

PLYMOUTH TOWNSHIP
RICHLAND COUNTY

AUDITED FINANCIAL STATEMENTS AND
AUDITORS' REPORT

FOR THE YEARS ENDED
DECEMBER 31, 2003 AND 2002



**Auditor of State
Betty Montgomery**

Board of Trustees
Plymouth Township, Richland County
7100 St. Rt. 98
Shelby, OH 44875

We have reviewed the Independent Auditor's Report of Plymouth Township, Richland County, prepared by Nagel, Weigand & Company, LLC, for the audit period January 1, 2002 through December 31, 2003. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Plymouth Township, Richland County is responsible for compliance with these laws and regulations.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

October 13, 2004

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PLYMOUTH TOWNSHIP
RICHLAND COUNTY

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Nagel, Weigand & Company, LLC

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Plymouth Township
Shelby, Ohio 44875

We have audited the accompanying financial statements of Plymouth Township, as of and for the years ended December 31, 2003 and 2002, as listed in the table of contents. These financial statements are the responsibility of Plymouth Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the Township, as of December 31, 2003 and 2002 and the related revenues and expenditures for the year then ended on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated September 3, 2004 on our consideration of Plymouth 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 in integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the officials authorized to receive this report under Section 117.26, Ohio Revised Code and is not intended to be and should not be used by anyone other than these specified parties.

September 3, 2004

Nagel, Weigand & Company, LLC

PLYMOUTH TOWNSHIP
RICHLAND COUNTY
COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
CHANGES IN FUND BALANCES, ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>GOVERNMENTAL FUND TYPES</u>		<u>TOTALS</u>
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>(MEMO- RANDUM ONLY)</u>
<u>CASH RECEIPTS:</u>			
Property and Other Local Taxes	\$ 24,691	\$ 64,227	\$ 88,918
Intergovernmental Receipts	35,464	166,921	202,385
Licenses, Permits, and Fees	1,675	-	1,675
Earnings on Investments	364	2,793	3,157
Miscellaneous	-	394	394
	<hr/>		
Total Cash Receipts	62,194	234,335	296,529
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<u>CASH DISBURSEMENTS:</u>			
Current:			
General Government	51,911	66,781	118,692
Public Safety	594	15,703	16,297
Public Works	-	161,900	161,900
Health	1,550	-	1,550
Capital Outlay	-	62,385	62,385
	<hr/>		
Total Cash Disbursements	54,055	306,769	360,824
<hr/>			
Excess of Cash and Other Financing Receipts Over (Under) Cash and Other Financing Disbursements	8,139	(72,434)	(64,295)
<hr/>			
Fund Cash Balance - January 1, 2003	23,405	356,246	379,651
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Fund Cash Balance - December 31, 2003	\$ 31,544	\$ 283,812	\$ 315,356
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The notes to the financial statements are an integral part of this statement.

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

	<u>GOVERNMENTAL FUND TYPES</u>		<u>TOTALS</u>
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>(MEMO- RANDUM ONLY)</u>
<u>CASH RECEIPTS:</u>			
Property and Other Local Taxes	\$ 23,040	\$ 63,580	\$ 86,620
Intergovernmental Receipts	32,043	149,045	181,088
Licenses, Permits, and Fees	1,735	-	1,735
Earnings on Investments	837	4,730	5,567
Miscellaneous	-	359	359
	<hr/>		
Total Cash Receipts	57,655	217,714	275,369
	<hr/>		
<u>CASH DISBURSEMENTS:</u>			
Current:			
General Government	82,085	29,644	111,729
Public Safety	159	15,341	15,500
Public Works	-	176,338	176,338
Health	1,800	-	1,800
Capital Outlay	-	649	649
	<hr/>		
Total Cash Disbursements	84,044	221,972	306,016
	<hr/>		
Excess of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	(26,389)	(4,258)	(30,647)
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Fund Cash Balance - January 1, 2002	49,794	360,504	410,298
	<hr/>		
Fund Cash Balance - December 31, 2002	\$ 23,405	\$ 356,246	\$ 379,651
	<hr/>		

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

PLYMOUTH TOWNSHIP
RICHLAND COUNTY
STATEMENTS OF CASH RECEIPTS, DISBURSEMENTS AND
CHANGES IN FUND BALANCES, NON-EXPENDABLE TRUST FUND
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

	2003		2002
Operating Cash Receipts:			
Earnings on Investments	\$ 21	\$	22
Fund Cash Balances, January 1	960		938
Fund Cash Balances, December 31	\$ 981	\$	960

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

PLYMOUTH TOWNSHIP
RICHLAND COUNTY

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE ENTITY

Plymouth Township, Richland County, Ohio, (the Township) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township Board of Trustees is composed of three members who are elected by the public. The Village provides general government services, including road maintenance and fire services. The Township contracts with the Village of Plymouth for fire protection and emergency medical services.

