



**Auditor of State
Betty Montgomery**

**BELPRE TOWNSHIP
WASHINGTON 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 and Fiduciary Fund Types – For the Year Ended December 31, 2003.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental and Fiduciary Fund Types – For the Year Ended December 31, 2002.....	4
Notes to the Financial Statements	5
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	11
Schedule of Findings.....	13
Schedule of Prior Audit Findings.....	14

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Belpre Township
Washington County
P.O. Box 156
Little Hocking, Ohio 45742

To the Board of Trustees:

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

The Township's financial transactions were processed using the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to conduct the audit of the Township because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code Section 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code Sections 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments.

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 Belpre Township, Washington County, as of December 31, 2003 and 2002, 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 12, 2004 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.

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

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 12, 2004

**BELPRE TOWNSHIP
WASHINGTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<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	\$ 64,264	\$ 434,137	\$	\$	\$ 498,401
Intergovernmental	47,173	94,428	30,000		171,601
Charges for Services		2,000			2,000
Licenses, Permits, and Fees	22,350				22,350
Earnings on Investments	9,197	1,666		238	11,101
Other Revenue	221	24,910			25,131
Total Cash Receipts	<u>143,205</u>	<u>557,141</u>	<u>30,000</u>	<u>238</u>	<u>730,584</u>
Cash Disbursements:					
Current:					
General Government	107,684				107,684
Public Safety		28,412			28,412
Public Works		550,046			550,046
Health	39,204	23,539			62,743
Conservation - Recreation	1,580				1,580
Capital Outlay	1,850	84,826	30,000		116,676
Total Cash Disbursements	<u>150,318</u>	<u>686,823</u>	<u>30,000</u>	<u>0</u>	<u>867,141</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(7,113)</u>	<u>(129,682)</u>	<u>0</u>	<u>238</u>	<u>(136,557)</u>
Fund Cash Balances, January 1	<u>100,908</u>	<u>695,442</u>	<u>0</u>	<u>11,957</u>	<u>808,307</u>
Fund Cash Balances, December 31	<u>\$ 93,795</u>	<u>\$ 565,760</u>	<u>\$ 0</u>	<u>\$ 12,195</u>	<u>\$ 671,750</u>

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

**BELPRE TOWNSHIP
WASHINGTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
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	\$ 73,213	\$ 583,203	\$	\$	\$ 656,416
Intergovernmental	110,076	38,403	33,565		182,044
Special Assessments	1,814				1,814
Charges for Services		2,000			2,000
Licenses, Permits, and Fees	19,800				19,800
Earnings on Investments	11,102	1,446		271	12,819
Other Revenue	32	22,646			22,678
Total Cash Receipts	<u>216,037</u>	<u>647,698</u>	<u>33,565</u>	<u>271</u>	<u>897,571</u>
Cash Disbursements:					
Current:					
General Government	124,110				124,110
Public Safety		26,200			26,200
Public Works		343,061			343,061
Health	54,853	11,759			66,612
Miscellaneous			6,572		6,572
Capital Outlay	2,000	77,954	45,515		125,469
Total Cash Disbursements	<u>180,963</u>	<u>458,974</u>	<u>52,087</u>	<u>0</u>	<u>692,024</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>35,074</u>	<u>188,724</u>	<u>(18,522)</u>	<u>271</u>	<u>205,547</u>
Other Financing Receipts/(Disbursements):					
Other Sources				113,378	113,378
Other Uses				(178,244)	(178,244)
Total Other Financing Receipts/(Disbursements)	<u>0</u>	<u>0</u>		<u>(64,866)</u>	<u>(64,866)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>35,074</u>	<u>188,724</u>	<u>(18,522)</u>	<u>(64,595)</u>	<u>140,681</u>
Fund Cash Balances, January 1	<u>65,834</u>	<u>506,718</u>	<u>18,522</u>	<u>76,552</u>	<u>667,626</u>
Fund Cash Balances, December 31	<u>\$ 100,908</u>	<u>\$ 695,442</u>	<u>\$ 0</u>	<u>\$ 11,957</u>	<u>\$ 808,307</u>

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

**BELPRE TOWNSHIP
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Belpre Township, Washington 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 and a publicly-elected Clerk. The Township provides general governmental services, including road and bridge maintenance, cemetery maintenance, and fire protection 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. Cash and Investments

The Township Clerk invests all available funds of the Township in interest-bearing checking and savings accounts.

D. 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 that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Fund:

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

**BELPRE TOWNSHIP
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. Capital Projects Fund

These funds are used to account for receipts and disbursements that are restricted for the acquisition or construction of major capital projects. The Township had the following Capital Projects Funds:

Miscellaneous Capital Projects Fund – This fund received Ohio Public Works Commission – Clean Ohio Fund money for the purchase of land to extend the Township Park.

Issue II Fund – The Township received a grant from the State of Ohio to repair and/or replace various roads and bridges. The project also involved Barlow Township, Dunham Township, and Washington County. This fund accounts for the Township's share of this project.

4. Fiduciary Funds (Trust and Agency Funds)

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

Expendable Trust Fund – This fund accounts for the principal and interest received from contributions for cemetery maintenance. The entire balance is available for expenditure. This fund is classified as an Expendable Trust Fund.

