



**AUSTINBURG TOWNSHIP
ASHTABULA COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 -1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**AUSTINBURG TOWNSHIP
ASHTABULA COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 2000	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance – Fiduciary Fund Type – For the Year Ended December 31, 2000	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 1999	5
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance – Fiduciary Fund Type – For the Year Ended December 31, 1999	6
Notes to the Financial Statements	7
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	13

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REPORT OF INDEPENDENT ACCOUNTANTS

Austinburg Township
Ashtabula County
2035 S R 307
Austinburg, Ohio 44010

To the Board of Trustees:

We have audited the accompanying financial statements of Austinburg Township, Ashtabula County, Ohio, (the Township) as of and for the years ended December 31, 2000 and December 31, 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 described 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 and reserve for encumbrances 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 June 22, 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 and 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 22, 2001

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AUSTINBURG TOWNSHIP
ASHTABULA COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts:				
Local Taxes	\$101,421	\$234,323	\$73,259	\$409,003
Intergovernmental	64,292	99,938	7,929	172,159
Licenses, Permits, and Fees		10,435		10,435
Special Assessments		8,212		8,212
Earnings on Investments	27,988	3,296		31,284
Other Revenue	11,798	7,375		19,173
	<u>205,499</u>	<u>363,579</u>	<u>81,188</u>	<u>650,266</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
General Government	88,654	63,279	1,195	153,128
Public Works	1,769	271,652		273,421
Health	17,241	5,964		23,205
Conservation - Recreation	2,080			2,080
Debt Service:				
Redemption of Principal and Interest			55,183	55,183
Capital Outlay	33,272		8,339	41,611
	<u>143,016</u>	<u>340,895</u>	<u>64,717</u>	<u>548,628</u>
Total Cash Disbursements				
Total Receipts Over/(Under) Disbursements	<u>62,483</u>	<u>22,684</u>	<u>16,471</u>	<u>101,638</u>
Other Financing Receipts/(Disbursements):				
Transfers-In		2,500		2,500
Transfers-Out	(2,500)			(2,500)
	<u>(2,500)</u>	<u>2,500</u>		
Total Other Financing Receipts/(Disbursements)				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	59,983	25,184	16,471	101,638
Fund Cash Balances, January 1	248,709	174,098	84,481	507,288
Fund Cash Balances, December 31	<u>\$308,692</u>	<u>\$199,282</u>	<u>\$100,952</u>	<u>\$608,926</u>
Reserve for Encumbrances, December 31	<u>\$52,655</u>	<u>\$35,303</u>		<u>\$87,958</u>

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

**AUSTINBURG TOWNSHIP
ASHTABULA COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Fiduciary Fund Type
	Nonexpendable Trust
Operating Cash Receipts:	
Earnings on Investment	\$14
Total Operating Cash Receipts	14
Operating Cash Disbursements:	
Supplies and Materials	25
Total Operating Cash Disbursements	25
Excess of Operating Receipts Over/(Under) Operating Disbursements	(11)
Fund Cash Balances, January 1	798
Fund Cash Balances, December 31	\$787

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

AUSTINBURG TOWNSHIP
ASHTABULA COUNTY

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

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Cash Receipts:					
Local Taxes	\$108,183	\$213,923	\$64,053		\$386,159
Intergovernmental	32,732	94,538	6,646	\$36,417	170,333
Licenses, Permits, and Fees		8,100			8,100
Special Assessments		7,973			7,973
Earnings on Investments	18,329	1,974			20,303
Other Revenue	5,168	12,532			17,700
Total Cash Receipts	164,412	339,040	70,699	36,417	610,568
Cash Disbursements:					
Current:					
General Government	92,757	28,603	1,029		122,389
Public Works	1,621	278,101			279,722
Health	15,971	7,120			23,091
Conservation - Recreation	2,141				2,141
Debt Service:					
Redemption of Principal and Interest			52,182		52,182
Capital Outlay	45,671	14,990	10,910	36,417	107,988
Total Cash Disbursements	158,161	328,814	64,121	36,417	587,513
Total Receipts Over/(Under) Disbursements	6,251	10,226	6,578		23,055
Other Financing Receipts/(Disbursements):					
Transfers-In	7	5,500			5,507
Transfers-Out	(5,500)		(7)		(5,507)
Advances-In	500	500			1,000
Advances-Out	(500)	(500)			(1,000)
Total Other Financing Receipts/(Disbursements)	(5,493)	5,500	(7)		
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	758	15,726	6,571		23,055
Fund Cash Balances, January 1	247,951	158,372	77,910		484,233
Fund Cash Balances, December 31	\$248,709	\$174,098	\$84,481		\$507,288
Reserve for Encumbrances, December 31	\$33,272	\$2,582			\$35,854

