

**GERMAN TOWNSHIP
AUGLAIZE COUNTY, OHIO**

Financial Statements
(Audited)

For The Years Ended
December 31, 2001 and 2000

DENNIS W. DICKE, CLERK



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Township Trustees
German Township
123 North Main Street
New Bremen, Ohio 45869

We have reviewed the Independent Auditor's Report of German Township, Auglaize County, prepared by Trimble, Julian & Grube, Inc., for the audit period January 1, 2000 through December 31, 2001. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. German Township is responsible for compliance with these laws and regulations.

JIM PETRO
Auditor of State

May 6, 2002

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**GERMAN TOWNSHIP
AUGLAIZE COUNTY, OHIO**

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1
Combined Statement of Fund Balances - All Fund Types - Cash Basis - December 31, 2001 and 2000	2
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Fund Balances - All Governmental Fund Types - For the Year Ended December 31, 2001	3
Combined Statement of Cash Receipts, Cash Disbursements, and Encumbrances Compared with Expenditure Authority - Budget and Actual - For the Year Ended December 31, 2001	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Fund Balances - All Governmental Fund Types - For the Year Ended December 31, 2000	5
Combined Statement of Cash Receipts, Cash Disbursements, and Encumbrances Compared with Expenditure Authority - Budget and Actual - For the Year Ended December 31, 2000	6
Notes to the Financial Statements	7 - 14
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	15 - 16

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Independent Auditor's Report

Board of Trustees
German Township, Auglaize County
123 North Main Street
New Bremen, OH 45869

We have audited the accompanying financial statements of German Township, Auglaize County, as of and for the years ended December 31, 2001 and 2000. These financial statements are the responsibility of German 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 2, German Township, Auglaize County, prepares its financial statements on the basis of accounting prescribed or permitted by Auditor of State, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances and fund balances of German Township, Auglaize County, as of December 31, 2001 and 2000, and its combined cash receipts and disbursements, combined budgeted and actual receipts and budgeted and actual disbursements for the years then ended on the basis of accounting described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 15, 2002, on our consideration of the German Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations and contracts.

This report is intended solely for the information and use of the 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.

Trimble, Julian & Grube, Inc.
April 15, 2002

**GERMAN TOWNSHIP
AUGLAIZE COUNTY, OHIO**

COMBINED STATEMENT OF FUND BALANCES
ALL FUND TYPES - CASH BASIS -
DECEMBER 31, 2001 AND 2000

	2001	2000
<u>Cash and Investments</u>		
Cash and Cash Equivalents	\$ 171,503	\$ 150,606
Investments: STAR Ohio	181,008	173,806
 Total Cash and Investments	 \$ 352,511	 \$ 324,412
 <u>Fund Balances</u>		
 <u>Governmental Fund Types:</u>		
General Fund	\$ 120,787	\$ 111,219
Special Revenue Funds	231,724	213,193
 Total Governmental Fund Types	 352,511	 324,412
 Total Fund Balances	 \$ 352,511	 \$ 324,412

THE NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**GERMAN TOWNSHIP
AUGLAIZE COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH FUND BALANCES - ALL GOVERNMENTAL FUND TYPES -
FOR THE YEAR ENDED DECEMBER 31, 2001

	Governmental Fund Types		Total (Memorandum Only)
	General	Special Revenue	
Cash receipts:			
Taxes	\$ 32,105	\$ 46,206	\$ 78,311
Intergovernmental	30,433	72,637	103,070
Special assessments	-	1,200	1,200
Interest	8,548	3,000	11,548
Miscellaneous	1,333	500	1,833
Total cash receipts	72,419	123,543	195,962
Cash disbursements:			
Current:			
General government	44,078	-	44,078
Public safety	17,339	11,706	29,045
Public works	-	69,442	69,442
Health	1,301	-	1,301
Capital outlay	133	-	133
Debt Service:			
Principal Retirement	-	18,681	18,681
Interest	-	5,183	5,183
Total cash disbursements	62,851	105,012	167,863
Total cash receipts over cash disbursements	9,568	18,531	28,099
Cash fund balances, January 1, 2001	111,219	213,193	324,412
Cash fund balances, December 31, 2001	\$ 120,787	\$ 231,724	\$ 352,511

