

TYMOCHTEE TOWNSHIP
COLUMBUS REGION, WYANDOT COUNTY
REPORT ON FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001



**Auditor of State
Betty Montgomery**

Board of Trustees
Tymochtee Township

We have reviewed the Independent Auditor's Report of Tymochtee 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. Tymochtee Township is responsible for compliance with these laws and regulations.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

July 18, 2003

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Tymochtee Township
Wyandot County
2990 County Highway 30
Sycamore Ohio, 44882

We have audited the accompanying financial statements of Tymochtee 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. 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 Tymochtee Township, Wyandot 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 June 4, 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 Governmental 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 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

June 19, 2003
Marion, Ohio

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TYMOCHTEE TOWNSHIP
WYANDOT COUNTY
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENT, AND CHANGES IN FUND
CASH BALANCES – ALL GOVERNMENTAL FUND TYPES –
FOR THE YEAR ENDED DECEMBER 31, 2002

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Project</u>	<u>(Memorandum Only) Total</u>
Cash receipts:				
Local taxes	\$ 18,045	\$ 32,913	\$ 0	\$ 50,958
Intergovernmental	44,672	61,094	43,138	148,904
Special assessments	0	2,868	0	2,868
Interest	883	143	0	1,026
Fines, licenses, and permits	0	1,600	0	1,600
Miscellaneous	403	9,054	0	9,457
Total cash receipts	<u>64,003</u>	<u>107,672</u>	<u>43,138</u>	<u>214,813</u>
Cash disbursements:				
Current:				
Public health services	9,156	1,801	0	10,957
Public safety	45	29,797	0	29,842
Public works	31,704	71,784	0	103,488
Human services	1,342	0	0	1,342
General government	21,791	0	0	21,791
Debt service				
Note principal payment	0	3,154	0	3,154
Interest and fiscal charges	0	208	0	208
Capital outlay	284	6,169	43,138	49,591
Total cash disbursements	<u>64,322</u>	<u>112,913</u>	<u>43,138</u>	<u>220,373</u>
Total receipts over/(under) cash disbursements	<u>(319)</u>	<u>(5,241)</u>	<u>0</u>	<u>(5,560)</u>
Other financing receipts:				
Other sources	350	0	0	350
Total other financing receipts	<u>350</u>	<u>0</u>	<u>0</u>	<u>350</u>
Excess of cash receipts and other financing receipts over/(under) cash disbursements	31	(5,241)	0	(5,210)
Fund cash balances January 1, 2002	<u>31,225</u>	<u>53,822</u>	<u>0</u>	<u>85,047</u>
Fund cash balances, December 31, 2002	<u>\$ 31,256</u>	<u>\$ 48,581</u>	<u>\$ 0</u>	<u>\$ 79,837</u>

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

TYMOCHTEE TOWNSHIP
WYANDOT COUNTY
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN FUND CASH BALANCES-NONEXPENDABLE TRUST FUND-
FOR THE YEAR ENDED DECEMBER 31, 2002

	Non-Expendable Trust
Operating cash receipts:	
Interest	\$ <u>160</u>
Net receipts over disbursements	<u>160</u>
Fund cash balances, January 1, 2002	<u>9,501</u>
Fund cash balances, December 31, 2002	\$ <u><u>9,661</u></u>

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

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

	General	Special Revenue	Capital Project	(Memorandum Only) Total
Cash receipts:				
Local taxes	\$ 6,103	\$ 29,782	\$ 0	\$ 35,885
Intergovernmental	56,523	70,876	58,310	185,709
Interest	1,782	170	0	1,952
Special assessments	0	2,567	0	2,567
Fines, licenses, and permits	0	2,300	0	2,300
Miscellaneous	18,709	850	0	19,559
Total cash receipts	83,117	106,545	58,310	247,972
Cash disbursements:				
Current:				
Public health services	9,980	508	0	10,488
Human services	150	0	0	150
Public works	71,869	71,567	0	143,436
Public safety	19	20,020	0	20,039
General government	19,819	0	0	19,819
Debt Service				
Note principal payment	0	2,800	0	2,800
Interest and fiscal charges	0	569	0	569
Capital outlay	201	4,667	58,310	63,178
Total cash disbursements	102,038	100,131	58,310	260,479
Total receipts (under) cash disbursements	(18,921)	6,414	0	(12,507)
Other financing receipts:				
Other sources	1,027	0	0	1,027
Total other financing receipts	1,027	0	0	1,027
Excess of cash receipts and other financing receipts (under) cash disbursements	(17,894)	6,414	0	(11,480)
Fund cash balances January 1, 2001	49,119	47,408	0	96,527
Fund cash balances, December 31, 2001	\$ 31,225	\$ 53,822	\$ 0	\$ 85,047

