



**Auditor of State
Betty Montgomery**

AMANDA TOWNSHIP
FAIRFIELD COUNTY

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Amanda Township
Fairfield County
8000 Cincinnati-Zanesville Road
Amanda, Ohio 43102

To the Board of Trustees:

We have audited the accompanying financial statements of Amanda Township, Fairfield County, Ohio (the Township) as of and for the years ended December 31, 2002 and December 31, 2001. 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 of Amanda Township, Fairfield County, Ohio, as of December 31, 2002 and December 31, 2001, 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 16, 2003 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.

Amanda Township
Fairfield County
Independent Accountants' Report
Page 2

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.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

BETTY MONTGOMERY
Auditor of State

April 16, 2003

**AMANDA TOWNSHIP
FAIRFIELD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES AND FIDUCIARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Fiduciary Funds</u>	
Cash Receipts:					
Local Taxes	\$11,464	\$88,342	\$0	\$0	\$99,806
Intergovernmental	77,183	70,889	216,414	0	364,486
Charges for Services	0	139,136	0	0	139,136
Licenses, Permits, and Fees	4,300	0	0	0	4,300
Earnings on Investments	3,398	966	0	18	4,382
Other Revenue	6,117	30,860	0	0	36,977
	<u>102,462</u>	<u>330,193</u>	<u>216,414</u>	<u>18</u>	<u>649,087</u>
Total Cash Receipts					
Cash Disbursements:					
Current:					
General Government	68,615	0	0	0	68,615
Public Safety	53,794	104,831	0	0	158,625
Public Works	0	153,875	0	0	153,875
Health	12,230	0	0	0	12,230
Capital Outlay	0	0	216,414	0	216,414
	<u>134,639</u>	<u>258,706</u>	<u>216,414</u>	<u>0</u>	<u>609,759</u>
Total Cash Disbursements					
Total Receipts Over/(Under) Disbursements	<u>(32,177)</u>	<u>71,487</u>	<u>0</u>	<u>18</u>	<u>39,328</u>
Other Financing Receipts and (Disbursements):					
Advances-In	19,345				19,345
Advances-Out	0	(19,345)	0	0	(19,345)
	<u>19,345</u>	<u>(19,345)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Receipts/(Disbursements)					
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(12,832)	52,142	0	18	39,328
Fund Cash Balances, January 1	<u>181,987</u>	<u>157,566</u>	<u>0</u>	<u>1,320</u>	<u>340,873</u>
Fund Cash Balances, December 31	<u>\$169,155</u>	<u>\$209,708</u>	<u>\$0</u>	<u>\$1,338</u>	<u>\$380,201</u>

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

**AMANDA TOWNSHIP
FAIRFIELD COUNTY**

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

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Fiduciary Funds</u>	
Cash Receipts:					
Local Taxes	\$10,940	\$82,203	\$0	\$0	\$93,143
Intergovernmental	55,879	66,591	17,542	0	140,012
Charges for Services	0	135,894	0	0	135,894
Licenses, Permits, and Fees	6,885	0	0	0	6,885
Earnings on Investments	5,479	1,289	0	27	6,795
Other Revenue	12,291	23,439	0	0	35,730
	<u>91,474</u>	<u>309,416</u>	<u>17,542</u>	<u>27</u>	<u>418,459</u>
Total Cash Receipts					
	<u>91,474</u>	<u>309,416</u>	<u>17,542</u>	<u>27</u>	<u>418,459</u>
Cash Disbursements:					
Current:					
General Government	57,613	0	0	0	57,613
Public Safety	0	115,202	0	0	115,202
Public Works	0	139,343	0	0	139,343
Health	11,272	0	0	0	11,272
Debt Service:					
Redemption of Principal	0	35,137	0	0	35,137
Interest and Fiscal Charges	0	1,394	0	0	1,394
Capital Outlay	0	11,310	17,542	0	28,852
	<u>68,885</u>	<u>302,386</u>	<u>17,542</u>	<u>0</u>	<u>388,813</u>
Total Cash Disbursements					
	<u>68,885</u>	<u>302,386</u>	<u>17,542</u>	<u>0</u>	<u>388,813</u>
Total Receipts Over/(Under) Disbursements	<u>22,589</u>	<u>7,030</u>	<u>0</u>	<u>27</u>	<u>29,646</u>
Other Financing Receipts and (Disbursements):					
Advances-In	18,000				18,000
Advances-Out	0	(18,000)	0	0	(18,000)
	<u>18,000</u>	<u>(18,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Receipts/(Disbursements)					
	<u>18,000</u>	<u>(18,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	40,589	(10,970)	0	27	29,646
Fund Cash Balances, January 1	141,398	168,536	0	1,293	311,227
Fund Cash Balances, December 31	<u>\$181,987</u>	<u>\$157,566</u>	<u>\$0</u>	<u>\$1,320</u>	<u>\$340,873</u>

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

**AMANDA TOWNSHIP
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Amanda Township, Fairfield 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 road and bridge maintenance, cemetery maintenance, fire protection and emergency medical 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. 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:

EMS Fund – This fund receives charges for services from other entities and individuals for emergency medical services.

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

Fire District Fund - This fund receives monies from other local governments for providing fire and emergency services to those entities.

AMANDA TOWNSHIP
FAIRFIELD COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

3. Capital Projects Fund

This fund is 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 Projects Fund:

Barr Road Improvements Fund - The Township received an Ohio Public Works Commission grant from the State of Ohio to repair and replace portions of Barr Road.

4. Fiduciary Fund

This fund is used to account for resources restricted by legally binding trust agreements. The Township had the following significant fiduciary fund:

Non-Expendable Trust Fund – Cemetery Bequest – This fund receives money from individuals and interest to be held by the Township for cemetery maintenance.

