



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

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REPORT OF INDEPENDENT ACCOUNTANTS

Williamsburg Township
Clermont County
P. O. Box 499
Williamsburg, Ohio 45176

To the Board of Trustees:

We have audited the accompanying financial statement of Williamsburg Township, Clermont County, Ohio (the Township), as of and for the year ended December 31, 1999. This financial statement is the responsibility of the Township's management. Our responsibility is to express an opinion on this financial statement based on our audit.

Except as discussed in the following paragraph, 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 statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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.

Ambulance service billings reported in the Emergency Medical Services Fund (a special revenue fund) are processed by a service organization that is independent of the Township. The service organization did not provide us with evidence we requested regarding the design or proper operation of its internal control relative to the processing of the Township's ambulance service billing transactions. We were unable to perform procedures to satisfy ourselves as to the proper processing of ambulance service billing receipts. Those receipts represent 6.5% of receipts for the Special Revenue Fund Type.

As discussed in Note 1, the Township prepares its financial statement 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, except for the effects of such adjustments, if any as might have been determined to be necessary had we been able to examine evidence regarding ambulance service billing receipts of the Emergency Medical Services fund, the financial statement referred to in the first paragraph above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of Williamsburg Township, Clermont County, Ohio, as of December 31, 1999, and its combined cash receipts and disbursements for the year ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 4, 2000, on our consideration of the Government'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 management, the Board 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.

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

Jim Petro
Auditor of State

April 4, 2000

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL AND
FIDUCIARY FUND TYPES - FOR THE YEAR ENDED DECEMBER 31, 1999**

	Governmental Fund Types					Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Fiduciary Funds	
Cash Receipts:						
Local Taxes	\$91,108	\$257,939	\$45,319	\$0	\$0	\$394,366
Intergovernmental	111,313	115,832	0	0	0	227,145
Charges for Services	0	42,642	0	0	0	42,642
Licenses, Permits, and Fees	0	30,596	0	0	0	30,596
Fines, Forfeitures, and Penalties	965	0	0	0	0	965
Earnings on Investments	26,179	3,468	0	153	324	30,124
Other Revenue	1,873	23,033	0	11,767	0	36,673
Total Cash Receipts	231,438	473,510	45,319	11,920	324	762,511
Cash Disbursements:						
Current:						
General Government	98,190	31,107	0	0	710	130,007
Public Safety	13,754	217,003	0	0	0	230,757
Public Works	4,125	137,310	0	0	0	141,435
Health	12,235	39,120	0	0	0	51,355
Debt Service:						
Redemption of Principal	0	0	35,000	0	0	35,000
Interest and Fiscal Charges	0	0	10,319	0	0	10,319
Capital Outlay	0	126,048	0	120,443	0	246,491
Total Cash Disbursements	128,304	550,588	45,319	120,443	710	845,364
Total Receipts Over/(Under) Disbursements	103,134	(77,078)	0	(108,523)	(386)	(82,853)
Other Financing Receipts/(Disbursements):						
Proceeds from Sale of Public Debt:						
Sale of Fixed Assets	0	3,100	0	0	0	3,100
Transfers-In	0	0	0	1,264	0	1,264
Transfers-Out	(1,264)	0	0	0	0	(1,264)
Total Other Financing Receipts/(Disbursements)	(1,264)	3,100	0	1,264	0	3,100
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	101,870	(73,978)	0	(107,259)	(386)	(79,753)
Fund Cash Balances, January 1	153,430	534,262	0	110,446	7,353	805,491
Fund Cash Balances, December 31	\$255,300	\$460,284	\$0	\$3,187	\$6,967	\$725,738
Reserve for Encumbrances, December 31	\$717	\$2,961	\$0	\$0	\$0	\$3,678

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Williamsburg Township, Clermont County, Ohio (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 road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with Jackson and Sterling Township's to provide fire services and emergency medical services.

The Township's management believes this financial statement presents all activities for which the Township is financially accountable.

B. Basis of Accounting

This financial statement follows 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).

This statement includes adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

Certificates of deposit and the repurchase agreement are valued at cost.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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:

Emergency Medical Services Fund - This fund receives tax monies and charges for ambulance runs to provide emergency medical services to residents inside and outside the Township.

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:

General Obligation Retirement Fund (Building Renovation) - This fund receives tax monies and accounts for the debt payment related to the General Obligation Fire House Notes.

4. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Township had the following significant capital project fund:

Permanent Improvement Fund - This fund received money from the proceeds of Building Renovation Notes and is being used to renovate a building purchased for emergency medical services.

5. Fiduciary Funds (Nonexpendable Trust Funds)

These funds are used to account for resources restricted by legally binding trust agreements. The Township had the following significant fiduciary fund:

Mina White Cemetery Bequest - This fund receives interest for the care and maintenance of the cemetery.

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 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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. The Township did not encumber all commitments required by Ohio law.

A summary of 1999 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. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Township.

