



Mary Taylor, CPA  
Auditor of State



**BELPRE TOWNSHIP  
WASHINGTON COUNTY**

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# Mary Taylor, CPA

## Auditor of State

### 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 the governmental activities, each major fund, and the aggregate remaining fund information of Belpre Township, Washington County, Ohio (the Township), as of and for the years ended December 31, 2007 and 2006, which collectively comprise the Township's basic financial statements as listed in the table of contents. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 processes its financial transactions with 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 audit 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 § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis 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 respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Belpre Township, Washington County, Ohio, as of December 31, 2007 and 2006, and the respective changes in cash financial position and the respective budgetary comparisons for the General, Gasoline Tax, Road and Bridge and Fire District Funds thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

For the years ended December 31, 2007 and 2006, the Township revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 28, 2008, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

July 28, 2008

Belpre Township  
Washington County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2007 and 2006  
Unaudited

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This discussion and analysis of Belpre Township's (the Township) financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2007 and 2006, within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

**Highlights**

Key highlights for 2007 are as follows:

Net assets of governmental activities decreased by \$131,740, or 16 percent, a significant change from the prior year. The Road and Bridge Fund had a significant decrease in cash balance due to the monies received for the road widening project in 2006 that was spent in 2007.

The Township's general receipts are primarily property taxes and intergovernmental revenues. These receipts represent \$657,430 and 68 percent of the total cash received for governmental activities during the year.

Key highlights for 2006 are as follows:

Net assets of governmental activities increased by \$170,939, or 26 percent, a significant change from the prior year. The funds most affected by the increase were the General Fund and Road and Bridge Fund due to increases in revenues for these funds.

The Township's general receipts are primarily property tax and intergovernmental revenues. These receipts represent \$582,074 and 55 percent of the total cash received for governmental activities during the year.

**Using the Basic Financial Statements**

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's cash basis of accounting.

**Report Components**

The statement of net assets and the statement of activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Belpre Township  
Washington County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2007 and 2006  
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**Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

**Reporting the Township as a Whole**

The statement of net assets and the statement of activities reflect how the Township did financially during 2007 and 2006, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other nonfinancial factors as well such as the Township's property tax base, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

In the statement of net assets and the statement of activities, the Township reports only one type of activity:

Governmental activities - Most of the Township's basic services are reported here. State and federal grants and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

**Reporting the Township's Most Significant Funds**

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Township are governmental.

Governmental Funds - All of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs.



Belpre Township  
Washington County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2007 and 2006  
Unaudited

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The Township's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General Fund, Gasoline Tax Fund, Road and Bridge Fund and the Fire District Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

**The Township as a Whole**

Table 1 provides a summary of the Township's net assets for 2007 compared to 2006 and 2005 on a cash basis:

(Table 1)  
**Net Assets**

	Governmental Activities		
	2007	2006	2005
<b>Assets</b>			
Cash and Cash Equivalents	\$705,515	\$837,255	\$666,316
Total Assets	\$705,515	\$837,255	\$666,316
<b>Net Assets</b>			
Restricted for:			
Permanent Fund Purpose:			
Expendable	\$4,276	\$4,016	\$10,787
Nonexpendable	1,800	1,800	1,800
Other Purposes	553,526	694,736	578,295
Unrestricted	145,913	136,703	75,434
Total Net Assets	\$705,515	\$837,255	\$666,316

As mentioned previously, net assets of governmental activities decreased by \$131,740, or 16 percent, a significant change from the prior year. The Road and Bridge fund had a significant decrease in cash balance due to the monies received for the road widening project in 2006 that was spent in 2007.

Net assets of governmental activities increased by \$170,939 or 26 percent during 2006. This is a significant change from the prior year. The funds most affected by the increase were the General Fund and Road and Bridge Fund due to increases in revenues for these funds.

Table 2 reflects the changes in net assets on a cash basis in 2007 and 2006 for governmental activities.

Belpre Township  
Washington County  
Management's Discussion and Analysis  
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(Table 2)  
**Changes in Net Assets**

	Governmental Activities	
	2007	2006
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$33,425	\$42,800
Operating Grants and Contributions	157,932	200,639
Capital Grants and Contributions	53,250	175,750
Total Program Receipts	244,607	419,189
General Receipts:		
Property Taxes	355,395	440,745
Grants and Entitlements Not Restricted to Specific Programs	254,131	114,583
Interest	36,934	25,451
Miscellaneous	10,970	1,295
Total General Receipts	657,430	582,074
Total Receipts	902,037	1,001,263
Disbursements:		
General Government	183,127	168,244
Public Safety	43,566	51,238
Public Works	679,259	325,201
Health Services	58,301	69,869
Recreation	1,967	1,804
Capital Outlay	67,557	213,968
Total Disbursements	1,033,777	830,324
Increase (Decrease) in Net Assets	(131,740)	170,939
Net Assets, January 1	837,255	666,316
Net Assets, December 31	\$705,515	\$837,255

Program receipts represent 27 percent in 2007 and 42 percent in 2006 of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money.

General receipts represent 73 percent in 2007 and 58 percent in 2006 of the Township's total receipts. Taxes represent 54 percent of general receipts in 2007 and grants make up the majority of remaining general receipts in 2007. Taxes represent 76 percent of general receipts in 2006 and grants make up the majority of the remaining general receipts in 2007.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include, but aren't limited to, the costs of officials' and full-time employee's salaries, insurance, retirement, worker's compensation, and unemployment compensation and utilities. Public Safety is the cost of fire and emergency medical service; Public Works is the general maintenance as well as repair of roads; Health Services is the cost for health services; Recreation is the cost of maintaining parks and playing fields; and Capital Outlay is the cost of equipment purchased by the Township.