Management believes the financial statements included in this report represent all of the funds of the Township over which the Township has the ability to exercise direct operating control.

B. BASIS OF ACCOUNTING

Plymouth Township prepares its financial statements on a basis of accounting prescribed or permitted by the Ohio Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Consequently certain revenues and the related assets are recognized when received rather than when earned, and certain expenditures are recognized when paid rather than when the obligation is incurred. A general fixed asset group and long-term debt group of accounts are not recorded on the financial statements by the Township under the basis of accounting used. This method of accounting is utilized in reporting to the State of Ohio but is not in accordance with generally accepted accounting principles. By virtue of Ohio law, the Township is required to maintain the encumbrance method of accounting and to make appropriations for budgetary funds.

PLYMOUTH TOWNSHIP
RICHLAND COUNTY

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. CASH AND INVESTMENTS

Investment procedures are restricted by the provisions of the Ohio Revised Code. Purchased investments are valued at cost and are neither charged when purchased nor credited at the time of redemption to their respective fund balances. Interest earned is recognized and recorded when received.

D. FUND ACCOUNTING

The Township maintains its accounting records in accordance with the principles of "Fund" accounting. Fund accounting is a concept developed to meet the need of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity that stands separate from the activities reported in other funds. The restrictions associated with each class of funds are as follows:

General Fund

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

Special Revenue Funds

These funds are used to account for the proceeds of specific revenue sources (other than expendable trusts, or major capital projects) that are legally restricted to disbursements for specified purposes. The Township has the following significant Special Revenue Funds:

Permissive Sales Tax Fund – This fund receives sales tax money for maintaining and repairing Township roads and equipment.

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

PLYMOUTH TOWNSHIP
RICHLAND COUNTY

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. FUND ACCOUNTING (Continued)

Fiduciary Fund (Trust Fund)

Trust funds are used to account resources restricted by legally binding trust agreements. If the agreement requires the Township to maintain the corpus of the trust, the fund is classified as a Non-expendable Trust Fund. The Township has the following Non-expendable Trust Fund:

Cemetery Bequest Fund – This fund is used to record interest income received on donated monies. Interest only may be used to pay for the general maintenance of Trauger Cemetery.

E. BUDGETARY PROCESS

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

1. Estimated Resources

The County Budget Commission certifies its actions to the Township by September 1. As part of this certification, the Village receives the Official Certificate of Estimated Resources which states the projected receipts of each fund. On or about January 1 this certificate is amended to include any unencumbered balances from the preceding year.

Prior to December 31, the Township must revise its budget so that the total contemplated expenditures from a fund during the ensuing fiscal year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as the basis for the annual appropriation measure. Budget receipts as shown in the accompanying financial statements do not include January 1, 2001, unencumbered fund balances. However, those fund balances are available for appropriations.

PLYMOUTH TOWNSHIP
RICHLAND COUNTY

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. BUDGETARY PROCESS (Continued)

2. Appropriations

A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation measure must be passed by March 1 of each year for the period January 1 to December 31. The appropriation measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources.

3. Encumbrances

The Township is required to use the encumbrance method of accounting by virtue of Ohio law. Under this system, purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve the portion of the applicable appropriation. A summary of 2003 and 2002 budgetary activity appears in Note 3.

F. PROPERTY, PLANT, AND EQUIPMENT

Fixed assets acquired or constructed for general governmental services are recorded as expenditures. Depreciation is not recorded for these fixed assets.

G. TOTAL COLUMNS ON FINANCIAL STATEMENTS

Total columns on the financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. This data is not comparable to a consolidation. Interfund type eliminations have not been made in the aggregation of this data.

PLYMOUTH TOWNSHIP
RICHLAND COUNTY

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

2. EQUITY IN CASH AND CASH EQUIVALENT INVESTMENTS

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

	<u>2003</u>	<u>2002</u>
Demand Deposits	\$ 166,243	\$ 159,759
STAR Ohio	<u>150,094</u>	<u>220,852</u>
Total deposits and investments	<u>\$ 316,337</u>	<u>\$ 380,611</u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution to the Village, or (3) collateralized by the financial institution's public entity deposit pool.

Investments: Investments in STAR Ohio are not evidences by securities that exist in physical or book-entry form.

