



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

BRADY TOWNSHIP
WILLIAMS COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Brady Township
Williams County
20332 County Road K
West Unity, Ohio 43570-9764

To the Board of Trustees:

We have audited the accompanying financial statements of Brady Township, Williams 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 auditing standards generally accepted in the United States of America 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 June 25, 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

June 25, 2001

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**BRADY TOWNSHIP
WILLIAMS COUNTY**

**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, 2000**

	<u>Governmental Fund Types</u>	
	<u>General</u>	<u>Special Revenue</u>
Cash Receipts:		
Local Taxes	\$28,243	\$104,109
Intergovernmental	88,730	70,451
Charges for Services	18,500	
Licenses, Permits, and Fees		3,650
Earnings on Investments	5,871	422
Other Revenue	3,804	2,700
	<u>145,148</u>	<u>181,332</u>
Total Cash Receipts		
Cash Disbursements:		
Current:		
General Government	46,305	
Public Safety		43,907
Public Works	518	161,894
Health	81	10,690
Conservation - Recreation		
Debt Service:		
Bond Principal Payment		
Interest and Fiscal Charges		
Capital Outlay	15,559	4,400
	<u>62,463</u>	<u>220,891</u>
Total Cash Disbursements		
Total Cash Receipts Over/(Under) Cash Disbursements	<u>82,685</u>	<u>(39,559)</u>
Other Financing Receipts/(Disbursements):		
Transfers-In		31,200
Transfers-Out	(31,200)	
	<u>(31,200)</u>	<u>31,200</u>
Total Other Financing Receipts/(Disbursements)		
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	51,485	(8,359)
Fund Cash Balances, January 1	<u>30,920</u>	<u>117,581</u>
Fund Cash Balances, December 31	<u>\$82,405</u>	<u>\$109,222</u>

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

Governmental Fund Types

<u>Debt Service</u>	<u>Capital Projects</u>	<u>Fiduciary Funds</u>	<u>Totals (Memorandum Only)</u>
\$86,492			\$218,844
4,057	\$92,064		255,302
			18,500
			3,650
	885		7,178
			6,504
<u>90,549</u>	<u>92,949</u>		<u>509,978</u>
			46,305
			43,907
			162,412
			10,771
2,066			2,066
47,913			47,913
19,646			19,646
	<u>103,673</u>		<u>123,632</u>
<u>69,625</u>	<u>103,673</u>		<u>456,652</u>
<u>20,924</u>	<u>(10,724)</u>		<u>53,326</u>
			31,200
			(31,200)
20,924	(10,724)		53,326
<u>100,484</u>	<u>46,326</u>	<u>\$10,801</u>	<u>306,112</u>
<u>\$121,408</u>	<u>\$35,602</u>	<u>\$10,801</u>	<u>\$359,438</u>

**BRADY TOWNSHIP
WILLIAMS COUNTY**

**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>	
	<u>General</u>	<u>Special Revenue</u>
Cash Receipts:		
Local Taxes	\$25,875	\$97,317
Intergovernmental	42,149	68,595
Charges for Services	11,615	
Licenses, Permits, and Fees		4,050
Earnings on Investments	5,012	474
Other Revenue	6,935	16,394
	<u>91,586</u>	<u>186,830</u>
Total Cash Receipts		
Cash Disbursements:		
Current:		
General Government	61,173	
Public Safety		46,969
Public Works	446	131,917
Health	40	15,610
Conservation - Recreation		
Debt Service:		
Bond Principal Payment		
Interest and Fiscal Charges		
Capital Outlay	12,436	15,878
	<u>74,095</u>	<u>210,374</u>
Total Cash Disbursements		
Total Cash Receipts Over/(Under) Cash Disbursements	<u>17,491</u>	<u>(23,544)</u>
Other Financing Receipts/(Disbursements):		
Transfers-In		20,000
Transfers-Out	(20,000)	
	<u>(20,000)</u>	<u>20,000</u>
Total Other Financing Receipts/(Disbursements)		
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(2,509)	(3,544)
Fund Cash Balances, January 1	<u>33,429</u>	<u>121,125</u>
Fund Cash Balances, December 31	<u><u>\$30,920</u></u>	<u><u>\$117,581</u></u>

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

Governmental Fund Types

<u>Debt Service</u>	<u>Capital Projects</u>	<u>Fiduciary Funds</u>	<u>Totals (Memorandum Only)</u>
\$79,360			\$202,552
7,729	\$122,293		240,766
			11,615
			4,050
	1,820		7,306
			23,329
<u>87,089</u>	<u>124,113</u>		<u>489,618</u>
			61,173
			46,969
			132,363
			15,650
1,988			1,988
45,438			45,438
22,121			22,121
	122,293		150,607
<u>69,547</u>	<u>122,293</u>		<u>476,309</u>
<u>17,542</u>	<u>1,820</u>		<u>13,309</u>
			20,000
			(20,000)
17,542	1,820		13,309
82,942	44,506	\$10,801	292,803
<u>\$100,484</u>	<u>\$46,326</u>	<u>\$10,801</u>	<u>\$306,112</u>

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**BRADY TOWNSHIP
WILLIAMS COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Brady Township, Williams 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

Certificates of deposit are valued at cost.

