



**DUCHOUQUET TOWNSHIP
AUGLAIZE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999



**JIM PETRO
AUDITOR OF STATE**

STATE OF OHIO

**DUCHOUQUET TOWNSHIP
AUGLAIZE COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Duchouquet Township
Auglaize County
17301 Golden Bridge Road
Wapakoneta, Ohio 45895

To the Board of Trustees:

We have audited the accompanying financial statements of Duchouquet Township, Auglaize County, (the Township) as of and for the years ended December 31, 2000 and December 31, 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 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 and reserves for encumbrances of the Township, as of December 31, 2000, and December 31, 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 23, 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 audit.

Duchouquet Township
Auglaize County
Report of Independent Accountants
Page 2

This report is intended solely for the information and use of the 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 23, 2001

**DUCHOUQUET TOWNSHIP
AUGLAIZE 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>	<u>Debt Service</u>	
Cash Receipts:				
Local Taxes	\$8,316	\$175,173	\$26,250	\$209,739
Intergovernmental	108,527	83,063		191,590
Licenses, Permits, and Fees	3,870			3,870
Earnings on Investments	4,401	853	160	5,414
Other Revenue	2,671			2,671
	<u>127,785</u>	<u>259,089</u>	<u>26,410</u>	<u>413,284</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
General Government	78,333	62,157		140,490
Public Safety	2,782			2,782
Public Works		122,309		122,309
Health	4,527	24		4,551
Debt Service:				
Redemption of Principal		40,000	20,000	60,000
Interest and Fiscal Charges			5,348	5,348
Capital Outlay	12,955	15,903		28,858
	<u>98,597</u>	<u>240,393</u>	<u>25,348</u>	<u>364,338</u>
Total Cash Disbursements				
Total Receipts Over Disbursements	29,188	18,696	1,062	48,946
Other Financing Receipts:				
Other Sources	92			92
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements				
	29,280	18,696	1,062	49,038
Fund Cash Balances, January 1	60,122	32,395	0	92,517
Fund Cash Balances, December 31	<u>\$89,402</u>	<u>\$51,091</u>	<u>\$1,062</u>	<u>\$141,555</u>

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

**DUCHOUQUET TOWNSHIP
AUGLAIZE 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**

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
Cash Receipts:			
Local Taxes	\$30,521	\$165,944	\$196,465
Intergovernmental	41,319	82,531	123,850
Licenses, Permits, and Fees	4,730	200	4,930
Earnings on Investments	7,917	655	8,572
Other Revenue	80	300	380
 Total Cash Receipts	 84,567	 249,630	 334,197
Cash Disbursements:			
Current:			
General Government	83,734	77,677	161,411
Public Works	30,000	190,223	220,223
Health	5,922	190	6,112
Capital Outlay	131,165	48,510	179,675
 Total Cash Disbursements	 250,821	 316,600	 567,421
 Total Receipts (Under) Disbursements	 (166,254)	 (66,970)	 (233,224)
Other Financing Receipts			
Proceeds from Sale of Public Debt:			
Sale of Notes	100,000		100,000
Other Sources	2,541		2,541
 Total Other Financing Receipts	 102,541	 0	 102,541
 Cash Receipts and Other Financing Receipts (Under) Cash Disbursements	 (63,713)	 (66,970)	 (130,683)
 Fund Cash Balances, January 1	 123,835	 99,365	 223,200
 Fund Cash Balances, December 31	 \$60,122	 \$32,395	 \$92,517
 Reserve for Encumbrances, December 31	 \$10,625	 \$15,902	 \$26,527

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

**DUCHOUQUET TOWNSHIP
AUGLAIZE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Duchouquet Township, Auglaize 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 City of Wapakoneta and the Villages of Cridersville, Uniopolis, and Buckland to provide fire services and ambulance services are provided by the City of Wapakoneta and the Villages of Cridersville, and Uniopolis 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

The Township had no investments.

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 that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

Motor Vehicle License Tax Fund - This fund receives motor vehicle license tax money for constructing, maintaining, and repairing Township roads.

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

**DUCHOUQUET TOWNSHIP
AUGLAIZE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Permissive Motor Vehicle License Tax Fund - This fund receives Township imposed license tax fees for constructing, maintaining, and repairing Township roads.

