



**WESLEY TOWNSHIP
WASHINGTON COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**WESLEY TOWNSHIP
WASHINGTON COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Wesley Township
Washington County
P.O. Box 140
Bartlett, Ohio 45713

To the Board of Trustees:

We have audited the accompanying financial statements of Wesley Township, Washington 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 the 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 of Wesley Township, Washington County, as of December 31, 2000 and 1999, and its combined cash receipts and disbursements for the year then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 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 our audit.

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

May 7, 2001

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**WESLEY TOWNSHIP
WASHINGTON 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>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Fiduciary Funds</u>	
Cash Receipts:				
Local Taxes	\$ 17,663	\$ 76,757	\$	\$ 94,420
Intergovernmental	40,483	67,108		107,591
Charges for Services		375		375
Licenses, Permits, and Fees		2,250		2,250
Earnings on Investments	433	192	166	791
Special Assessments		1,698		1,698
Other Revenue		50		50
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	58,579	148,430	166	207,175
Cash Disbursements:				
Current:				
General Government	52,971			52,971
Public Safety		53,462		53,462
Public Works	1,392	70,510		71,902
Health	7,180	8,232		15,412
Debt Service:				
Redemption of Principal		14,000		14,000
Interest and Fiscal Charges		2,138		2,138
Capital Outlay		582		582
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	61,543	148,924	0	210,467
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(2,964)</u>	<u>(494)</u>	<u>166</u>	<u>(3,292)</u>
Other Financing Receipts/(Disbursements):				
Transfers-In	1,140	9,000		10,140
Transfers-Out		(10,140)		(10,140)
Other Financing Sources/(Uses)	652			652
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	1,792	(1,140)	0	652
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(1,172)	(1,634)	166	(2,640)
Fund Cash Balances, January 1	6,933	13,836	2,656	23,425
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$ 5,761</u>	<u>\$ 12,202</u>	<u>\$ 2,822</u>	<u>\$ 20,785</u>

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

**WESLEY TOWNSHIP
WASHINGTON 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>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Fiduciary Funds</u>	
Cash Receipts:				
Local Taxes	\$ 17,186	\$ 78,625	\$	\$ 95,811
Intergovernmental	39,649	68,896		108,545
Licenses, Permits, and Fees		4,500		4,500
Earnings on Investments	771	357	125	1,253
Special Assessments		36		36
Other Revenue	121	61		182
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	57,727	152,475	125	210,327
Cash Disbursements:				
Current:				
General Government	47,971			47,971
Public Safety		65,985		65,985
Public Works	923	73,436		74,359
Health	7,052	7,761		14,813
Debt Service:				
Redemption of Principal		14,000		14,000
Interest and Fiscal Charges		2,511		2,511
Capital Outlay	22,848	11,444		34,292
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	78,794	175,137	0	253,931
Total Cash Receipts Over/(Under) Cash Disbursements	<hr/> (21,067)	<hr/> (22,662)	<hr/> 125	<hr/> (43,604)
Other Financing Receipts/(Disbursements):				
Other Sources/(Uses)	317	800		1,117
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	317	800	0	1,117
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<hr/> (20,750)	<hr/> (21,862)	<hr/> 125	<hr/> (42,487)
Fund Cash Balances, January 1	<hr/> 27,683	<hr/> 35,698	<hr/> 2,531	<hr/> 65,912
Fund Cash Balances, December 31	<hr/> \$ 6,933	<hr/> \$ 13,836	<hr/> \$ 2,656	<hr/> \$ 23,425

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

**WESLEY TOWNSHIP
WASHINGTON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Wesley Township, Washington 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 and a publicly-elected Clerk. 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 STAR Ohio (the State Treasurer's investment pool) is valued at an amount reported by the State Treasurer.

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:

Motor Vehicle License Tax Fund - This fund receives motor vehicle license tax money for constructing, maintaining and repairing Township roads.

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

**WESLEY TOWNSHIP
WASHINGTON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

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

Special Levy Fire Fund - This fund receives property tax money to provide fire protection through contracts with the Wesley Township Volunteer Fire Department.

Special Levy Fire/Ambulance Fund - This fund receives property tax money to provide emergency medical services through contracts with the Chesterhill Volunteer Fire Department and the Barlow Volunteer Fire Department.

Special Levy Ambulance/Emergency Medical Services - This fund accounts for receipts and disbursements directly related to emergency squad runs and insurance billings from the Barlow Volunteer Fire Department.

Cemetery Fund - This fund receives property tax money for maintaining the Township's cemeteries.

Permissive Sales Tax Fund - This fund receives monies from Washington County through a share of the County-wide one-half per cent sales tax to construct, maintain and repair Township roads and bridges.