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

TYMOCHTEE TOWNSHIP
WYANDOT COUNTY
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN FUND CASH BALANCES-NONEXPENDABLE TRUST FUND-
FOR THE YEAR ENDED DECEMBER 31, 2001

	Non-Expendable Trust
Operating cash receipts:	
Interest	\$ <u>342</u>
Net receipts over disbursements	<u>342</u>
Fund cash balances, January 1, 2001	<u>9,159</u>
Fund cash balances, December 31, 2001	<u><u>\$ 9,501</u></u>

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:-

Description of the Entity – Tymochtee Township, Wyandot 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 three publicly-elected Trustees. The Township provides general governmental services, including road maintenance and repair.

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.

Cash and Investments - Certificates of deposit are valued at cost.

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:

Gasoline Tax Fund

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

Fire District Fund

This fund receives local tax money for fire protection services for the Township.

Motor Vehicle License Fund

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

Road and Bridge Fund

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

Cemetery Fund

This fund receives burial fees for maintaining the township cemeteries.

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

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

Street Lighting Fund

This fund receives local tax money for maintenance of township street lighting.

Capital Project Funds

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 funds: Public Works Project-

Capital Project Issue II Fund-

This fund receives money from the state for Capital Projects.

Nonexpendable Trust Fund

This is a trust fund, the principal of which may not be expended. Interest earned on the principal is used to maintain cemeteries.

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 Wyandot County Budget Commission must also approve estimated resources.

Encumbrances

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

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

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

NOTE 2 – EQUITY IN POOLED CASH AND INVESTMENTS:-

The Township maintains a cash and investments 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
Deposits	\$ 81,967	\$ 87,017
Certificate of Deposits	7,531	7,531
Total Deposits	\$ 89,498	\$ 94,548

Deposits - The Townships deposits are insured by the Federal Depository Insurance Corporation, and collateralized by the financial institution's public entity deposit pool.

TYMOCHTEE 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, 2002 and 2001 was as follows:

2002 Budgeted VS. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 83,333	\$ 64,353	\$ (18,980)
Special Revenue	112,658	107,672	(4,986)
Capital Projects	50,000	43,138	(6,862)
Nonexpendable Trust	<u>360</u>	<u>160</u>	<u>(200)</u>
Total	\$ <u>246,351</u>	\$ <u>215,323</u>	\$ <u>(31,028)</u>

2002 Budgeted VS. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 114,558	\$ 64,322	\$ 50,236
Special Revenue	166,480	112,913	53,567
Capital Projects	50,000	43,138	6,862
Nonexpendable Trust	<u>1,673</u>	<u>0</u>	<u>1,673</u>
Total	\$ <u>332,711</u>	\$ <u>220,373</u>	\$ <u>112,338</u>

TYMOCHTEE 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	\$ 70,109	\$ 84,144	\$ 14,035
Special Revenue	100,603	106,545	5,942
Capital Projects	60,000	58,310	(1,690)
Nonexpendable Trust	<u>341</u>	<u>342</u>	<u>1</u>
Total	\$ <u><u>231,053</u></u>	\$ <u><u>249,341</u></u>	\$ <u><u>18,288</u></u>

2001 Budgeted VS. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 119,228	\$ 102,038	\$ 17,190
Special Revenue	148,012	100,131	47,881
Capital Projects	60,000	58,310	1,690
Nonexpendable Trust	<u>1,968</u>	<u>0</u>	<u>1,968</u>
Total	\$ <u><u>329,208</u></u>	\$ <u><u>260,479</u></u>	\$ <u><u>68,729</u></u>

TYMOCHTEE 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 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.

NOTE 5 - RETIREMENT SYSTEMS:-

The Township's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost – sharing, multiple-employee 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 2002 and 2001. 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:

- Comprehensive property and general liability
- Vehicles

The Township also provides health insurance to the officials through a private carrier.

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

NOTE 8 – DEBT:-

Debt outstanding at January 1, 2001 was a general obligation note in the amount of \$14,000 with an interest rate of 6.50% per annum. The note was repaid in annual installments over five years. Annual payments of \$3,369 were required until note payoff; final payment was March, 2002. The note was to finance a backhoe.



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

Board of Trustees
Tymochtee Township
Wyandot County
2990 County Highway 30
Sycamore Ohio, 44882

We have audited the accompanying financial statements of Tymochtee 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 June 4, 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 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 and internal control over financial reporting that we have reported to the Management of the Township in a separate letter dated June 19, 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

June 19, 2003
Marion, Ohio



**Auditor of State
Betty Montgomery**

88 East Broad Street
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Columbus, Ohio 43216-1140
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800-282-0370
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TYMOCHTEE 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 21, 2003**