



**BLENDON TOWNSHIP  
FRANKLIN COUNTY**

**REGULAR AUDIT**

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



**JIM PETRO  
AUDITOR OF STATE**

STATE OF OHIO



**BLENDON TOWNSHIP  
FRANKLIN COUNTY**

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## REPORT OF INDEPENDENT ACCOUNTANTS

Blendon Township  
Franklin County  
6330 Hempstead Road  
Westerville, Ohio 43081

To the Board of Trustees:

We have audited the accompanying financial statements of Blendon Township, Franklin 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 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 December 31, 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 26, 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

June 26, 2001

**BLENDON TOWNSHIP  
FRANKLIN 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>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Non-Expendable Trust</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$62,070	\$1,911,392	\$0	\$1,973,462
Intergovernmental	539,557	260,901	0	800,458
Special Assessments	0	44,946	0	44,946
Charges for Services	113,204	0	0	113,204
Licenses, Permits, and Fees	0	72,509	0	72,509
Fines, Forfeitures, and Penalties	63,075	0	0	63,075
Earnings on Investments	158,640	37,721	768	197,129
Other Receipts	2,170	27,350	0	29,520
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	938,716	2,354,819	768	3,294,303
<b>Cash Disbursements:</b>				
Current:				
General Government	257,947	0	0	257,947
Public Safety	6,000	1,889,284	0	1,895,284
Public Works	0	522,142	0	522,142
Health	27,680	74,912	0	102,592
Human Services	215,905	0	0	215,905
Miscellaneous	0	6,044	0	6,044
Capital Outlay	30,839	167,572	0	198,411
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	538,371	2,659,954	0	3,198,325
Total Receipts Over/(Under) Disbursements	<hr/>	<hr/>	<hr/>	<hr/>
	400,345	(305,135)	768	95,978
<b>Other Financing Receipts/(Disbursements):</b>				
Transfers-In	0	150,000	0	150,000
Transfers-Out	(150,000)	0	0	(150,000)
Other Sources	7,007	71,450	0	78,457
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(142,993)	221,450	0	78,457
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<hr/>	<hr/>	<hr/>	<hr/>
	257,352	(83,685)	768	174,435
Fund Cash Balances, January 1, 2000	<hr/>	<hr/>	<hr/>	<hr/>
	1,918,721	1,698,771	6,352	3,623,844
<b>Fund Cash Balances, December 31, 2000</b>	<hr/>	<hr/>	<hr/>	<hr/>
	<b>\$2,176,073</b>	<b>\$1,615,086</b>	<b>\$7,120</b>	<b>\$3,798,279</b>
Reserve for Encumbrances, December 31, 2000	<hr/>	<hr/>	<hr/>	<hr/>
	\$31,436	\$228,934	\$0	\$260,370

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

**BLENDON TOWNSHIP  
FRANKLIN 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>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Non-Expendable Trust</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$55,206	\$1,865,109	\$0	\$1,920,315
Intergovernmental	557,449	282,403	0	839,852
Special Assessments	0	51,697	0	51,697
Charges for Services	175,633	0	0	175,633
Licenses, Permits, and Fees	0	70,903	0	70,903
Fines, Forfeitures, and Penalties	62,899	0	0	62,899
Earnings on Investments	122,581	35,085	0	157,666
Other Receipts	3,777	44,653	0	48,430
<b>Total Cash Receipts</b>	<u>977,545</u>	<u>2,349,850</u>	<u>0</u>	<u>3,327,395</u>
<b>Cash Disbursements:</b>				
Current:				
General Government	239,206	0	0	239,206
Public Safety	6,000	1,889,112	0	1,895,112
Public Works	0	201,244	0	201,244
Health	25,531	85,667	0	111,198
Human Services	262,839	0	0	262,839
Capital Outlay	154,116	237,734	0	391,850
<b>Total Cash Disbursements</b>	<u>687,692</u>	<u>2,413,757</u>	<u>0</u>	<u>3,101,449</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>289,853</u>	<u>(63,907)</u>	<u>0</u>	<u>225,946</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Transfers-In	0	50,000	0	50,000
Transfers-Out	(50,000)	0	0	(50,000)
Other Sources	6,283	88,725	0	95,008
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>(43,717)</u>	<u>138,725</u>	<u>0</u>	<u>95,008</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>246,136</u>	<u>74,818</u>	<u>0</u>	<u>320,954</u>
<b>Fund Cash Balances, January 1, 1999</b>	<u>1,672,585</u>	<u>1,623,953</u>	<u>6,352</u>	<u>3,302,890</u>
<b>Fund Cash Balances, December 31, 1999</b>	<u><b>\$1,918,721</b></u>	<u><b>\$1,698,771</b></u>	<u><b>\$6,352</b></u>	<u><b>\$3,623,844</b></u>
<b>Reserve for Encumbrances, December 31, 1999</b>	<u><u>\$0</u></u>	<u><u>\$44,807</u></u>	<u><u>\$0</u></u>	<u><u>\$44,807</u></u>