Since the Township did not prepare financial statements in this format for 2005, a comparative analysis of government-wide data has not been presented for 2006-2005.

Belpre Township  
Washington County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2007 and 2006  
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**Governmental Activities**

If you look at the Statement of Activities on pages 10 and 18, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for General Government and Public Works, which account for 18 and 66 percent of all governmental disbursements, respectively for 2007. The major program disbursements for governmental activities are for General Government and Public Works, which account for 20 and 39 percent of all governmental disbursements, respectively for 2006. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

**Governmental Activities**

	Total Cost of Services 2007	Net Cost of Services 2007	Total Cost of Services 2006	Net Cost of Services 2006
General Government	\$183,127	\$183,127	\$168,244	\$168,244
Public Safety	43,566	41,566	51,238	49,238
Public Works	679,259	521,327	325,201	124,562
Health	58,301	26,876	69,869	29,069
Conservation-Recreation	1,967	1,967	1,804	1,804
Capital Outlay	67,557	14,307	213,968	38,218
Total Expenses	\$1,033,777	\$789,170	\$830,324	\$411,135

The dependence upon property tax and grants and entitlement receipts is apparent as over 76 percent of governmental activities are supported through the general receipts in 2007.

The dependence upon property tax and grants and entitlement receipts is apparent as over 50 percent of governmental activities are supported through the general receipts in 2006.

**The Township's Funds**

During 2007 total governmental funds had receipts of \$902,037 and disbursements of \$1,033,777. The greatest change within governmental funds occurred within the Road and Bridge Fund. The fund balance of the Road and Bridge Fund decreased \$238,490 because the Township received money for the widening road project in 2006 and did not begin the project until 2007.

During 2006 total governmental funds had receipts of \$1,001,263 and disbursements of \$830,324. The greatest change within governmental funds occurred within the Road and Bridge Fund because the Township received money for the widening road project in 2006 and did not begin the project until 2007.

Belpre Township  
Washington County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2007 and 2006  
Unaudited

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**Budgeting Highlights**

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

During 2007 the Township amended its budget to reflect changing circumstances. The difference between original budgeted receipts and final budgeted receipts was not significant in the General Fund, Gasoline Tax Fund, Road and Bridge Fund or Fire District Fund.

During 2007 final disbursements were budgeted at \$307,400 for the General Fund, \$130,000 for the Gasoline Tax Fund, \$637,000 for the Road and Bridge Fund, and \$93,000 for the Fire District Fund, while actual disbursements were \$246,008 in the General Fund, \$69,135 in the Gasoline Tax Fund, \$570,574 in the Road and Bridge Fund and \$103,005 in the Fire District Fund.

During 2006 the Township amended its budget to reflect changing circumstances. The difference between original budgeted receipts and final budgeted receipts was not significant in the General Fund, Gasoline Tax Fund, Road and Bridge Fund or Fire District Fund.

During 2006 final disbursements were budgeted at \$290,000 for the General Fund, \$83,000 for the Gasoline Tax Fund, \$677,000 for the Road and Bridge Fund, and \$108,000 for the Fire District Fund, while actual disbursements were \$227,833 in the General Fund, \$62,465 in the Gasoline Tax Fund, \$207,062 in the Road and Bridge Fund and \$263,206 in the Fire District Fund.

**Capital Assets and Debt Administration**

Capital Assets

The Township does not report capital assets and infrastructure under the cash basis of accounting.

Debt

The township had no outstanding debt during 2007 and 2006.

**Contacting the Township's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Timothy Irvine, Township Fiscal Officer, Belpre Township, P.O. Box 156, Little Hocking, Ohio 45742.

**BELPRE TOWNSHIP  
WASHINGTON COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS  
DECEMBER 31, 2007**

	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$705,515</u>
<i>Total Assets</i>	<u><u>\$705,515</u></u>
<b>Net Assets</b>	
Restricted for:	
Permanent Fund Purpose	
Expendable	\$4,276
Nonexpendable	1,800
Other Purposes	553,526
Unrestricted	<u>145,913</u>
<i>Total Net Assets</i>	<u><u>\$705,515</u></u>

See accompanying notes to the basic financial statements



**BELPRE TOWNSHIP  
WASHINGTON COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2007**

	General	Gasoline Tax Fund	Road & Bridge Fund	Fire District Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Equity in Pooled Cash and Cash Equivalents	\$145,913	\$101,934	\$307,610	\$75,354	\$74,704	\$705,515
<i>Total Assets</i>	<u>\$145,913</u>	<u>\$101,934</u>	<u>\$307,610</u>	<u>\$75,354</u>	<u>\$74,704</u>	<u>\$705,515</u>
<b>Fund Balances</b>						
Unreserved:						
Undesignated (Deficit), Reported in:						
General Fund	\$145,913					\$145,913
Special Revenue Funds		\$101,934	\$307,610	\$75,354	\$68,628	553,526
Permanent Fund					6,076	6,076
<i>Total Fund Balances</i>	<u>\$145,913</u>	<u>\$101,934</u>	<u>\$307,610</u>	<u>\$75,354</u>	<u>\$74,704</u>	<u>\$705,515</u>