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.

**BRADY TOWNSHIP
WILLIAMS COUNTY**

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

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

Road and Bridge Tax Levy Fund - This fund receives an additional property tax levy receipts for maintaining and repairing Township roads and bridges.

3. Debt Service Funds

The debt service fund is used to accumulate resources for the payment of bonds and note indebtedness. The Township had the following significant Debt Service Funds:

Fire Hall Bond Debt Service Fund - This fund receives property tax receipts for the payment of the bonded debt for the 1993 construction of the fire hall.

Fire Truck Bond Debt Service Fund - This fund receives property tax receipts for the payment of the bonded debt for the purchase of a 1997 fire truck pumper.

4. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Township had the following significant capital project funds.

Issue II Fund - The Township received a grant from the State of Ohio to repair local township roads.

5. Fiduciary Funds (Trust and Agency Funds)

These funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Township to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. Other trust funds are classified as expendable. The Township had a Cemetery Endowment Fund, which is a nonexpendable trust.

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.

**BRADY TOWNSHIP
WILLIAMS COUNTY**

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

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.

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 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	\$348,637	\$255,311
Certificates of deposit	10,801	50,801
Total deposits	<u>\$359,438</u>	<u>\$306,112</u>

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2000 and 1999 follows:

**BRADY TOWNSHIP
WILLIAMS COUNTY**

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

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$111,622	\$145,148	\$33,526
Special Revenue	170,468	212,532	42,064
Debt Service	77,472	90,549	13,077
Capital Projects	110,064	92,949	(17,115)
Total	<u>\$469,626</u>	<u>\$541,178</u>	<u>\$71,552</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$104,025	\$93,663	\$10,362
Special Revenue	277,230	220,891	56,339
Debt Service	83,000	69,625	13,375
Capital Projects	50,000	103,673	(53,673)
Total	<u>\$514,255</u>	<u>\$487,852</u>	<u>\$26,403</u>

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$88,627	\$91,586	\$2,959
Special Revenue	201,822	206,830	5,008
Debt Service	98,855	87,089	(11,766)
Capital Projects	66,939	124,113	57,174
Total	<u>\$456,243</u>	<u>\$509,618</u>	<u>\$53,375</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$101,780	\$94,095	\$7,685
Special Revenue	265,600	210,374	55,226
Debt Service	76,300	69,547	6,753
Capital Projects	47,000	122,293	(75,293)
Total	<u>\$490,680</u>	<u>\$496,309</u>	<u>(\$5,629)</u>

Expenditures exceeded appropriations by \$92,064 and \$75,293 in 2000 and 1999, respectively, in the Local Transportation Infrastructure Payments - Issue II, Capital Project Fund, contrary to Ohio Revised Code § 5705.41(B).

**BRADY TOWNSHIP
WILLIAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(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 payments, 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. DEBT

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
General Obligation Bonds	\$313,427	5.43% & 5.45%

The general obligation bonds consist of a \$275,000 bond issued in 1993 to finance the construction of a new fire department building and a \$200,000 bond issued in 1997 to finance the purchase of a fire truck pumper to be used for fire protection within the Township. These 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
2001	\$67,558
2002	67,558
2003	20,788
2004	20,788
2005	20,788
Subsequent	249,451
Total	\$446,931

**BRADY TOWNSHIP
WILLIAMS COUNTY**

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

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

7. RISK MANAGEMENT

Risk Pool Membership

The Government belongs to the Ohio Government Risk Management Plan (the "Plan"), an unincorporated non-profit association with over 600 governmental entity members providing a formalized, jointly administered self-insurance risk management program and other administrative services.

Pursuant to § 2744.081 of the Ohio Revised Code, the Plan is deemed a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the member's deductible.

The Plan uses conventional insurance coverages and reinsures these coverages 100%, rather than using a risk pool of member funds to pay individual and collective losses. Therefore, the individual members are only responsible for their self-retention (deductible) amounts which vary from member to member.



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

Brady Township
Williams County
20332 County Road K
West Unity, Ohio 43570-9764

To the Board of Trustees:

We have audited the accompanying financial statements of Brady Township, Williams County, Ohio, (the Township) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated June 25, 2001. We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 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 2000-40186-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated June 25, 2001.

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. 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 25, 2001.

Brady Township
Williams 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 the 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 25, 2001

**BRADY TOWNSHIP
WILLIAMS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2000 AND 1999**

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

FINDING NUMBER 2000-40186-001

Noncompliance Citation

Ohio Revised Code § 5705.41(B) prohibits a subdivision from making an expenditure unless it has been lawfully appropriated.

There was no evidence that the Trustees had approved sufficient appropriations for the Local Transportation Infrastructure Payments (LTIP) Issue II Fund in 2000 or 1999. This resulted in actual expenditures exceeding appropriations for the LTIP Fund by \$92,064 in 2000 and by \$75,293 in 1999. We recommend that the Trustees amend the estimated resources and appropriations when they are notified that the Township will receive LTIP funds.



STATE OF OHIO
OFFICE OF THE AUDITOR

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BRADY TOWNSHIP

WILLIAMS 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 24, 2001**