Cemetery Bequest Funds – These funds account for the principal and interest received from contributions for cemetery maintenance. Only the interest earned is available for expenditure. These funds are classified as Nonexpendable Trust Funds.

Issue II Fund – This fund accounts for the proceeds received from Barlow Township, Dunham Township, and Washington County for their shares of the road/bridge projects. This fund is classified as an Agency Fund.

E. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund 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.

**BELPRE TOWNSHIP
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

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

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2003 and 2002 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.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's basis of accounting.

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 at December 31 was as follows:

	<u>2003</u>	<u>2002</u>
Demand deposits	\$ 671,750	\$ 808,307

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2003 and 2002 follows:

**BELPRE TOWNSHIP
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2003 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 145,236	\$ 143,205	\$ (2,031)
Special Revenue	604,407	557,141	(47,266)
Capital Projects	30,000	30,000	0
Expendable Trust	150	132	(18)
Nonexpendable Trust	110	106	(4)
Total	<u>\$ 779,903</u>	<u>\$ 730,584</u>	<u>\$ (49,319)</u>

2003 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 243,893	\$ 150,318	\$ 93,575
Special Revenue	1,310,908	686,823	624,085
Capital Projects	30,000	30,000	0
Expendable Trust	6,786	0	6,786
Nonexpendable Trust	2,600	0	2,600
Total	<u>\$ 1,594,187</u>	<u>\$ 867,141</u>	<u>\$ 727,046</u>

2002 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 217,934	\$ 216,037	\$ (1,897)
Special Revenue	634,954	647,698	12,744
Capital Projects	201,284	33,565	(167,719)
Expendable Trust	150	156	6
Nonexpendable Trust	110	115	5
Total	<u>\$ 1,054,432</u>	<u>\$ 897,571</u>	<u>\$ (156,861)</u>

2002 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 230,120	\$ 180,963	\$ 49,157
Special Revenue	1,083,889	458,974	624,915
Capital Projects	219,806	52,087	167,719
Expendable Trust	6,654	0	6,654
Nonexpendable Trust	2,816	0	2,816
Total	<u>\$ 1,543,285</u>	<u>\$ 692,024</u>	<u>\$ 851,261</u>

**BELPRE TOWNSHIP
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

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.

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

5. RETIREMENT SYSTEM

The Township's elected officials and 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 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. For 2003 and 2002, members of PERS contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all employer contributions required through December 31, 2003.

6. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

- ▶ General liability and casualty;
- ▶ Vehicles;
- ▶ Property, including electronic data equipment; and
- ▶ Public Officials' Liability.

The Township also provides healthcare insurance to full-time employees and elected officials through a private carrier.

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**Auditor of State
Betty Montgomery**

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

Belpre Township
Washington County
P.O. Box 156
Little Hocking, Ohio 45742

To the Board of Trustees:

We have audited the accompanying financial statements of Belpre Township, Washington County, Ohio (the Township), as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated April 12, 2004, wherein we noted that the Township's financial transactions were processed using the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to conduct the audit of the Township because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying Schedule of Findings as item 2003-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated April 12, 2004.

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 statement 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 the management of the Township in a separate letter dated April 12, 2004.

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Belpre Township
Washington County
Independent Accountants' Report on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

This report is intended solely for the information and use of the audit committee, 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 12, 2004

**BELPRE TOWNSHIP
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2003 AND 2002**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2003-001

Noncompliance Citation

Ohio Rev. Code Section 505.24 requires Trustee's salaries to be paid from the General Fund or from other Township funds in such proportions as the Board specifies by resolution. The resolution should allocate the salaries based on the types of services provided by the Trustees.

During 2002, the salaries of the Trustees were paid from the General Fund (33%), Road and Bridge Fund (42%) and Cemetery Fund (25%). However, the resolution authorizing the allocation of Trustees' salaries stated the distribution would be to the General Fund (25%), Road and Bridge Fund (50%) and Cemetery Fund (25%). As a result, more Trustees' salary expenditures were paid from the General Fund than the resolution allocated.

As of the date of this report, the Township agrees with the adjustment, and the adjustment reducing the Road and Bridge Fund balance and increasing the General Fund balance by \$2,251 was recorded on April 29, 2004. The accompanying financial statements reflect the adjustment.

No adjustments have been made for 2003 because the amounts specified in the resolution were consistent with the amounts actually paid.

We recommend the Board of Trustees follow their resolution specifying how Trustee salaries will be allocated.

**BELPRE TOWNSHIP
WASHINGTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2003 AND 2002**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2001-41084-001	A finding for adjustment was issued under Ohio Rev. Code Section 505.24 for Trustee salaries being paid from other than the General Fund without the appropriate resolution.	No	Partially Corrected: The Township made the adjustment for Trustee's Salaries. However, in 2002 the Township did not allocate Trustees salaries according to the resolution. This matter is repeated in the Schedule of Findings as item 2003-001.



**Auditor of State
Betty Montgomery**

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BELPRE TOWNSHIP

WASHINGTON 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
JUNE 3, 2004**