See accompanying notes to the basic financial statements

**BELPRE TOWNSHIP  
WASHINGTON COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES  
IN CASH BASIS FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	General	Gasoline Tax	Road & Bridge Fund	Fire District	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>						
Property and Other Local Taxes	\$98,322		\$210,374	\$46,699		\$355,395
Charges for Services				2,000		2,000
Licenses, Permits and Fees	20,425					20,425
Intergovernmental	105,437	\$91,007	121,710	80,234	\$66,925	465,313
Interest	30,661	4,478			1,795	36,934
Other	373			10,597	11,000	21,970
<i>Total Receipts</i>	<u>255,218</u>	<u>95,485</u>	<u>332,084</u>	<u>139,530</u>	<u>79,720</u>	<u>902,037</u>
<b>Disbursements</b>						
Current:						
General Government	183,127					183,127
Public Safety				43,566		43,566
Public Works		69,135	570,574		39,550	679,259
Health	52,796				5,505	58,301
Conservation-Recreation	1,967					1,967
Capital Outlay	8,118			59,439		67,557
<i>Total Disbursements</i>	<u>246,008</u>	<u>69,135</u>	<u>570,574</u>	<u>103,005</u>	<u>45,055</u>	<u>1,033,777</u>
<i>Net Change in Fund Balances</i>	9,210	26,350	(238,490)	36,525	34,665	(131,740)
<i>Fund Balances Beginning of Year</i>	<u>136,703</u>	<u>75,584</u>	<u>546,100</u>	<u>38,829</u>	<u>40,039</u>	<u>837,255</u>
<i>Fund Balances End of Year</i>	<u>\$145,913</u>	<u>\$101,934</u>	<u>\$307,610</u>	<u>\$75,354</u>	<u>\$74,704</u>	<u>\$705,515</u>

See accompanying notes to the basic financial statements



**BELPRE TOWNSHIP  
WASHINGTON COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$99,469	\$99,469	\$98,322	(\$1,147)
Licenses, Permits and Fees	22,000	22,000	20,425	(1,575)
Intergovernmental	85,506	101,913	105,437	3,524
Interest	22,000	25,162	30,661	5,499
Other			373	373
<i>Total Receipts</i>	228,975	248,544	255,218	6,674
<b>Disbursements</b>				
Current:				
General Government	219,400	219,400	183,127	36,273
Health	70,000	70,000	52,796	17,204
Conservation-Recreation	6,000	6,000	1,967	4,033
Capital Outlay	12,000	12,000	8,118	3,882
<i>Total Disbursements</i>	307,400	307,400	246,008	61,392
<i>Net Change in Fund Balance</i>	(78,425)	(58,856)	9,210	68,066
<i>Fund Balance Beginning of Year</i>	136,703	136,703	136,703	0
<i>Fund Balance End of Year</i>	\$58,278	\$77,847	\$145,913	\$68,066

See accompanying notes to the basic financial statements

**BELPRE TOWNSHIP  
WASHINGTON COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BUDGET BASIS  
GASOLINE TAX FUND  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Intergovernmental	\$85,000	\$85,000	\$91,007	\$6,007
Interest	2,000	2,000	4,478	2,478
<i>Total Receipts</i>	<u>87,000</u>	<u>87,000</u>	<u>95,485</u>	<u>8,485</u>
<b>Disbursements</b>				
Current:				
Public Works	130,000	130,000	69,135	60,865
<i>Total Disbursements</i>	<u>130,000</u>	<u>130,000</u>	<u>69,135</u>	<u>60,865</u>
<i>Net Change in Fund Balance</i>	(43,000)	(43,000)	26,350	69,350
<i>Fund Balance Beginning of Year</i>	<u>75,584</u>	<u>75,584</u>	<u>75,584</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$32,584</u></u>	<u><u>\$32,584</u></u>	<u><u>\$101,934</u></u>	<u><u>\$69,350</u></u>

See accompanying notes to the basic financial statements

**BELPRE TOWNSHIP  
WASHINGTON COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BUDGET BASIS  
ROAD AND BRIDGE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$213,147	\$213,147	\$210,374	(\$2,773)
Intergovernmental	113,577	113,577	121,710	8,133
<i>Total Receipts</i>	<u>326,724</u>	<u>326,724</u>	<u>332,084</u>	<u>5,360</u>
<b>Disbursements</b>				
Current:				
Public Works	567,000	630,000	570,574	59,426
Capital Outlay	10,000	7,000		7,000
<i>Total Disbursements</i>	<u>577,000</u>	<u>637,000</u>	<u>570,574</u>	<u>66,426</u>
<i>Net Change in Fund Balance</i>	(250,276)	(310,276)	(238,490)	71,786
<i>Fund Balance Beginning of Year</i>	<u>546,100</u>	<u>546,100</u>	<u>546,100</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$295,824</u>	<u>\$235,824</u>	<u>\$307,610</u>	<u>\$71,786</u>

See accompanying notes to the basic financial statements

**BELPRE TOWNSHIP  
WASHINGTON COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BUDGET BASIS  
FIRE DISTRICT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$47,366	\$47,366	\$46,699	(\$667)
Charges for Services	2,000	2,000	2,000	0
Intergovernmental	25,244	25,244	80,234	54,990
Other		10,598	10,597	(1)
<i>Total Receipts</i>	<u>74,610</u>	<u>85,208</u>	<u>139,530</u>	<u>54,322</u>
<b>Disbursements</b>				
Current:				
Public Safety	77,000	77,000	43,566	33,434
Capital Outlay	16,000	16,000	59,439	(43,439)
<i>Total Disbursements</i>	<u>93,000</u>	<u>93,000</u>	<u>103,005</u>	<u>(10,005)</u>
<i>Net Change in Fund Balance</i>	(18,390)	(7,792)	36,525	44,317
<i>Fund Balance Beginning of Year</i>	<u>38,829</u>	<u>38,829</u>	<u>38,829</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$20,439</u></u>	<u><u>\$31,037</u></u>	<u><u>\$75,354</u></u>	<u><u>\$44,317</u></u>

See accompanying notes to the basic financial statements

**BELPRE TOWNSHIP  
WASHINGTON COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS  
DECEMBER 31, 2006**

	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$837,255</u>
<i>Total Assets</i>	<u><u>\$837,255</u></u>
<b>Net Assets</b>	
Restricted for:	
Permanent Fund Purpose	
Expendable	\$4,016
Nonexpendable	1,800
Other Purposes	694,736
Unrestricted	<u>136,703</u>
<i>Total Net Assets</i>	<u><u>\$837,255</u></u>

