



**ALLEN TOWNSHIP  
OTTAWA COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 1999-1998**



**JIM PETRO**  
**AUDITOR OF STATE**  

---

**STATE OF OHIO**



**ALLEN TOWNSHIP  
TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Report of Independent Accountants .....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental and Fiduciary Fund Types – For the Year Ended December 31, 1999 .....	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 1998 .....	6
Notes to the Financial Statements .....	9
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	15

**This page intentionally left blank.**



STATE OF OHIO  
OFFICE OF THE AUDITOR  

---

JIM PETRO, AUDITOR OF STATE

One Government Center  
Room 1420  
Toledo, Ohio 43604-2246  
Telephone 419-245-2811  
800-443-9276  
Facsimile 419-245-2484  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

## REPORT OF INDEPENDENT ACCOUNTANTS

Allen Township  
Ottawa County  
P.O. Box 440  
Williston, Ohio 43468-0440

To the Board of Trustees:

We have audited the accompanying financial statements of Allen Township, Ottawa County, Ohio, (the Township) as of and for the years ended December 31, 1999 and 1998. 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 and reserves for encumbrances of the Township as of December 31, 1999 and 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2000 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.

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

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

**Jim Petro**  
Auditor of State

June 13, 2000

**This page intentionally left blank.**

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

	<b>Governmental Fund Types</b>	
	<b>General</b>	<b>Special Revenue</b>
<b>Cash Receipts:</b>		
Local Taxes	\$41,581	\$210,135
Intergovernmental	82,316	101,996
Special Assessments		16,424
Charges for Services	14,023	
Licenses, Permits, and Fees	5,276	9,900
Fines, Forfeitures, and Penalties	3,119	
Earnings on Investments	14,921	622
Other Revenue	6,129	16,256
Total Cash Receipts	167,365	355,333
<b>Cash Disbursements:</b>		
Current:		
General Government	81,236	
Public Safety	18,474	126,792
Public Works	293	163,178
Health	8,838	4,222
Conservation - Recreation	665	
Debt Service:		
Redemption of Principal		
Interest and Fiscal Charges		
Capital Outlay	13,373	20,794
Total Cash Disbursements	122,879	314,986
Total Receipts Over/(Under) Disbursements	44,486	40,347
<b>Other Financing Receipts/(Disbursements):</b>		
Proceeds from Sale of Public Debt:		
Sale of Fixed Assets	300	
Transfers-In		2,877
Transfers-Out	(21,239)	
Other Uses	754	
Total Other Financing Receipts/(Disbursements)	(20,185)	2,877
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	24,301	43,224
Fund Cash Balances, January 1	108,884	213,087
<b>Fund Cash Balances, December 31</b>	<b>\$133,185</b>	<b>\$256,311</b>
Reserve for Encumbrances, December 31		\$13,602

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



<u>Governmental Fund Types</u>			
<u>Debt Service</u>	<u>Capital Projects</u>	<u>Fiduciary Funds</u>	<u>Totals (Memorandum Only)</u>
			\$251,716
			184,312
			16,424
			14,023
			15,176
			3,119
			15,543
			22,385
			<u>522,698</u>
			81,236
			145,266
			163,471
			13,060
			665
\$17,500			17,500
722			722
			<u>34,167</u>
18,222			456,087
(18,222)			<u>66,611</u>
			300
18,322		\$40	21,239
			(21,239)
			754
18,322		40	<u>1,054</u>
			100
		40	67,665
	\$9,234		331,205
<b>\$100</b>	<b>\$9,234</b>	<b>\$40</b>	<b>\$398,870</b>
			<u>\$13,602</u>

**ALLEN TOWNSHIP  
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<b>Governmental Fund Types</b>	
	<b>General</b>	<b>Special Revenue</b>
<b>Cash Receipts:</b>		
Local Taxes	\$42,128	\$181,543
Intergovernmental	58,907	90,071
Special Assessments		16,182
Charges for Services	12,400	
Licenses, Permits, and Fees	4,556	9,215
Fines, Forfeitures, and Penalties	3,495	
Earnings on Investments	9,264	303
Other Revenue	6,135	9,300
Total Cash Receipts	136,885	306,614
<b>Cash Disbursements:</b>		
Current:		
General Government	72,640	
Public Safety	16,993	85,286
Public Works	268	124,749
Health	7,681	18,928
Conservation - Recreation	2,951	
Debt Service:		
Redemption of Principal		
Interest and Fiscal Charges		
Capital Outlay	9,954	21,761
Total Cash Disbursements	110,487	250,724
Total Receipts Over/(Under) Disbursements	26,398	55,890
<b>Other Financing Receipts/(Disbursements):</b>		
Proceeds from Sale of Public Debt:		
Sale of Notes		
Transfers-In		9,060
Transfers-Out	(9,060)	
Other Sources	8,916	
Total Other Financing Receipts/(Disbursements)	(144)	9,060
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	26,254	64,950
Fund Cash Balances, January 1	82,630	148,137
<b>Fund Cash Balances, December 31</b>	<b>\$108,884</b>	<b>\$213,087</b>
Reserve for Encumbrances, December 31		

