

CHIPPEWA TOWNSHIP

INDEPENDENT AUDITOR'S REPORT

FOR THE YEARS ENDED
DECEMBER 31, 2000 AND DECEMBER 31, 1999



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Board of Trustees
Chippewa Township, Wayne County
464 Gates Street
PO Box 265
Doylestown, Ohio 44230

We have reviewed the Independent Auditor's Report of Chippewa Township, Wayne County, prepared by Gary B. Fink & Associates, Inc., for the audit period January 1, 1999 through December 31, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Chippewa Township is responsible for compliance with these laws and regulations.

JIM PETRO
Auditor of State

September 28, 2001

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**CHIPPEWA TOWNSHIP
FOR THE YEARS ENDED
DECEMBER 31, 2000 AND DECEMBER 31, 1999**

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CHIPPEWA TOWNSHIP

**ELECTED OFFICIALS
AS OF DECEMBER 31, 2000**

<u>NAME</u>	<u>TITLE</u>	<u>TERM OF OFFICE</u>	<u>SURETY</u>	<u>AMOUNT</u>	<u>PERIOD</u>
Bertha Jones	Trustee President	01/01/00-12/31/03	(A)	\$1,000	Covers Term
Dennis Toth	Trustee	01/01/98-12/31/01	(A)	\$1,000	Covers Term
Lenny Broome	Trustee	01/01/98-12/31/01	(A)	\$1,000	Covers Term
Paul Mong	Clerk	04/01/00-03/31/04	(A)	\$1,000	Covers Term

(A) Personal Service Insurance Company

STATUTORY LEGAL COUNSEL

Mr. Martin Frantz
Wayne County Prosecutor
Wayne County Offices
115 West Liberty Street
Wooster, OH 44691-4801

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Chippewa Township, Wayne County
464 Gates Street
PO Box 265
Doylestown, Ohio 44230

We have audited the accompanying financial statements of Chippewa Township, Wayne County (the Township), as of and for the years ended December 31, 2000 and December 31, 1999, as listed in the table of contents. 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 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 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 fund cash balances and reserves for encumbrances of Chippewa Township as of December 31, 2000 and December 31, 1999, and its 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 August 15, 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 audit.

INDEPENDENT AUDITOR'S REPORT (continued)

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 Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than those specified parties.



GARY B. FINK & ASSOCIATES, INC.
Certified Public Accountants

August 15, 2001

FINANCIAL STATEMENTS

Chippewa Township
Combined Statement of Cash Receipts, Cash Disbursements and
Changes in Fund Cash Balances - All Governmental Fund and
Similar Fiduciary Fund Types
For the Year Ended December 31, 2000

	Governmental Fund Types			Fiduciary Fund Type	Total (Memorandum Only)
	General	Special Revenue	Capital Projects	Agency	
Cash Receipts					
Taxes	\$53,290	\$582,034	\$0	\$0	\$635,324
Charges for Services	0	8,775	0	0	8,775
Licenses, Permits and Fees	22,487	725	0	0	23,212
Fines	2,082	99	0	0	2,181
Intergovernmental	150,213	223,674	0	0	373,887
Special Assessments	0	448	0	0	448
Interest	58,071	4,943	0	0	63,014
All Other Receipts	5,293	16,228	0	0	21,521
Total Cash Receipts	291,436	836,926	0	0	1,128,362
Cash Disbursements					
General Government	183,120	0	0	0	183,120
Public Safety	67,690	225,689	0	0	293,379
Public Works	0	364,565	0	0	364,565
Health	25,333	0	0	0	25,333
Capital Outlay	0	67,385	12,125	0	79,510
Total Cash Disbursements	276,143	657,639	12,125	0	945,907
Total Receipts Over Disbursements	15,293	179,287	(12,125)	0	182,455
Fund Cash Balances, January 1, 2000	467,895	1,359,349	47,786	426	1,875,456
Fund Cash Balances, December 31, 2000	\$483,188	\$1,538,636	\$35,661	\$426	\$2,057,911
Reserve for Encumbrances	\$0	\$0	\$0	\$0	\$0

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

Chippewa Township
Statement of Cash Receipts, Cash Disbursements and
Changes in Fund Cash Balances - Proprietary Fund Type
For the Year Ended December 31, 2000

