



**BERLIN TOWNSHIP
DELAWARE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**BERLIN TOWNSHIP
DELAWARE COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Board of Trustees
Berlin Township
Delaware County
3271 Cheshire Road
Delaware, Ohio 43015

We have audited the accompanying financial statements of Berlin Township, Delaware 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 auditing standards generally accepted in the United States of America 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 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 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

June 22, 2001

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**BERLIN TOWNSHIP
DELAWARE 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>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$161,855	\$141,613	\$0	\$303,468
Intergovernmental	122,493	87,493	705,852	915,838
Licenses, Permits, and Fees	0	47,859	0	47,859
Earnings on Investments	71,842	4,248	0	76,090
Other Revenue	3,004	10,479	0	13,483
	<u>359,194</u>	<u>291,692</u>	<u>705,852</u>	<u>1,356,738</u>
Total Cash Receipts				
	<u>359,194</u>	<u>291,692</u>	<u>705,852</u>	<u>1,356,738</u>
Cash Disbursements:				
Current:				
General Government	82,160	68,730	0	150,890
Public Safety	0	62,610	0	62,610
Public Works	5,570	116,210	0	121,780
Health	3,388	20,494	0	23,882
Capital Outlay	1,610	15,957	958,419	975,986
	<u>92,728</u>	<u>284,001</u>	<u>958,419</u>	<u>1,335,148</u>
Total Cash Disbursements				
	<u>92,728</u>	<u>284,001</u>	<u>958,419</u>	<u>1,335,148</u>
Total Receipts Over/(Under) Disbursements	<u>266,466</u>	<u>7,691</u>	<u>(252,567)</u>	<u>21,590</u>
Other Financing Receipts/(Disbursements):				
Proceeds of Loans	0	0	107,270	107,270
Transfers-In	0	0	163,122	163,122
Transfers-Out	(163,122)	0	0	(163,122)
Other Sources	0	0	51,980	51,980
	<u>(163,122)</u>	<u>0</u>	<u>322,372</u>	<u>159,250</u>
Total Other Financing Receipts/(Disbursements)				
	<u>(163,122)</u>	<u>0</u>	<u>322,372</u>	<u>159,250</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>103,344</u>	<u>7,691</u>	<u>69,805</u>	<u>180,840</u>
Fund Cash Balances, January 1, 2000	<u>744,035</u>	<u>434,608</u>	<u>45,753</u>	<u>1,224,396</u>
Fund Cash Balances, December 31, 2000	<u>\$847,379</u>	<u>\$442,299</u>	<u>\$115,558</u>	<u>\$1,405,236</u>
Reserve for Encumbrances, December 31, 2000	<u>\$6,220</u>	<u>\$10,750</u>	<u>\$152,509</u>	<u>\$169,479</u>

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

BERLIN TOWNSHIP
DELAWARE COUNTY

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

	<u>Agency</u>
Cash Receipts:	
Miscellaneous	<u>\$48</u>
Total Cash Receipts	<u>48</u>
Total Operating Cash Disbursements	<u>0</u>
Excess of Receipts Over/(Under) Disbursements	48
Fund Cash Balances, January 1, 2000	<u>119</u>
Fund Cash Balances, December 31, 2000	<u><u>\$167</u></u>

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

**BERLIN TOWNSHIP
DELAWARE 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**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$126,618	\$131,941	\$0	\$258,559
Intergovernmental	65,096	80,341	0	145,437
Licenses, Permits, and Fees	0	106,002	0	106,002
Earnings on Investments	51,306	2,819	0	54,125
Other Revenue	5,365	9,487	0	14,852
Total Cash Receipts	<u>248,385</u>	<u>330,590</u>	<u>0</u>	<u>578,975</u>
Cash Disbursements:				
Current:				
General Government	75,807	55,411	0	131,218
Public Safety	1,140	60,498	0	61,638
Public Works	7,543	50,352	0	57,895
Health	12,535	5,142	0	17,677
Capital Outlay	128,880	19,203	30,499	178,582
Total Cash Disbursements	<u>225,905</u>	<u>190,606</u>	<u>30,499</u>	<u>447,010</u>
Total Receipts Over/(Under) Disbursements	<u>22,480</u>	<u>139,984</u>	<u>(30,499)</u>	<u>131,965</u>
Other Financing Receipts/(Disbursements):				
Sale of Fixed Assets	0	252	0	252
Transfers-In	0	0	19,639	19,639
Transfers-Out	(15,319)	(4,320)	0	(19,639)
Total Other Financing Receipts/(Disbursements)	<u>(15,319)</u>	<u>(4,068)</u>	<u>19,639</u>	<u>252</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>7,161</u>	<u>135,916</u>	<u>(10,860)</u>	<u>132,217</u>
Fund Cash Balances, January 1, 1999	<u>736,874</u>	<u>298,692</u>	<u>56,613</u>	<u>1,092,179</u>
Fund Cash Balances, December 31, 1999	<u>\$744,035</u>	<u>\$434,608</u>	<u>\$45,753</u>	<u>\$1,224,396</u>
Reserve for Encumbrances, December 31, 1999	<u>\$1,039</u>	<u>\$4,779</u>	<u>\$4,600</u>	<u>\$10,418</u>

