSHIP**

**WOOD 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 6, 2000**