

BLANCHARD TOWNSHIP

HARDIN COUNTY, OHIO

AUDITED FINANCIAL STATEMENTS

JANUARY 1, 2000 – DECEMBER 31, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
Columbus, Ohio 43215

Telephone 614-466-4514
800-282-0370

Facsimile 614-728-7398
www.auditor.state.oh.us

Board of Township Trustees
Blanchard Township
Dunkirk, OH 45836

We have reviewed the Independent Auditor's Report of Blanchard Township, Hardin County, prepared by Vanessa L. Blevins, for the audit period January 1, 2000 through December 31, 2001. 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. Blanchard Township is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

July 22, 2002

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**BLANCHARD TOWNSHIP
HARDIN, OHIO**

JANUARY 1, 2000 TO DECEMBER 31, 2001

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Vanessa L. Blevins, CPA

757 W. Elm Street
P.O. Box 472
Washington C.H., OH 43160

Phone: 740-333-1318
Fax: 740-333-3193

REPORT OF INDEPENDENT ACCOUNTANTS

Blanchard Township
2682 County Road 159
Dunkirk, Ohio 45836

To the Board of Township Trustees:

We have audited the accompanying financial statements of Blanchard Township, Hardin County, Ohio, (the Township) as of and for the years ended December 31, 2001 and 2000. 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 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 audit provides a reasonable basis for our opinion.

As described 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 Blanchard Township, Hardin County, Ohio, as of December 31, 2001 and 2000, 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 14, 2002, 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.

Vanessa L. Blevins, CPA

June 14, 2002

**BLANCHARD TOWNSHIP
HARDIN COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES- ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001

	General	Special Revenue	Total (Memorandum Only)
Cash receipts:			
Taxes	\$ 37,419	\$ 22,775	\$ 60,194
Intergovernmental	31,832	60,977	92,809
Fines, licenses, and permits	841	5,752	6,593
Interest Revenue	1,338	1,273	2,611
Miscellaneous	1,068	4,500	5,568
	72,497	95,278	167,775
Total cash receipts			
Cash disbursements:			
Current:			
Public safety	8,230	-	8,230
Public health services	-	30,954	30,954
Public works	-	44,118	44,118
Conservation- Recreation	-	-	-
General government	58,271	-	58,271
Capital outlay	-	-	-
	66,501	75,072	141,573
Total cash disbursements			
Total receipts over/(under) disbursements	5,996	20,206	26,202
Other Financing Sources (Uses)			
Other Financing Sources	-	-	-
	-	-	-
Total Other Financing Sources (Uses)			
Total of Receipts and Other Sources Over (Under) Disbursements and Other Uses	5,996	20,206	26,202
Fund cash balances, January 1, 2001	48,239	73,126	121,365
	48,239	73,126	121,365
Fund cash balances, December 31, 2001	\$ 54,235	\$ 93,332	\$ 147,567

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

**BLANCHARD TOWNSHIP
HARDIN COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES- FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001

	Nonexpendable Trust
Operating receipts:	
Interest	\$ 126
Total cash receipts	126
Operating disbursements:	
Supplies and materials	-
Total operating disbursements	-
Total receipts over/(under) disbursements	126
Other Financing Sources (Uses)	
Other Financing Sources	-
Total Other Financing Sources (Uses)	-
Total of Receipts and Other Sources Over (Under) Disbursements and Other Uses	126
Fund cash balances, January 1, 2001	3,341
Fund cash balances, December 31, 2001	\$ 3,468

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

**BLANCHARD TOWNSHIP
HARDIN COUNTY, OHIO**

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

	General	Special Revenue	Capital Project	Total (Memorandum Only)
Cash receipts:				
Taxes	\$ 37,387	\$ 23,995	\$ -	\$ 61,382
Intergovernmental	40,787	59,528	21,826	122,141
Fines, licenses, and permits	-	7,199	-	7,199
Interest Revenue	1,718	1,641	-	3,359
Miscellaneous	1,072	5,965	-	7,037
Total cash receipts	<u>80,965</u>	<u>98,327</u>	<u>21,826</u>	<u>201,117</u>
Cash disbursements:				
Current:				
Public safety	16,977	-	-	16,977
Public health services	-	28,116	-	28,116
Public Works	-	69,826	-	69,826
Conservation- Recreation	-	-	-	-
General government	90,268	-	-	90,268
Capital outlay	-	-	21,826	21,826
Total cash disbursements	<u>107,244</u>	<u>97,943</u>	<u>21,826</u>	<u>227,012</u>
Total receipts over/(under) disbursements	(26,279)	384	-	(25,895)
Other Financing Sources (Uses)				
Other Financing Sources	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total of Receipts and Other Sources Over (Under) Disbursements and Other Uses	(26,279)	384	-	(25,895)
Fund cash balances, January 1, 2000	74,518	72,742	-	147,260
Fund Balance Adjustments	-	-	-	-
Fund Balance After Adjustments	<u>74,518</u>	<u>72,742</u>	<u>-</u>	<u>147,260</u>
Fund cash balances, December 31, 2000	<u>48,239</u>	<u>73,126</u>	<u>-</u>	<u>121,365</u>

