

MARSEILLES TOWNSHIP
WYANDOT COUNTY
REPORT ON FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2002



**Auditor of State
Betty Montgomery**

Board of Trustees
Marseilles Township
20258 Walnut Street
Upper Sandusky, OH 43351

We have reviewed the Independent Auditor's Report of Marseilles Township, Wyandot County, prepared by Holbrook & Manter, for the audit period January 1, 2001 through December 31, 2002. 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. Marseilles Township is responsible for compliance with these laws and regulations.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

July 24, 2003

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Marseilles Township
Wyandot County
20258 Walnut Street
Upper Sandusky, Ohio 43351

We have audited the accompanying financial statements of Marseilles Township, Wyandot County, Ohio, (the Township) as of and for the years ended 2002 and 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 audits.

We conducted our audits 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 of America. Those standards require that we plan and perform the audits 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 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 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 fund cash balances of Marseilles Township, Wyandot County, 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 28, 2003 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 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.

Holbrook & Manter

Certified Public Accountants

April 28, 2003
Marion, Ohio

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MARSEILLES TOWNSHIP
WYANDOT COUNTY
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES
IN FUNDS CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002

	<u>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only) Total</u>
Cash receipts:			
Local taxes	\$ 24,463	\$ 9,291	\$ 33,754
Charges for services	0	4,250	4,250
Licenses, permits and fees	0	1,750	1,750
Intergovernmental	12,770	54,599	67,369
Interest	2,227	3,392	5,619
Miscellaneous	80	1,895	1,975
Total cash receipts	<u>39,540</u>	<u>75,177</u>	<u>114,717</u>
Cash disbursements:			
Current:			
Public health services	7,230	1,918	9,148
Public safety	0	17,663	17,663
Public works	283	33,320	33,603
General government	20,762	0	20,762
Capital outlay	1,330	7,673	9,003
Total cash disbursements	<u>29,605</u>	<u>60,574</u>	<u>90,179</u>
Excess of cash receipts over cash disbursements	<u>9,935</u>	<u>14,603</u>	<u>24,538</u>
Other financing receipts:			
Other financing sources	0	550	550
Total other financing receipts	<u>0</u>	<u>550</u>	<u>550</u>
Total cash receipts and other financing receipts over cash disbursements	<u>9,935</u>	<u>15,153</u>	<u>25,088</u>
Fund cash balances January 1, 2002	<u>73,503</u>	<u>122,675</u>	<u>196,178</u>
Fund cash balances, December 31, 2002	<u>\$ 83,438</u>	<u>\$ 137,828</u>	<u>\$ 221,266</u>

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

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

	General	Special Revenue	(Memorandum Only) Total
Cash receipts:			
Local taxes	\$ 23,812	\$ 9,026	\$ 32,838
Charges for services	0	12,500	12,500
Licenses, permits and fees	0	1,550	1,550
Intergovernmental	31,519	66,703	98,222
Interest	2,031	3,329	5,360
Miscellaneous	314	11,469	11,783
Total cash receipts	57,676	104,577	162,253
Cash disbursements:			
Current:			
Public health services	5,963	2,907	8,870
Public safety	0	8,390	8,390
Public works	259	37,208	37,467
General government	16,967	0	16,967
Capital outlay	0	37,921	37,921
Total cash disbursements	23,189	86,426	109,615
Other financing receipts/(disbursements):			
Other financing sources (uses)	0	150	150
Total other financing receipts/(disbursements):	0	150	150
Excess of cash receipts over cash disbursements	34,487	18,151	52,638
Fund cash balances January 1, 2001	39,016	104,374	143,390
Fund cash balances, December 31, 2001	\$ 73,503	\$ 122,675	\$ 196,178

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

MARSEILLES TOWNSHIP
WYANDOT COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:-

Description of the Entity - Marseilles Township, Wyandot 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 three publicly elected Trustees. The Township provides general governmental services.

The Township's management believes these financial statements present all activities for which the Township is financially accountable.

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.

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:

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

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:

Motor Vehicle License Tax Fund

This fund receives motor vehicle tax money for constructing, maintaining and repairing township roads.

