



**OLIVE TOWNSHIP  
MEIGS COUNTY**

**REGULAR AUDIT**

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



**JIM PETRO  
AUDITOR OF STATE**

STATE OF OHIO



**OLIVE TOWNSHIP  
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## REPORT OF INDEPENDENT ACCOUNTANTS

Olive Township  
Meigs County  
55498 4<sup>th</sup> Avenue  
Reedsville, Ohio 45772

To the Board of Trustees:

We have audited the accompanying financial statements of Olive Township, Meigs 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 audit.

We conducted our audit 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 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 combined fund cash balances of Olive Township, Meigs County, Ohio, 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 management and 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".

**Jim Petro**  
Auditor of State

June 13, 2000



**OLIVE TOWNSHIP  
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>		<u>Total (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Local Taxes	\$10,870	\$27,590	\$38,460
Intergovernmental	35,373	99,238	134,611
Fines, Licenses, and Permits	884		884
Interest	1,279	2,267	3,546
Other Revenue	1,280	3,189	4,469
	<u>49,686</u>	<u>132,284</u>	<u>181,970</u>
<b>Total Cash Receipts</b>			
<b>Cash Disbursements:</b>			
Current:			
General Government	36,435		36,435
Public Safety		18,880	18,880
Public Works	6,137	212,200	218,337
Health		6,707	6,707
Debt Service:			
Principal Retirement	14,720	20,471	35,191
Interest and Fiscal Charges	1,242	1,774	3,016
	<u>58,534</u>	<u>260,032</u>	<u>318,566</u>
<b>Total Cash Disbursements</b>			
Total Receipts Over/(Under) Disbursements	<u>(8,848)</u>	<u>(127,748)</u>	<u>(136,596)</u>
<b>Other Financing Sources/(Uses):</b>			
Proceeds from Notes		41,966	41,966
		<u>41,966</u>	<u>41,966</u>
<b>Total Other Financing Sources/(Uses)</b>			
Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements and Other Financing Uses	(8,848)	(85,782)	(94,630)
Fund Cash Balances, January 1	<u>12,848</u>	<u>155,794</u>	<u>168,642</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$4,000</u></b>	<b><u>\$70,012</u></b>	<b><u>\$74,012</u></b>

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

**OLIVE 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**

	<u>Governmental Fund Types</u>		<b>Total (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Local Taxes	\$9,625	\$27,184	\$36,809
Intergovernmental	25,617	267,562	293,179
Fines, Licenses, and Permits	868		868
Interest	1,123	1,720	2,843
Other Revenue	4,755	4,060	8,815
	<u>41,988</u>	<u>300,526</u>	<u>342,514</u>
<b>Total Cash Receipts</b>			
<b>Cash Disbursements:</b>			
Current:			
General Government	27,807	1,052	28,859
Public Safety		13,076	13,076
Public Works	14,033	155,118	169,151
Health		12,974	12,974
Capital Outlay		1,350	1,350
Debt Service:			
Principal Retirement	9,748	22,527	32,275
Interest and Fiscal Charges	1,375	615	1,990
	<u>52,963</u>	<u>206,712</u>	<u>259,675</u>
<b>Total Cash Disbursements</b>			
Total Receipts Over/(Under) Disbursements	<u>(10,975)</u>	<u>93,814</u>	<u>82,839</u>
<b>Other Financing Sources/(Uses):</b>			
Proceeds from Notes		20,000	20,000
Sale of Timber	10,600		10,600
Transfers-In	10,546	23,558	34,104
Transfers-Out		(34,104)	(34,104)
Advances-In	7,000	41,000	48,000
Advances-Out	(7,000)	(41,000)	(48,000)
Other Sources		786	786
	<u>21,146</u>	<u>10,240</u>	<u>31,386</u>
<b>Total Other Financing Sources/(Uses)</b>			
Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements and Other Financing Uses	10,171	104,054	114,225
Fund Cash Balances, January 1	<u>2,677</u>	<u>51,740</u>	<u>54,417</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$12,848</u></b>	<b><u>\$155,794</u></b>	<b><u>\$168,642</u></b>

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



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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Olive Township, Meigs County, Ohio, (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, 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.