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:

	<u>1999</u>
Demand deposits	(\$3,489)
Certificates of deposit	<u>506,700</u>
Total deposits	<u>503,211</u>
Repurchase Agreement	<u>222,527</u>
Total investments	<u>222,527</u>
Total deposits and investments	<u><u>\$725,738</u></u>

A. Deposits

Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

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

2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

B. Investments

The repurchase agreement sweeps monies overnight into a Federal Home Loan by the financial institution.

The Township has entered into a repurchase agreement with Bank One to invest overnight in the Eurodollar Investment Alternative. This investment is not an eligible investment per Section 135.14 of the Ohio Revised Code.

3. BUDGETARY ACTIVITY

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

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$305,045	\$231,438	(\$73,607)
Special Revenue	489,329	476,610	(12,719)
Debt Service	45,384	45,319	(65)
Capital Projects	14,800	13,184	(1,616)
Fiduciary	340	324	(16)
Total	<u>\$854,898</u>	<u>\$766,875</u>	<u>(\$88,023)</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$458,400	\$130,285	\$328,115
Special Revenue	1,009,335	553,549	455,786
Debt Service	45,375	45,319	56
Capital Projects	124,250	120,443	3,807
Fiduciary	7,693	710	6,983
Total	<u>\$1,645,053</u>	<u>\$850,306</u>	<u>\$794,747</u>

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.

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

4. PROPERTY TAX (Continued)

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
Building Renovation Notes, Series 1998	\$155,000	4.65%
Total	\$155,000	

The Building Renovation Notes, Series 1998, were issued September 1, 1998 to finance the cost of renovating a building purchased during the audit period. The note will be repaid over six years with not less than the principal amount of \$30,000 being paid annually. The final note will mature on November 1, 2002. The building will be used to provide emergency medical services.

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

Year ending December 31:	Building Renovation Notes, Series 1998
2000	\$42,215
2001	35,586
2002	34,190
2003	32,793
2004	31,397
Total	\$176,181

6. RETIREMENT SYSTEMS

The Township's certified Fire Fighters belong to the Police and Firemen's Disability and Pension Funds (PFDPF). Other employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provide 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, members of PFDPF contributed 10% of their wages to the PFDPF. The Township contributed an amount equal to 24% of their wages. 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
(Continued)

7. RISK MANAGEMENT

The Township is a member of the Ohio Municipal League Joint Self Insurance Pool (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

The Township also provides health insurance and dental and vision coverage to full-time employees through a private carrier.



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

Williamsburg Township
Clermont County
P. O. Box 499
Williamsburg, Ohio 45176

To the Board of Trustees:

We have audited the accompanying financial statements of Williamsburg Township, Clermont County, Ohio (the Township), as of and for the year ended December 31, 1999, and have issued our report thereon dated April 4, 2000, in which we noted that the Township had insufficient documentation to support the ambulance billing receipts of the Emergency Medical Services Fund. Except as previously noted, 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 statement is 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 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 1999-40413-002. We also noted immaterial instances of noncompliance that we have reported to the management of the Township in a separate letter dated April 4, 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. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Township's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of finding as item 1999-40413-001.

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 statement being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable condition described above is a material weakness.

This report is intended 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.

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

Jim Petro
Auditor of State

April 4, 2000

**SCHEDULE OF FINDING
DECEMBER 31, 1999**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
--

FINDING NUMBER 1999-40413-001

Material Weakness - Ambulance Billings

Williamsburg Township has delegated ambulance billing processing and collecting, which is a significant accounting function, to a billing agency. The Township has not established procedures to reasonably determine that ambulance billings have been completely and accurately processed and collected in accordance with the ambulance billing contract.

We recommend that Williamsburg Township implement procedures to reasonably assure the completeness and accuracy of ambulance billing and collecting processed by their billing agency. Statement on Auditing Standards No. 70 (SAS 70) as amended by SAS No. 89, prescribes standards for reporting on the processing of transactions by service organizations. An unqualified "Report on Policies and Procedures Placed in Operation and Tests of Operating Effectiveness" in accordance with SAS No. 70 and SAS No. 89 should provide the Township with an appropriate level of assurance that the ambulance bills are being processed in conformance with the contract. However, it may be possible for the Township to obtain an appropriate level of assurance by other means.

We recommend the Township reconcile the input (run reports) to the output (list of patients and corresponding check from the billing service organization). Documentation of this procedure will ensure that the Township is receiving and properly posting the correct amount.

FINDING NUMBER 1999-40413-002

Noncompliance Citation - Investments

Ohio Revised Code, Section 135.14, defines eligible investments for interim monies as United States obligations or any other obligation guaranteed as to principal and interest by the United States. Additionally, this statute allows the Township to invest in bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality or the State of Ohio. All federal agency securities are required to be direct issuances of federal government agencies or instrumentalities. The Township entered into a repurchase agreement with Bank One to invest overnight in the Eurodollar Investment Alternative. Under this investment alternative, funds are swept into Overnight Eurodollar Time Deposits at an off-shore branch of Bank One.

As outlined in the Township's investment policy, this investment is not legal. We recommend that the Township revise its repurchase agreement to correspond with the investment policy approved by the Board.



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WILLIAMSBURG TOWNSHIP

CLERMONT 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, 2000**