



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**RIDGEVILLE TOWNSHIP
HENRY COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Ridgeville Township
Henry County
P.O. Box 65
Ridgeville Corners, Ohio 43555-0065

To the Board of Trustees:

We have audited the accompanying financial statements of Ridgeville Township, Henry 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 audit in accordance with auditing standards generally accepted in the United States of America 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 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 June 27, 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

June 27, 2001

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**RIDGEVILLE TOWNSHIP
HENRY 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>	<u>Capital Projects</u>	
Cash Receipts:					
Local Taxes	\$32,391	\$70,946	\$71,682		\$175,019
Intergovernmental	38,286	76,091	6,603	\$40,682	161,662
Charges for Services		35,125			35,125
Licenses, Permits, and Fees		2,262			2,262
Earnings on Investments	7,909	4,950			12,859
Other Revenue	2,359	12,194			14,553
	<u>80,945</u>	<u>201,568</u>	<u>78,285</u>	<u>40,682</u>	<u>401,480</u>
Total Cash Receipts					
Cash Disbursements:					
Current:					
General Government	53,625	3,600			57,225
Public Safety		44,542	1,688		46,230
Public Works	3,560	138,733			142,293
Health	2,267	450			2,717
Debt Service:					
Redemption of Principal			58,914		58,914
Interest and Fiscal Charges			16,589		16,589
Capital Outlay				40,682	40,682
	<u>59,452</u>	<u>187,325</u>	<u>77,191</u>	<u>40,682</u>	<u>364,650</u>
Total Cash Disbursements					
Total Cash Receipts Over Cash Disbursements	21,493	14,243	1,094		36,830
Fund Cash Balances, January 1	37,422	147,248	16,451		201,121
Fund Cash Balances, December 31	<u>\$58,915</u>	<u>\$161,491</u>	<u>\$17,545</u>		<u>\$237,951</u>

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

**RIDGEVILLE TOWNSHIP
HENRY 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>	<u>Debt Service</u>	
Cash Receipts:				
Local Taxes	\$26,787	\$63,732	\$58,174	\$148,693
Intergovernmental	29,753	79,493	5,123	114,369
Charges for Services		30,150		30,150
Licenses, Permits, and Fees		1,662		1,662
Earnings on Investments	4,853	3,233		8,086
Other Revenue	29	24,790		24,819
	<u>61,422</u>	<u>203,060</u>	<u>63,297</u>	<u>327,779</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
General Government	50,839	3,289		54,128
Public Safety		55,381	1,501	56,882
Public Works	3,898	112,749		116,647
Health	1,643	50		1,693
Debt Service:				
Redemption of Principal			36,904	36,904
Interest and Fiscal Charges			18,600	18,600
Capital Outlay		8,108		8,108
	<u>56,380</u>	<u>179,577</u>	<u>57,005</u>	<u>292,962</u>
Total Cash Disbursements				
Total Cash Receipts Over Cash Disbursements	5,042	23,483	6,292	34,817
Fund Cash Balances, January 1	<u>32,380</u>	<u>123,765</u>	<u>10,159</u>	<u>166,304</u>
Fund Cash Balances, December 31	<u>\$37,422</u>	<u>\$147,248</u>	<u>\$16,451</u>	<u>\$201,121</u>

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

**RIDGEVILLE TOWNSHIP
HENRY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Ridgeville Township, Henry 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'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

Repurchase agreements 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.

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:

Fire District Fund- This fund receives property tax and fire contract money for the purpose of maintaining the Fire Department.

**RIDGEVILLE TOWNSHIP
HENRY COUNTY**

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

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

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

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 Funds:

General Bond Retirement Fund - This fund receives tax monies for the purpose of repaying debt incurred from the issuance of general obligation bonds.

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 funds:

Issue II Fund - The Township received a OPWC grant from the State of Ohio to repair Township roads and culverts.

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 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 reappropriated in the subsequent year.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

**RIDGEVILLE TOWNSHIP
HENRY COUNTY**

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

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	(\$35,901)	\$22,782
Repurchase Account	<u>273,852</u>	<u>178,339</u>
Total deposits and investments	<u><u>\$237,951</u></u>	<u><u>\$201,121</u></u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

Investments: Repurchase agreements are held in book-entry form by the Federal Reserve, in the name of the Township's financial institution. The financial institution maintains records identifying the Township as owner of these securities under agreement to repurchase.

3. BUDGETARY ACTIVITY

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

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$62,494	\$80,945	\$18,451
Special Revenue	178,296	201,568	23,272
Debt Service	75,646	78,285	2,639
Capital Projects	<u>40,682</u>	<u>40,682</u>	
Total	<u><u>\$357,118</u></u>	<u><u>\$401,480</u></u>	<u><u>\$44,362</u></u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$99,917	\$59,452	\$40,465
Special Revenue	330,543	187,325	143,218
Debt Service	92,097	77,191	14,906
Capital Projects	<u>40,682</u>	<u>40,682</u>	
Total	<u><u>\$563,239</u></u>	<u><u>\$364,650</u></u>	<u><u>\$198,589</u></u>

**RIDGEVILLE TOWNSHIP
HENRY COUNTY**

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

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$52,210	\$61,422	\$9,212
Special Revenue	172,222	203,060	30,838
Debt Service	63,276	63,297	21
Total	\$287,708	\$327,779	\$40,071

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$84,591	\$56,380	\$28,211
Special Revenue	297,412	179,577	117,835
Debt Service	73,436	57,005	16,431
Total	\$455,439	\$292,962	\$162,477

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 payments, 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 Bonds	\$259,326	5%
Capital Lease	43,815	5%
Total	\$303,141	

**RIDGEVILLE TOWNSHIP
HENRY COUNTY**

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

The general obligation bonds were issued to finance the construction of an addition to the fire department. The bonds are collateralized solely by the Township's taxing authority. The capital lease was for new dump truck and plowing equipment to be used for Township road maintenance. The lease is secured by the truck.

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

<u>Year Ending December 31:</u>	<u>Capital Lease</u>	<u>General Obligation Bonds</u>
2001	\$16,164	\$55,503
2002	16,165	55,504
2003	16,164	55,503
2004		55,504
2005		55,503
Subsequent		25,890
Total	<u>\$48,493</u>	<u>\$303,407</u>

6. RETIREMENT SYSTEMS

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 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% and 10.84% of participants' gross salaries for 1999 and 2000, respectively. The Township had a \$ 1,236 contribution still outstanding to PERS at 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 assess supplemental premiums. The following risks are covered by the Pool:

- General liability and casualty;
- Public official's liability;
- Vehicle; and
- Property.

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

Ridgeville Township
Henry County
P.O. Box 65
Ridgeville Corners, Ohio 43555-0065

To the Board of Trustees:

We have audited the accompanying financial statements of Ridgeville Township, Henry County, Ohio, (the Township) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated June 27, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 June 27, 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.

Ridgeville Township
Henry 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 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

June 27, 2001



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JIM PETRO, AUDITOR OF STATE

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RIDGEVILLE TOWNSHIP

HENRY 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 24, 2001**