See accompanying notes to the basic financial statements



**BELPRE TOWNSHIP  
WASHINGTON COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2006**

	General	Gasoline Tax Fund	Road & Bridge Fund	Fire District Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Equity in Pooled Cash and Cash Equivalents	\$136,703	\$75,584	\$546,100	\$38,829	\$40,039	\$837,255
<i>Total Assets</i>	<u>\$136,703</u>	<u>\$75,584</u>	<u>\$546,100</u>	<u>\$38,829</u>	<u>\$40,039</u>	<u>\$837,255</u>
<b>Fund Balances</b>						
Unreserved:						
Undesignated (Deficit), Reported in:						
General Fund	\$136,703					\$136,703
Special Revenue Funds		\$75,584	\$546,100	\$38,829	\$34,223	694,736
Permanent Fund					5,816	5,816
<i>Total Fund Balances</i>	<u>\$136,703</u>	<u>\$75,584</u>	<u>\$546,100</u>	<u>\$38,829</u>	<u>\$40,039</u>	<u>\$837,255</u>

See accompanying notes to the basic financial statements

**BELPRE TOWNSHIP  
WASHINGTON COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES  
IN CASH BASIS FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	General	Gasoline Tax	Road & Bridge Fund	Fire District	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>						
Property and Other Local Taxes	\$144,774		\$238,961	\$57,010		\$440,745
Charges for Services				2,000		2,000
Licenses, Permits and Fees	22,300					22,300
Intergovernmental	99,264	\$92,216	64,494	184,331	\$50,667	490,972
Interest	22,102	2,460			889	25,451
Other	662			633	18,500	19,795
<i>Total Receipts</i>	<u>289,102</u>	<u>94,676</u>	<u>303,455</u>	<u>243,974</u>	<u>70,056</u>	<u>1,001,263</u>
<b>Disbursements</b>						
Current:						
General Government	168,244					168,244
Public Safety				51,238		51,238
Public Works		62,465	207,062		55,674	325,201
Health	55,785				14,084	69,869
Conservation-Recreation	1,804					1,804
Capital Outlay	2,000			211,968		213,968
<i>Total Disbursements</i>	<u>227,833</u>	<u>62,465</u>	<u>207,062</u>	<u>263,206</u>	<u>69,758</u>	<u>830,324</u>
<i>Net Change in Fund Balances</i>	61,269	32,211	96,393	(19,232)	298	170,939
<i>Fund Balances Beginning of Year</i>	<u>75,434</u>	<u>43,373</u>	<u>449,707</u>	<u>58,061</u>	<u>39,741</u>	<u>666,316</u>
<i>Fund Balances End of Year</i>	<u>\$136,703</u>	<u>\$75,584</u>	<u>\$546,100</u>	<u>\$38,829</u>	<u>\$40,039</u>	<u>\$837,255</u>

See accompanying notes to the basic financial statements



**BELPRE TOWNSHIP  
WASHINGTON COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$164,564	\$164,564	\$144,774	(\$19,790)
Licenses, Permits and Fees	22,000	22,000	22,300	300
Intergovernmental	41,614	63,914	99,264	35,350
Interest	15,000	15,000	22,102	7,102
Other			662	662
<i>Total Receipts</i>	<u>243,178</u>	<u>265,478</u>	<u>289,102</u>	<u>23,624</u>
<b>Disbursements</b>				
Current:				
General Government	206,000	216,000	168,244	47,756
Health	52,000	65,000	55,785	9,215
Conservation-Recreation	6,000	6,000	1,804	4,196
Capital Outlay	3,000	3,000	2,000	1,000
<i>Total Disbursements</i>	<u>267,000</u>	<u>290,000</u>	<u>227,833</u>	<u>62,167</u>
<i>Net Change in Fund Balance</i>	(23,822)	(24,522)	61,269	85,791
<i>Fund Balance Beginning of Year</i>	<u>75,434</u>	<u>75,434</u>	<u>75,434</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$51,612</u>	<u>\$50,912</u>	<u>\$136,703</u>	<u>\$85,791</u>

See accompanying notes to the basic financial statements

**BELPRE TOWNSHIP  
WASHINGTON COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BUDGET BASIS  
GASOLINE TAX FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Intergovernmental	\$75,000	\$75,000	\$92,216	\$17,216
Interest	1,500	1,500	2,460	960
<i>Total Receipts</i>	<u>76,500</u>	<u>76,500</u>	<u>94,676</u>	<u>18,176</u>
<b>Disbursements</b>				
Current:				
Public Works	83,000	83,000	62,465	20,535
<i>Total Disbursements</i>	<u>83,000</u>	<u>83,000</u>	<u>62,465</u>	<u>20,535</u>
<i>Net Change in Fund Balance</i>	(6,500)	(6,500)	32,211	38,711
<i>Fund Balance Beginning of Year</i>	<u>43,373</u>	<u>43,373</u>	<u>43,373</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$36,873</u></u>	<u><u>\$36,873</u></u>	<u><u>\$75,584</u></u>	<u><u>\$38,711</u></u>

See accompanying notes to the basic financial statements

**BELPRE TOWNSHIP  
WASHINGTON COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BUDGET BASIS  
ROAD AND BRIDGE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$249,061	\$249,061	\$238,961	(\$10,100)
Intergovernmental	13,939	13,939	64,494	50,555
<i>Total Receipts</i>	263,000	263,000	303,455	40,455
<b>Disbursements</b>				
Current:				
Public Works	662,000	662,000	207,062	454,938
Capital Outlay	15,000	15,000		15,000
<i>Total Disbursements</i>	677,000	677,000	207,062	469,938
<i>Net Change in Fund Balance</i>	(414,000)	(414,000)	96,393	510,393
<i>Fund Balance Beginning of Year</i>	449,707	449,707	449,707	0
<i>Fund Balance End of Year</i>	\$35,707	\$35,707	\$546,100	\$510,393

