



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**TATE TOWNSHIP
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REPORT OF INDEPENDENT ACCOUNTANTS

Tate Township
Clermont County
149 North East Street
Bethel, Ohio 45106

To the Board of Trustees:

We have audited the accompanying financial statements of Tate Township, Clermont 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 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 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 June 6, 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 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.

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

Jim Petro
Auditor of State

June 6, 2000

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**TATE 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>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Fiduciary Funds</u>	
Cash Receipts:				
Local Taxes	\$53,793	\$523,626	\$0	\$577,419
Intergovernmental	205,257	170,318		375,575
Licenses, Permits, and Fees		45,099		45,099
Fines, Forfeitures, and Penalties	238			238
Earnings on Investments	23,615	988	51	24,654
Other Revenue	4,955	43,011		47,966
Total Cash Receipts	<u>287,858</u>	<u>783,042</u>	<u>51</u>	<u>1,070,951</u>
Cash Disbursements:				
Current:				
General Government	160,735	3,084		163,819
Public Safety	5,008	265,802		270,810
Public Works		203,662		203,662
Health		81,631		81,631
Capital Outlay		54,905		54,905
Total Cash Disbursements	<u>165,743</u>	<u>609,084</u>	<u>0</u>	<u>774,827</u>
Total Receipts Over/(Under) Disbursements	<u>122,115</u>	<u>173,958</u>	<u>51</u>	<u>296,124</u>
Other Financing Receipts/(Disbursements):				
Other Sources		729		729
Total Other Financing Receipts/(Disbursements)	<u>0</u>	<u>729</u>	<u>0</u>	<u>729</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>122,115</u>	<u>174,687</u>	<u>51</u>	<u>296,853</u>
Fund Cash Balances, January 1	<u>341,893</u>	<u>265,139</u>	<u>2,108</u>	<u>609,140</u>
Fund Cash Balances, December 31	<u>\$464,008</u>	<u>\$439,826</u>	<u>\$2,159</u>	<u>\$905,993</u>
Reserve for Encumbrances, December 31	<u><u>\$136</u></u>	<u><u>\$3,476</u></u>	<u><u>\$0</u></u>	<u><u>\$3,612</u></u>

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

**TATE 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>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Fiduciary Funds</u>	
Cash Receipts:					
Local Taxes	\$67,158	\$352,186	\$154,878	\$0	\$574,222
Intergovernmental	197,997	182,130			380,127
Licenses, Permits, and Fees		41,354			41,354
Fines, Forfeitures, and Penalties	173				173
Earnings on Investments	23,508	981		61	24,550
Other Revenue	17,561	28,957			46,518
Total Cash Receipts	<u>306,397</u>	<u>605,608</u>	<u>154,878</u>	<u>61</u>	<u>1,066,944</u>
Cash Disbursements:					
Current:					
General Government	147,244	3,995			151,239
Public Safety	7,841	266,838			274,679
Public Works		225,548			225,548
Health	7,936	42,094			50,030
Debt Service:					
Redemption of Principal			160,000		160,000
Interest and Fiscal Charges			10,638		10,638
Capital Outlay		20,339		613	20,952
Total Cash Disbursements	<u>163,021</u>	<u>558,814</u>	<u>170,638</u>	<u>613</u>	<u>893,086</u>
Total Receipts Over/(Under) Disbursements	<u>143,376</u>	<u>46,794</u>	<u>(15,760)</u>	<u>(552)</u>	<u>173,858</u>
Other Financing Receipts/(Disbursements):					
Advances-In	10,000	10,000			20,000
Voided Prior Year Checks	1,654				1,654
Advances-Out	(10,000)	(10,000)			(20,000)
Total Other Financing Receipts/(Disbursements)	<u>1,654</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,654</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>145,030</u>	<u>46,794</u>	<u>(15,760)</u>	<u>(552)</u>	<u>175,512</u>
Fund Cash Balances, January 1	<u>196,863</u>	<u>218,345</u>	<u>15,760</u>	<u>2,660</u>	<u>433,628</u>
Fund Cash Balances, December 31	<u>\$341,893</u>	<u>\$265,139</u>	<u>\$0</u>	<u>\$2,108</u>	<u>\$609,140</u>
Reserve for Encumbrances, December 31	<u>\$422</u>	<u>\$4,393</u>	<u>\$0</u>	<u>\$0</u>	<u>\$4,815</u>

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Tate Township, Clermont County, Ohio (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.