THE NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**GERMAN TOWNSHIP
AUGLAIZE COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND ENCUMBRANCES COMPARED WITH EXPENDITURE
AUTHORITY - BUDGET AND ACTUAL -
FOR THE YEAR ENDED DECEMBER 31, 2001

Fund Types	Receipts					Disbursements					Variance Favorable (Unfavorable)	
	County Certified Unencumbered Cash	Budget	Total Estimated Revenues	Actual 2001 Receipts	Variance Favorable (Unfavorable)	Prior Year Carryover Appropriations	2001 Appropriations	Total	Actual 2001 Disbursements	Encumbrances Outstanding 12/31/01		Total
Governmental:												
General	\$ 110,046	\$ 72,145	\$ 182,191	\$ 72,419	\$ 274	\$ -	\$ 182,191	\$ 182,191	\$ 62,851	\$ -	\$ 62,851	\$ 119,340
Special Revenue	213,143	138,241	351,384	123,543	(14,698)	-	351,384	351,384	105,012	-	105,012	246,372
Total	\$ 323,189	\$ 210,386	\$ 533,575	\$ 195,962	\$ (14,424)	\$ -	\$ 533,575	\$ 533,575	\$ 167,863	\$ -	\$ 167,863	\$ 365,712
(Memorandum Only)												

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**GERMAN TOWNSHIP
AUGLAIZE COUNTY, OHIO**

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

	Governmental Fund Types		Total (Memorandum Only)
	General	Special Revenue	
Cash receipts:			
Taxes	\$ 31,996	\$ 45,058	\$ 77,054
Intergovernmental	39,940	57,824	97,764
Special assessments	-	1,200	1,200
Interest	13,563	3,400	16,963
Miscellaneous	510	3,118	3,628
Total cash receipts	86,009	110,600	196,609
Cash disbursements:			
Current:			
General government	50,059	-	50,059
Public safety	17,280	3,500	20,780
Public works	-	99,973	99,973
Health	1,311	-	1,311
Capital outlay	51,029	103,091	154,120
Total cash disbursements	119,679	206,564	326,243
Total cash receipts over/(under) cash disbursements	(33,670)	(95,964)	(129,634)
Other financing sources:			
Proceeds of notes	-	103,091	103,091
Total other financing sources	-	103,091	103,091
Excess of cash receipts and other financing sources over/(under) cash disbursements	(33,670)	7,127	(26,543)
Cash fund balances, January 1, 2000	144,889	206,066	350,955
Cash fund balances, December 31, 2000	\$ 111,219	\$ 213,193	\$ 324,412

THE NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**GERMAN TOWNSHIP
AUGLAIZE COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND ENCUMBRANCES COMPARED WITH EXPENDITURE
AUTHORITY - BUDGET AND ACTUAL -
FOR THE YEAR ENDED DECEMBER 31, 2000

Fund Types	Receipts					Disbursements					Variance Favorable (Unfavorable)	
	County Certified Unencumbered Cash	Budget	Total Estimated Resources	Actual 2000 Receipts	Variance Favorable (Unfavorable)	Prior Year Carryover Appropriations	2000 Appropriations	Total	Actual 2000 Disbursements	Encumbrances Outstanding at 12/31/00		Total
Governmental:												
General	\$ 144,889	\$ 64,860	\$ 209,749	\$ 86,009	\$ 21,149	\$ -	\$ 209,749	\$ 209,749	\$ 119,679	\$ -	\$ 119,679	\$ 90,070
Special Revenue	206,066	214,329	420,395	213,691	(638)	-	420,395	420,395	206,564	-	206,564	213,831
Total	350,955	279,189	630,144	299,700	20,511	-	630,144	630,144	326,243	-	326,243	303,901

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**GERMAN TOWNSHIP
AUGLAIZE COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

NOTE 1 - DESCRIPTION OF THE ENTITY

German Township (“the Township”) is a body politic and corporate established for the purpose of exercising 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 maintenance, emergency medical services, fire protection and cemetery maintenance.

Management believes the financial statements included in this report represent all of the funds of the Township over which the Township officials have direct operating control.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The most significant of the Township’s accounting policies are described below.