See accompanying notes to the basic financial statements

**BELPRE TOWNSHIP  
WASHINGTON COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BUDGET BASIS  
FIRE DISTRICT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$60,608	\$60,608	\$57,010	(\$3,598)
Charges for Services	2,000	2,000	2,000	0
Intergovernmental	3,392	3,392	184,331	180,939
Other			633	633
<i>Total Receipts</i>	<u>66,000</u>	<u>66,000</u>	<u>243,974</u>	<u>177,974</u>
<b>Disbursements</b>				
Current:				
Public Safety	64,000	64,000	51,238	12,762
Capital Outlay	44,000	44,000	211,968	(167,968)
<i>Total Disbursements</i>	<u>108,000</u>	<u>108,000</u>	<u>263,206</u>	<u>(155,206)</u>
<i>Net Change in Fund Balance</i>	(42,000)	(42,000)	(19,232)	22,768
<i>Fund Balance Beginning of Year</i>	<u>58,061</u>	<u>58,061</u>	<u>58,061</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$16,061</u></u>	<u><u>\$16,061</u></u>	<u><u>\$38,829</u></u>	<u><u>\$22,768</u></u>

See accompanying notes to the basic financial statements

Belpre Township  
Washington County  
Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

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**Note 1 – Reporting Entity**

Belpre Township, Washington County, Ohio (the Township), is a body politic and corporate established in 1805 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 also has an elected Township Fiscal Officer. The elected officials serve four year terms.

The reporting entity is comprised of the primary government and other organizations that were included to ensure that the financial statements are not misleading.

**A. Primary Government**

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, and cemetery maintenance. Police protection is provided by the Washington County Sheriff's Department.

**B. Component Units**

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Township is obligated for the debt of the organization. The Township is also financially accountable for any organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt or the levying of their taxes. Belpre Township has no component units.

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

**Note 2 - Summary of Significant Accounting Policies**

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Township's accounting policies.

**A. Basis of Presentation**

The Township's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Government-Wide Financial Statements**

The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

**Note 2 – Summary of Significant Accounting Policies** (Continued)

A. Basis of Presentation (Continued)

Government-Wide Financial Statements (Continued)

The statement of net assets presents the cash balances of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Township's general receipts.

Fund Financial Statements

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

B. Fund Accounting

The Township uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the Township are governmental.

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Township's major governmental funds are the General Fund, Gasoline Tax Fund, Road and Bridge Fund, and Fire District Fund. The General Fund is used to account for all financial resources, except those required to be accounted for 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. The Gasoline Tax Fund received gas tax money and expenditures must be road related. The Road and Bridge Fund receives property tax revenues and expenditures must be road related. The Fire District Fund receives property tax revenues and fire contract monies and expenditures are for equipment and supplies and other expenses related to provide for fire and emergency services for Township residents and other residents.

The other governmental funds of the Township account for grants and other resources whose use is restricted to a particular purpose.

C. Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Township are described in the appropriate section in this note.

Belpre Township  
Washington County  
Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

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**Note 2 – Summary of Significant Accounting Policies** (Continued)

**C. Basis of Accounting** (Continued)

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.

**D. Budgetary Process**

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriations resolution is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the Township.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

**E. Cash and Investments**

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2007 was \$30,661 which includes \$25,353 assigned from other Township funds. Interest receipts credited to the General Fund during 2006 was \$22,102 which includes \$18,969 assigned from other Township funds.

**F. Restricted Assets**

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. There were no restricted assets at year end.

**Note 2 – Summary of Significant Accounting Policies** (Continued)

**G. Inventory and Prepaid Items**

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

**H. Capital Assets**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

**I. Interfund Receivables/Payables**

The Township reports advances-in and advances-out for interfund loans. There were no advances during 2007 or 2006.

**J. Accumulated Leave**

Upon leaving employment, employees are not entitled to cash payments for unused sick leave. Employees may be entitled to cash payments for unused vacation hours. Accumulated vacations hours are small and deemed insignificant. Unpaid vacation hours are not reflected as a liability under the Townships cash basis of accounting.

**K. Employer Contributions to Cost-Sharing Pension Plans**

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 9 and 10, the employer contributions include portions for pension benefits and for postretirement healthcare benefits.

**L. Long-Term Obligations**

The Township's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure are reported at inception. Lease payments are reported when paid. There were no long term obligations in either 2007 or 2006. The Township has no lease agreements.

**M. Net Assets**

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for road maintenance, fire protection and cemetery maintenance. The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

**N. Fund Balance Reserves**

The Township reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved and undesignated fund balance indicates that portion of fund balance which is available for appropriation in future periods.



Belpre Township  
Washington County  
Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

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**Note 3 – Change in Basis of Accounting**

In the prior audit the Township reported fund financial statements by fund type using the regulatory basis of accounting as prescribed by the State Auditor's Office. For this audit the Township has implemented the cash basis of accounting described in Note 2. The fund financial statements now present each major fund in a separate column with nonmajor funds aggregated and presented in a single column, rather than a column for each fund type.

Also as described in Note 2, the Township has not elected to report inventory, prepaid items, interfund receivables (payables), capital assets, and long-term debt as part of the cash basis of accounting. The transition from the regulatory basis of accounting to the cash basis of accounting generated no changes to fund balance/equity as previously reported at December 31, 2005 and 2004.