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



**BLENDON TOWNSHIP  
FRANKLIN COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Blendon Township, Franklin 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 police protection. The Township contracts with the City of Westerville to provide fire and ambulance 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**

U.S. Treasury Bonds and Federal Agency investments 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:

**BLENDON TOWNSHIP  
FRANKLIN 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)**

Police District Fund - This fund receives property tax money for providing police services.

Cemetery Fund - This fund receives fees to pay for cemetery services..

**3. Fiduciary Fund (Trust Fund)**

This fund is 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 fiduciary fund:

Cemetery Bequest Fund (Non-expendable trust) - This fund receives restricted donations. Interest earned may be used to maintain graves in 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 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 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.

**BLENDON TOWNSHIP  
FRANKLIN COUNTY**

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

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

**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	\$2,169,177	\$2,057,276
US Treasury Notes	<u>1,629,102</u>	<u>1,566,568</u>
Total deposits and investments	<u><u>\$3,798,279</u></u>	<u><u>\$3,623,844</u></u>

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

**Investments:** U.S. Treasury Notes are held in book-entry form by the Federal Reserve, in the name of the Township's financial institution. The financial institution maintains records identifying the Township as owner of these securities.

**3. BUDGETARY ACTIVITY**

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

**2000 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$909,250	\$945,723	\$36,473
Special Revenue	2,857,572	2,576,269	(281,303)
Fiduciary	<u>0</u>	<u>768</u>	<u>768</u>
Total	<u><u>\$3,766,822</u></u>	<u><u>\$3,522,760</u></u>	<u><u>(\$244,062)</u></u>

**BLENDON TOWNSHIP  
FRANKLIN COUNTY**

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

**3. BUDGETARY ACTIVITY (Continued)**

**2000 Budgeted vs. Actual Budgetary Basis Expenditures**

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$990,750	\$719,807	\$270,943
Special Revenue	3,328,307	2,888,888	439,419
Fiduciary	2,000	0	2,000
Total	<u>\$4,321,057</u>	<u>\$3,608,695</u>	<u>\$712,362</u>

**1999 Budgeted vs. Actual Receipts**

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$867,727	\$983,828	\$116,101
Special Revenue	2,388,595	2,488,575	99,980
Total	<u>\$3,256,322</u>	<u>\$3,472,403</u>	<u>\$216,081</u>

**1999 Budgeted vs. Actual Budgetary Basis Expenditures**

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$869,749	\$737,692	\$132,057
Special Revenue	2,911,218	2,458,564	452,654
Fiduciary	2,000	0	2,000
Total	<u>\$3,782,967</u>	<u>\$3,196,256</u>	<u>\$586,711</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.

Public utilities are also taxed on personal and real property located within the Township.

**BLENDON TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 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. RETIREMENT SYSTEMS**

Township employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a 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 2000 and 1999, members of PERS contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% for 1999 and 10.84% for 2000 of participants' gross salaries. The police department members contribute 9% of their gross salaries, while the Township contributes 16.7% of participants gross salaries. The Township has paid all contributions required through December 31, 2000.

**6. RISK MANAGEMENT**

The Township is a member of the Ohio Township Association Risk Management Authority (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
- Vehicles
- Public official's liability

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

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OFFICE OF THE AUDITOR  
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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED  
BY GOVERNMENT AUDITING STANDARDS**

Blendon Township  
Franklin County  
6330 Hempstead Road  
Westerville, Ohio 43081

To the Board of Trustees:

We have audited the accompanying financial statements of Blendon Township, Franklin 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 27, 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 26, 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.

Blendon Township  
Franklin 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 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 26, 2001





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**BLENDON TOWNSHIP**

**FRANKLIN 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 26, 2001**