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

BERLIN TOWNSHIP
DELAWARE COUNTY

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

	<u>Agency</u>
Total Cash Receipts	<u>\$0</u>
Total Cash Disbursements	<u>0</u>
Excess of Receipts Over/(Under) Disbursements	0
Fund Cash Balances, January 1, 1999	<u>119</u>
Fund Cash Balances, December 31, 1999	<u><u>\$119</u></u>

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

**BERLIN TOWNSHIP
DELAWARE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Berlin Township, Delaware 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, and fire protection.

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

The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

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:

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

Fire District Fund - This fund receives taxes levied to provide fire protection services.

**BERLIN TOWNSHIP
DELAWARE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. 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 funds:

Hollenback Road Widening Fund - The Township received a grant and loan from the State of Ohio and used local funds to perform a road improvement project.

Piatt Road Fund - The Township received a grant and loan from the State of Ohio and used local funds to perform a road improvement project.

Cheshire Drainage Fund - The Township received a grant from the State of Ohio and used local funds to perform a Storm Sewer Drainage project.

4. Agency Fund

This fund is used to account for resources for which the Township is acting in an agency capacity. The Township's Unclaimed Monies Fund is used account for unclaimed monies held by the Township.

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function and 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.

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.

A summary of 2000 and 1999 budgetary activity appears in Note 4.

**BERLIN TOWNSHIP
DELAWARE 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. PRIOR PERIOD ADJUSTMENT

The Township's Unclaimed Monies Fund was misclassified as an Expendable Trust Fund in the prior period. The fund is now presented as an Agency Fund.

3. 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	<u>\$216,247</u>	<u>\$94,929</u>
Total deposits	<u>216,247</u>	<u>94,929</u>
STAR Ohio	<u>1,189,156</u>	<u>1,129,586</u>
Total investments	<u>1,189,156</u>	<u>1,129,586</u>
Total deposits and investments	<u><u>\$1,405,403</u></u>	<u><u>\$1,224,515</u></u>

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

Investments: Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**BERLIN TOWNSHIP
DELAWARE COUNTY**

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

4. 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	\$355,616	\$359,194	\$3,578
Special Revenue	295,837	291,692	(4,145)
Capital Project	1,226,011	1,028,224	(197,787)
Total	<u>\$1,877,464</u>	<u>\$1,679,110</u>	<u>(\$198,354)</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,033,009	\$262,070	\$770,939
Special Revenue	726,244	294,751	431,493
Capital Projects	1,164,495	1,110,928	53,567
Total	<u>\$2,923,748</u>	<u>\$1,667,749</u>	<u>\$1,255,999</u>

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$298,350	\$248,385	(\$49,965)
Special Revenue	351,832	330,842	(20,990)
Capital Projects	915,840	19,639	(896,201)
Total	<u>\$1,566,022</u>	<u>\$598,866</u>	<u>(\$967,156)</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,053,790	\$242,263	\$811,527
Special Revenue	572,244	199,705	372,539
Capital Projects	915,887	35,099	880,788
Total	<u>\$2,541,921</u>	<u>\$477,067</u>	<u>\$2,064,854</u>

**BERLIN TOWNSHIP
DELAWARE COUNTY**

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

5. 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.

6. DEBT

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
Ohio Public Works Commission, Piatt Road Improvement Note	\$35,616	0%
Ohio Public Works Commission, Hollenback Road Improvement Note	71,654	0%
Total	\$107,270	

Both Ohio Public Works Commission notes, received in fiscal year 2000, were issued to finance improvements to the Townships roads.

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

Year ending December 31:	Ohio Public Works Commission Piatt Road Improvement Note	Ohio Public Works Commission Hollenback Road Improvement Note
2001	\$890	\$1,791
2002	890	1,791
2003	890	1,791
2004	890	1,791
2005	890	1,791
Subsequent	31,166	62,699
Total	\$35,616	\$71,654

**BERLIN TOWNSHIP
DELAWARE COUNTY**

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

7. RETIREMENT SYSTEMS

Township employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plans. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code. PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries in 1999 and 10.84% in 2000. The Township has paid all contributions required through December 31, 2000.

8. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

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

9. CONTINGENCY

The Township is currently a defendant in a litigation suit. The results of that litigation cannot be determined.



STATE OF OHIO
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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED
BY GOVERNMENT AUDITING STANDARDS**

Board of Trustees
Berlin Township
Delaware County
3271 Cheshire Road
Delaware, Ohio 43015

We have audited the accompanying financial statements of Berlin Township, Delaware County, Ohio (the Township), as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated June 22, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 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 a 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.

Berlin Township
Delaware County
Report 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 22, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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BERLIN TOWNSHIP

DELAWARE 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 24, 2001**