**Note 4 – Accountability and Compliance**

Compliance

For 2007, the Township had expenditures in excess of appropriations at December 31 in the Fire District Fund's Capital Outlay account in the amount of \$43,439 contrary to Ohio Rev. Code Section 5705.41(B).

For 2006, the Township had expenditures in excess of appropriations at December 31 in the Fire District Fund's Capital Outlay account in the amount of \$167,968 contrary to Ohio Rev. Code Section 5705.41(B).

For 2007 and 2006, the Township did not certify the availability of funds prior to the purchase commitment contrary to Ohio Rev. Code Section 5705.41(D)(1).

**Note 5 – Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statements of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis presented for the General Fund and the following major special revenue funds: Gasoline Tax Fund, Road and Bridge Fund and Fire District Fund, are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget.

**Note 6 – Deposits and Investments**

Monies held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Township can be deposited or invested in the following securities:

Belpre Township  
Washington County  
Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

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**Note 6 - Deposits and Investments** (Continued)

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAROhio).

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

**Deposits**

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2007, \$616,881 of the Township's bank balance of \$716,881 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name. At December 31, 2006, \$745,665 of the Township's bank balance of \$845,665 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Belpre Township  
Washington County  
Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

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**Note 7 – Property Taxes**

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2007 and 2006 represent the collection of 2006 and 2005 taxes. Property tax payments received during 2007 and 2006 for tangible personal property (other than public utility property) is for 2007 and 2006 taxes.

Real property taxes received in 2007 were levied after October 1, 2006, on the assessed values as of January 1, 2006, the lien date. Real property taxes received in 2006 were levied after October 1, 2005 on the assessed values as of January 1, 2005, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. 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. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2007 and 2006 represent the collection of 2006 and 2005 taxes. Public utility real and tangible personal property taxes received in 2007 became a lien on December 31, 2006, were levied after October 1, 2006, and are collected with real property taxes. Public utility real and tangible personal property taxes received in 2006 became a lien on December 31, 2005, were levied after October 1, 2005, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2007 and 2006 (other than public utility property) represent the collection of 2007 and 2006 taxes. Tangible personal property taxes received in 2007 were levied after October 1, 2006 on the true value as of December 31, 2006. Tangible personal property taxes received in 2006 were levied after October 1, 2005, on the true value as of December 31, 2005. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all Township operations for the year ended December 31, 2007, was \$3.80 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2007 property tax receipts were based are as follows:

Real Property	
Residential	\$43,023,900
Agricultural	5,472,110
Commercial/Industrial/Mineral	9,518,350
Tangible Personal Property	35,350,530
Public Utility – Real	27,220
Public Utility – Personal	4,441,440
Total Assessed Value	<u>\$97,833,550</u>

Belpre Township  
Washington County  
Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

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**Note 7 – Property Taxes** (Continued)

The full tax rate for all Township operations for the year ended December 31, 2006, was \$3.80 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2006 property tax receipts were based are as follows:

Real Property	
Residential	\$42,736,590
Agricultural	5,556,500
Commercial/Industrial/Mineral	9,479,270
Tangible Personal Property	54,175,830
Public Utility – Real	39,590
Public Utility – Personal	4,569,380
Total Assessed Value	\$116,557,160

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the Township. The County Auditor periodically remits to the Township its portion of the taxes collected.

**Note 8 – Risk Management**

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2006 and 2007, the Township contracted with HCC Insurance Company for various types of insurance coverage as follows:

Company	Type of Coverage	Amount of Coverage
HCC Insurance	Commercial Property	\$2,591,500
	General Liability	\$4,060,000
	Commercial Crime	\$ 5,000
	Inland Marine	\$ 315,000
	Vehicle	\$1,000,000
	Public Officials	\$2,000,000

Settled claims have not exceeded coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The System administers and pays all claims. The Township pays the State Workers' Compensation System for its firefighters a premium based on a rate per \$300 of salaries.

Belpre Township  
Washington County  
Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

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**Note 9 – Defined Benefit Pension Plan**

**Ohio Public Employees Retirement System**

The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan. The Township participates only in the traditional plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

For the year ended December 31, 2007, the members of all three plans were required to contribute 9.5 percent of their annual covered salaries. The Township's contribution rate for pension benefits for 2007 was 13.85 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

For the year ended December 31, 2006, the members of all three plans were required to contribute 9 percent of their annual covered salaries. The Township's contribution rate for pension benefits for 2006 was 13.70 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2007 and 2006 were \$22,644 and \$21,614 respectively. 100 percent has been contributed for 2007, 2006 and 2005. There were no contributions to member-directed plans.

**Note 10 - Postemployment Benefits**

**Ohio Public Employees Retirement System**

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2007 local government employer contribution rate was 13.85 percent of covered payroll; 5 percent from January 1 to June 30, 2007 and 6 percent from July 1 through December 31, 2007 was the portion that was used to fund health care. The 2006 local government employer contribution rate was 13.70 percent of covered payroll; 4.50 percent of covered payroll was the portion that was used to fund health care.

**Note 10 - Postemployment Benefits** (Continued)

**Ohio Public Employees Retirement System** (Continued)

Benefits are advance-funded using the individual entry age actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2006, include a rate of return on investments of 6.50 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.30 percent based on additional annual pay increases. Health care costs were assumed to increase between 0.5 percent and 5.00 percent annually for the next eight years and 4.00 percent annually after eight years.

All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12 percent corridor.

The number of active contributing participants in the traditional and combined plans was 374,979 for 2007. The number of active contributing participants for both plans used in the December 31, 2006, actuarial valuation was 362,130. Actual employer contributions which were used to fund postemployment benefits were \$8,992 for 2007 and \$7,100 for 2006. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2006, (the latest information available) were \$12 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$30.7 billion and \$18.7 billion, respectively.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. To improve the solvency of the Health Care Fund, OPERS created a separate investment pool for health care assets. Member and employer contribution rates increased as of January 1, 2006, and January 1, 2007, which will allow additional funds to be allocated to the health care plan.