PLYMOUTH TOWNSHIP
RICHLAND COUNTY

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

3. BUDGETARY ACTIVITY

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

2003 Budgeted vs. Actual Receipts:

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 52,600	\$ 62,194	\$ 9,594
Special Revenue	212,162	234,335	22,173
Non-Expendable Trust	<u>30</u>	<u>21</u>	<u>(9)</u>
Total	<u>\$ 264,792</u>	<u>\$ 296,550</u>	<u>\$ 31,758</u>

2003 Budgeted vs. Actual Budgetary Basis Expenditures:

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 76,004	\$ 54,056	\$ 21,948
Special Revenue	568,406	306,769	261,637
Non-Expendable Trust	<u>990</u>	<u>-</u>	<u>990</u>
Total	<u>\$ 645,400</u>	<u>\$ 360,825</u>	<u>\$ 284,575</u>

2002 Budgeted vs. Actual Receipts:

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 56,416	\$ 57,655	\$ 1,239
Special Revenue	217,562	217,714	152
Non-Expendable Trust	<u>-</u>	<u>22</u>	<u>22</u>
Total	<u>\$ 273,978</u>	<u>\$ 275,391</u>	<u>\$ 1,413</u>

PLYMOUTH TOWNSHIP
RICHLAND COUNTY

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

3. BUDGETARY ACTIVITY (Continued)

2002 Budgeted vs. Actual Budgetary Basis Expenditures:

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 107,734	\$ 84,044	\$ 23,690
Special Revenue	546,403	221,972	324,431
Non-Expendable Trust Fund	<u>938</u>	<u>-</u>	<u>938</u>
Total	<u>\$ 655,075</u>	<u>\$ 306,016</u>	<u>\$ 349,059</u>

4. PROPERTY TAX

Real property taxes are levied on assessed values which equal 35% of appraised value. The county auditor reappraises all real property every six years with a triennial update. The last update was completed for tax year 2002 for Richland County.

Real property taxes become a lien on all non-exempt real property located in the county on January 1. 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 of the following year. Under certain circumstances, state statute permits later payment dates to be established.

Owners of tangible personal property are required to file a list of such property, including costs, by April 30 of each year. The property is assessed for tax purposes at varying statutory percentages of cost.

The Richland County Treasurer collects property tax on behalf of all taxing districts within the county and periodically remits to the taxing districts their portions of the taxes collected.

PLYMOUTH TOWNSHIP
RICHLAND COUNTY

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

5. RETIREMENT SYSTEM

The Township's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2003 and 2002, OPERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for 2003 and 2002. The Township has paid all contributions required through December 31, 2003.

6. RISK MANAGEMENT

The Township belongs to the Ohio Government Risk Management Plan (the Plan), an unincorporated non-profit association with over 600 governmental entity members providing a formalized, jointly administered self-insurance risk management program and other administrative services. Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is deemed a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, for each member's need. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the member's deductibles.

The Plan uses conventional insurance coverages and reinsures these coverages 100%, rather than using a risk pool of member funds to pay individual and collective losses. Therefore, the individual members are only responsible for their self-retention (deductible) amounts that vary from member to member.

The Township also provides health insurance coverage to full-time employees through a private carrier.

Nagel, Weigand & Company, LLC

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Plymouth Township Board of Trustees
Shelby, Ohio 44875

We have audited the financial statements of Plymouth Township as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated September 3, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determined of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated September 3, 2004.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurances 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 control over financial reporting and its operations that we considered to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the Township in a separate letter dated September 3, 2004.

**Plymouth Township
Richland County**

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

September 3, 2004

Nagel, Weigand & Company, LLC

PLYMOUTH TOWNSHIP
RICHLAND COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2003 AND 2002

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Plymouth Township.
2. No reportable conditions were disclosed during the audit of the Township's financial statements.
3. No instances of noncompliance material to the financial statements were disclosed during the audit of the financial statements.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

None

PLYMOUTH TOWNSHIP
RICHLAND COUNTY

GENERAL COMMENTS
DECEMBER 31, 2003 AND 2002

This report, including the citations and recommendations, was reviewed with and acknowledged by the following officials on September 3, 2004:

Richard Russell
Ivan King

Clerk-Treasurer
Trustee

These officials were informed that they had five working days from the date of the post audit conference to respond to, or contest, in writing, the report contents.

Township personnel were cooperative and available for questions and assistance during regular working hours.



**Auditor of State
Betty Montgomery**

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Columbus, Ohio 43216-1140

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**PLYMOUTH TOWNSHIP
RICHLAND 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
NOVEMBER 4, 2004**