



**ATHENS TOWNSHIP  
ATHENS COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 1999-1998**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
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, 1999 .....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 1998 .....	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

Athens Township  
Athens County  
PO Box 8  
The Plains, Ohio 45780

To the Board of Trustees:

We have audited the accompanying financial statements of the Athens Township, Athens County, Ohio, (the 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 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 Athens Township, Athens County, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2000 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.

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

March 14, 2000

**Athens 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**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
<b>Cash Receipts:</b>				
Taxes	\$69,013	\$464,671	\$101,661	\$635,345
Intergovernmental Receipts	181,018	146,937	11,079	339,034
Interest	15,007	1,435		16,442
Other Revenue	6,880	7,759		14,639
<b>Total Cash Receipts</b>	<u>271,918</u>	<u>620,802</u>	<u>112,740</u>	<u>1,005,460</u>
<b>Cash Disbursements:</b>				
Current:				
General Government	133,748		3,271	137,019
Public Safety		135,252		135,252
Public Works		762,762		762,762
Health	9,524			9,524
Capital Outlay	66,901	83,970		150,871
Debt Service:				
Principal Payments			113,158	113,158
Interest Payments			5,006	5,006
<b>Total Cash Disbursements</b>	<u>210,173</u>	<u>981,984</u>	<u>121,435</u>	<u>1,313,592</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>61,745</u>	<u>(361,182)</u>	<u>(8,695)</u>	<u>(308,132)</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Proceeds of Notes		265,416		265,416
Sale of Assets		3,400		3,400
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>0</u>	<u>268,816</u>	<u>0</u>	<u>268,816</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>61,745</u>	<u>(92,366)</u>	<u>(8,695)</u>	<u>(39,316)</u>
<b>Fund Cash Balances, January 1</b>	<u>232,939</u>	<u>363,502</u>	<u>13,460</u>	<u>609,901</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$294,684</b></u>	<u><b>\$271,136</b></u>	<u><b>\$4,765</b></u>	<u><b>\$570,585</b></u>
<b>Reserves for Encumbrances, December 31</b>	<u><b>\$6,029</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$6,029</b></u>

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

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
<b>Cash Receipts:</b>				
Taxes	\$67,965	\$459,151	\$84,041	\$611,157
Intergovernmental Receipts	111,652	153,055	10,779	275,486
Interest	19,161	2,706		21,867
Other Revenue	8,220	13,923		22,143
<b>Total Cash Receipts</b>	<u>206,998</u>	<u>628,835</u>	<u>94,820</u>	<u>930,653</u>
<b>Cash Disbursements:</b>				
Current:				
General Government	146,762		2,057	148,819
Public Safety		120,452		120,452
Public Works		690,154		690,154
Health	12,738			12,738
Capital Outlay	35,251	61,000		96,251
Debt Service:				
Principal Payments			99,180	99,180
Interest Payments			9,959	9,959
<b>Total Cash Disbursements</b>	<u>194,751</u>	<u>871,606</u>	<u>111,196</u>	<u>1,177,553</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>12,247</u>	<u>(242,771)</u>	<u>(16,376)</u>	<u>(246,900)</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Proceeds of Notes	0	305,649	0	305,649
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>0</u>	<u>305,649</u>	<u>0</u>	<u>305,649</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>12,247</u>	<u>62,878</u>	<u>(16,376)</u>	<u>58,749</u>
<b>Fund Cash Balances, January 1</b>	<u>220,692</u>	<u>300,624</u>	<u>29,836</u>	<u>551,152</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$232,939</b></u>	<u><b>\$363,502</b></u>	<u><b>\$13,460</b></u>	<u><b>\$609,901</b></u>
<b>Reserves for Encumbrances, December 31</b>	<u><b>\$0</b></u>	<u><b>\$76,970</b></u>	<u><b>\$0</b></u>	<u><b>\$76,970</b></u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Athens Township, Athens 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 general governmental services, including maintenance of roads 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**

Certificate of 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 Fund**

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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999 AND 1998**  
**(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

**2. Special Revenue Fund (Continued)**

Fire Fund - This fund receives tax monies to provide fire protection to local residents.