	Non- Expendable Trust
Cash Receipts	
Taxes	\$0
Charges for Services	0
Licenses, Permits and Fees	0
Fines	0
Intergovernmental	0
Special Assessments	0
Interest	0
All Other Receipts	0
	<hr/>
Total Cash Receipts	0
	<hr/>
Cash Disbursements	
General Government	0
Public Safety	0
Public Works	0
Health	0
Capital Outlay	0
	<hr/>
Total Cash Disbursements	0
	<hr/>
Total Receipts Over Disbursements	0
Fund Cash Balances, January 1, 2000	<hr/> 6,926
Fund Cash Balances, December 31, 2000	<hr/> <hr/> \$6,926
Reserve for Encumbrances	\$0

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

Chippewa Township
Combined Statement of Cash Receipts, Cash Disbursements and
Changes in Fund Cash Balances - All Governmental Fund and
Similar Fiduciary Fund Types
For the Year Ended December 31, 1999

	Governmental Fund Types			Fiduciary Fund Type	Total (Memorandum Only)
	General	Special Revenue	Capital Projects	Agency	
Cash Receipts					
Taxes	\$50,783	\$601,829	\$0	\$0	\$652,612
Charges for Services	0	11,554	0	0	11,554
Licenses, Permits and Fees	20,791	900	0	0	21,691
Fines	1,864	25	0	0	1,889
Intergovernmental	136,919	142,309	0	0	279,228
Special Assessments	0	385	0	0	385
Interest	56,256	4,809	0	0	61,065
All Other Receipts	1,197	6,777	30,640	0	38,614
Total Cash Receipts	267,810	768,588	30,640	0	1,067,038
Cash Disbursements					
General Government	135,541	0	0	0	135,541
Public Safety	37,887	159,269	0	0	197,156
Public Works	0	294,257	0	0	294,257
Health	30,714	0	0	0	30,714
Capital Outlay	21,651	214,064	11,100	0	246,815
Total Cash Disbursements	225,793	667,590	11,100	0	904,483
Total Receipts Over Disbursements	42,017	100,998	19,540	0	162,555
Fund Cash Balances, January 1, 1999 (Restated - See Note 2)	425,878	1,258,351	28,246	426	1,712,901
Fund Cash Balances, December 31, 1999	\$467,895	\$1,359,349	\$47,786	\$426	\$1,875,456
Reserve for Encumbrances	\$0	\$0	\$0	\$0	\$0

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

Chippewa Township
Statement of Cash Receipts, Cash Disbursements and
Changes in Fund Cash Balances - Proprietary Fund Type
For the Year Ended December 31, 1999

	Non- Expendable Trust
Cash Receipts	
Taxes	\$0
Charges for Services	0
Licenses, Permits and Fees	0
Fines	0
Intergovernmental	0
Special Assessments	0
Interest	517
All Other Receipts	0
	<hr/>
Total Cash Receipts	517
	<hr/>
Cash Disbursements	
General Government	0
Public Safety	0
Public Works	0
Health	0
Capital Outlay	0
	<hr/>
Total Cash Disbursements	0
	<hr/>
Total Receipts Over Disbursements	517
Fund Cash Balances, January 1, 1999 (Restated - See Note 2)	6,409
	<hr/>
Fund Cash Balances, December 31, 1999	<u>\$6,926</u>
Reserve for Encumbrances	\$0

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

CHIPPEWA TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2000 AND DECEMBER 31, 1999

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. Description of the Entity

Chippewa Township, Wayne 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. The Township provides general governmental 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. Accordingly, receipts are recognized when received in cash rather than when earned, and disbursements are recognized when a payment is made rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Fund Accounting

Certificate 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:

GOVERNMENTAL FUNDS

Governmental funds are used to account for the Township's general governmental activities.

General Fund - The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

Special Revenue Funds - These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are legally restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

Gasoline Tax Fund - This fund receives gasoline taxes from the County Auditor for maintaining and repairing Township roads.

CHIPPEWA TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2000 AND DECEMBER 31, 1999

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

Road and Bridge Fund - This fund receives property taxes from the County Auditor for maintaining and repairing Township roads and bridges.

Road District Fund - This fund receives property taxes from the County Auditor for maintaining and repairing Township roads and bridges.

Capital Projects Fund - The Capital Projects Fund accounts for the acquisition of fixed assets or construction of major capital projects.

FIDUCIARY FUNDS

Fiduciary funds account for monies held by the Township in a trustee capacity or as an agent on behalf of others. Trust funds account for monies held by the Township under the terms of a formal trust agreement.

Non-Expendable Trust Fund - The Non-Expendable Trust Fund accounts for monies of which the principal may not be spent.

Agency Fund - The Agency Fund is used to account for monies that the Township holds for others in an agency capacity.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

Appropriations - Budgetary expenditures (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.

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.

