



**PARIS TOWNSHIP
UNION COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999 - 1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

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**STATE OF OHIO
OFFICE OF THE AUDITOR**

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REPORT OF INDEPENDENT ACCOUNTANTS

Paris Township
Union County
P.O. Box 668
Marysville, Ohio 43040

To the Board of Trustees:

We have audited the accompanying financial statements of Paris Township, Union County, Ohio (the Township) as of and for the years ended December 31, 1999, and December 31, 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 described 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 Paris Township, Union County, Ohio, as of December 31, 1999, and December 31, 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 March 22, 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 finance committee, management, Board of Trustees, and other 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.

JIM PETRO
Auditor of State

March 22, 2000

**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>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only) Total</u>
Cash receipts:			
Taxes	\$105,764	\$105,350	\$211,114
Licenses, Permits, and Fees	2,704	0	2,704
Intergovernmental Receipts	99,651	65,334	164,985
Special Assessments	0	672	\$672
Interest	25,552	1,244	26,796
Miscellaneous	190	5,586	5,776
Total Cash Receipts	<u>233,861</u>	<u>178,186</u>	<u>412,047</u>
Cash Disbursements:			
General Government	130,234	0	130,234
Public Safety	0	120,787	120,787
Public Works	3,281	41,722	45,003
Health	16,776	0	16,776
Recreation	8,500	0	8,500
Capital Outlay	93,922	0	93,922
Total Cash Disbursements	<u>252,713</u>	<u>162,509</u>	<u>415,222</u>
Total Cash Receipts Over/(Under) Cash Disbursements	(18,852)	15,677	(3,175)
Other Financing Sources			
Other Financing Sources	149	0	149
Total Other Financing Sources	<u>149</u>	<u>0</u>	<u>149</u>
Total of Receipts and Other Sources Over(Under) Disbursements and Other Uses	(18,703)	15,677	(3,026)
Fund Cash Balances, January 1, 1999	<u>224,460</u>	<u>276,172</u>	<u>500,632</u>
Fund Cash Balances, December 31, 1999	<u><u>\$205,757</u></u>	<u><u>\$291,849</u></u>	<u><u>\$497,606</u></u>

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

**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>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only) Total</u>
Cash receipts:			
Taxes	\$81,515	\$187,692	\$269,207
Licenses, Permits, and Fees	4,281	0	4,281
Intergovernmental Receipts	108,406	69,310	177,716
Special Assessments	0	19	\$19
Interest	22,367	832	23,199
Miscellaneous	1,851	8,349	10,200
Total Cash Receipts	<u>218,420</u>	<u>266,202</u>	<u>484,622</u>
Cash Disbursements:			
General Government	131,650	0	131,650
Public Safety	0	200,267	200,267
Public Works	27,098	18,876	45,974
Health	22,962	0	22,962
Recreation	5,358	0	5,358
Capital Outlay	23,710	0	23,710
Total Cash Disbursements	<u>210,778</u>	<u>219,143</u>	<u>429,921</u>
Total Cash Receipts Over/(Under) Cash Disbursements	7,642	47,059	54,701
Other Financing Sources			
Other Financing Sources	<u>3,394</u>	<u>0</u>	<u>3,394</u>
Total Other Financing Sources	<u>3,394</u>	<u>0</u>	<u>3,394</u>
Total of Receipts and Other Sources Over(Under) Disbursements and Other Uses	11,036	47,059	58,095
Fund Cash Balances, January 1, 1998	<u>213,424</u>	<u>229,113</u>	<u>442,537</u>
Fund Cash Balances, December 31, 1998	<u><u>\$224,460</u></u>	<u><u>\$276,172</u></u>	<u><u>\$500,632</u></u>

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Paris Township, Union 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 fire protection and street maintenance and repair.

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

The Township maintains its cash in a depository account with Fifth Third Bank. The investment in STAR Ohio(the State Treasurer's investment pool) is valued at cost.

D. Fund Accounting

The Township uses fund accounting to segregate cash that is 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 constructing, maintaining and repairing Township roads.

Fire Fund - This fund receives proceeds from a special fire tax levy to provide fire protection services to Township residents.

**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 individual commitments are made. Encumbrances outstanding at year end are canceled, and re-appropriated 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.

2. EQUITY IN POOLED CASH AND 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 at December 31 was as follows:

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by securities specifically pledged by the financial institution to the Township.

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

	1999	1998
Demand deposits	\$124,340	\$184,889
STAR Ohio	373,266	315,743
Total deposits and investments	\$497,606	\$500,632

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

3. BUDGETARY ACTIVITY

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

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$196,947	\$234,010	\$37,063
Special Revenue	<u>198,362</u>	<u>178,186</u>	<u>(20,176)</u>
Total	<u><u>\$395,309</u></u>	<u><u>\$412,196</u></u>	<u><u>\$16,887</u></u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$420,982	\$252,713	\$168,269
Special Revenue	<u>460,022</u>	<u>162,509</u>	<u>297,513</u>
Total	<u><u>\$881,004</u></u>	<u><u>\$415,222</u></u>	<u><u>\$465,782</u></u>

1998 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$169,282	\$221,814	\$52,532
Special Revenue	<u>235,283</u>	<u>266,202</u>	<u>30,919</u>
Total	<u><u>\$404,565</u></u>	<u><u>\$488,016</u></u>	<u><u>\$83,451</u></u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$423,054	\$210,778	\$212,276
Special Revenue	<u>423,748</u>	<u>219,143</u>	<u>204,605</u>
Total	<u><u>\$846,802</u></u>	<u><u>\$429,921</u></u>	<u><u>\$416,881</u></u>

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.

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

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

6. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Wrongful acts

The Township also provides health insurance to Township officials through a private insurance carrier.

7. MARYSVILLE/UNION COUNTY JOINT RECREATION DISTRICT

The Marysville/Union Joint Recreation District is a jointly governed organization involving Paris Township, the City of Marysville, and Union County. The District was established for the purpose of acquiring, developing, operating, and maintaining a sports complex and bicycle/walking trail in Union County. The District's Board of Trustees consists of seven members, three (3) appointed by the County Commissioners, three (3) appointed by the Mayor of Marysville, and one (1) appointed by the Paris Township Trustees. Each entity's ability to influence the operations of the District is limited to their representation on the Board of Trustees. The Township contributed \$17,422 to the District's operations in 1999 and \$22,359 in 1998.



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

Paris Township
Union County
P.O. Box 668
Marysville, Ohio 43040

To the Board of Trustees:

We have audited the financial statements of Paris Township, Union County, Ohio, (the Township) as of and for the years ended December 31, 1999, and December 31, 1998, and have issued our report thereon dated March 22, 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 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 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 a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Township in a separate letter dated March 22, 2000.

This report is intended for the information and use of the finance committee, management and 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

March 22, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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PARIS TOWNSHIP

UNION 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
MAY 2, 2000**