



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**RIDGE TOWNSHIP
VAN WERT COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Ridge Township
Van Wert County
11625 Reidenbach Road
Van Wert, Ohio 45891

To the Board of Trustees:

We have audited the accompanying financial statements of Ridge Township (the Township) as of and for the years ended December 31, 2001 and December 31, 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 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 combined fund cash balances of the Township as of December 31, 2001 and December 31, 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 April 2, 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.

Ridge Township
Van Wert County
Report of Independent Accountants
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This report is intended solely for the information and use of the 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 these specified parties.

Jim Petro
Auditor of State

April 2, 2002

**RIDGE TOWNSHIP
VAN WERT COUNTY**

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

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$27,347	\$34,375	\$61,722
Intergovernmental	99,021	73,899	172,920
Licenses, Permits, and Fees	935	21,242	22,177
Earnings on Investments	1,207	172	1,379
Other Revenue		7,226	7,226
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	128,510	136,914	265,424
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Current:			
General Government	88,222		88,222
Public Safety	5,000	19,500	24,500
Public Works	500	76,255	76,755
Health	12,464	18,076	30,540
Capital Outlay		26,265	26,265
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	106,186	140,096	246,282
	<hr/>	<hr/>	<hr/>
Total Receipts Over/(Under) Disbursements	22,324	(3,182)	19,142
Fund Cash Balances, January 1	25,696	59,651	85,347
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$48,020</u>	<u>\$56,469</u>	<u>\$104,489</u>

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

**RIDGE TOWNSHIP
VAN WERT COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE - ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Proprietary Fund Types</u>
	<u>Enterprise</u>
Operating Cash Receipts:	
Charges for Services	\$377,857
Miscellaneous	4,636
	<u>382,493</u>
Operating Cash Disbursements:	
Personal Services	123,467
Fringe Benefits	22,067
Contractual Services	170,791
Supplies and Materials	34,573
Other	8,969
Capital Outlay	30,211
	<u>390,078</u>
Operating (Loss)	(7,585)
Non-Operating Cash Receipts:	
Sale of Assets	4,000
	<u>4,000</u>
Net Receipts Over/(Under) Disbursements	(3,585)
Fund Cash Balance, January 1	105,545
	<u>105,545</u>
Fund Cash Balance, December 31	\$101,960

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

**RIDGE TOWNSHIP
VAN WERT 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>	
Cash Receipts:			
Local Taxes	\$26,938	\$34,369	\$61,307
Intergovernmental	68,473	73,623	142,096
Licenses, Permits, and Fees	320	16,590	16,910
Earnings on Investments	3,260	163	3,423
Other Revenue		5,553	5,553
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	98,991	130,298	229,289
Cash Disbursements:			
Current:			
General Government	104,921		104,921
Public Safety		14,200	14,200
Public Works	14,101	80,921	95,022
Health	10,301	20,910	31,211
Miscellaneous		1,695	1,695
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	129,323	117,726	247,049
Total Receipts Over/(Under) Disbursements	<hr/>	<hr/>	<hr/>
	(30,332)	12,572	(17,760)
Other Financing Receipts and (Disbursements):			
Advances-In	15,000		15,000
Advances-Out	(15,000)		(15,000)
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	0	0	0
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<hr/>	<hr/>	<hr/>
	(30,332)	12,572	(17,760)
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>
	56,028	47,079	103,107
Fund Cash Balances, December 31	<hr/>	<hr/>	<hr/>
	\$25,696	\$59,651	\$85,347

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

**RIDGE TOWNSHIP
VAN WERT COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE - ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Proprietary Fund Types
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$408,376
Miscellaneous	604
	408,980
Operating Cash Disbursements:	
Personal Services	130,738
Fringe Benefits	14,782
Contractual Services	138,042
Supplies and Materials	56,809
	13,911
Capital Outlay	94,349
	448,631
Operating (Loss)	(39,651)
Advances-In	15,000
Advances-Out	(15,000)
	(39,651)
Net Receipts (Under) Disbursements	(39,651)
Fund Cash Balances, January 1	145,196
Fund Cash Balances, December 31	\$105,545

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

**RIDGE TOWNSHIP
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

RidgeTownship, Van Wert 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 road and bridge maintenance and cemetery maintenance. The Township contracts with the City of Van Wert and the Village of Middlepoint to provide fire services and Brickner's Ambulance Service, to provide 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. Cash and Investments

Cash deposits 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:

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

**RIDGE TOWNSHIP
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Enterprise Funds

These funds account for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be recovered through user charges. The Township had the following significant Enterprise Fund:

Quarry Fund – This fund receives revenue from the sale of stone cultivated at the quarry.

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.

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 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.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's basis of accounting.

**RIDGE TOWNSHIP
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

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:

	2001	2000
Demand deposits	\$206,449	\$190,892
Total deposits	\$206,449	\$190,892

Deposits: 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, 2001 and December 31, 2000 follows:

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$97,589	\$128,510	\$30,921
Special Revenue	134,785	136,914	2,129
Enterprise	425,000	386,493	(38,507)
Total	\$657,374	\$651,917	(\$5,457)

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Budgeted Expenditures	Actual Expenditures	Variance
General	\$124,535	\$106,186	\$18,349
Special Revenue	193,185	140,096	53,089
Enterprise	530,545	390,078	140,467
Total	\$848,265	\$636,360	\$211,905

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$106,286	\$113,991	\$7,705
Special Revenue	139,093	130,298	(8,795)
Enterprise	442,100	423,980	(18,120)
Total	\$687,479	\$668,269	(\$19,210)

**RIDGE TOWNSHIP
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

3. BUDGETARY ACTIVITY (Continued)

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Budgeted Expenditures	Actual Expenditures	Variance
General	\$162,314	\$144,322	\$17,992
Special Revenue	163,375	117,726	45,649
Enterprise	567,295	463,631	103,664
Total	\$892,984	\$725,679	\$167,305

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 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. RETIREMENT SYSTEMS

The Township's certified 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, members of PERS contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13%, effective July 1, 2000 through December 31, 2000. The Township has paid all contributions required through December 31, 2001.

6. RISK MANAGEMENT

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

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



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

Ridge Township
Van Wert County
11625 Reidenbach Road
Van Wert, Ohio 45891

To the Board of Trustees:

We have audited the accompanying financial statements of Ridge Township (the Township) as of and for the years ended December 31, 2001 and December 31, 2000, and have issued our report thereon dated April 2, 2002. 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, 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated April 2, 2002.

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 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 April 2, 2002.

Ridge Township
Van Wert County
Report of Independent Accountants on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

This report is intended solely 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

April 2, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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RIDGE TOWNSHIP

VAN WERT 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
MAY 9, 2002**