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

**C. Cash**

Cash is valued at cost. The Township had no investments 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 construct, maintain and repair Township roads.

Federal Emergency Management Agency (FEMA) Fund - This fund receives monies from the Federal Emergency Management Agency to provide flood relief to the Township.

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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, 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. 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 commitments are made. Encumbrances outstanding at year end are canceled and reappropriated in the subsequent year.

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

**F. Property, Plant and Equipment**

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

**G. Unpaid Vacation Leave**

Full-time employees are entitled to cash payments for unused vacation leave in certain circumstances, such as upon leaving employment. Unpaid vacation leave is not reflected as a liability under the cash basis of accounting used by the Township.

**2. EQUITY IN POOLED CASH**

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

	<u>1999</u>	<u>1998</u>
Total demand deposits	<u>\$ 74,012</u>	<u>\$ 168,642</u>

**Deposits:** Deposits are either insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Township.

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

**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	\$ 58,174	\$ 49,686	\$ (8,488)
Special Revenue	171,996	174,250	2,254
Total	\$ 230,170	\$ 223,936	\$ (6,234)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 68,009	\$ 58,534	\$ 9,475
Special Revenue	319,094	260,032	59,062
Total	\$ 387,103	\$ 318,566	\$ 68,537

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 62,501	\$ 63,134	\$ 633
Special Revenue	319,721	344,870	25,149
Total	\$ 382,222	\$ 408,004	\$ 25,782

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 63,352	\$ 52,963	\$ 10,389
Special Revenue	239,783	240,816	(1,033)
Total	\$ 303,135	\$ 293,779	\$ 9,356

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

**4. PROPERTY TAX**

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

Public utilities are also taxed on personal and real property located within the Township.

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

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

**5. DEBT**

Debt outstanding at December 31, 1999 was as follows:

	Principal	Interest Rate
General Obligation Note	\$ 11,584	5.60%
Dump Truck Lease	23,397	5.57%
Business General Obligation Note	41,966	4.50%
Total	\$ 76,947	

The general obligation note was entered into by the Township in 1997. The remaining loan balance at December 31, 1999 will be repaid in semi-annual installments, including interest of \$3,160. This note is collateralized by a backhoe. The Township entered into a capital lease agreement for a dump truck in 1998. The remaining balance at December 31, 1999 will be repaid in monthly installments, including interest of \$2,660. This lease is collateralized by the dump truck. The general obligation business loan was entered into in 1999. The remaining balance at December 31, 1999 will be repaid including interest at maturity in April, 2000. This loan is collateralized by a variety of Township fixed assets.

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

Year ending December 31:	General Obligation Notes	Capital Lease
2000	\$49,192	\$23,943
2001	6,282	
Total	\$55,474	\$23,943

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

**6. RETIREMENT SYSTEM**

The Township officials and employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post retirement 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 percent of their gross salaries. The Township contributed an amount equal to 13.55 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 1999.

**7. RISK MANAGEMENT**

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Errors and omissions
- Vehicle
- Public Officials liability

The Township does not provide health insurance to its officials and full-time employees.

**8. CONTINGENT LIABILITY**

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

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

Olive Township  
Meigs County  
55498 4<sup>th</sup> Avenue  
Reedsville, Ohio 45772

To the Board of Trustees:

We have audited the accompanying financial statements of Olive Township, Meigs 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 audit 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 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 June 13, 2000.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered 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 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 of the last name.

**Jim Petro**  
Auditor of State

June 13, 2000



**OLIVE TOWNSHIP  
SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain:</i></b>
1997-40753-001	Ohio Rev. Code Section 5705.41(B) prohibits a subdivision from making an expenditure unless it has been properly appropriated. For the year ended December 31, 1997, actual disbursements exceeded appropriations in the General Fund. For the year ended December 31, 1996, the Township disbursements exceeded appropriations in several funds.	Partially Corrected	The Township was in noncompliance of Ohio Rev. Code Section 5705.41 (B) during the current audit period but the amounts were immaterial thus it was reflected in the management letter.





STATE OF OHIO  
OFFICE OF THE AUDITOR

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**OLIVE TOWNSHIP**

**MEIGS 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**