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

**BLANCHARD TOWNSHIP
HARDIN COUNTY, OHIO**

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

	Nonexpendable Trust
Operating receipts:	
Interest	\$ 132
Total cash receipts	132
Operating disbursements:	
Supplies and materials	-
Total operating disbursements	-
Total receipts over/(under) disbursements	132
Other Financing Sources (Uses)	
Other Financing Sources	-
Total Other Financing Sources (Uses)	-
Total of Receipts and Other Sources Over (Under) Disbursements and Other Uses	132
Fund cash balances, January 1, 2001	3,209
Fund cash balances, December 31, 2001	\$ 3,341

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

**BLANCHARD TOWNSHIP
HARDIN COUNTY, OHIO**

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000
(continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Blanchard Township, Hardin 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, including street maintenance and cemetery management. The Township also contracts out for emergency medical services 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

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:

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 restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

**BLANCHARD TOWNSHIP
HARDIN COUNTY, OHIO**

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000
(continued)

Motor Vehicle License Fund - This fund receives tax money for maintaining and repairing Township roads.

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

Cemetery fund - This fund receives tax revenue and sale of lot receipts for the upkeep of the Township cemetery.

Fiduciary Funds (Trust and Agency 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. Funds for which the Township is acting in an agency capacity are classified as agency funds. The Township had the following significant fiduciary funds:

Cemetery Bequest Funds - This fund receives proceeds from interest earned on principal to be used for cemetery maintenance.

E. Budgetary Process

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

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 must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

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.

Encumbrances - The Ohio Revised Code requires the Township to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2001 and 2000 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.

**BLANCHARD TOWNSHIP
HARDIN COUNTY, OHIO**

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000
(continued)

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>2001</u>	<u>2000</u>	
Demand deposits	\$ 148,327	\$ 121,998	
Certificates of deposit	2,708	2,708	
Total deposits	\$ 151,035	\$ 124,706	

Deposits are either 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, 2001 and 2000 was as follows:

2001 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 59,543	\$ 72,497	\$ 12,954
Special Revenue	90,741	95,278	4,537
Nonexpendable Trusts	132	126	(6)
Total	\$ 150,416	\$ 167,901	\$ 17,485

2001 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 108,500	\$ 66,501	\$ 41,999
Special Revenue	161,900	75,072	86,828
Total	\$ 270,400	\$ 141,573	\$ 128,827

**BLANCHARD TOWNSHIP
HARDIN COUNTY, OHIO**

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000
(continued)

2000 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 63,812	\$ 80,965	\$ 17,153
Special Revenue	91,107	98,327	7,220
Nonexpendable Trust	135	132	(3)
Capital Projects	36,206	21,826	(14,380)
Total	<u>\$ 191,260</u>	<u>\$ 201,250</u>	<u>\$ 9,990</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 138,250	\$ 107,244	\$ 31,006
Special Revenue	162,500	97,943	64,557
Capital Projects	36,206	21,826	14,380
Total	<u>\$ 336,956</u>	<u>\$ 227,012</u>	<u>\$ 109,944</u>

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board. 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.

**BLANCHARD TOWNSHIP
HARDIN COUNTY, OHIO**

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000
(continued)

5. RETIREMENT SYSTEMS

The Township's full-time 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 2001 and 2000, PERS members contributed 8.5 percent of their gross salaries. The Township contributed an amount equal to 13.55 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2001.

7. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

- General liability
- Public Officials Liability
- Automobile Liability, Comprehensive and Collision
- Property Coverage

The Township provides health coverages for an official through a private carrier or reimburse those officials covered under another plan.

Vanessa L Blevins, CPA

757 W. Elm Street
P.O. Box 472
Washington C.H., OH 43160

Phone: 740-333-1318
Fax: 740-333-3193

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

Blanchard Township
2682 County Road 159
Dunkirk, Ohio 45836

To the Board of Township Trustees:

We have audited the financial statements of Blanchard Township, Hardin County, (the Township) as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated June 14, 2002. 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 the 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 a certain immaterial instance of noncompliance that we have reported to management of the Township in a separate letter dated June 14, 2000.

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 14, 2002.

This report is intended for the information of the board of trustees and management and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Vanessa L. Blevins, CPA

June 14, 2002



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

BLANCHARD TOWNSHIP

HARDIN 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
AUGUST 8, 2002**