Encumbrances - The Ohio Revised Code requires the Township to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2000 and 1999 budgetary activity appears in Note 4.

CHIPPEWA TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2000 AND DECEMBER 31, 1999

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

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. **RESTATEMENT OF PRIOR YEAR FUND CASH BALANCES**

Special Assessment Funds previously reported by the Township have been reclassified to Special Revenue Funds. Special Revenue Fund Cash Balances at January 1, 1999 have been increased by \$3,616 from \$1,254,735 to \$1,258,351.

3. **EQUITY IN POOLED CASH AND INVESTMENTS**

The Township maintains a cash and investment pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 were as follows:

	<u>2000</u>	<u>1999</u>
Demand Deposits	\$ 989,634	\$1,139,396
Savings Account – Cemetery Trust	6,926	6,926
Certificates of Deposit	<u>1,068,277</u>	<u>736,060</u>
 Total Deposits	 <u>\$2,064,837</u>	 <u>\$1,882,382</u>

Deposits are either insured by the Federal Depositor Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

4. **BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2000 and December 31, 1999 was as follows:

2000 Budget vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 320,839	\$ 291,436	\$(29,403)
Special Revenue	814,519	836,926	22,407
Capital Project	<u>0</u>	<u>0</u>	<u>0</u>
 Total	 <u>\$1,135,358</u>	 <u>\$1,128,362</u>	 <u>\$(6,996)</u>

CHIPPEWA TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2000 AND DECEMBER 31, 1999

4. **BUDGETARY ACTIVITY** (continued)

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditure</u>	<u>Variance</u>
General	\$ 594,862	\$276,143	\$ 318,719
Special Revenue	1,492,950	657,639	835,311
Capital Projects	<u>47,786</u>	<u>12,125</u>	<u>35,661</u>
Total	<u>\$2,135,598</u>	<u>\$945,907</u>	<u>\$1,189,691</u>

1999 Budget vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$221,915	\$ 267,810	\$ 45,895
Special Revenue	723,023	768,588	45,565
Capital Projects	<u>0</u>	<u>30,640</u>	<u>30,640</u>
Total	<u>\$944,938</u>	<u>\$1,067,038</u>	<u>\$122,100</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditure</u>	<u>Variance</u>
General	\$ 481,000	\$ 225,793	\$255,207
Special Revenue	1,373,200	667,590	705,610
Capital Projects	<u>28,246</u>	<u>11,100</u>	<u>17,146</u>
Total	<u>\$1,882,446</u>	<u>\$904,483</u>	<u>\$977,963</u>

5. **PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the 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. The second half payment is due the following June 20.

Tangible personal property tax is assessed to the property owners, who must file a list of such property to the County by each April 30.

CHIPPEWA TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2000 AND DECEMBER 31, 1999

5. **PROPERTY TAX** (continued)

The County is responsible for assessing property, and for billing, collecting and distributing all property taxes on behalf of the Township.

6. **RETIREMENT SYSTEMS**

Employees belong to the Public Employees Retirement System (PERS) of Ohio, PERS is a cost-sharing, multiple-employer defined benefit pension plan. This plan provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. The PERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to: 277 East Town Street, Columbus, Ohio 43215 or by calling (614)466-2085 or 1-800-222-PERS (7377).

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2000 and 1999, PERS members contributed 8.5% of their gross salaries. In 2000, the Retirement Board instituted a temporary employer contribution rollback. The rollback was 20%. The 2000 employer contribution rate was 10.84% of covered payroll. The 1999 employer contribution rate was 13.55% of covered payroll. The Township has paid all contributions required through December 31, 2000.

7. **RISK MANAGEMENT**

The Township has obtained commercial insurance through private carriers for the following risks:

- a. Comprehensive property and general liability
- b. Public officials and employee liability
- c. Vehicles

The Township also provides medical and dental insurance for all Township employees.

The Township participates in the Wayne County and Wayne County Subdivisions Medical and Dental Benefit Plans.

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Trustees
Chippewa Township, Wayne County
464 Gates Street
PO Box 265
Doylestown, Ohio 44230

We have audited the financial statements of Chippewa Township, Wayne County (the Township), as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated August 15, 2001. We conducted our audit 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 and contracts, 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

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 operations that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that we have reported to management of Chippewa Township, in a separate letter dated August 15, 2001.

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* (continued)

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 Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than those specified parties.



GARY B. FINK & ASSOCIATES, INC.
Certified Public Accountants

August 15, 2001



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

CHIPPEWA TOWNSHIP

WAYNE 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
OCTOBER 9, 2001**