

SUGAR CREEK TOWNSHIP

REGULAR AUDIT

January 1, 1998 - December 31, 1999



Reichert & Associates, CPA's

206 West Hardin Street
Findlay, Ohio 45840
419-422-6131

SUGAR CREEK TOWNSHIP

REGULAR AUDIT

January 1, 1998 - December 31, 1999

**SUGAR CREEK TOWNSHIP
ALLEN COUNTY**

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SUGAR CREEK TOWNSHIP
Allen County
Gomer, Ohio 45809

ELECTED OFFICIALS
AS OF DECEMBER 31, 1999

<u>TITLE/NAME</u>	<u>TERM OF OFFICE</u>	<u>SURETY</u>	<u>AMOUNT</u>	<u>PERIOD</u>
CHAIRMAN R. Brian Overholt	1/1/98-12/31/01	(A)	\$1,000	(B)
VICE - CHAIRMAN W. Rodney Watkins	1/1/98-12/31/01	(A)	\$1,000	(B)
TRUSTEE MEMBER C. Dale Jostpille	1/1/96-12/31/99	(A)	\$1,000	(B)
CLERK Edward J. Barnhart	1/1/96-12/31/99	(A)	\$5,000	(B)

STATUTORY LEGAL COUNSEL
Sam Kendall
Allen County Prosecuting 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
Columbus, Ohio 43215

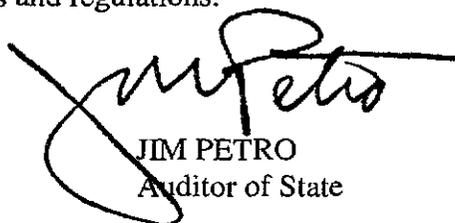
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Board of Trustees
Sugar Creek Township
Allen County
Elida, Oh 45807

We have reviewed the Independent Auditor's Report of the Sugar Creek 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. Sugar Creek 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

Findlay, Ohio 45840

phone: (419)422-6131

fax: (419)422-1372

Independent Auditor's Report

Sugar Creek Township
Allen County
Gomer, Ohio 45809

We have audited the accompanying financial statements of the Sugar Creek 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 basic 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 Sugar Creek 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 Sugar Creek 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 April 19, 2000 on our consideration of Sugar Creek 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, the 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.

April 19, 2000
Findlay, Ohio

REICHERT & ASSOCIATES, CPA'S
Certified Public Accountants

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

	General	Special Revenue	(Memorandum Only) Total
Cash Receipts:			
Local Taxes	\$25,759	\$29,853	\$55,612
Intergovernmental Receipts	39,986	63,732	\$103,718
Earnings on Investment	4,239	175	\$4,414
Fines, Licenses and Permits	1,680	996	\$2,676
Other Revenue	1,495	2,399	\$3,894
Total Cash Receipts	73,159	97,155	170,314
Cash Disbursements:			
Current:			
General Government	55,431	0	55,431
Public Safety	7,978	25,403	33,381
Public Works	2,823	70,130	72,953
Public Health	0	831	831
Capital Outlay	0	3,934	3,934
Total Cash Disbursements	66,232	100,298	166,530
Total Cash Receipts Over (Under) Cash Disbursements	6,927	(3,143)	3,784
Fund Cash Balances, January 1, 1999	103,315	6,064	109,379
Fund Cash Balances, December 31, 1999	\$110,242	\$2,921	\$113,163

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

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

	General	Special Revenue	(Memorandum Only) Total
Cash Receipts:			
Local Taxes	\$25,535	\$29,549	\$55,084
Intergovernmental Receipts	52,204	61,515	\$113,719
Earnings on Investment	4,757	97	\$4,854
Fines, Licenses and Permits	2,391	172	\$2,563
Other Revenue	17,564	0	\$17,564
Total Cash Receipts	102,451	91,333	193,784
Cash Disbursements:			
Current:			
General Government	50,254	0	50,254
Public Safety	5,300	24,394	29,694
Public Works	3,016	63,250	66,266
Public Health	172	809	981
Conservation & Recreation	0	15,138	15,138
Capital Outlay	19,077	0	19,077
Total Cash Disbursements	77,819	103,591	181,410
Total Cash Receipts Over (Under) Cash Disbursements	24,632	(12,258)	12,374
Fund Cash Balances, January 1, 1998	78,683	18,322	97,005
Fund Cash Balances, December 31, 1998	\$103,315	\$6,064	\$109,379

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

SUGAR CREEK 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 Sugar Creek 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.

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

Demand deposits and 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.

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

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

Fire District Fund - Receives tax levy money to provide fire protection to the Township.

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 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.

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

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	\$36,212	\$36,123
Certificates of Deposit	<u>76,951</u>	<u>73,256</u>
 Total Deposits	 <u>\$113,163</u>	 <u>\$109,379</u>

The Township's deposits are insured up to \$100,000 by the Federal Deposit Insurance Corporation and fully collateralized by the financial institution's public deposit pool.

NOTE 3 -- BUDGETARY ACTIVITY

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

1998 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 83,427	\$ 102,451	\$19,024
Special Revenue	<u>92,200</u>	<u>91,333</u>	<u>(867)</u>
Total	<u>\$ 175,627</u>	<u>\$ 193,784</u>	<u>\$ 18,157</u>

1998 Budgeted vs. Actual Budgetary Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 161,950	\$ 77,819	\$ 84,131
Special Revenue	<u>109,900</u>	<u>103,591</u>	<u>6,309</u>
Total	<u>\$ 271,850</u>	<u>\$ 181,410</u>	<u>\$ 90,440</u>

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

NOTE 3 -- BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 64,797	\$ 73,159	\$ 8,362
Special Revenue	<u>104,234</u>	<u>97,155</u>	<u>(7,079)</u>
Total	<u>\$ 169,031</u>	<u>\$ 170,314</u>	<u>\$ 1,283</u>

1999 Budgeted vs. Actual Budgetary Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 157,421	\$ 66,232	\$ 91,189
Special Revenue	<u>130,848</u>	<u>100,298</u>	<u>30,550</u>
Total	<u>\$ 288,269</u>	<u>\$ 166,530</u>	<u>\$ 121,739</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.

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.

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

NOTE 5 -- RETIREMENT SYSTEMS

The Township's full-time 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 6 -- 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

NOTE 7 -- 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

206 West Hardin Street

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fax: (419)422-1372

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

Board of Trustees
Sugar Creek Township
Allen County
Gomer, Ohio 45809

We have audited the financial statements of the Sugar Creek Township as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated April 19, 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. 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.

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

Board of Trustees
Sugar Creek Township
Report of Independent Accountants on Compliance and on
Internal Control Required by Government Auditing Standards
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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.

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

April 19, 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
P.O. Box 1140
Columbus, Ohio 43216-1140

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800-282-0370

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SUGAR CREEK 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