



**BENTON TOWNSHIP
PAULDING COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



**JIM PETRO
AUDITOR OF STATE**

STATE OF OHIO

**BENTON TOWNSHIP
PAULDING COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Benton Township
Paulding County
3708 State Route 500
Payne, Ohio 45880

To the Board of Trustees:

We have audited the accompanying financial statements of Benton Township, Paulding 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 and reserves for encumbrances 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 5, 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.

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.

Jim Petro
Auditor of State

April 5, 2001

**BENTON TOWNSHIP
PAULDING 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>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$21,449	\$24,413	\$45,862
Intergovernmental	35,576	70,792	106,368
Licenses, Permits, and Fees	120	4,450	4,570
Earnings on Investments	1,965	1,320	3,285
Other Revenue	847	3,170	4,017
	<u>59,957</u>	<u>104,145</u>	<u>164,102</u>
Total Cash Receipts			
	<u>59,957</u>	<u>104,145</u>	<u>164,102</u>
Cash Disbursements:			
Current:			
General Government	28,643		28,643
Public Safety		11,228	11,228
Public Works		55,337	55,337
Health	521	2,456	2,977
Debt Service:			
Redemption of Principal	4,108	28,753	32,861
Interest and Fiscal Charges	145	2,263	2,408
	<u>33,417</u>	<u>100,037</u>	<u>133,454</u>
Total Cash Disbursements			
	<u>33,417</u>	<u>100,037</u>	<u>133,454</u>
Total Receipts Over Disbursements	<u>26,540</u>	<u>4,108</u>	<u>30,648</u>
Other Financing Receipts:			
Proceeds from Sale of Public Debt:			
Sale of Notes		10,500	10,500
Transfers-In		23,227	23,227
Transfers-Out	(23,227)		(23,227)
Other Sources	119		119
	<u>(23,108)</u>	<u>33,727</u>	<u>10,619</u>
Total Other Financing Receipts/(Disbursements)			
	<u>(23,108)</u>	<u>33,727</u>	<u>10,619</u>
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements	3,432	37,835	41,267
Fund Cash Balances, January 1	<u>45,903</u>	<u>61,918</u>	<u>107,821</u>
Fund Cash Balances, December 31	<u><u>\$49,335</u></u>	<u><u>\$99,753</u></u>	<u><u>\$149,088</u></u>
Reserve for Encumbrances, December 31	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>

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

**BENTON TOWNSHIP
PAULDING 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>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$20,057	\$23,322	\$43,379
Intergovernmental	25,384	73,327	98,711
Licenses, Permits, and Fees	165	5,050	5,215
Earnings on Investments	2,043	1,321	3,364
Other Revenue	125	3,930	4,055
	<u>47,774</u>	<u>106,950</u>	<u>154,724</u>
Total Cash Receipts			
	<u>47,774</u>	<u>106,950</u>	<u>154,724</u>
Cash Disbursements:			
Current:			
General Government	29,237		29,237
Public Safety		9,797	9,797
Public Works		85,967	85,967
Health	546	3,213	3,759
Debt Service:			
Redemption of Principal	14,053	17,686	31,739
Interest and Fiscal Charges	303	3,204	3,507
Capital Outlay	8,900	41,777	50,677
	<u>53,039</u>	<u>161,644</u>	<u>214,683</u>
Total Cash Disbursements			
	<u>53,039</u>	<u>161,644</u>	<u>214,683</u>
Total Disbursements over Receipts	<u>(5,265)</u>	<u>(54,694)</u>	<u>(59,959)</u>
Other Financing Receipts:			
Proceeds from Sale of Public Debt:			
Sale of Notes		18,066	18,066
Transfers-In		10,000	10,000
Transfers-Out	(10,000)		(10,000)
	<u>(10,000)</u>		<u>(10,000)</u>
Total Other Financing Receipts/(Disbursements)	<u>(10,000)</u>	<u>28,066</u>	<u>18,066</u>
Excess of Cash Disbursements over Cash Receipts and Other Financing Receipts	<u>(15,265)</u>	<u>(26,628)</u>	<u>(41,893)</u>
Fund Cash Balances, January 1	<u>61,168</u>	<u>88,546</u>	<u>149,714</u>
Fund Cash Balances, December 31	<u><u>\$45,903</u></u>	<u><u>\$61,918</u></u>	<u><u>\$107,821</u></u>
Reserve for Encumbrances, December 31	<u><u>\$1,000</u></u>	<u><u>\$8,100</u></u>	<u><u>\$9,100</u></u>