**Note 11 – Contingent Liabilities**

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**Note 12 – Related Party Transactions**

The Township is not aware of any related party transactions.



# Mary Taylor, CPA

## Auditor of State

### INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS 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 financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Belpre Township, Washington County, Ohio (the Township), as of and for the years ended December 31, 2007 and 2006, which collectively comprise the Township's basic financial statements and have issued our report thereon dated July 28, 2008, wherein we noted the Township revised its financial presentation comparable to the requirements of Governmental Accounting Standards Board Statement 34. We also noted the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. 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 the Comptroller General of the United States' *Government Auditing Standards*.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Township's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

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[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

We consider the following deficiency described in the accompanying Schedule of Findings to be a significant deficiency in internal control over financial reporting: 2007-004.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Township's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We believe the significant deficiency described above is not a material weakness.

We also noted a certain internal control matter that we reported to the Township's management in a separate letter dated July 28, 2008.

#### **Compliance and Other Matters**

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed instances of noncompliance or other matters that we must report under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2007-001 through 2007-004.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated July 28, 2008.

The Township's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. We did not audit the Township's responses and, accordingly, we express no opinion on them.

We intend this report solely for the information and use of the audit committee, management and Board of Trustees. We intend it for no one other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

July 28, 2008



**BELPRE TOWNSHIP  
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2007 AND 2006**

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

**FINDING NUMBER 2007-001**

**Finding for Recovery - Repaid Under Audit**

Ohio Rev. Code Section 505.60(A) states, in pertinent part, that the board of township trustees of any township may procure and pay all or any part of the cost of insurance policies that may provide benefits for hospitalization, surgical care, major medical care, disability, dental care, eye care, medical care, hearing aids, prescription drugs, or sickness and accident insurance, or a combination of any of the foregoing types of insurance for township officers and employees. The board of township trustees of any township may negotiate and contract for the purchase of a policy of long-term care insurance for township officers and employees pursuant to Section 124.841 of the Ohio Rev. Code.

(B) If the board procures any insurance policies under this section, the board shall provide uniform coverage under these policies for township officers and full-time township employees and their immediate dependents, and may provide coverage under these policies for part-time township employees and their immediate dependents, from the funds or budgets from which the officers or employees are compensated for services, such policies to be issued by an insurance company duly authorized to do business in this state. Any township officer or employee may refuse to accept the insurance coverage without affecting the availability of such insurance coverage to other township officers and employees.

(C) If any township officer or employee is denied coverage under a health care plan procured under division (B) of this section or if any township officer or employee elects not to participate in the township's health care plan, the township may reimburse the officer or employee for each out-of-pocket premium that the officer or employee incurs for insurance policies described in division (A) of this section that the officer or employee otherwise obtains, but not to exceed an amount equal to the average premium paid by the township for its officers and employees under policies it procures under division (B) of this section.

This section allows reimbursement for the out of pocket costs incurred by an officer or employee that are associated with obtaining coverage for policies described in Section (A). It does not, however, extend such reimbursement to family policies described in Section (B).

Attorney General Opinion Number 2005-038 determined that township officer's and employees could be reimbursed for out-of-pocket premium expenses attributable to an officer/employee that are obtained through a spouse's employer. However, the reimbursement through a spouse's plan is limited to the "out-of-pocket premium that the officer or employee incurs", because the policies described in Section 505.60(A) do not include family coverage. Therefore, the township should not reimburse for premium costs attributable to the spouse or dependents. There is no authority, statutory or otherwise, for reimbursement of the premium costs attributable to an officer/employee's spouse or dependents.

The Township mistakenly believed that it could reimburse its officers/employees for the out-of-pocket premium associated with family coverage. As stated above, a township may only reimburse an officer/employee for the premium attributable to that officer/employee.

During 2006 and 2007, Fiscal Officer Tim Irvine was reimbursed for out-of-pocket health insurance premiums paid through his spouse's employer for family coverage. This resulted in Mr. Irvine being reimbursed for premium costs attributable to his spouse in the amount of \$690 in 2006 and \$500 in 2007 for a total overpayment of \$1,190.

**BELPRE TOWNSHIP  
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

<b>FINDING RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2007-001 (Continued)**

**Finding for Recovery - Repaid Under Audit (Continued)**

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Tim Irvine, Belpre Township Fiscal Officer, in the amount of \$1,190, in favor of the General Fund of Belpre Township.

On July 19, 2008, Tim Irvine, Fiscal Officer, issued a check to Belpre Township for \$1,190 as repayment.

**Fiscal Officer's Response:** I disagree with Attorney General Opinion 2005-038. In addition, Belpre Township was not harmed by the mistake of reimbursing for family coverage. In fact, Belpre Township saved thousands of dollars by my not participating in the township's family health insurance program. I believe that the Attorney General's Opinion 2005-038 was not the intent of the Legislature, and I am gratified that the Legislature is moving forward to correct this inequality.

**FINDING NUMBER 2007-002**

**Noncompliance Citation**

Ohio Rev. Code Section 5705.41(B) prohibits a subdivision or taxing authority from expending money unless it has been appropriated.

