



**PORTER TOWNSHIP
DELAWARE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**PORTER TOWNSHIP
DELAWARE COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types For the Year Ended December 31, 2000	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types For the Year Ended December 31, 1999	4
Notes to the Financial Statements	5
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	11

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REPORT OF INDEPENDENT ACCOUNTANTS

Porter Township
Delaware County
12826 McKay Street
Sunbury, Ohio 43074

To the Board of Trustees:

We have audited the accompanying financial statements of Porter Township, Delaware County, Ohio, (the Township) as of and for the years ended December 31, 2000, and December 31, 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 and reserves for encumbrances of Porter Township, Delaware County, Ohio as of December 31, 2000, and December 31, 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 February 7, 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 that audit.

This report is intended solely for the information and use of management and 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.

JIM PETRO
Auditor of State

February 7, 2001

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**PORTER TOWNSHIP
DELAWARE 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**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$80,731	\$9,958	\$0	\$90,689
Intergovernmental	57,817	70,944	43,892	172,653
Licenses, Permits, and Fees	19,170	0	0	19,170
Earnings on Investments	730	426	0	1,156
Other Revenue	9,241	0	0	9,241
	<u>167,689</u>	<u>81,328</u>	<u>43,892</u>	<u>292,909</u>
Total Cash Receipts				
	<u>167,689</u>	<u>81,328</u>	<u>43,892</u>	<u>292,909</u>
Cash Disbursements:				
Current:				
General Government	79,845	0	0	79,845
Public Works	52,967	72,518	0	125,485
Health	2,747	0	0	2,747
Conservation - Recreation	1,706	0	0	1,706
Debt Service				
Principal	9,833	0	0	9,833
Interest	1,659			
Capital Outlay	320	0	43,892	44,212
	<u>149,077</u>	<u>72,518</u>	<u>43,892</u>	<u>263,828</u>
Total Cash Disbursements				
	<u>149,077</u>	<u>72,518</u>	<u>43,892</u>	<u>263,828</u>
Total Receipts Over/(Under) Disbursements	<u>18,612</u>	<u>8,810</u>	<u>0</u>	<u>27,422</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	18,612	8,810	0	27,422
Fund Cash Balances, January 1	17,503	22,861	0	40,364
Fund Cash Balances, December 31	<u><u>\$36,115</u></u>	<u><u>\$31,671</u></u>	<u><u>\$0</u></u>	<u><u>\$67,786</u></u>

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

**PORTER TOWNSHIP
DELAWARE 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**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$62,001	\$9,410	\$0	\$71,411
Intergovernmental	40,023	62,010	146,896	248,929
Licenses, Permits, and Fees	17,602	0	0	17,602
Earnings on Investments	884	387	0	1,271
Other Revenue	1,557	400	0	1,957
	<u>122,067</u>	<u>72,207</u>	<u>146,896</u>	<u>341,170</u>
Total Cash Receipts				
	<u>122,067</u>	<u>72,207</u>	<u>146,896</u>	<u>341,170</u>
Cash Disbursements:				
Current:				
General Government	76,933	0	0	76,933
Public Works	84,168	67,236	0	151,404
Health	2,869	4,000	0	6,869
Conservation - Recreation	1,748	0	0	1,748
Capital Outlay	422	0	146,896	147,318
	<u>166,140</u>	<u>71,236</u>	<u>146,896</u>	<u>384,272</u>
Total Cash Disbursements				
	<u>166,140</u>	<u>71,236</u>	<u>146,896</u>	<u>384,272</u>
Total Receipts Over/(Under) Disbursements	<u>(44,073)</u>	<u>971</u>	<u>0</u>	<u>(43,102)</u>
Other Financing Receipts/(Disbursements):				
Proceeds of Notes	29,500	0	0	29,500
	<u>29,500</u>	<u>0</u>	<u>0</u>	<u>29,500</u>
Total Other Financing Receipts/(Disbursements)	<u>(14,573)</u>	<u>971</u>	<u>0</u>	<u>(13,602)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(14,573)</u>	<u>971</u>	<u>0</u>	<u>(13,602)</u>
Fund Cash Balances, January 1	<u>32,075</u>	<u>21,890</u>	<u>0</u>	<u>53,965</u>
Fund Cash Balances, December 31	<u>\$17,503</u>	<u>\$22,861</u>	<u>\$0</u>	<u>\$40,364</u>
Reserve for Encumbrances, December 31, 1999	<u>\$2,753</u>	<u>\$2,473</u>	<u>\$0</u>	<u>\$5,226</u>

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

**PORTER TOWNSHIP
DELAWARE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Porter Township, Delaware 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 maintenance. The Township receives fire services through the Tri-Township Fire District and the Delaware County Emergency Services provides ambulance 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. 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:

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

Motor Vehicle License - This fund receives vehicle registration tax money.

Permissive Tax - This fund receives intergovernmental tax for local government revenue assistance.

**PORTER TOWNSHIP
DELAWARE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

3. Capital Projects Fund

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects. Public Works Projects fund is used for Porter Central Road Improvement Project funded by Ohio Public Works Commission.

D. 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 and 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.

2. 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.

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 re-appropriated.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

E. 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.

F. 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 used by the Township.

**PORTER TOWNSHIP
DELAWARE COUNTY**

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

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>2000</u>	<u>1999</u>
Demand deposits	\$67,786	\$40,364
Total deposits	<u>67,786</u>	<u>40,364</u>

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

3. BUDGETARY ACTIVITY

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

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$144,910	\$167,689	\$22,779
Special Revenue	\$81,500	81,328	(172)
Capital Projects	<u>60,969</u>	<u>43,892</u>	<u>(17,077)</u>
Total	<u>\$287,379</u>	<u>\$292,909</u>	<u>\$5,530</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$162,413	\$149,077	\$13,336
Special Revenue	104,360	72,518	31,842
Capital Projects	<u>60,969</u>	<u>43,892</u>	<u>17,077</u>
Total	<u>\$327,742</u>	<u>\$265,487</u>	<u>\$62,255</u>

**PORTER TOWNSHIP
DELAWARE COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$153,590	\$151,567	(\$2,023)
Special Revenue	75,850	72,207	(3,643)
Capital Projects	<u>198,788</u>	<u>146,896</u>	<u>(51,892)</u>
Total	<u><u>\$428,228</u></u>	<u><u>\$370,670</u></u>	<u><u>(\$57,558)</u></u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$185,665	\$168,893	\$16,772
Special Revenue	97,563	73,709	23,854
Capital Projects	<u>190,788</u>	<u>146,896</u>	<u>43,892</u>
Total	<u><u>\$474,016</u></u>	<u><u>\$389,498</u></u>	<u><u>\$84,518</u></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.

**PORTER TOWNSHIP
DELAWARE COUNTY**

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

5. DEBT

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
Promissory Note -	19,667	5.53%
Total	\$19,667	

The promissory note was issued to finance the purchase of a new truck to be used for Township road maintenance.

Amortization of the above debt, including interest, is scheduled as follows:

Year ending December 31:	General Obligation Notes
2001	10,377
2002	10,921
Total	\$21,298

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

7. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

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

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

Porter Township
Delaware County
12826 McKay Street
Sunbury, Ohio 43074

To the Board of Trustees:

We have audited the accompanying financial statements of Porter Township, Delaware County, Ohio (the Township), as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated February 7, 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*. However, we noted an immaterial instance of noncompliance that we have reported to management of the Township in a separate letter dated February 7, 2001.

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 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 February 7, 2001.

Porter Township
Delaware 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

February 7, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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PORTER TOWNSHIP

DELAWARE 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
MARCH 27, 2001**