



**RUTLAND TOWNSHIP
MEIGS COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999-1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**RUTLAND TOWNSHIP
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REPORT OF INDEPENDENT ACCOUNTANTS

Rutland Township
Meigs County
P.O. Box 326
Rutland, Ohio 45775

To the Board of Trustees:

We have audited the accompanying financial statements of Rutland Township, Meigs 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 Rutland Township, Meigs County, Ohio, as of December 31, 1999 and 1998, and its combined cash receipts and cash 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 a report dated June 1, 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 audit committee, management and 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.

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

Jim Petro
Auditor of State

June 1, 2000

**RUTLAND 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>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$7,149	\$54,401	\$61,550
Intergovernmental	29,613	81,647	111,260
Interest	541	992	1,533
Other Revenue		899	899
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	37,303	137,939	175,242
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Current:			
General Government	33,501		33,501
Public Safety		25,632	25,632
Public Works		102,565	102,565
Health		12,807	12,807
Debt Service:			
Principal		11,000	11,000
Interest		3,903	3,903
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	33,501	155,907	189,408
	<hr/>	<hr/>	<hr/>
Total Receipts Over/(Under) Disbursements	3,802	(17,968)	(14,166)
	<hr/>	<hr/>	<hr/>
Other Financing Sources:			
Sale of Fixed Assets	100		100
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources	100	0	100
	<hr/>	<hr/>	<hr/>
Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements	3,902	(17,968)	(14,066)
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	10,661	54,210	64,871
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>14,563</u>	<u>36,242</u>	<u>50,805</u>

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

**RUTLAND TOWNSHIP
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCE - NONEXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Fiduciary Fund Type
	Nonexpendable Trust
Operating Cash Receipts:	
Interest	\$209
Total Operating Cash Receipts	209
Operating Income/(Loss)	209
Fund Cash Balance, January 1	8,896
Fund Cash Balance, December 31	\$9,105

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

**RUTLAND 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**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$6,396	\$42,651	\$49,047
Intergovernmental	24,420	140,931	165,351
Interest	1,013	464	1,477
Other Revenue	24	2,011	2,035
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	31,853	186,057	217,910
Cash Disbursements:			
Current:			
General Government	28,174		28,174
Public Safety		14,554	14,554
Public Works		130,264	130,264
Health		8,472	8,472
Capital Outlay		3,000	3,000
Debt Service:			
Principal		11,500	11,500
Interest		4,861	4,861
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	28,174	172,651	200,825
Total Receipts Over/(Under) Disbursements	<hr/>	<hr/>	<hr/>
	3,679	13,406	17,085
Other Financing Sources/(Uses):			
Transfers-In		15,940	15,940
Transfers-Out		(15,940)	(15,940)
Other Sources	500		500
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources/(Uses)	500	0	500
Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements and Other Financing Uses	4,179	13,406	17,585
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>
	6,482	40,804	47,286
Fund Cash Balances, December 31	<hr/> \$10,661 <hr/>	<hr/> \$54,210 <hr/>	<hr/> \$64,871 <hr/>

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

**RUTLAND TOWNSHIP
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCE - NONEXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 1998**

	Fiduciary Fund Type
	Nonexpendable Trust
Operating Cash Receipts:	
Interest	\$582
Total Operating Cash Receipts	582
Operating Income/(Loss)	582
Fund Cash Balance, January 1	8,314
Fund Cash Balance, December 31	\$8,896

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Rutland Township, Meigs 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 maintenance of Township roads and cemeteries 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 a payment is made 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 that is 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 Fund :

Gasoline Tax Fund - This fund received gasoline tax money for maintaining Township roads.

3. Fiduciary Fund

These funds are used to account for resources restricted by legally binding trust agreements and funds for which the Township is acting in an agency capacity. The Township had the following significant Fiduciary Fund:

Cemetery Bequest Fund - This Nonexpendable Trust Fund received gifts from estates of residents for the general upkeep of the cemeteries maintained by Rutland Township.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (i.e., 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 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 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 and investments. The carrying amount of cash at December 31 was as follows:

	<u>1999</u>	<u>1998</u>
Demand deposits	\$52,201	\$66,267
Certificates of deposit	<u>7,709</u>	<u>7,500</u>
Total deposits	<u>\$59,910</u>	<u>\$73,767</u>

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

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

3. BUDGETARY ACTIVITY

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

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$33,750	\$37,403	\$3,653
Special Revenue	119,924	137,939	18,015
Nonexpendable Trust	<u>102</u>	<u>209</u>	<u>107</u>
Total	<u><u>\$153,776</u></u>	<u><u>\$175,551</u></u>	<u><u>\$21,775</u></u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$44,876	\$33,501	\$11,375
Special Revenue	174,134	155,907	18,227
Nonexpendable Trust	<u> </u>	<u> </u>	<u> </u>
Total	<u><u>\$219,010</u></u>	<u><u>\$189,408</u></u>	<u><u>\$29,602</u></u>

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$24,033	\$32,353	\$8,320
Special Revenue	161,864	201,997	40,133
Nonexpendable Trust	<u> </u>	<u>582</u>	<u>582</u>
Total	<u><u>\$185,897</u></u>	<u><u>\$234,932</u></u>	<u><u>\$49,035</u></u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$30,980	\$28,174	\$2,806
Special Revenue	207,497	188,591	18,906
Nonexpendable Trust	<u> </u>	<u> </u>	<u> </u>
Total	<u><u>\$238,477</u></u>	<u><u>\$216,765</u></u>	<u><u>\$21,712</u></u>

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

4. PROPERTY TAX

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

Debt outstanding at December 31, 1999 was as follows:

	Principal	Interest Rate
Dump Truck Loan	\$22,000	5.8125% - 6.375%
Tractor Loan	32,000	6.25%
Total	\$54,000	

The Dump Truck loan was entered into by the Township in 1994. The bank agreement was a ten year loan at 6.375% interest, with annual principal payments of \$5,500 plus interest. At September 30, 1998 the interest rate on the loan became variable.

The Tractor loan was entered into by the Township in 1997. The bank agreement was an eight year loan at 6.25% interest, with annual principal payments of \$6,000 plus interest.

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

Year ending December 31:	General Obligation Notes
2000	\$14,903
2001	14,177
2002	13,451
2003	12,726
2004	6,500
Subsequent	2,125
Total	\$63,882

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

6. RETIREMENT SYSTEMS

The Township's 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 post-retirement 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, members of PERS 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.

7. RISK MANAGEMENT

The Township is insured with Titan Indemnity Company. Titan Indemnity Company assumes the risk of loss up to the limits of the Township's policies. Coverage is subject to deductibles and scheduled property. The following risks are covered by Titan Indemnity Company:

- General liability
- Inland Marine
- Property
- Automobile

The Township also provides health insurance to its officials through a private carrier.

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STATE OF OHIO
OFFICE OF THE AUDITOR

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

Rutland Township
Meigs County
P.O. Box 326
Rutland, Ohio 45775

To the Board of Trustees:

We have audited the financial statements of Rutland Township, Meigs County, Ohio, (the Township) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated June 1, 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 June 1, 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 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 the management of the Township in a separate letter dated June 1, 2000.

This report is intended for the information and use of the audit committee, management and Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized loop at the end.

Jim Petro
Auditor of State

June 1, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Columbus, Ohio 43216-1140

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RUTLAND TOWNSHIP

MEIGS 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
JULY 18, 2000**