D. 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

Encumbrances outstanding at year end are canceled and reappropriated in the subsequent year.

A summary of 2002 and 2001 budgetary activity appears in Note 3.

E. 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.

**AMANDA TOWNSHIP
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

2. EQUITY IN POOLED CASH

The Township maintains a cash 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:

	2002	2001
Demand deposits	\$380,201	\$340,873

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2002 and December 31, 2001 follows:

2002 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$60,713	\$102,462	\$41,749
Special Revenue	312,570	330,193	17,623
Capital Projects	232,642	216,414	(16,228)
Fiduciary	33	18	(15)
Total	\$605,958	\$649,087	\$43,129

2002 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$171,544	\$134,639	\$36,905
Special Revenue	359,775	258,706	101,069
Capital Projects	232,642	216,414	16,228
Fiduciary	500	0	500
Total	\$764,461	\$609,759	\$154,702

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$119,350	\$91,474	(\$27,876)
Special Revenue	340,720	309,416	(31,304)
Capital Projects	250,142	17,542	(232,600)
Fiduciary	32	27	(5)
Total	\$710,244	\$418,459	(\$291,785)

**AMANDA TOWNSHIP
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$113,326	\$68,885	\$44,441
Special Revenue	479,201	302,386	176,815
Capital Projects	250,142	17,542	232,600
Fiduciary	500	0	500
Total	\$843,169	\$388,813	\$454,356

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.

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

Employees along with elected officials belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. 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. PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for 2002 and 2001. The Township has paid all contributions required through December 31, 2002.

6. 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 coverage 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 judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

**AMANDA TOWNSHIP
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

6. RISK POOL MEMBERSHIP (Continued)

Casualty Coverage

OTARMA retains casualty risks up to \$250,000 per occurrence. 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, which the General Reinsurance Corporation will reinsure.

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 Coverage

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.

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 generally accepted accounting principles, and report the following assets, liabilities and retained earnings at December 31:

<u>Casualty Coverage</u>	<u>2001</u>	<u>2000</u>
Assets	\$23,703,776	\$22,684,383
Liabilities	<u>9,379,003</u>	<u>8,924,977</u>
Retained earnings	<u>\$14,324,773</u>	<u>\$13,759,406</u>
 <u>Property Coverage</u>	 <u>2001</u>	 <u>2000</u>
Assets	\$5,011,131	\$4,156,784
Liabilities	<u>647,667</u>	<u>497,831</u>
Retained earnings	<u>\$4,363,464</u>	<u>\$3,658,953</u>

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**Auditor of State
Betty Montgomery**

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

Amanda Township
Fairfield County
8000 Cincinnati-Zanesville Road
Amanda, Ohio 43102

To the Board of Trustees:

We have audited the accompanying financial statements of Amanda Township, Fairfield County, Ohio, (the Township) as of and for the years ended December 31, 2002 and December 31, 2001, and have issued our report thereon dated April 16, 2003. 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 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*.

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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Township's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable conditions are described in the accompanying schedule of findings as items 2002-40623-001 and 2002-40623-002.

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Internal Control Over Financial Reporting (Continued)

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. 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. However, we do not believe the reportable conditions described above are material weaknesses.

This report is intended solely 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.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

BETTY MONTGOMERY
Auditor of State

April 16, 2003

**AMANDA TOWNSHIP
FAIRFIELD COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2002 AND 2001**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

Reportable Conditions

Finding Number	2002-40623-001
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The Township pays an individual for services he provides such as snow removal and mowing. Thirty percent (30%) of the hourly rate is paid as personal services with the appropriate deductions for income tax and retirement benefits. The remaining seventy percent (70%) is paid as contractual services and a Form 1099 is issued. The Township has not consulted the Public Employees Retirement System (PERS) or documented its determination supporting the employment status applied to this individual.

We recommend the Township determine if this individual is an employee or an independent contractor and pay him accordingly. As described in the Ohio Revised Code, PERS is the final authority on such determination and the Township should consult with PERS regarding this issue. Failure to make such a determination could result in a state, local, or federal tax liability, and/or a PERS liability.

Finding Number	2002-40623-002
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The Trustees passed a resolution on January 10, 2000 (#2000-01) to pay an individual a minimum of \$1,000 per month in December, January, February, and March for snow removal. This individual was also paid for hours spent on snow removal at a rate of \$60 per hour in 2001 and \$65 per hour in 2002.

Resolution 2000-01 was worded in a manner that indicated the individual would be paid the \$1,000 plus wages related to any hours in excess of the \$1,000 minimum. The individual was actually paid the \$1,000 per month plus the total amount for all hours spent on snow removal. The Trustees indicated they intended for the \$1,000 to be treated as a retainer for the individual to have his equipment ready for snow removal at any time during those four months. To clarify their intent, the Trustees passed a resolution on June 11, 2001 to allow the individual to keep the \$2,000 paid in December, 2000 and January, 2001 in addition to the total snow removal hours paid. This resolution, however, still did not specify that the \$1,000 would be paid in addition to hours spent on snow removal.

If the Township intends to enter into a retainer agreement for an established amount per month with the individual for each month in which the Township needs snow removal, such agreement should be explicitly clear that it is a retainer agreement and that the established amount is in addition to hourly or other payments made for actual snow removal activities. The Township should also pass resolutions annually determining the amounts to be paid per hour for snow removal. In addition, the Township should ensure the minutes accurately reflect the intended financial activity.



**Auditor of State
Betty Montgomery**

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AMANDA TOWNSHIP

FAIRFIELD 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 27, 2003**