



**BUCYRUS TOWNSHIP
CRAWFORD COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**BUCYRUS TOWNSHIP
CRAWFORD COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Bucyrus Township
Crawford County
1449 State Route 98
Bucyrus, Ohio 44820

To the Board of Trustees:

We have audited the accompanying financial statements of Bucyrus Township, Crawford 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 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 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 May 25, 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

May 25, 2001

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**BUCYRUS TOWNSHIP
CRAWFORD COUNTY**

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

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General Fund</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts:				
Local Taxes	\$13,339	\$47,697	\$5,872	\$66,908
Intergovernmental	51,461	76,697	1,417	129,575
Earnings on Investments	1,141	950	0	2,091
Other Revenue	1,989	5,575	0	7,564
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	67,930	130,919	7,289	206,138
Cash Disbursements:				
Current:				
General Government	26,941	0	0	26,941
Public Safety	0	19,770	310	20,080
Public Works	20,589	81,507	0	102,096
Health	2,941	0	0	2,941
Debt Service:				
Redemption of Principal	3,350	0	3,887	7,237
Interest and Fiscal Charges	0	0	1,789	1,789
Capital Outlay	0	86,234	0	86,234
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	53,821	187,511	5,986	247,318
Total Cash Receipts Over/(Under) Cash Disbursements	<hr/>	<hr/>	<hr/>	<hr/>
	14,109	(56,592)	1,303	(41,180)
Other Financing Receipts:				
Proceeds of Notes	0	78,704	0	78,704
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts	0	78,704	0	78,704
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements	<hr/>	<hr/>	<hr/>	<hr/>
	14,109	22,112	1,303	37,524
Fund Cash Balances, January 1, 2000	<hr/>	<hr/>	<hr/>	<hr/>
	14,912	51,753	0	66,665
Fund Cash Balances, December 31, 2000	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$29,021	\$73,865	\$1,303	\$104,189

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

**BUCYRUS TOWNSHIP
CRAWFORD COUNTY**

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

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	General Fund	Special Revenue	
Cash Receipts:			
Local Taxes	\$13,542	\$37,958	\$51,500
Intergovernmental	24,148	74,781	98,929
Earnings on Investment	1,487	829	2,316
Other Revenue	5,244	131	5,375
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	44,421	113,699	158,120
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Current:			
General Government	31,335	0	31,335
Public Safety	0	24,032	24,032
Public Works	48,105	71,236	119,341
Health	2,790	0	2,790
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	82,230	95,268	177,498
	<hr/>	<hr/>	<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	(37,809)	18,431	(19,378)
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1, 1999	52,721	33,322	86,043
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31, 1999	<u>\$14,912</u>	<u>\$51,753</u>	<u>\$66,665</u>

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

**BUCYRUS TOWNSHIP
CRAWFORD COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Bucyrus Township, Crawford 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, 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 Township maintains 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:

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 Levy Fund - This fund receives tax money levied for the purpose of providing fire services to the Township.

3. Debt Service Funds

The debt service fund is used to accumulate resources for the payment of loan indebtedness.

**BUCYRUS TOWNSHIP
CRAWFORD COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 or certify all commitments required by Ohio law.

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.

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>
Deposits	<u>\$104,189</u>	<u>\$66,665</u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation. During 2000, the Township had depository balances in excess of \$100,000 that were not insured or collateralized, contrary to Chapter 135, Ohio Revised Code.

**BUCYRUS TOWNSHIP
CRAWFORD COUNTY**

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

3. BUDGETARY ACTIVITY

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

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$38,233	\$67,930	\$29,697
Special Revenue	123,552	209,623	86,071
Debt Service	<u>7,542</u>	<u>7,289</u>	<u>(253)</u>
Total	<u>\$169,327</u>	<u>\$284,842</u>	<u>\$115,515</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$61,916	\$53,821	\$8,095
Special Revenue	166,454	187,511	(21,057)
Debt Service	<u>7,542</u>	<u>5,986</u>	<u>1,556</u>
Total	<u>\$235,912</u>	<u>\$247,318</u>	<u>(\$11,406)</u>

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$29,965	\$44,421	\$14,456
Special Revenue	<u>114,797</u>	<u>113,699</u>	<u>(1,098)</u>
Total	<u>\$144,762</u>	<u>\$158,120</u>	<u>\$13,358</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$86,921	\$82,230	\$4,691
Special Revenue	<u>143,883</u>	<u>95,268</u>	<u>48,615</u>
Total	<u>\$230,804</u>	<u>\$177,498</u>	<u>\$53,306</u>

**BUCYRUS TOWNSHIP
CRAWFORD COUNTY**

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

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the 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 payments, 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.

5. DEBT

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
Fire Truck Loan	\$71,467	5.25%

The loan to purchase the fire truck is secured by the truck.

