



**ALEXANDER TOWNSHIP  
ATHENS COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999**



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

---

**STATE OF OHIO**



**ALEXANDER TOWNSHIP  
ATHENS COUNTY**

**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 and Fiduciary Fund Types – For the Year Ended December 31, 2000 .....	3
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 .....	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
Schedule of Findings .....	13

**This Page Intentionally Left Blank.**



STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

743 East State Street  
Athens Mall, Suite B  
Athens, Ohio 45701  
Telephone 740-594-3300  
800-441-1389  
Facsimile 740-594-2110  
www.auditor.state.oh.us

## REPORT OF INDEPENDENT ACCOUNTANTS

Alexander Township  
Athens County  
81 Beal Road  
Athens, Ohio 45701

To the Board of Trustees:

We have audited the accompanying financial statements of Alexander Township, Athens County, Ohio (the Township), as of and for the years ended December 31, 2000 and 1999. 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, 2000 and 1999, 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 April 13, 2001 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

April 13, 2001

**This Page Intentionally Left Blank.**

ALEXANDER TOWNSHIP  
ATHENS COUNTY

**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, 2000**

	<u>Governmental Fund Types</u>				<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Fiduciary Funds</u>	
<b>Cash Receipts:</b>					
Local Taxes	\$36,990	\$67,239	\$13,217		\$117,446
Intergovernmental	31,584	80,654			112,238
Earnings on Investments	926	2,778		27	3,731
Other Revenue	820				820
<b>Total Cash Receipts</b>	<u>70,320</u>	<u>150,671</u>	<u>13,217</u>	<u>27</u>	<u>234,235</u>
<b>Cash Disbursements:</b>					
Current:					
General Government	75,475	563			76,038
Public Safety		28,000			28,000
Public Works		109,578			109,578
Health	3,249				3,249
Debt Service:					
Redemption of Principal		911	10,558		11,469
Interest and Fiscal Charges			1,860		1,860
Capital Outlay	7,278	64,264			71,542
<b>Total Cash Disbursements</b>	<u>86,002</u>	<u>203,316</u>	<u>12,418</u>	<u>0</u>	<u>301,736</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(15,682)</u>	<u>(52,645)</u>	<u>799</u>	<u>27</u>	<u>(67,501)</u>
<b>Other Financing Receipts/(Disbursements):</b>					
Transfers-In		57,848			57,848
Transfers-Out	(57,848)				(57,848)
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>(57,848)</u>	<u>57,848</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(73,530)	5,203	799	27	(67,501)
Fund Cash Balances, January 1	143,415	77,771	5	818	222,009
<b>Fund Cash Balances, December 31</b>	<u><b>\$69,885</b></u>	<u><b>\$82,974</b></u>	<u><b>\$804</b></u>	<u><b>\$845</b></u>	<u><b>\$154,508</b></u>

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

ALEXANDER TOWNSHIP  
ATHENS COUNTY

**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**

	<u>Governmental Fund Types</u>				<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Fiduciary Funds</u>	
<b>Cash Receipts:</b>					
Local Taxes	\$32,238	\$68,354	\$4,622		\$105,214
Intergovernmental	80,241	80,024			160,265
Earnings on Investments	583	1,749		25	2,357
Other Revenue	1,051	2,556			3,607
<b>Total Cash Receipts</b>	<u>114,113</u>	<u>152,683</u>	<u>4,622</u>	<u>25</u>	<u>271,443</u>
<b>Cash Disbursements:</b>					
Current:					
General Government	68,762	648			69,410
Public Safety		25,900			25,900
Public Works		106,396			106,396
Health	3,614				3,614
Miscellaneous		2,103			2,103
Debt Service:					
Redemption of Principal			3,428		3,428
Interest and Fiscal Charges			1,194		1,194
Capital Outlay		3,952			3,952
<b>Total Cash Disbursements</b>	<u>72,376</u>	<u>138,999</u>	<u>4,622</u>	<u>0</u>	<u>215,997</u>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	<u>41,737</u>	<u>13,684</u>	<u>0</u>	<u>25</u>	<u>55,446</u>
 Fund Cash Balances, January 1	 <u>101,678</u>	 <u>64,087</u>	 <u>5</u>	 <u>793</u>	 <u>166,563</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$143,415</u></b>	<b><u>\$77,771</u></b>	<b><u>\$5</u></b>	<b><u>\$818</u></b>	<b><u>\$222,009</u></b>

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

**ALEXANDER TOWNSHIP  
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Alexander 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 road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the Richland and Albany fire departments to provide fire 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**

Certificates of deposit 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.

