AUDITOR C

WINCHESTER TOWNSHIP ADAMS COUNTY

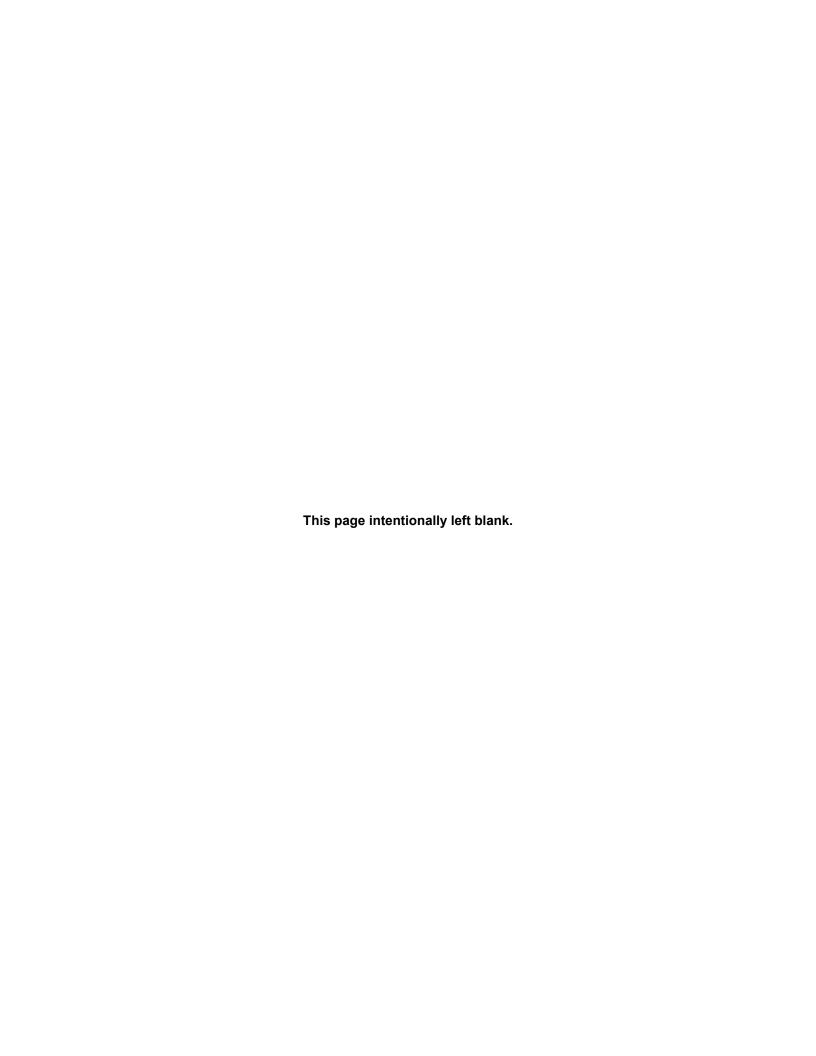
REGULAR AUDIT

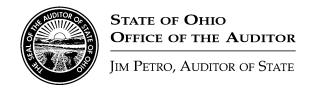
FOR THE YEARS ENDED DECEMBER 31, 1999-1998



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250 West Court Street Suite 150 E Cincinnati, Ohio 45202

Telephone 513-361-8550

800-368-7419

Facsimile 513-361-8577 www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Winchester Township Adams County 620 Reed Road Seaman, OH 45679

To the Board of Trustees:

We have audited the accompanying financial statements of Winchester Township, Adams 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 the 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 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 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.

Jim Petro Auditor of State

June 16, 2000

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WINCHESTER 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

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts:			
Local Taxes	\$4,937	\$23,070	\$28,007
Intergovernmental	23,366	63,403	86,769
Earnings on Investments	871	1,559	2,430
Other Revenue	74	25	99
Total Cash Receipts	29,248	88,057	117,305
Cash Disbursements:			
Current:			
General Government	13,117	177	13,294
Public Works	0	65,005	65,005
Health	1,060	6,804	7,864
Capital Outlay	138	2,080	2,218
Total Cash Disbursements	14,315	74,066	88,381
Total Receipts Over/(Under) Disbursements	14,933	13,991	28,924
Total Necelpts Over/(Order) Disbursements	14,933	13,991	20,924
Fund Cash Balances, January 1	9,560	42,090	51,650
Fund Cash Balances, December 31	\$24,493	\$56,081	\$80,574
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The notes to the financial statements are an integral part of this statement.