A. BASIS OF PRESENTATION - FUND ACCOUNTING

The accounts of the Township are maintained on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts. The following fund types are used by the Township.

GOVERNMENTAL FUNDS

General Fund

The general fund is used to account for all activities of the Township not required to be included in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds

These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specific purposes.

**GERMAN TOWNSHIP
AUGLAIZE COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The Township had the following significant Special Revenue Funds:

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

Road and Bridge Fund - This fund receives property tax money for constructing, maintaining and repairing Township roads.

Fire District - This fund receives fire contract fees money for providing fire emergency services.

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. BUDGETARY PROCESS

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds are legally required to be budgeted and appropriated. The primary level of budgetary control is at the item level within each fund. Any budgetary modifications at this level may only be made by resolution of the Township's Board of Trustees.

**GERMAN TOWNSHIP
AUGLAIZE COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Estimated Resources:

The County Budget Commission determines if the budget substantiates a need to levy the full amount of authorized property tax rates and reviews receipt estimates. The County Budget Commission certifies its actions to the Township by September 1. As part of this certification, the Township receives the official certificate of estimated resources, which states the projected receipts of each fund. On or about January 1, the certificate is amended to include unencumbered fund balances at December 31 of the preceding year. Further amendments may be made during the year if the Township determines that receipts collected will be greater than or less than the prior estimates, and the Budget Commission finds the revised estimates to be reasonable. Prior to December 31, the Township must revise its budget so that the total contemplated expenditures from a fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure.

Appropriations:

A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year for the period January to March 31. An annual appropriation measure must be passed by April 1 of each year for the period January 1 to December 31. The appropriations measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources. There were no appropriation amendments adopted in 2001 or 2000.

Encumbrances:

As part of the formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve the portion of the applicable appropriation.

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be reappropriated. There were no outstanding encumbrances at December 31, 2001 and 2000.

**GERMAN TOWNSHIP
AUGLAIZE COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

D. CASH AND CASH EQUIVALENTS

For reporting purposes, the Township considers “Cash and Cash Equivalents” to be cash on hand, demand deposits, and all investments held by the Township with a maturity date less than or equal to three months from the date of purchase. Interest earned on investments held by the treasurer is credited to its respective funds. Interest income earned and received by the Township totaled \$11,548 and \$16,963 for the years ended December 31, 2001 and 2000, respectively.

E. PROPERTY, PLANT AND EQUIPMENT

Fixed assets are not capitalized in any of the Township’s funds. Instead, capital acquisition and construction costs are reflected as expenditures in the fund in the year expended. The costs of normal maintenance and repairs are also expended, along with improvements. Depreciation is not recorded.

F. INTERGOVERNMENTAL REVENUES

Intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursable basis are recorded when received in accordance with the Township’s cash basis method of accounting.

G. TOTAL COLUMNS ON FINANCIAL STATEMENTS

Total columns on the financial statements are captioned “Total (Memorandum Only)” to indicate that they are presented only to facilitate financial analysis. Interfund-type eliminations have not been made in the aggregation of this data.

**GERMAN TOWNSHIP
AUGLAIZE COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

NOTE 3 - EQUITY IN POOLED CASH AND INVESTMENTS

The Township maintains a cash and investment 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:

	2001	2000
Demand deposits	\$151,503	\$130,606
Certificates of deposit	<u>20,000</u>	<u>20,000</u>
Total deposits	<u>171,503</u>	<u>150,606</u>
Investments: STAR Ohio	<u>181,008</u>	<u>173,806</u>
Total deposits and investments	<u>\$352,511</u>	<u>\$324,412</u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation or (2) collateralized by securities specifically pledged by the financial institution to the Township.

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

NOTE 4 - PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the County. 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. Real property taxes are payable annually or semiannually to the County. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20 of the following year. Under certain circumstances, state statute permits later payment dates to be established.