Gasoline Tax Fund

This fund receives gasoline tax money for constructing, maintaining and repairing township roads.

Cemetery Fund

This fund receives money from fees and services used to maintain the general upkeep of the cemetery.

Road and Bridge Tax Fund

This fund receives personal property tax money for maintaining and repairing township roads and bridges.

Fire Tax Fund

This fund receives personal property tax money for maintaining and funding the township fire department.

MARSEILLES TOWNSHIP
WYANDOT COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES :- (continued)

Budgetary Process - The Ohio Revised Code requires that each fund be budgeted annually.

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.

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.

Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when commitments are made. 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.

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.

NOTE 2 – EQUITY IN POOLED CASH AND INVESTMENTS:-

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

	<u>2002</u>	<u>2001</u>	
Demand Deposits	\$ 98,727	\$ 78,776	
Certificates of Deposit	<u>122,539</u>	<u>117,402</u>	
Total Deposits	<u>\$ 221,266</u>	<u>\$ 196,178</u>	

Deposits - The Township's deposits are insured by the Federal Depository Insurance Corporation up to \$100,000. As of December 31, 2002 and 2001, deposits over \$100,000 were adequately collateralized by the financial institution's public entity deposit pool.

MARSEILLES TOWNSHIP
WYANDOT COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001

NOTE 3 - BUDGETARY ACTIVITY:-

Budgetary activity for the years ending December 31, 2001 and 2002 was as follows:

2002 Budgeted VS. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 37,000	\$ 39,540	\$ 2,540
Special Revenue	<u>74,080</u>	<u>75,727</u>	<u>1,647</u>
Total	\$ <u><u>111,080</u></u>	\$ <u><u>115,267</u></u>	\$ <u><u>4,187</u></u>

2002 Budgeted VS. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 109,650	\$ 29,605	\$ 80,045
Special Revenue	<u>193,780</u>	<u>60,574</u>	<u>133,206</u>
Total	\$ <u><u>303,430</u></u>	\$ <u><u>90,179</u></u>	\$ <u><u>213,251</u></u>

MARSEILLES TOWNSHIP
WYANDOT COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001

NOTE 3 - BUDGETARY ACTIVITY:- (continued)

2001 Budgeted VS. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 28,387	\$ 57,676	\$ 29,289
Special Revenue	<u>86,232</u>	<u>104,727</u>	<u>18,495</u>
Total	<u>\$ 114,619</u>	<u>\$ 162,403</u>	<u>\$ 47,784</u>

2001 Budgeted VS. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 67,150	\$ 23,189	\$ 43,961
Special Revenue	<u>188,220</u>	<u>86,426</u>	<u>101,794</u>
Total	<u>\$ 255,370</u>	<u>\$ 109,615</u>	<u>\$ 145,755</u>

MARSEILLES TOWNSHIP
WYANDOT COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001

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 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 Wyandot 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 Wyandot 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.

NOTE 5 - RETIREMENT SYSTEMS:-

The Township's 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 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 2002 and 2001, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for the same period. The Township has paid all contributions required through December 31, 2002.

NOTE 6 – RISK MANAGEMENT:-

The Township has obtained commercial insurance for the following risks from the Ohio Township Association Risk Management Authority:

- Comprehensive property and general liability
- Vehicles



Report on Compliance and on Internal Control Required by *Government Auditing Standards*

Board of Trustees
Marseilles Township
Wyandot County
20258 Walnut Street
Upper Sandusky, Ohio 43351

We have audited the accompanying financial statements of Marseilles Township, Wyandot 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 28, 2003. 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 compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matter 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 of 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.

We noted other matters involving compliance over financial reporting that we have reported to the Management of the Township in a separate letter dated April 28, 2003.

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

Holbrook & Manter

Certified Public Accountants

April 28, 2003
Marion, Ohio

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MEMBERS
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**Auditor of State
Betty Montgomery**

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MARSEILLES TOWNSHIP

WYANDOT 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
AUGUST 14, 2003**