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

**BENTON TOWNSHIP
PAULDING COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Benton Township, Paulding 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 the maintenance and repair of roads, bridges, and two cemeteries. The Township contracts with the Village of Payne for fire protection and emergency medical 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

Certificates of deposit are valued at cost.

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.

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.

**BENTON TOWNSHIP
PAULDING COUNTY**

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

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 property tax money for providing and maintaining a volunteer fire department for the security of persons and property.

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-object level for 1999 and at the fund level for 2000, 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. For 2000 encumbrances outstanding at year end were canceled, and reappropriated in 2001 and in 1999 encumbrances outstanding were carried forward to 2000 and did not need to be reappropriated.

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.

**BENTON TOWNSHIP
PAULDING COUNTY**

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

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Township maintains a cash and investments 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>2000</u>	<u>1999</u>
Demand deposits	\$102,588	\$61,321
Certificates of deposit	<u>46,500</u>	<u>46,500</u>
Total deposits	<u><u>\$149,088</u></u>	<u><u>\$107,821</u></u>

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

3. BUDGETARY ACTIVITY

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

2000 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$79,331	\$60,076	(\$19,255)
Special Revenue	<u>114,095</u>	<u>137,872</u>	<u>23,777</u>
Total	<u><u>\$193,426</u></u>	<u><u>\$197,948</u></u>	<u><u>\$4,522</u></u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$104,833	\$56,644	\$48,189
Special Revenue	<u>172,006</u>	<u>100,037</u>	<u>71,969</u>
Total	<u><u>\$276,839</u></u>	<u><u>\$156,681</u></u>	<u><u>\$120,158</u></u>

1999 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$40,393	\$47,774	\$7,381
Special Revenue	<u>121,180</u>	<u>135,016</u>	<u>13,836</u>
Total	<u><u>\$161,573</u></u>	<u><u>\$182,790</u></u>	<u><u>\$21,217</u></u>

**BENTON TOWNSHIP
PAULDING COUNTY**

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

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$82,006	\$64,039	\$17,967
Special Revenue	187,842	169,744	18,098
Total	<u>\$269,848</u>	<u>\$233,783</u>	<u>\$36,065</u>

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, 2000 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Promissary Note - Fire Truck	<u>\$10,000</u>	6.00%

The fire truck note relates to the purchase of a pumper in 1997. Benton Township is responsible for 37.5% of the purchase price, while Harrison Township and the Village of Payne are responsible for the remaining 62.5% of the purchase price. The loan will be repaid in annual installments of \$10,000 plus interest over five years.

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

<u>Year ending December 31:</u>	<u>Fire Truck Note</u>
2001	<u>\$10,600</u>

**BENTON TOWNSHIP
PAULDING COUNTY**

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

6. RETIREMENT SYSTEMS

Township personnel belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plans. 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% of participants' gross salaries during 2000 and 13.55% during 1999. The Township has paid all contributions required through December 31, 2000.

7. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

- Legal liability;
- Vehicles;
- Wrongful Acts;
- Public Officials Liability; and
- Property.

The Township provides its officials with disability income, cancer and intensive care insurance coverage through group insurance plans.

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

Benton Township
Paulding County
3708 State Route 500
Payne, Ohio 45880

To the Board of Trustees:

We have audited the accompanying financial statements of Benton Township, Paulding County, Ohio, (the Township) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated April 5, 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 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*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated April 5, 2001.

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 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 5, 2001.

Benton Township
Paulding County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
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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.

Jim Petro
Auditor of State

April 5, 2001



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BENTON TOWNSHIP

PAULDING 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**