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

**AUSTINBURG TOWNSHIP
ASHTABULA COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Fiduciary Fund Type</u>
	<u>Nonexpendable Trust</u>
Operating Cash Receipts:	
Earnings on Investment	\$19
Total Operating Cash Receipts	19
Operating Cash Disbursements:	
Supplies and Materials	25
Total Operating Cash Disbursements	25
Excess of Operating Receipts Over/(Under) Operating Disbursements	(6)
Fund Cash Balances, January 1	804
Fund Cash Balances, December 31	<u>798</u>

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

**AUSTINBURG TOWNSHIP
ASHTABULA COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Austinburg Township, Ashtabula 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'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

The Township maintained an interest bearing Hi-Fi account as well as general operating 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:

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.

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

**AUSTINBURG TOWNSHIP
ASHTABULA COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Special Revenue Funds

Fire Levy Fund - This fund's receipts are generated from a restricted Township levy and are only to be utilized to assist in providing the necessary equipment and fire protection for Township residents.

3. Debt Service Fund

Bond Retirement Fund - This fund is used for the repayment of debt and receipts are generated through from levy moneys. Currently, the township is repaying debt for backhoe, fire truck, and OPWC (Issue II) loans.

4. Capital Projects Fund

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:

Issue II Fund - This fund is used to record Issue II grant proceeds and disbursements for a road paving project.

5. Fiduciary Fund (Non-Expendable Trust Fund)

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

Snow Bequest Fund - This fund receives interest from fund investments. Proceeds are used to maintain the grave sight.

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 function 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.

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.

**AUSTINBURG TOWNSHIP
ASHTABULA COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 re-appropriated.

A summary of 2000 and 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

The Township maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 was as follows:

	<u>2000</u>	<u>1999</u>
Demand deposits	\$609,713	\$508,086

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

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	\$387,137	\$205,499	(\$181,638)
Special Revenue	532,946	366,079	(166,867)
Debt Service	139,481	81,188	(58,293)
Non-Exp. Trust	823	14	(809)
Total	\$1,060,387	\$652,780	(\$407,607)

**AUSTINBURG TOWNSHIP
ASHTABULA 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	\$413,272	\$198,171	\$215,101
Special Revenue	510,682	376,198	134,484
Debt Service	65,000	64,717	283
Non-Exp. Trust	200	25	175
Total	<u>\$989,154</u>	<u>\$639,111</u>	<u>\$350,043</u>

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$397,930	\$164,419	(\$233,511)
Special Revenue	471,872	344,540	(127,332)
Debt Service	127,910	70,699	(57,211)
Capital Projects	36,417	36,417	0
Non-Exp. Trust	854	19	(835)
Total	<u>\$1,034,983</u>	<u>\$616,094</u>	<u>(\$418,889)</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$397,021	\$196,933	\$200,088
Special Revenue	447,170	331,396	115,774
Debt Service	70,007	64,128	5,879
Capital Projects	36,417	36,417	0
Non-exp. Trust	200	25	175
Total	<u>\$950,815</u>	<u>\$628,899</u>	<u>\$321,916</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.

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.

**AUSTINBURG TOWNSHIP
ASHTABULA COUNTY**

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

4. PROPERTY TAX (Continued)

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.

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 10.84% in 2000 and 13.55% in 1999 of participants' gross salaries. The Township has paid all contributions required through December 31, 2000.

6. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

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

7. DEBT

Debt outstanding at December 31, 2000 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
General Obligation Notes	\$90,183	5.25% to 6.25%
Ohio Public Works Commission Loan	80,000	0%

The general obligation notes were issued to finance the following: Fire Truck and Backhoe purchases, and the OPWC loan was for a paving project. The debt is collateralized solely by the Township's taxing authority.

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

<u>Year</u>	<u>Truck</u>	<u>Backhoe</u>	<u>Waterline OPWC</u>
2001	\$46,250	\$6,508	\$ 5,000
2002	45,687		5,000
2003			5,000
2004			5,000
2005			5,000
2006-13			<u>55,000</u>
Totals	<u>\$91,937</u>	<u>\$6,508</u>	<u>\$80,000</u>

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

Austinburg Township
Ashtabula County
2035 S R 307
Austinburg, Ohio 44010

To the Board of Trustees:

We have audited the accompanying financial statements of Austinburg Township, Ashtabula County, Ohio (the Township), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated June 22, 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 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*. We noted certain immaterial instances of noncompliance that we have reported to management of Austinburg Township in a separate letter dated June 22, 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. 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 one matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Township in a separate letter dated June 22, 2001.

Austinburg Township
Ashtabula 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

June 22, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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AUSTINBURG TOWNSHIP

ASHTABULA 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 17, 2001**