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 STAROhio (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:

Road and Bridge Fund - This fund receives property tax money for constructing, maintaining and repairing Township roads and bridges.

Fire Fund - This fund receives property tax money to fund fire protection for the Township.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Debt Service Funds

The Debt Service Fund is used to accumulate resources for the payment of note indebtedness. The Township had the following significant Debt Service Fund:

General Bond Note Retirement Fund - This fund receives proceeds from real estate taxes to make payments for principal and interest obligations on notes.

4. Fiduciary Funds (Non-expendable Trust Fund)

This fund is used to account for resources restricted by legally binding trust agreements. The agreement requires the Township to maintain the corpus of the trust, and the fund is classified as a non-expendable trust fund. The Township had the following significant fiduciary fund:

Cemetery Bequest Fund - This fund receives proceeds from gifts, donations, and estates that are to be held and invested by the Board and its successors in office, the income of which is to be used and expended under the direction of the Board in the care, improvement and beautifying of any burial lot designated and named by the person making the fit, devise or bequest.

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 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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Unpaid Sick Leave

Employees are entitled to cash payments for unused sick leave in certain circumstances, such as upon leaving employment. Unpaid sick leave is not reflected as liabilities under the basis of accounting used by the Township.

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	\$483,474	\$207,059
STAROhio	<u>422,519</u>	<u>402,081</u>
Total deposits and investments	<u><u>\$905,993</u></u>	<u><u>\$609,140</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 STAROhio 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 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$181,488	\$ 287,858	\$106,370
Special Revenue	735,989	783,771	47,782
Fiduciary	<u>63</u>	<u>51</u>	<u>(12)</u>
Total	<u><u>\$917,540</u></u>	<u><u>\$1,071,680</u></u>	<u><u>\$154,140</u></u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 525,631	\$165,879	\$359,752
Special Revenue	983,223	612,560	370,663
Fiduciary	<u>2,171</u>	<u> </u>	<u>2,171</u>
Total	<u><u>\$1,511,025</u></u>	<u><u>\$778,439</u></u>	<u><u>\$732,586</u></u>

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

3. BUDGETARY ACTIVITY (Continued)

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$172,402	\$ 318,051	\$145,649
Special Revenue	574,627	615,608	40,981
Debt Service	154,878	154,878	0
Fiduciary	124	61	(63)
Total	<u>\$902,031</u>	<u>\$1,088,598</u>	<u>\$186,567</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 369,266	\$173,443	\$195,823
Special Revenue	770,325	573,207	197,118
Debt Service	170,638	170,638	0
Fiduciary	2,783	613	2,170
Total	<u>\$1,313,012</u>	<u>\$917,901</u>	<u>\$395,111</u>

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 certified Fire Fighters belong to the Police and Firemen's Disability and Pension Funds (PFDPF). Other employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provide 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, members of PFDPF contributed 10% of their wages to the PFDPF. The Township contributed an amount equal to 19.5% of their wages. 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.

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

6. RISK MANAGEMENT

The Township is a member of the Ohio Township Association Risk Management Authority (OTARMA). OTARMA assumes the risk of loss up to the limits of the Township's policy. OTARMA may assess supplemental premiums. The following risks are covered by the Pool:

- General liability and casualty
- Public official's liability
- Vehicle
- Property

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

7. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

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

Tate Township
Clermont County
149 North East Street
Bethel, Ohio 45106

To the Board of Trustees:

We have audited the accompanying financial statements of Tate Township, Clermont County, Ohio (the Township), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated June 6, 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 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 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 6, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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 6, 2000.

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.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

Jim Petro
Auditor of State

June 6, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

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TATE TOWNSHIP

CLERMONT 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**