

AMERICAN TOWNSHIP

REGULAR AUDIT

January 1, 1998 - December 31, 1999

**AMERICAN TOWNSHIP
ALLEN COUNTY**

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AMERICAN TOWNSHIP
Allen County
Elida, Ohio 45807

**ELECTED PERSONNEL BOARD OF TRUSTEES
AS OF DECEMBER 31, 1999**

<u>TITLE/NAME</u>	<u>TERM OF OFFICE</u>	<u>SURETY</u>	<u>AMOUNT</u>	<u>PERIOD</u>
PRESIDENT W. Dan Reiff	1/1/99-12/31/02	(A)	\$1,000	(B)
VICE - PRESIDENT H. Don Leis	1/1/99-12/31/02	(A)	\$1,000	(B)
TRUSTEE MEMBER Greg Sneary	1/1/96-12/31/99	(A)	\$1,000	(B)
Clerk Laurie Swick	4/1/96-3/31/00	(A)	\$10,000	(B)

STATUTORY LEGAL COUNSEL
Blaine Brock
Attorney

(A) OTARMA

(B) Contracted Every Four Years



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street, 1st Floor
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Board of Trustees
American Township
Allen County
Elida, Oh 45807

We have reviewed the Independent Auditor's Report of the American Township, Allen County, prepared by Reichert & Associates, CPA's, for the audit period January 1, 1998 to December 31, 1999. 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. American Township is responsible for compliance with these laws and regulations.



JIM PETRO
Auditor of State

June 30, 2000

REICHERT & ASSOCIATES, CPA'S

206 West Hardin Street

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Independent Auditor's Report

American Township
Allen County
Elida, Ohio 45807

We have audited the accompanying financial statements of the American Township as of and for the years ended December 31, 1999, and 1998. 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 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 also 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, if any, 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-B, the American Township, prepares its financial statements on the basis of accounting prescribed by or permitted by the Auditor of State, which is similar to the cash receipts and cash disbursement basis which is a basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements present fairly, in all material respects, the combined fund cash balances of the American Township as of December 31, 1999 and 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1-B.

In accordance with Government Auditing Standards, we have also issued our report dated March 24, 2000 on our consideration of American Township internal control over financial reporting and our tests of its compliance with laws, regulations, contracts and grants.

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

March 24, 2000
Findlay, Ohio

REICHERT & ASSOCIATES, CPA'S
Certified Public Accountants

AMERICAN TOWNSHIP
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES
 IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
 For The Year Ended December 31, 1999

	Governmental Fund Types		(Memorandum Only) Total
	General	Special Revenue	
Cash Receipts:			
Local Taxes	\$84,325	\$1,101,294	\$1,185,619
Charges for Services	0	\$8,372	\$8,372
Intergovernmental Receipts	327,838	184,221	\$512,059
Special Assessments	0	1,466	1,466
Fines and Forfeitures	4,580	85	\$4,665
Interest	20,097	2,127	22,224
Licenses, permits, and fees	143,972	0	143,972
Other Revenue	26,613	10,247	\$36,860
Total Cash Receipts	607,425	1,307,812	1,915,237
Cash Disbursements:			
Current:			
General Government	333,306	0	333,306
Public Safety	92,495	972,798	1,065,293
Public Works	0	285,721	285,721
Public Health	53,456	14,327	67,783
Debt Service:			
Redemption of Principal	23,970	0	\$23,970
Interest	6,030	0	\$6,030
Capital Outlay	26,114	0	26,114
Total Cash Disbursements	535,371	1,272,846	1,808,217
Total Cash Receipts Over (Under) Cash Disbursements	72,054	34,966	107,020
Fund Cash Balances, January 1, 1999	391,543	335,404	726,947
Fund Cash Balances, December 31, 1999	\$463,597	\$370,370	\$833,967
Reserved for Encumbrances	\$0	\$0	\$0

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

AMERICAN TOWNSHIP
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
 CHANGES IN FUND CASH BALANCES - ALL FIDUCIARY FUNDS
 For The Year Ended December 31, 1999

	Fiduciary Fund Type
	Agency
Cash Receipts:	
Other Revenue	\$0
Total Cash Receipts	0
Cash Disbursements:	
Current:	
Miscellaneous	107
Total Cash Disbursements	107
Total Cash Receipts Over (Under) Cash Disbursements	(107)
Fund Cash Balances, January 1, 1999	107
Fund Cash Balances, December 31, 1999	\$0

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

AMERICAN TOWNSHIP
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
 CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
 For The Year Ended December 31, 1998

	Governmental Fund Types		(Memorandum Only)
	General	Special Revenue	Total
Cash Receipts:			
Local Taxes	\$64,763	\$1,093,438	\$1,158,201
Intergovernmental Receipts	462,244	178,426	\$640,670
Special Assessments	0	1,511	1,511
Fines and Forfeitures	2,606	50	\$2,656
Interest	16,977	3,642	20,619
Licenses, permits, and fees	125,251	6,847	132,098
Other Revenue	42,124	7,023	\$49,147
Total Cash Receipts	713,965	1,290,937	2,004,902
Cash Disbursements:			
Current:			
General Government	328,426	0	328,426
Public Safety	58,068	961,065	1,019,133
Public Works	2,092	206,680	208,772
Public Health	49,718	23,187	72,905
Debt Service			
Principal	23,007	0	23,007
Interest	7,000	0	7,000
Miscellaneous	17,572	0	17,572
Capital Outlay	25,662	60,407	86,069
Total Cash Disbursements	511,545	1,251,339	1,762,884
Total Cash Receipts Over (Under) Cash Disbursements	202,420	39,598	242,018
Fund Cash Balances, January 1, 1998	189,123	295,806	484,929
Fund Cash Balances, December 31, 1998	\$391,543	\$335,404	\$726,947
Reserved for Encumbrances	\$6,489	\$2,284	\$8,773