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

<u>Governmental Fund Types</u>		
<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
\$23,197		\$246,868
	\$79,379	228,357
		16,182
		12,400
		13,771
		3,495
		9,567
		15,435
<u>23,197</u>	<u>79,379</u>	<u>546,075</u>
		72,640
		102,279
		125,017
		26,609
		2,951
22,060		22,060
1,137		1,137
	117,645	149,360
<u>23,197</u>	<u>117,645</u>	<u>502,053</u>
	<u>(38,266)</u>	<u>44,022</u>
	17,500	17,500
		9,060
		(9,060)
		8,916
	<u>17,500</u>	<u>26,416</u>
	(20,766)	70,438
	30,000	260,767
	<u><b>\$9,234</b></u>	<u><b>\$331,205</b></u>

**This page intentionally left blank.**

**ALLEN TOWNSHIP  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Allen Township, Ottawa 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 and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the Ottawa County Sheriff to provide police services.

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

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**C. Cash and Investments**

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively. For the years 1998 and 1999 the Township had no investments.

**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:

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

**ALLEN TOWNSHIP  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

Fire District Fund - This fund receives real estate tax money for fire protection.

**3. Debt Service Funds**

The Debt Service Fund is used to accumulate resources for the payment of bonds and note indebtedness. The Township had the following significant Debt Service Fund:

Debt Service Fund - The Township received real estate and transfers from the General Fund to pay debt obligations.

**4. Capital Project Funds**

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Township had the following significant Capital Project Fund:

Issue II Fund - The Township received a grant from the State of Ohio to resurface roads.

**5. Fiduciary Funds**

These funds are used to account for funds for which the Township is acting in an agency capacity.

**E. Budgetary Process**

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

**1. Appropriations**

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

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered 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 carried over, and need not be reappropriated.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

**ALLEN TOWNSHIP  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**F. Property, Plant and Equipment**

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

**G. Unpaid Vacation and Sick Leave**

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Township.

**2. EQUITY IN POOLED CASH**

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

	<u>1999</u>	<u>1998</u>
Demand deposits	<u>\$398,870</u>	<u>\$331,205</u>

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$121,363	\$168,419	\$47,056
Special Revenue	343,618	358,210	14,592
Debt Service	19,440	18,322	(1,118)
Capital Projects	19,440		(19,440)
Fiduciary		40	40
Total	<u>\$503,861</u>	<u>\$544,991</u>	<u>\$41,130</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$195,580	\$144,118	\$51,462
Special Revenue	515,161	328,588	186,573
Debt Service	19,440	18,222	1,218
Capital Projects	28,674		28,674
Total	<u>\$758,855</u>	<u>\$490,928</u>	<u>\$267,927</u>

**ALLEN TOWNSHIP  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

1998 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$108,753	\$145,801	\$37,048
Special Revenue	277,025	315,674	38,649
Debt Service	40,697	23,197	(17,500)
Capital Projects	17,500	96,879	79,379
Total	<u>\$443,975</u>	<u>\$581,551</u>	<u>\$137,576</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$185,520	\$119,547	\$65,973
Special Revenue	414,427	250,724	163,703
Debt Service	40,697	23,197	17,500
Capital Projects	47,500	117,645	(70,145)
Total	<u>\$688,144</u>	<u>\$511,113</u>	<u>\$177,031</u>

The negative variance in the capital projects fund type is due to audit adjustments to report State Issue II activity which was not recorded on the Township's books.

**4. PROPERTY TAX**

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

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

**5. RETIREMENT SYSTEMS**

The Township's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plans provide 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 1999 and 1998, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to



**ALLEN TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999 AND 1998**  
**(Continued)**

13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 1999.

**6. RISK MANAGEMENT**

The Township is a member of the Ohio Township Association Risk Management Authority Pool (the Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool may assess supplemental premiums. The following risks are covered by the Pool:

- General liability and casualty
- Public official's liability
- Vehicle
- Property Coverage
- Law Enforcement Operations Coverage
- Boiler and Machinery Coverage

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

**This page intentionally left blank.**



STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

One Government Center  
Room 1420  
Toledo, Ohio 43604-2246  
Telephone 419-245-2811  
800-443-9276  
Facsimile 419-245-2484  
www.auditor.state.oh.us

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

Allen Township  
Ottawa County  
P.O. Box 440  
Williston, Ohio 43468-0440

To the Board of Trustees:

We have audited the accompanying financial statements of Allen Township, Ottawa County, Ohio, (the Township) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated June 13, 2000. 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 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### 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 June 13, 2000.

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

**Jim Petro**  
Auditor of State

June 13, 2000



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**ALLEN TOWNSHIP**

**OTTAWA 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  
JULY 13, 2000**