At December 31, expenditures exceeded appropriations as follows:

Fiscal Year	Fund/Account	Approved Appropriations	Actual Expenditures	Variance
2007	1000-110-111-0000	\$7,000	\$16,515	(\$9,515)
2007	2031-330-599-0000	10,000	10,790	(790)
2007	2111-760-740-0000	16,000	59,439	(43,439)
2006	2111-220-599-0000	5,000	6,468	(1,468)
2006	2111-760-740-0000	44,000	211,968	(167,968)

**BELPRE TOWNSHIP  
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

**FINDING RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

**FINDING NUMBER 2007-002 (Continued)**

**Noncompliance Citation - Ohio Rev. Code Section 5705.41(B) (Continued)**

The variances in the Fire District Fund's Capital Outlay account (2111-760-740) were due to grant monies not being recorded or budgeted as outlined in Finding Number 2007-004. The remaining variances were primarily due to supplemental appropriations posted to the system but not approved by the Board of Trustees. The practice of allowing expenditures to exceed appropriations could result in negative fund balances for the Township.

We recommend the Board of Trustees and Fiscal Officer compare expenditures to appropriations on a monthly basis. If appropriations in addition to those already adopted will be needed, the Board should take the necessary steps to adopt additional appropriations, if possible, to prevent expenditures from exceeding appropriations or reduce spending. The Fiscal Officer should deny requests for payment when appropriations are not available.

**Officials' Response:** We did not receive a response from Officials to this finding.

**FINDING NUMBER 2007-003**

**Noncompliance Citation**

Ohio Rev. Code Section 5705.41(D)(1) prohibits a subdivision or taxing authority from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in Sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. "Then and Now" Certificate - If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Township can authorize the drawing of a warrant for the payment of the amount due. The Township has thirty days from receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Township.

**BELPRE TOWNSHIP  
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

**FINDING RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

**FINDING NUMBER 2007-003 (Continued)**

**Noncompliance Citation - Ohio Rev. Code Section 5705.41(D)(1) (Continued)**

2. Blanket Certificate - Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. Super Blanket Certificate - The Township may also make expenditures and contracts for any amount from a specific line item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to exceed beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

The Township did not certify the availability of funds prior to purchase commitment for 58 percent of the expenditures tested in 2006 and 54 percent of the expenditures tested in 2007. There was no evidence the Township followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Township's funds exceeding budgetary spending limitations, we recommend the Fiscal Officer certify that the funds are or will be available prior to an obligation being incurred by the Township. When prior certification is not possible, "then and now" certification should be used.

We recommend the Township certify purchases to which Section 5705.41(D) applies. The Fiscal Officer should sign the certification at the time the Township incurs a commitment, and only when the requirements of Section 5705.41(D) are satisfied. The Fiscal Officer should post approved purchase orders to the proper appropriation code to reduce the available appropriation. In addition we recommend the Township establish a threshold for which blanket certificates may not exceed if they wish to begin issuing regular blanket certificates.

**Officials' Response:** We did not receive a response from Officials to this finding.

**FINDING NUMBER 2007-004**

**Noncompliance Citation and Significant Deficiency**

Ohio Admin. Code Section 117-2-02(A) states that all local public offices shall maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets (and liabilities, if generally accepted accounting principles apply), document compliance with finance-related legal and contractual requirements and prepare financial statements required by Ohio Admin. Code Section 117-2-03.

**BELPRE TOWNSHIP  
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

**FINDING RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

**FINDING NUMBER 2007-004 (Continued)**

**Noncompliance Citation and Significant Deficiency - Ohio Admin. Code Section 117-2-02(A)  
(Continued)**

Ohio Rev. Code Section 5705.36(A)(2) states that upon a determination by the fiscal officer of a subdivision that the revenue to be collected by the subdivision will be greater or less than the amount included in an official certificate, the fiscal officer may certify the amount of the deficiency or excess to the commission, and if the commission determines that the fiscal officer's certification is reasonable, the commission shall certify an amended official certificate reflecting the deficiency or excess.

The Township's Fire Department received a federal grant for the purchase of a fire truck and equipment from the 2005 Firefighters Grant Assistance program in the amount of \$175,750 in 2006 and \$53,250 in 2007. The Little Hocking Volunteer Fire Department recorded the grant money received and made payments directly to the vendors on their books. For 2006 and 2007, the Fiscal Officer did not record the grant money or corresponding expenditures on the Township's books nor were budgetary adjustments approved for estimated resources and appropriations. As a result, receipts and disbursements were understated on the Township's books and basic financial statements for 2006 and 2007. Adjustments with which the Board of Trustees agreed have been posted to the accompanying financial statements. This also resulted in a budgetary violation as outlined in Finding Number 2007-002.

In addition, the Fiscal Officer incorrectly posted the tangible personal property reimbursement to taxes instead of intergovernmental revenue in 2006 in the amount of \$28,312 in the General Fund, \$52,094 in the Road and Bridge Fund, and \$5,662 in the Fire District Fund. Also, the Fiscal Officer incorrectly posted the permissive tax revenue to taxes instead of intergovernmental revenue in 2006 in the amount of \$35,000 and in 2007 in the amount of \$35,900. As a result, these significant reclassifications, with which the Township's management agrees, were made to the financial statements.

During the audit period, the Fiscal Officer also posted certain insignificant revenue transactions incorrectly. Property tax replacement, public utility reimbursement, and excess IRP distributions were posted to taxes and miscellaneous revenue rather than intergovernmental revenue. This resulted in incorrect postings of insignificant Township transactions in the financial statements. It was unnecessary to post these transactions to the financial statements.

We recommend the Fiscal Officer record all grant receipts and the corresponding expenditures in the Township's books. In addition, we recommend the Township obtain an amended certificate of estimated resources from the County Budget Commission, and the Board of Trustees approve supplemental appropriations. We also recommend the Fiscal Officer refer to the Ohio Township Handbook for proper classification and take additional care in posting transactions to the Township's ledgers in order to ensure the Township's year-end financial statements reflect the appropriate sources of the Township's receipts and expenditures.

**Officials' Response:** We did not receive a response from Officials to this finding.





**Mary Taylor, CPA**  
Auditor of State

**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  
AUGUST 19, 2008**