



**JENNINGS TOWNSHIP  
PUTNAM COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000-1999**



**JIM PETRO  
AUDITOR OF STATE**

**STATE OF OHIO**



JENNINGS TOWNSHIP  
PUTNAM COUNTY

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## REPORT OF INDEPENDENT ACCOUNTANTS

Jennings Township  
Putnam County  
21405 Road S  
Fort Jennings, Ohio 45844

To the Board of Trustees:

We have audited the accompanying financial statements of Jennings Township, Putnam County, Ohio, (the Township) as of and for the years ended December 31, 2000 and 1999. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than 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 the Township as of December 31, 2000 and 1999, 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 4, 2001 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 audits.

Jennings Township  
Putnam County  
Report of Independent Accountants  
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This report is intended solely for the information and use of management, the Board of Trustees, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

April 4, 2001

**JENNINGS TOWNSHIP  
PUTNAM COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Local Taxes	\$16,124	\$144,245	\$160,369
Intergovernmental	48,976	83,426	132,402
Charges for Services		1,500	1,500
Licenses, Permits and Fees	906		906
Earnings on Investments	2,926	1,254	4,180
Other Revenue	4,192	16,057	20,249
	<u>73,124</u>	<u>246,482</u>	<u>319,606</u>
Total Cash Receipts			
<b>Cash Disbursements:</b>			
Current:			
General Government	76,150	45,685	121,835
Public Safety		14,357	14,357
Public Works		76,177	76,177
Health	2,213		2,213
Debt Service:			
Redemption of Principal		33,000	33,000
Interest and Fiscal Charges		7,408	7,408
Capital Outlay	2,964	51,418	54,382
	<u>81,327</u>	<u>228,045</u>	<u>309,372</u>
Total Cash Disbursements			
Excess of Cash Receipts Over/(Under) Cash Disbursements	(8,203)	18,437	10,234
Fund Cash Balances, January 1	<u>70,351</u>	<u>147,982</u>	<u>218,333</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$62,148</u></b>	<b><u>\$166,419</u></b>	<b><u>\$228,567</u></b>

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

**JENNINGS TOWNSHIP  
PUTNAM COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Local Taxes	\$12,780	\$136,725	\$149,505
Intergovernmental	43,569	82,092	125,661
Charges for Services		2,100	2,100
Licenses, Permits, and Fees	1,431	1,025	2,456
Earnings on Investments	2,921	1,252	4,173
Other Revenue	1,475	10,479	11,954
	<u>62,176</u>	<u>233,673</u>	<u>295,849</u>
Total Cash Receipts			
<b>Cash Disbursements:</b>			
Current:			
General Government	68,052	54,144	122,196
Public Safety		20,611	20,611
Public Works		106,470	106,470
Health	2,036	315	2,351
Debt Service:			
Interest and Fiscal Charges		4,213	4,213
Capital Outlay	1,550	185,877	187,427
	<u>71,638</u>	<u>371,630</u>	<u>443,268</u>
Total Cash Disbursements			
Total Disbursements Over Receipts	<u>(9,462)</u>	<u>(137,957)</u>	<u>(147,419)</u>
<b>Other Financing Receipts:</b>			
Proceeds from Sale of Public Debt:			
Sale of Notes		165,075	165,075
		<u>165,075</u>	<u>165,075</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	(9,462)	27,118	17,656
Fund Cash Balances, January 1	<u>79,813</u>	<u>120,864</u>	<u>200,677</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$70,351</u></b>	<b><u>\$147,982</u></b>	<b><u>\$218,333</u></b>

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



**JENNINGS TOWNSHIP  
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Jennings Township, Putnam 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. The Township provides general governmental services, including road maintenance and repair, cemetery maintenance, and fire protection

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**

Township had no investment during the audit period.

**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 (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

Gasoline Tax Fund - This fund receives gasoline tax money to pay for maintaining and repairing Township roads.

