



**UNION TOWNSHIP
WARREN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER, 2000-1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**UNION TOWNSHIP
WARREN COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types and Non-Expendable Trust Fund For the Year Ended December 31, 2000	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types and Non-Expendable Trust Fund For the Year Ended December 31, 1999	4
Notes to the Financial Statements	5
Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	11

This page intentionally left blank.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

250 West Court Street
Suite 150 E
Cincinnati, Ohio 45202
Telephone 513-361-8550
800-368-7419
Facsimile 513-361-8577
www.auditor.state.oh.us

INDEPENDENT ACCOUNTANTS' REPORT

Union Township
Warren County
285 Pike Street
South Lebanon, OH 45065

To the Board of Trustees:

We have audited the accompanying financial statements of Union Township, Warren 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 audits.

We conducted our audits 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 audits provide a reasonable basis for our opinion.

As described 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 reserves for encumbrances of Union Township, Warren County, 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 27, 2001, on our consideration of the Government'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 Section 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 27, 2001

**UNION TOWNSHIP
WARREN COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN BALANCES
ALL GOVERNMENTAL FUND TYPES AND NON-EXPENDABLE TRUST
FISCAL YEAR ENDING DECEMBER 31, 2000**

	General Fund	Special Revenue	Capital Project	Non-Expendable (Memorandum Trust)	Totals (Memorandum Only)
Revenue Receipts:					
Taxes	\$68,152	\$214,101	\$0	\$0	\$282,253
Licenses, Permits and Fees	0	36,018	0	0	36,018
Intergovernmental Receipts	151,853	80,632	31,954	0	264,439
Special Assessments	0	14,801	0	0	14,801
Interest	3,677	1,390	0	35	5,102
Other Revenue	8,458	52,511	0	0	60,969
Total Revenue Receipts	<u>232,140</u>	<u>399,453</u>	<u>31,954</u>	<u>35</u>	<u>663,582</u>
Expenditure Disbursements:					
General Government	141,748	0	0	0	141,748
Public Safety	6,540	189,562	0	0	196,102
Public Works	7,029	156,395	0	0	163,424
Health	11,083	44,485	0	0	55,568
Conservation - Recreation	693	0	0	0	693
Capital Outlay	1,202	25,051	31,954	0	58,207
Note Principal Payment	0	70,000	0	0	70,000
Interest	0	2,975	0	0	2,975
Total Expenditure Disbursements	<u>168,295</u>	<u>488,468</u>	<u>31,954</u>	<u>0</u>	<u>688,717</u>
Total Receipts Over(Under) Disbursements	<u>63,845</u>	<u>(89,015)</u>	<u>0</u>	<u>35</u>	<u>(25,135)</u>
Other Financing Sources (Uses):					
Proceeds of Notes	0	30,000	0	0	30,000
Sale of Assets	0	20	0	0	20
Total Other Financing Sources (Uses)	<u>0</u>	<u>30,020</u>	<u>0</u>	<u>0</u>	<u>30,020</u>
Total of Rec. and Other Sources Over (Under) Disbursements and Other Uses	<u>63,845</u>	<u>(58,995)</u>	<u>0</u>	<u>35</u>	<u>4,885</u>
Fund Cash Balance, January 1,2000	<u>49,511</u>	<u>201,265</u>	<u>0</u>	<u>670</u>	<u>251,446</u>
Fund Cash Balance, December 31, 2000	<u><u>\$113,356</u></u>	<u><u>\$142,270</u></u>	<u><u>\$0</u></u>	<u><u>705</u></u>	<u><u>\$256,331</u></u>
Reserve For Encumbrances, December 31, 2000	<u><u>\$6,988</u></u>	<u><u>\$7,412</u></u>	<u><u>\$0</u></u>	<u><u>0</u></u>	<u><u>\$14,400</u></u>

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

**UNION TOWNSHIP
WARREN COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN BALANCES
ALL GOVERNMENTAL FUND TYPES AND NON-EXPENDABLE TRUST
FISCAL YEAR ENDING DECEMBER 31, 1999**