Special Fire Levy Fund - This fund receives property tax money from an operating levy in order to provide fire protection functions and ambulance and other emergency services to the Township residents.

3. Debt Service Fund

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

General Note Fund - This fund receives property tax money for the retirement of general obligation notes issued to construct a new Township Garage.

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. 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 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.

**DUCHOUQUET TOWNSHIP
AUGLAIZE COUNTY**

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

2. EQUITY IN POOLED CASH AND INVESTMENTS

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>2000</u>	<u>1999</u>
Demand deposits	<u>\$141,555</u>	<u>\$92,517</u>

Deposits: 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 December 31, 1999 follows:

2000 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$82,290	\$127,877	\$45,587
Special Revenue	257,240	259,089	1,849
Debt Service	26,250	26,410	160
Total	<u>\$365,780</u>	<u>\$413,376</u>	<u>\$47,596</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$142,712	\$98,597	\$44,115
Special Revenue	289,634	240,393	49,241
Debt Service	26,250	25,348	902
Total	<u>\$458,596</u>	<u>\$364,338</u>	<u>\$94,258</u>

1999 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$183,825	\$187,108	\$3,283
Special Revenue	253,253	249,630	(3,623)
Total	<u>\$437,078</u>	<u>\$436,738</u>	<u>(\$340)</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$213,420	\$261,446	(\$48,026)
Special Revenue	352,618	332,502	20,116
Total	<u>\$566,038</u>	<u>\$593,948</u>	<u>(\$27,910)</u>

The Township had expenditures in excess of appropriations at the legal level of control.

**DUCHOUQUET TOWNSHIP
AUGLAIZE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(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, 2000 was as follows:

	Principal	Interest Rate
General Obligation Notes	<u>\$40,000</u>	5%

The general obligation notes were issued to finance the construction of a new Township garage to be used for Township road maintenance. The notes are collateralized solely by the Township's taxing authority.

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

Year ending	General Obligation Notes
2001	\$21,750
2002	<u>20,750</u>
Total	<u>\$42,500</u>

6. RETIREMENT SYSTEMS

Township officials and full-time 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.

**DUCHOUQUET TOWNSHIP
AUGLAIZE COUNTY**

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

6. RETIREMENT SYSTEMS (Continued)

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, members of PERS contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries from January 1999 through June 2000 and an amount equal to 8.13% of participants' gross salaries for July through December 2000. The Township has paid all contributions required through December 31, 2000.

7. RISK MANAGEMENT

The Township is a member of the Ohio Township Association Risk Management Authority (the Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool may make supplemental assessments if the overall experience of the pool is unfavorable. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Vehicle
- Township property, buildings, and contents

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

Duchouquet Township
Auglaize County
17301 Golden Bridge Road
Wapakoneta, Ohio 45895

To the Board of Trustees:

We have audited the accompanying financial statements of Duchouquet Township, Auglaize County, (the Township), as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated April 23, 2001. 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2000-40206-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated April 23, 2001.

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 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 April 23, 2001.

Duchouquet Township
Auglaize County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of the 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 23, 2001

**DUCHOUQUET TOWNSHIP
AUGLAIZE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2000 AND 1999**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER	2000-40206-001	NONCOMPLIANCE
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Disbursements Exceeded Appropriations at the Legal Level of Control

Ohio Rev. Code Section 5705.41(B), states that no subdivision shall make any expenditure of money unless it has been lawfully appropriated.

During the year 1999, expenditures exceeded appropriations at the legal level of control as follows:

Fund/Function/Object	Appropriation	Expenditure	Excess
General Fund			
Capital Outlay			
Buildings	<u>\$63,000</u>	<u>\$133,195</u>	<u>\$70,195</u>

The Board should monitor expenditure activity versus budgeted amounts to assist in ensuring that compliance requirements are met and to avoid possible deficit spending. Amendments should be made to the appropriations at the legal level of control whenever it is anticipated that expenditures will exceed appropriations at any given point in time.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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DUCHOUQUET TOWNSHIP

AUGLAIZE 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
JUNE 5, 2001**