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

Year ending December 31:	Fire Truck Loan
2001	\$18,052
2002	18,052
2003	18,052
2004	18,052
2005	9,008
Total	\$81,216

**BUCYRUS TOWNSHIP
CRAWFORD COUNTY**

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

6. RETIREMENT SYSTEMS

The Township 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, members of PERS contributed 8.5% of their gross salaries. The Township contributed an amount equal to 10.84% for 2000 and 13.55% for 1999 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:

- Comprehensive property and general liability
- Vehicles

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

Bucyrus Township
Crawford County
1449 State Route 98
Bucyrus, Ohio 44820

To the Board of Trustees:

We have audited the accompanying financial statements of Bucyrus Township, Crawford 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 May 25, 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2000-40517-001, 2000-40517-002, and 2000-40517-003. We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated May 25, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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.

Bucyrus Township
Crawford 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

May 25, 2001

**BUCYRUS TOWNSHIP
CRAWFORD COUNTY**

**SCHEDULE OF FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number	2000-40517-001
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Noncompliance Citation

Ohio Rev. Code Sections 4115.04 and 4115.05 require an entity to obtain the prevailing wages in their area for the types of labor required to complete the project before such project is bid and again when the contract is awarded, if the award is made more than 90 days after the original prevailing wage is determined. Contractors must agree, in the contract, to pay the prevailing wages.

The Township did not require the contractor to agree to pay prevailing wages for the 2000 road project. The contract for this project was \$26,343 and was paid out of the Road and Bridge Fund and the Motor Vehicle License Tax Fund.

We recommend the Township require contractors to agree to pay prevailing wages for contracts involving labor.

Finding Number	2000-40517-002
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Noncompliance Citation

Ohio Rev. Code Section 5705.41(D) states no subdivision shall make any contract or order any expenditure of money unless the certificate of the fiscal officer is attached. The fiscal officer must certify the amount required to meet such a commitment has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance. The amount so certified shall be recorded against the applicable appropriation account.

This section also provides an exception to the above requirement:

Then and Now Certificate - If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was, both at the time of the contract or order and at the time of the certificate, appropriated and free of any previous encumbrances, the Township may authorize the issuance of a warrant in payment of the amount due upon such contract or order over \$1,000 by resolution within thirty days from the receipt of such certificate, if such expenditure is otherwise valid.

If the amount involved is less than one thousand dollars, the fiscal officer may authorize it to be paid without the affirmation of the Board of Trustees.

Forty percent of transactions tested were not certified by the fiscal officer until after the time of payment. Not certifying all expenditures increases the likelihood that expenditures will exceed appropriations.

We recommend the Clerk certify that funds are available before purchase or utilize "Then and Now" Certificates.

This citation was reported in the prior audit.

Finding Number	2000-40517-003
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Noncompliance Citation

Ohio Rev. Code Section 135.18 requires the clerk of a political subdivision to require the depository to provide as security an amount equal to the funds on deposit at all times. Such security may consist of federal deposit insurance, surety company bonds, or pledged securities. Ohio Rev. Code Section 135.18 (c) allows, in lieu of the specific pledging requirements of Section 135.18, an institution designated as a public depository to pledge a single pool of eligible securities to secure the repayment of all public monies deposited in the institution and not otherwise secured.

The Township had unsecured depository balances that exceeded the coverage provided by the Federal Deposit Insurance Company throughout the year and at year end, as follows:

Month	FDIC Insurance	Actual Funds	Uncollateralized amount
March 1999	\$100,000	\$108,227	(\$8,227)
April 1999	100,000	114,376	(14,376)
May 1999	100,000	108,760	(8,760)
June 1999	100,000	105,090	(5,090)
July 1999	100,000	128,893	(28,893)
August 1999	100,000	126,674	(26,674)
September 1999	100,000	121,794	(21,794)
October 1999	100,000	123,891	(23,891)
November 1999	100,000	108,792	(8,792)
March 2000	100,000	132,296	(32,296)
April 2000	100,000	111,276	(11,276)
May 2000	100,000	110,534	(10,534)
June 2000	100,000	115,558	(15,558)
July 2000	100,000	144,373	(44,373)
August 2000	100,000	116,859	(16,859)
September 2000	100,000	106,328	(6,328)
October 2000	100,000	102,769	(2,769)
November 2000	100,000	102,766	(2,766)
December 2000	100,000	104,192	(4,192)

Failure to have proper security over Township deposits could result in a loss of public monies.

We recommend the Clerk ensure proper security is provided for all Township deposits. The Clerk should monitor the coverage by requesting collateralized statements from the financial institution and comparing them to the Township's deposits.

This citation was reported in the prior audit.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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BUCYRUS TOWNSHIP

CRAWFORD 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 3, 2001**