**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 Funds:

*Road and Bridge Fund* - This fund receives property tax money for constructing, maintaining and repairing Township roads and bridges.

**ALEXANDER TOWNSHIP  
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

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

**D. Fund Accounting (Continued)**

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

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

**3. Debt Service Funds**

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 Funds:

*General Obligation Note Retirement* - This fund receives tax monies to retire debt for equipment.

**4. Fiduciary Funds (Trust and Agency Funds)**

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 funds:

*Cemetery Bequest Fund*- This is a Non-expendable Trust which received interest payments for the upkeep of cemeteries.

**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. 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. The Township did not encumber all commitments as required by Ohio law.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

**ALEXANDER TOWNSHIP  
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

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

**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>2000</u>	<u>1999</u>
Demand deposits	\$154,008	\$221,509
Certificates of deposit	500	500
Total deposits	154,508	222,009

**Deposits:** Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Township.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2000 and 1999, follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$90,334	\$70,320	(\$20,014)
Special Revenue	163,509	208,519	45,010
Debt Service	12,418	13,217	799
Fiduciary	26	27	1
Total	\$266,287	\$292,083	\$25,796

**ALEXANDER TOWNSHIP  
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$233,748	\$143,850	\$89,898
Special Revenue	241,269	203,316	37,953
Debt Service	12,418	12,418	0
Fiduciary	344	0	344
Total	\$487,779	\$359,584	\$128,195

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$81,949	\$114,113	\$32,164
Special Revenue	160,414	152,683	(7,731)
Debt Service	4,617	4,622	5
Fiduciary	25	25	0
Total	\$247,005	\$271,443	\$24,438

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$183,826	\$72,376	\$111,450
Special Revenue	224,499	138,999	85,500
Debt Service	4,622	4,622	0
Fiduciary	318	0	318
Total	\$413,265	\$215,997	\$197,268

**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.

**ALEXANDER TOWNSHIP  
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**5. DEBT SERVICE**

During 2000, the Township retired a General Obligation Note that had been issued for the purchase of a backhoe in 1997.

**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 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries through June 30, 2000. For the period July 1, 2000 through December 31, 2000, PERS temporarily reduced the employer's contribution rate to 8.13% of participants gross salaries. The Township has paid all contributions required through December 31, 2000.

**7. RISK MANAGEMENT**

The Township has obtained commercial insurance for the following risks:

- General Liability
- Public Officials' Liability
- Vehicles
- Property

**This Page Intentionally Left Blank**



STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

743 East State Street  
Athens Mall, Suite B  
Athens, Ohio 45701  
Telephone 740-594-3300  
800-441-1389  
Facsimile 740-594-2110  
www.auditor.state.oh.us

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

Alexander Township  
Athens County  
81 Beal Road  
Athens, Ohio 54701

To the Board of Trustees:

We have audited the accompanying financial statements of Alexander Township, Athens County, Ohio (the Township), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated April 13, 2001. 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 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 2000-40705-001. In addition, we noted other matters of noncompliance that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated April 13, 2001.

### 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 certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. 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 judgement, 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. Reportable conditions are described in the accompanying Schedule of Findings as item 2000-40705-001.

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 statements 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. We believe reportable condition 2000-40705-001 described above is not a material weakness. We also 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 April 13, 2001.

Alexander 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 audit committee, 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

April 13, 2001

ALEXANDER TOWNSHIP  
ATHENS COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2000 AND 1999

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

FINDING NUMBER 2000-40705-001

**Noncompliance Citation**

**Ohio Revised Code Section 5705.41(D)** states that no contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract had been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriated fund free from any previous encumbrances.

The following exceptions to this basic requirement are provided by statute:

Then and Now Certificate: This exception provides that, if the fiscal officer can certify that both at the time that the contract or order was made and at the time that he is completing his certification, sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing authority can authorize the drawing of a warrant. The taxing authority has 30 days from the receipt of such certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing district.

Amounts of less than \$100 for counties, or less than \$1,000 for other political subdivisions, may be paid by the fiscal officer without such affirmation of the taxing authority upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority. [Section 5705.41(D)].

Twenty nine percent, in 1999, and thirty eight percent, in 2000, of the expenditures tested, had invoice dates preceding the certification dates with no corresponding "then and now" certificate. This could lead to obligations being entered into when there is not sufficient funds available to cover the transaction.

We recommend the Township certify the availability of funds prior to ordering goods or services.





STATE OF OHIO  
OFFICE OF THE AUDITOR  

---

JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**ALEXANDER 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 24, 2001**