Federal Emergency Management Agency (FEMA) - This fund receives funds from the Federal Emergency Management Agency to provide flood relief to the Township.

3. Fiduciary Funds

Trust 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 Trust Funds. The Township had the following Nonexpendable Trust Fund:

Cemetery Bequest Fund - This fund received interest payments for the upkeep of the Township cemeteries.

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 and function 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.

**WESLEY TOWNSHIP
WASHINGTON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (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 is not reflected as a liability under the cash 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	\$ 18,513	\$ 21,289
Total deposits	<u>18,513</u>	<u>21,289</u>
STAROhio	<u>2,272</u>	<u>2,136</u>
Total investments	<u>2,272</u>	<u>2,136</u>
Total deposits and investments	<u>\$ 20,785</u>	<u>\$ 23,425</u>

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation.

Investments: Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**WESLEY TOWNSHIP
WASHINGTON COUNTY**

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

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	\$ 54,762	\$ 60,371	\$ 5,609
Special Revenue	163,513	157,430	(6,083)
Nonexpendable Trust	150	166	16
Total	<u>\$ 218,425</u>	<u>\$ 217,967</u>	<u>\$ (458)</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 61,695	\$ 61,543	\$ 152
Special Revenue	200,114	159,064	41,050
Nonexpendable Trust	2,806	0	2,806
Total	<u>\$ 264,615</u>	<u>\$ 220,607</u>	<u>\$ 44,008</u>

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 52,812	\$ 58,044	\$ 5,232
Special Revenue	157,101	153,275	(3,826)
Nonexpendable Trust	150	125	(25)
Total	<u>\$ 210,063</u>	<u>\$ 211,444</u>	<u>\$ 1,381</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 80,494	\$ 78,794	\$ 1,700
Special Revenue	207,249	175,137	32,112
Nonexpendable Trust	2,681	0	2,681
Total	<u>\$ 290,424</u>	<u>\$ 253,931</u>	<u>\$ 36,493</u>

**WESLEY TOWNSHIP
WASHINGTON 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 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 in 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:

<u>General Obligation Note:</u>	<u>Principal</u>	<u>Interest Rate</u>
Tractor Purchase	\$14,000	11.0%

The general obligation note was issued to finance the purchase of a tractor. The note is secured by the equipment purchased. The full faith and credit of the Township is pledged for the repayment of the debt.

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

<u>Year ending December 31:</u>	<u>General Obligation Note</u>
2001	\$ 14,770

6. RETIREMENT SYSTEM

The Township's elected officials and employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. The plan provide 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, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries through June 30, 2000. Effective July 1, 2000, the employers' contribution rate decreased to 8.13% of the participants' gross salaries. The Township has paid all contributions required through December 31, 2000.

**WESLEY TOWNSHIP
WASHINGTON COUNTY**

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

7. RISK MANAGEMENT

The Township is insured with the Ohio Township Association Risk Management Authority (OTARMA.) OTARMA assumes the risk of loss up to the limits of the Township's policies. Coverage is subject to deductibles and scheduled property. The following are covered by OTARMA:

- General Liability
- Public Officials' Liability
- Vehicles
- Property

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



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

Wesley Township
Washington County
P.O. Box 140
Bartlett, Ohio 45713

To the Board of Trustees:

We have audited the accompanying financial statements of Wesley Township, Washington County, Ohio (the Township), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated May 7, 2001. 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 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 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 2000-41084-001. We also noted certain immaterial instances of noncompliance that we have reported to the management of the Township in a separate letter dated May 7, 2000.

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 statement 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 May 7, 2001.

Wesley Township
Washington 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

May 7, 2001

**WESLEY TOWNSHIP
WASHINGTON COUNTY**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2000-41084-001

FINDING FOR RECOVERY

Ohio Rev. Code Section 507.09 established the compensation rate for Township Clerks. During 2000, Beverly Jo Williams, Township Clerk, was paid a higher rate than authorized for the first three months of the year. She was not entitled to receive a higher rate until the new term of office began on April 1, 2000. This resulted in the overpayment noted below.

The following represents payment made to the Clerk, the amount due to the Clerk and the amount of the overpayment:

Name/Position	Amount Due	Amount Paid	Total Over Payment
Beverly Jo Williams, Clerk	\$10,127.25	\$10,503.00	\$375.75

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery is issued for monies illegally expended against Beverly Jo Williams, Township Clerk, and the Ohio Township Risk Management Authority, her bonding company, jointly and severally, for the amount of \$375.75. This amount is in favor of the General Fund of Wesley Township.

The Finding for Recovery was repaid to the Township on May 17, 2001.



STATE OF OHIO
OFFICE OF THE AUDITOR

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WESLEY TOWNSHIP

WASHINGTON 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
JUNE 26, 2001**