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

AMERICAN TOWNSHIP
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
 CHANGES IN FUND CASH BALANCES - ALL FIDUCIARY FUNDS
 For The Year Ended December 31, 1998

	Fiduciary Fund Type
	Agency
Cash Receipts:	
Other Revenue	\$7
Total Cash Receipts	7
Cash Disbursements:	
Current:	
Miscellaneous	0
Total Cash Disbursements	0
Total Cash Receipts Over (Under) Cash Disbursements	7
Fund Cash Balances, January 1, 1998	100
Fund Cash Balances, December 31, 1998	\$107

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

AMERICAN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 1999 and 1998

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE ENTITY

The American Township, Allen County, Ohio, (the Township) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by three publicly-elected trustees. The Township provides general governmental services, including street maintenance, police services and fire protection.

The Township's management believes these financial statements present all activities for which the Township is financially accountable, except employee deferred compensation funds maintained by outside custodians are not included in these financial statements.

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.

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:

Governmental Funds

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: 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.

Fire District Fund - This fund receives property levy money for obtaining fire protection for the Township and maintaining hydrants.

Fiduciary Funds (Agency Fund): Funds for which the Township is acting in an agency capacity are classified as agency funds.

**AMERICAN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 1999 and 1998**

E. BUDGETARY PROCESS

The Ohio Revised Code requires that each fund (except certain agency funds) 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 Township's 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.

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.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

F. PROPERTY, PLANT, AND EQUIPMENT

Acquisitions of property, plant and equipment are recorded as disbursements (capital outlays) when paid. These items are not reflected as assets in the financial statements.

NOTE 2 – 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 at December 31 follows:

	<u>1999</u>	<u>1998</u>
Demand deposits	\$433,965	\$527,054
Certificates of Deposit	<u>400,000</u>	<u>200,000</u>
Total Deposits	<u>\$833,965</u>	<u>\$727,054</u>

The Township's deposits are insured by the Federal Depository Insurance Corporation and collateralized by the financial institution's public deposit pool.

**AMERICAN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 1999 and 1998**

NOTE 3 – BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 1998 and 1999 follows:

<u>Fund Type</u>	<u>1998 Budgeted vs. Actual Receipts</u>		
	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 686,448	\$ 713,965	\$ 27,517
Special Revenue	<u>1,565,781</u>	<u>1,290,937</u>	<u>(274,844)</u>
Total	<u>\$ 2,252,229</u>	<u>\$2,004,902</u>	<u>\$(247,327)</u>

<u>Fund Type</u>	<u>1998 Budgeted vs. Actual Budgetary Expenditures</u>		
	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 686,000	\$ 511,545	\$174,455
Special Revenue	<u>1,500,700</u>	<u>1,251,339</u>	<u>249,361</u>
Total	<u>\$2,186,700</u>	<u>\$ 1,762,884</u>	<u>\$423,816</u>

<u>Fund Type</u>	<u>1999 Budgeted vs. Actual Receipts</u>		
	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 811,548	\$ 607,425	\$ (204,123)
Special Revenue	<u>1,629,365</u>	<u>1,307,812</u>	<u>(321,553)</u>
Total	<u>\$ 2,440,913</u>	<u>\$ 1,915,237</u>	<u>\$ (525,676)</u>

<u>Fund Type</u>	<u>1999 Budgeted vs. Actual Budgetary Expenditures</u>		
	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 808,000	\$ 535,371	\$ 272,629
Special Revenue	<u>1,546,501</u>	<u>1,272,846</u>	<u>273,655</u>
Total	<u>\$2,354,501</u>	<u>\$ 1,808,217</u>	<u>\$ 546,284</u>

NOTE 4 – PROPERTY TAX

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

**AMERICAN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 1999 and 1998**

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.

NOTE 5 - DEBT

Debt outstanding at December 31, 1999 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Note - Commercial Bank	<u>\$ 117,731</u>	4%

The following is a schedule of the debt service requirements for the remaining notes:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$50,000	\$5,000	\$55,000
2001	<u>67,000</u>	<u>2,000</u>	<u>70,631</u>
Totals	<u>\$117,731</u>	<u>\$7,000</u>	<u>\$125,631</u>

NOTE 6 -- RETIREMENT SYSTEMS

The Township's employees belong to the Public Employees Retirement System (PERS) of Ohio. This plan provides retirement benefits, including post retirement health care, 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 1999 and 1998, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 1999.

NOTE 7 - RISK MANAGEMENT

The Township is a member of the Ohio Township Association Risk Management Authority (the Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The pool may assess supplemental premiums. The following risks are covered by the Pool:

- General liability and casualty
- Public official's liability
- Vehicle

AMERICAN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 1999 and 1998

NOTE 8 -- CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by grantor, principally the federal government. Any disallowed costs, may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, *management believes such refunds, if any, would not be material.*

The Township's attorney and management are aware of no litigation.

REICHERT & ASSOCIATES, CPA'S

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Report of Independent Accountants on Compliance and on Internal Control Required by Government Auditing Standards

Board of Trustees
American Township
Allen County
Elida, Ohio 45807

We have audited the financial statements of the American Township as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated March 24, 2000. 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. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. 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. However, we noted certain immaterial instances of noncompliance that we have reported to management of American Township in a separate letter dated March 24, 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 March 24, 2000.

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

March 24, 2000
Findlay, Ohio

REICHERT & ASSOCIATES, CPA'S
Certified Public Accountants



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
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AMERICAN TOWNSHIP

ALLEN 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.

By: Susan Babbitt

Date: JULY 20, 2000