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

**JENNINGS TOWNSHIP  
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

Road District Fund - This fund receives property tax receipts for maintaining and repairing Township roads.

Fire District Fund - This fund receives tax monies assessed and levied on the general assessed valuation of real and personal property taxes for the protection against fire.

**E. Budgetary Process**

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

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also approve estimated resources.

**3. Encumbrances**

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 2000 and 1999 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.

**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:

	<b><u>2000</u></b>	<b><u>1999</u></b>
Demand deposits	<u>\$228,567</u>	<u>\$218,333</u>

Deposits are either insured by the Federal Depository Insurance Corporation, or collateralized by securities specifically pledged by the financial institution to the Township.

**JENNINGS TOWNSHIP  
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2000 and 1999 follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$64,075	\$73,124	\$9,049
Special Revenue	245,349	246,482	1,133
Total	\$309,424	\$319,606	\$10,182

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$134,426	\$81,327	\$53,099
Special Revenue	393,332	228,045	165,287
Total	\$527,758	\$309,372	\$218,386

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$58,621	\$62,176	\$3,555
Special Revenue	237,248	398,748	161,500
Total	\$295,869	\$460,924	\$165,055

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$138,434	\$71,638	\$66,796
Special Revenue	346,111	371,630	(25,519)
Total	\$484,545	\$443,268	\$41,277

**4. COMPLIANCE**

Expenditures exceeded appropriations in the 1999 Fire District Fund by \$130,569, contrary to Ohio Revised Code § 5705.41(B).

**JENNINGS TOWNSHIP  
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**5. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

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.

**6. DEBT**

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
General Obligation Note	\$132,075	5%

The general obligation notes were issued to finance the purchase of a new fire truck. The notes are collateralized by the fire truck.

Amortization of the above debt, including interest, is scheduled as follows:

Year ending December 31:	General Obligation Notes
2001	\$38,776
2002	37,126
2003	35,476
2004	33,904
Total	\$145,282

**JENNINGS TOWNSHIP  
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**7. RETIREMENT SYSTEMS**

Township personnel 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 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 10.84% for 2000 and 13.55% for 1999 of participants' gross salaries. The Township has paid all contributions required through December 31, 2000.

**8. RISK MANAGEMENT**

The Township has obtained commercial insurance for the following risks:

- Property and general liability;
- Automobile physical damage and liability;
- Wrongful acts; and
- Property coverage.

The Township also provides health and life insurance to Township official and employee, and accidental insurance to the volunteer firemen through private carriers.

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

Jennings Township  
Putnam County  
21405 Road S  
Fort Jennings, Ohio 45844

To the Board of Trustees:

We have audited the accompanying financial statements of Jennings Township, Putnam County, Ohio, (the Township) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated April 4, 2001. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of 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 audits 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 2000-40269-001.

### Internal Control Over Financial Reporting

In planning and performing our audits, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all 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 management of the Township in a separate letter dated April 4, 2001.

Jennings Township  
Putnam County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
Page 2

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

**Jim Petro**  
Auditor of State

April 4, 2001



JENNINGS TOWNSHIP  
PUTNAM COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2000 AND 1999

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

FINDING NUMBER 2000-40269-001

**Noncompliance Citation**

Ohio Revised Code § 5705.41(B) prohibits a subdivision from making an expenditure unless it has been lawfully appropriated. Expenditures exceeded appropriations in the 1999 Fire District Fund by the following amount:

<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
<u>\$80,132</u>	<u>\$210,701</u>	<u>\$130,569</u>

The Clerk should not issue purchase orders for expenditures that would exceed appropriations. The Clerk should inform the Trustees of the insufficiency of appropriations, and whether current resources permit an increase to appropriations. The Trustees should determine if they wish to increase appropriations and if needed, obtain an amended certificate of estimated resources.





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**JENNINGS TOWNSHIP**

**PUTNAM 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  
APRIL 24, 2001**