Road and Bridge Fund - This fund receives property tax money to maintain Township roads and bridges.

Plains Fire Fund - This fund receives tax monies to provide fire protection to local residents.

Permissive Motor Vehicle License- This fund receives motor vehicle license tax money to construct, maintain and repair Township roads.

Road Maintenance - This fund receives property tax money to maintain Township roads and bridges.

**3. Debt Service Fund**

The debt service fund is used to accumulate resources for the payment of bonds and note indebtedness. The Township had the following significant Debt Service Fund:

Note Retirement- This fund receives property tax money to provide funds to purchase a truck and tractor.

**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. 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 commitments are made. Encumbrances outstanding at year end are carried over and need not be reappropriated .

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999 AND 1998**  
**(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process (Continued)**

**3. Encumbrances (Continued)**

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 when paid. These items are not reflected as assets on the accompanying financial statements.

**2. EQUITY IN POOLED CASH**

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>1999</u>	<u>1998</u>
Demand deposits	\$ 570,585	\$ 609,901

**Deposits:** Deposits are either (1) insured by the Federal Deposit Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution to the Township or (3) collateralized by the financial institution's public entity deposit pool.

**3. BUDGETARY ACTIVITY**

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

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 153,822	\$ 271,918	\$ 118,097
Special Revenue	887,408	889,618	\$ 2,209
Debt Service	100,244	112,740	\$ 12,496
Total	<u>\$ 1,141,474</u>	<u>\$ 1,274,276</u>	<u>\$ 132,802</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 386,760	\$ 216,202	\$ 170,558
Special Revenue	1,152,255	981,984	170,271
Debt Service	113,704	121,435	(7,731)
Total	<u>\$ 1,652,719</u>	<u>\$ 1,319,621</u>	<u>\$ 333,098</u>

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 173,642	\$ 206,998	\$ 33,356
Special Revenue	1,157,209	934,484	(222,725)
Debt Service	90,244	94,820	\$ 4,576
Total	\$ 1,421,095	\$ 1,236,302	\$ (184,793)

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 355,311	\$ 194,751	\$ 160,560
Special Revenue	873,270	948,576	(75,306)
Debt Service	120,080	111,196	\$ 8,884
Total	\$ 1,348,661	\$ 1,254,523	\$ 94,138

**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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999 AND 1998**  
**(Continued)**

**5. DEBT**

Debt outstanding at December 31, 1999 was as follows:

	Principal	Interest Rate
General Obligation Note - truck and tractor	\$ 76,414	4%
OWDA - Road Improvement	466,063	2%
Total	\$ 542,477	

The truck and tractor loan was entered into by the Township in 1998. Payments will be made beginning December 10, 1999 and are due the same day of each year after that. Final payment will be due December 10, 2002 and will be for all principal and accrued interest not yet paid.

The Ohio Public Works Commission loan was entered into by the Township in 1998. Semi-annual payments, are due on January 1 and July 1, beginning in 2000. The amortization period will be 20 years commencing on the second payment date.

In 1999, the Township made a final payment on a loan in the amount of \$103,871.

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

Year ending December 31:	General Obligation Note	OWDA Loan
2000	\$ 28,586	\$ 16,576
2001	28,586	28,388
2002	28,586	28,388
2003	0	28,388
2004-2020	0	567,760
Total	\$ 85,758	\$ 669,500

**6. RETIREMENT SYSTEMS**

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 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 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999 AND 1998**  
**(Continued)**

**7. RISK MANAGEMENT**

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

- General property and liability
- Public officials' liability
- Vehicles

The Township has secured public official's bonds through a private carrier.

The Township provides medical insurance to the full-time employee through a private carrier.



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

Athens Township  
Athens County  
PO Box 8  
The Plains, Ohio 45780

To the Board of Trustees:

We have audited the accompanying financial statements of Athens Township, Athens County, Ohio (the Township), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated March 14, 2000. 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 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 March 14, 2000.

**Internal Control Over Financial Reporting**

In planning and performing our audit, 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 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 14, 2000.

Athens Township  
Athens 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 the management and 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

March 14, 2000



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**ATHENS TOWNSHIP**

**ATHENS 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 2, 2000**