



**BENTON TOWNSHIP
OTTAWA COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



**JIM PETRO
AUDITOR OF STATE**

STATE OF OHIO

BENTON TOWNSHIP
OTTAWA COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Benton Township
Ottawa County
1670 North Walker Road
P.O. Box 7
Graytown, Ohio 43432-0007

To the Board of Trustees:

We have audited the accompanying financial statements of Benton Township, Ottawa County, Ohio, (the Township) as of and for the years ended December 31, 2000 and 1999. 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 of the Township as of December 31, 2000 and 1999, 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 April 17, 2001 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

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

April 17, 2001

**BENTON TOWNSHIP
OTTAWA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
Cash Receipts:			
Local Taxes	\$100,749	\$77,183	\$177,932
Intergovernmental	73,831	79,218	153,049
Licenses, Permits, and Fees	2,500	13,555	16,055
Fines, Forfeitures, and Penalties		17,250	17,250
Earnings on Investments	9,469	1,662	11,131
Other Revenue	1,487	21,818	23,305
	<u>188,036</u>	<u>210,686</u>	<u>398,722</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
General Government	90,856		90,856
Public Safety	33,950		33,950
Public Works	7,823	167,697	175,520
Health	5,965	32,330	38,295
Conservation - Recreation	10,043		10,043
Capital Outlay	26,892	29,396	56,288
	<u>175,529</u>	<u>229,423</u>	<u>404,952</u>
Total Cash Disbursements			
Total Receipts Over/(Under) Disbursements	<u>12,507</u>	<u>(18,737)</u>	<u>(6,230)</u>
Other Financing Receipts/(Disbursements):			
Transfers-In		25,000	25,000
Transfers-Out	(25,000)		(25,000)
Other Sources	4,747		4,747
	<u>(20,253)</u>	<u>25,000</u>	<u>4,747</u>
Total Other Financing Receipts/(Disbursements)			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(7,746)	6,263	(1,483)
Fund Cash Balances, January 1	<u>109,035</u>	<u>58,478</u>	<u>167,513</u>
Fund Cash Balances, December 31	<u>\$101,289</u>	<u>\$64,741</u>	<u>\$166,030</u>

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

**BENTON TOWNSHIP
OTTAWA COUNTY**

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

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
Cash Receipts:			
Local Taxes	\$97,032	\$74,524	\$171,556
Intergovernmental	62,662	88,932	151,594
Licenses, Permits, and Fees	4,070	16,681	20,751
Fines, Forfeitures, and Penalties		5,500	5,500
Earnings on Investments	8,096	786	8,882
Other Revenue	1,854	18,628	20,482
	<u>173,714</u>	<u>205,051</u>	<u>378,765</u>
Total Cash Receipts			
	<u>173,714</u>	<u>205,051</u>	<u>378,765</u>
Cash Disbursements:			
Current:			
General Government	93,572		93,572
Public Safety	36,100		36,100
Public Works	7,024	177,748	184,772
Health	5,840	32,520	38,360
Conservation - Recreation	6,877	1,100	7,977
Capital Outlay	22,246	19,166	41,412
	<u>171,659</u>	<u>230,534</u>	<u>402,193</u>
Total Cash Disbursements			
	<u>171,659</u>	<u>230,534</u>	<u>402,193</u>
Total Receipts Over/(Under) Disbursements	<u>2,055</u>	<u>(25,483)</u>	<u>(23,428)</u>
Other Financing Receipts/(Disbursements):			
Transfers-In		20,000	20,000
Advances-In	25,818		25,818
Transfers-Out	(20,000)		(20,000)
Advances-Out		(25,818)	(25,818)
Other Sources	5,721		5,721
	<u>11,539</u>	<u>(5,818)</u>	<u>5,721</u>
Total Other Financing Receipts/(Disbursements)			
	<u>11,539</u>	<u>(5,818)</u>	<u>5,721</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	13,594	(31,301)	(17,707)
Fund Cash Balances, January 1	<u>95,441</u>	<u>89,779</u>	<u>185,220</u>
Fund Cash Balances, December 31	<u>\$109,035</u>	<u>\$58,478</u>	<u>\$167,513</u>

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

**BENTON TOWNSHIP
OTTAWA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Benton Township, Ottawa 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 and cemetery maintenance. The Township contracts for fire protection and ambulance service with the Village of Rocky Ridge, Allen Township, the Mid-County EMS, and the Harris-Elmore Fire and EMS Departments.

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. 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.

**BENTON TOWNSHIP
OTTAWA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources 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.

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

Cemetery Fund - This fund receives real estate taxes, personal property taxes, and fees for the operation and maintaining the cemetery.

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 2000 and 1999 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.

**BENTON TOWNSHIP
OTTAWA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are 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>2000</u>	<u>1999</u>
Demand deposits	\$16,100	\$13,113
STAR Ohio	<u>149,930</u>	<u>154,400</u>
Total deposits and investments	<u><u>\$166,030</u></u>	<u><u>\$167,513</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, 2000 and 1999 follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$181,800	\$192,783	\$10,983
Special Revenue	<u>218,660</u>	<u>235,686</u>	<u>17,026</u>
Total	<u><u>\$400,460</u></u>	<u><u>\$428,469</u></u>	<u><u>\$28,009</u></u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$290,000	\$200,529	\$89,471
Special Revenue	<u>276,000</u>	<u>229,423</u>	<u>46,577</u>
Total	<u><u>\$566,000</u></u>	<u><u>\$429,952</u></u>	<u><u>\$136,048</u></u>

**BENTON TOWNSHIP
OTTAWA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$172,273	\$179,435	\$7,162
Special Revenue	228,608	225,051	(3,557)
Total	\$400,881	\$404,486	\$3,605

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$262,350	\$191,659	\$70,691
Special Revenue	293,068	230,534	62,534
Total	\$555,418	\$422,193	\$133,225

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 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. PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 10.84% of participants' gross salaries for fiscal year 2000 and 13.55% for fiscal year 1999. The Township has paid all contributions required through December 31, 2000.

**BENTON TOWNSHIP
OTTAWA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

6. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Auto;
- Inland Marine; and
- Public Officials Liability.

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

7. SUBSEQUENT EVENTS

On November 7, 2000, Township voters passed an additional 3.2 mill levy for current expenses for a period of five years, commencing in 2000, first due in calendar year 2001. On November 20, 2000, with the passage of the 3.2 mill levy, the Township requested the County Auditor to discontinue the collection of the 1.8 mill levy for current expenses that was passed by Township voters in 1998 for 5 years.

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

Benton Township
Ottawa County
1670 North Walker Road
P.O. Box 7
Graytown, Ohio 43432-0007

To the Board of Trustees:

We have audited the accompanying financial statements of Benton Township, Ottawa County, Ohio, (the Township) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated April 17, 2001. 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 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 the management of the Township in a separate letter dated April 17, 2001.

Benton Township
Ottawa 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

April 17, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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BENTON TOWNSHIP

OTTAWA 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
MAY 22, 2001**