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.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

**GERMAN TOWNSHIP
AUGLAIZE COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

NOTE 5 - DEBT OBLIGATIONS

At December 31, 2001, debt obligations consisted of the following issuance:

<u>Description</u>	<u>Balance at December 31, 2001</u>
2000 Fire Truck Note with First National Bank of New Bremen, due in semi-annual payments of \$11,932 through December 2005 bearing interest of 5.5%	\$84,410

Transactions for the year ended December 31, 2001 are summarized as follows:

<u>Description</u>	<u>Balance at December 31, 2000</u>	<u>Proceeds</u>	<u>Payments</u>	<u>Balance at December 31, 2001</u>
2000 Fire Truck Note	\$103,091	\$ 0	\$18,681	\$84,410

Transactions for the year ended December 31, 2000 are summarized as follows:

<u>Description</u>	<u>Balance at December 31, 1999</u>	<u>Proceeds</u>	<u>Payments</u>	<u>Balance at December 31, 2000</u>
2000 Fire Truck Note	\$ 0	\$103,091	\$ 0	\$103,091

The principal and interest requirements to retire the debt obligations outstanding at December 31, 2001 are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>
2002	\$19,486	\$ 4,378
2003	20,573	3,291
2004	21,719	2,145
2005	<u>22,632</u>	<u>1,232</u>
Total	<u>\$84,410</u>	<u>\$11,046</u>

**GERMAN TOWNSHIP
AUGLAIZE COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

NOTE 6 - RETIREMENT SYSTEM

The Township's 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 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 2001 and 2000, members of PERS contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. PERS temporarily reduced the employer contribution rate to 8.13% effective July 1, 2000 through December 31, 2000. The Township has paid all contributions required through December 31, 2001 and 2000.

NOTE 7 - RISK MANAGEMENT

Risk Pool Membership

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty insurance for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgements, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Insurance

OTARMA retains casualty risks up to \$250,000 per claim. Claims exceeding \$250,000 are reinsured with APEEP up to \$1,750,000 per claim and \$5,000,000 in the aggregate per year. Governments can elect additional coverage, from \$2,000,000 to \$10,000,000, from the General Reinsurance Corporation.

If losses exhaust OTARMA's retained earnings, APEEP covers OTARMA losses up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

Property Insurance

OTARMA retains property risks including automobile physical damage up to \$100,000 on any specific loss. The Travelers Indemnity Company reinsures specific losses exceeding \$100,000. The Travelers Indemnity Company also provides aggregate excess coverage for property including automobile physical damage subject to an annual stop loss. When the stop loss is reached in any year, The Travelers Indemnity Company provides coverage in excess of \$10,000.

**GERMAN TOWNSHIP
AUGLAIZE COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

NOTE 7 - RISK MANAGEMENT - (Continued)

The aforementioned casualty and property reinsurance agreements do not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

OTARMA's financial statements (audited by other accountants) conform with accounting principles generally accepted in the United States of America, and reported the following assets, liabilities and retained earnings at December 31, 2000 which is the latest available data:

<u>Casualty Coverage</u>	<u>2000</u>
Assets	\$22,684,383
Liabilities	<u>8,924,977</u>
Retained earnings	<u>\$13,759,406</u>
 <u>Property Coverage</u>	 <u>2000</u>
Assets	\$ 4,156,784
Liabilities	<u>497,831</u>
Retained earnings	<u>\$ 3,658,953</u>

NOTE 8- CONTINGENT LIABILITY

LITIGATION

The Township is currently not involved in litigation that the Township's legal counsel anticipates a loss.

TRIMBLE, JULIAN & GRUBE, INC.

"SERVING OHIO LOCAL GOVERNMENTS"

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Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Board of Trustees
German Township, Auglaize County
123 North Main Street
New Bremen, OH 45869

We have audited the financial statements of German Township, Auglaize County, as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated April 15, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 German Township's, Auglaize County, 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 the 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 a certain immaterial instance of noncompliance that we have reported to the management of the Township in a separate letter dated February 15, 2002.

Board of Trustees
German Township, Auglaize County

Internal Control Over Financial Reporting

In planning and performing our audit, we considered German Township's, Auglaize County, 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 that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to 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.

This report is intended for the information of the Board of Trustees and management and is not intended to be and should not be used by anyone other than these specified parties.

Trimble, Julian & Grube, Inc.
April 15, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
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GERMAN TOWNSHIP

AUGLAIZE 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 14, 2002**