WINCHESTER 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

	General	Special Revenue	Totals (Memorandum Only)
Cook Bossinto:			
Cash Receipts: Local Taxes	\$3,788	\$18,634	\$22,422
	ֆ3,766 14,271	φ10,03 4 61,416	π22,422 75,687
Intergovernmental	762	1,238	,
Earnings on Investments Other Revenue	1,379	1,230	2,000 1,385
Other Revenue	1,070		1,000
Total Cash Receipts	20,200	81,294	101,494
Cash Disbursements:			
Current:			
General Government	14,825	0	14,825
Public Works	0	62,884	62,884
Health	736	3,299	4,035
Capital Outlay	417	0	417_
Total Cash Disbursements	15,978	66,183	82,161
Total Receipts Over/(Under) Disbursements	4,222	15,111	19,333
Fund Cash Balances, January 1	5,338	26,979	32,317
Fund Cash Balances, December 31	\$9,560	\$42,090	\$51,650
i una cash Dalances, December 31		+,	

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Winchester Township, Adams 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'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 Deposits

The Township maintains all funds in an interest-bearing checking account.

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:

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.

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 Funds:

Gasoline Tax Fund - Receives gasoline tax money for construction, maintaining and repairing Township roads.

Road & Bridge Fund - Receives real estate tax money for construction, maintaining and repairing Township roads.

E. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. 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 individual commitments are made. The Township did not encumber all commitments required by Ohio law; however, a review was performed to determine the amount of encumbrances at year end that were not recorded. There were no material encumbrances outstanding at December 31, 1999 and 1998.

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 AND DEPOSITS

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	\$80,574	\$51,650

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

3. BUDGETARY ACTIVITY

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

1999 Budgeted vs. Actual Receipts				
Fund Type		Receipts	Receipts	Variance
General		\$19,410	\$29,247	\$9,837
Special Revenue		78,210	88,058	9,848
	Total	\$97,620	\$117,305	\$19,685

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

3. **BUDGETARY ACTIVITY (Continued)**

Appropriation	Pudgetan
1999 Budgeted vs. Actual Budgetary	y Basis Expenditures

		Appropriation	Budgelary	
Fund Type		Authority	Expenditures	Variance
General Special Revenue		\$31,104 120,267	\$14,315 74,066	\$16,789 46,201
	Total	\$151,371	\$88,381	\$62,990
	1998 B	Budgeted vs. Actua	al Receipts	
		Budgeted	Actual	
Fund Type		Dogginto	Dogginto	Variance

Fund Type		Budgeted Receipts	Actual Receipts	Variance
General Special Revenue		\$17,200 79,430	\$20,200 81,294	\$3,000 1,864
	Total	\$96,630	\$101,494	\$4,864

1998 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type		Appropriation Authority	Budgetary Expenditures	Variance
General Special Revenue		\$28,238 104,179	\$15,978 66,183	\$12,260 37,996
	Total	\$132,417	\$82,161	\$50,256

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.

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. **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 postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

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

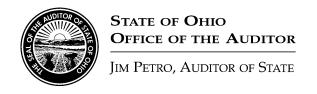
5. RETIREMENT SYSTEMS (Continued)

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.

6. RISK MANAGEMENT

The Township is a member of the Ohio Township Association Risk Management 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



250 West Court Street Suite 150 E Cincinnati, Ohio 45202

Telephone 513-361-8550

800-368-7419

Facsimile 513-361-8577 www.auditor.state.oh.us

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

Winchester Township Adams County 620 Reed Road Seaman, OH 45679

To the Board of Trustees:

We have audited the accompanying financial statements of Winchester Township, Adams County, Ohio (the Township), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated June 16, 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 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 16, 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 June 16, 2000.

Winchester Township
Adams 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 management and the 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

June 16, 2000



88 East Broad Street P.O. Box 1140 Columbus, Ohio 43216-1140

Telephone 614-466-4514

800-282-0370

Facsimile 614-466-4490

WINCHESTER TOWNSHIP

ADAMS 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.

CLERK OF THE BUREAU

Susan Babbitt

CERTIFIED JULY 25, 2000