	General Fund	Special Revenue	Non-Expendable Trust	Totals (Memorandum Only)
Revenue Receipts:				
Taxes	\$61,578	\$192,093	\$0	\$253,671
Charges for Services	300	1,200	0	1,500
Licenses, Permits and Fees	13,047	36,416	0	49,463
Intergovernmental Receipts	114,887	83,252	0	198,139
Special Assessments	0	10,803	0	10,803
Interest	3,474	2,314	9	5,797
Other Revenue	1,725	42,100	0	43,825
Total Revenue Receipts	<u>195,011</u>	<u>368,178</u>	<u>9</u>	<u>563,198</u>
Expenditure Disbursements:				
General Government	156,003	3,263	0	159,266
Public Safety	48,606	106,688	0	155,294
Public Works	7,607	86,675	0	94,282
Health	18,249	58,803	0	77,052
Human Services	0	0	0	0
Conservation - Recreation	5,727	0	0	5,727
Capital Outlay	10,249	17,322	0	27,571
Note Principal Payment	13,816	106,184	0	120,000
Interest	0	4,950	0	4,950
Total Expenditure Disbursements	<u>260,257</u>	<u>383,885</u>	<u>0</u>	<u>644,142</u>
Total Receipts Over(Under) Disbursements	<u>(65,246)</u>	<u>(15,707)</u>	<u>9</u>	<u>(80,944)</u>
Other Financing Sources (Uses):				
Proceeds of Notes	0	70,000	0	70,000
Other Financing Uses	0	1,630	0	1,630
Total Other Financing Sources (Uses)	<u>0</u>	<u>71,630</u>	<u>0</u>	<u>71,630</u>
Total of Rec. and Other Sources Over (Under) Disbursements and Other Uses	<u>(65,246)</u>	<u>55,923</u>	<u>9</u>	<u>(9,314)</u>
Fund Cash Balance, January 1, 1999	<u>114,757</u>	<u>145,342</u>	<u>661</u>	<u>260,760</u>
Fund Cash Balance, December 31, 1999	<u><u>\$49,511</u></u>	<u><u>\$201,265</u></u>	<u><u>\$670</u></u>	<u><u>\$251,446</u></u>
Reserve For Encumbrances, December 31, 1999	<u>\$2,264</u>	<u>\$2,170</u>	<u>\$0</u>	<u>\$4,434</u>

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

**UNION TOWNSHIP
WARREN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Union Township, Warren 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 services 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 Deposits

During fiscal years 2000 and 1999, the Township funds were deposited in an interest bearing checking account.

D. Fund Accounting

The Township uses fund accounting to segregate cash and deposits 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.

**UNION TOWNSHIP
WARREN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Motor Vehicle License Tax Fund - This fund receives license tax money to pay for maintaining and repairing Township roads.

Fire District Fund - This fund receives proceeds from the property tax fire levy for providing fire protection to the Township residents.

Fire EMS Fund - This fund receives proceeds from the property tax levy for the purchase of a fire truck.

3. Capital Project 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:

Community Development Block Grant Fund - Used to record the related receipts and expenditures of benefits received for state grant for road projects.

4. Fiduciary Fund

These funds are used to account for resources restricted by a legally binding trust agreement and funds for which the Township is acting in an agency capacity. The Township had the following significant Fiduciary Fund:

Scott Crane Trust Fund - This fund is used to account for activity in the nonexpendable cemetery trust account.

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. 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.

**UNION TOWNSHIP
WARREN 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 reappropriated.

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 AND DEPOSITS

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

	<u>2000</u>	<u>1999</u>
Demand deposits	<u>\$256,331</u>	<u>\$251,446</u>
Total deposits	<u><u>\$256,331</u></u>	<u><u>\$251,446</u></u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, or 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	\$216,655	\$232,140	\$15,485
Special Revenue	373,745	429,473	55,728
Capital Projects	100,000	31,954	(68,046)
Fiduciary	<u>3</u>	<u>35</u>	<u>32</u>
Total	<u><u>\$690,403</u></u>	<u><u>\$693,602</u></u>	<u><u>\$3,199</u></u>

**UNION TOWNSHIP
WARREN 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	\$266,166	\$175,283	\$90,883
Special Revenue	575,009	495,880	79,129
Capital Projects	100,000	31,954	68,046
Fiduciary	675	0	675
Total	<u>\$941,850</u>	<u>\$703,117</u>	<u>\$238,733</u>

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$228,690	\$195,011	(\$33,679)
Special Revenue	380,700	439,808	59,108
Capital Projects	150,000	0	(150,000)
Fiduciary	3	9	6
Total	<u>\$759,393</u>	<u>\$634,828</u>	<u>(\$124,565)</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$343,447	\$262,521	\$80,926
Special Revenue	526,041	386,055	139,986
Capital Projects	150,000	0	150,000
Fiduciary	664	0	664
Total	<u>\$1,020,152</u>	<u>\$648,576</u>	<u>\$371,576</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.

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.

**UNION TOWNSHIP
WARREN 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. DEBT

Debt outstanding at December 31, 2000 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Fire Equipment Acquisition Note	<u>\$30,000</u>	5.20%
Total	<u><u>\$30,000</u></u>	

The Fire Equipment Acquisition Note was reissued in 2000. The purpose of this note was for the Township to purchase fire equipment.

6. RETIREMENT SYSTEMS

Employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provide retirement benefits, including post-retirement 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% and 13.55% of participants' gross salaries, for the years 2000 and 1999, respectively. 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
- Public Officials Liability

This page intentionally left blank.



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

250 West Court Street
Suite 150 E
Cincinnati, Ohio 45202
Telephone 513-361-8550
800-368-7419
Facsimile 513-361-8577
www.auditor.state.oh.us

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS

Union Township
Warren County
285 Pike Street
South Lebanon, OH 45065

To the Board of Trustees:

We have audited the accompanying financial statements of Union Township, Warren County, Ohio (the Township), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated April 27, 2001. We conducted our audits 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 audits 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 April 27, 2001.

Internal Control Over Financial Reporting

In planning and performing our audits, 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. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated April 27, 2001.

Union Township
Warren 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

April 27, 2001



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

UNION TOWNSHIP

WARREN 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 17, 2001**