



**SWANCREEK TOWNSHIP
FULTON COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



**JIM PETRO
AUDITOR OF STATE**

STATE OF OHIO

**SWANCREEK TOWNSHIP
FULTON COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Swan creek Township
Fulton County
5565 County Road D
Delta, Ohio 43515-9619

To the Board of Trustees:

We have audited the accompanying financial statements of Swan creek Township (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 audit.

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 March 8, 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.

Swanecreek Township
Fulton County
Report of Independent Accountants
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This report is intended solely for the information and use of 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

March 8, 2001

**SWANCREEK TOWNSHIP
FULTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND FIDUCIARY 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>Fiduciary Funds</u>	
Cash Receipts:				
Local Taxes	\$139,646	\$307,547		\$447,193
Intergovernmental	108,513	108,396		216,909
Licenses, Permits, and Fees	3,795	13,966		17,761
Earnings on Investments	17,763	2,677	\$165	20,605
Other Revenue	2,564	10,406		12,970
	<u>272,281</u>	<u>442,992</u>	<u>165</u>	<u>715,438</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
General Government	161,875		150	162,025
Public Safety	13,114	76,305		89,419
Public Works		209,289		209,289
Health	7,522	21,624		29,146
Capital Outlay	20,000	85,978		105,978
	<u>202,511</u>	<u>393,196</u>	<u>150</u>	<u>595,857</u>
Total Cash Disbursements				
Total Receipts Over Disbursements	<u>69,770</u>	<u>49,796</u>	<u>15</u>	<u>119,581</u>
Other Financing Receipts:				
Loan Proceeds		61,082		61,082
		<u>61,082</u>		<u>61,082</u>
Total Other Financing Receipts				
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements	69,770	110,878	15	180,663
Fund Cash Balances, January 1	<u>99,926</u>	<u>303,411</u>	<u>4,569</u>	<u>407,906</u>
Fund Cash Balances, December 31	<u>\$169,696</u>	<u>\$414,289</u>	<u>\$4,584</u>	<u>\$588,569</u>
Reserve for Encumbrances, December 31		<u>\$32,361</u>		<u>\$32,361</u>

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

**SWANCREEK TOWNSHIP
FULTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND FIDUCIARY 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>Fiduciary Funds</u>	
Cash Receipts:				
Local Taxes	\$120,953	\$241,696		\$362,649
Intergovernmental	80,948	107,713		188,661
Licenses, Permits, and Fees	3,784	17,379		21,163
Earnings on Investments	6,814	1,695	\$85	8,594
Other Revenue	8,698	9,621		18,319
	<u>221,197</u>	<u>378,104</u>	<u>85</u>	<u>599,386</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
General Government	145,258		150	145,408
Public Safety	23,500	47,140		70,640
Public Works	6,976	239,336		246,312
Health	5,296	24,372		29,668
Capital Outlay	16,196	9,050		25,246
	<u>197,226</u>	<u>319,898</u>	<u>150</u>	<u>517,274</u>
Total Cash Disbursements				
Total Receipts Over/(Under) Disbursements	<u>23,971</u>	<u>58,206</u>	<u>(65)</u>	<u>82,112</u>
Other Financing Receipts:				
Other Sources	<u>3</u>			<u>3</u>
Total Other Financing Receipts	<u>3</u>			<u>3</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	23,974	58,206	(65)	82,115
Fund Cash Balances, January 1	<u>75,952</u>	<u>245,205</u>	<u>4,634</u>	<u>325,791</u>
Fund Cash Balances, December 31	<u><u>\$99,926</u></u>	<u><u>\$303,411</u></u>	<u><u>\$4,569</u></u>	<u><u>\$407,906</u></u>
Reserve for Encumbrances, December 31		<u><u>\$13,000</u></u>		<u><u>\$13,000</u></u>

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

**SWANCREEK TOWNSHIP
FULTON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Swan Creek Township, Fulton 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 Village of Swanton, York Township, Providence Township, and Liberty/Washington Township to provide fire services and ambulance services.

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. The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

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:

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

**SWANCREEK TOWNSHIP
FULTON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fire Levy Fund - This fund receives property tax money to pay for the maintenance of fire services.

3. Fiduciary Funds (Trust Funds)

These funds are used to account for resources restricted by legally binding trust agreements and funds for which the Township is acting in an agency capacity. The Township had the following significant fiduciary fund:

Cemetery Bequest Fund - This trust fund was established for the perpetual care and maintenance of the cemetery.

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.

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Township.

**SWANCREEK TOWNSHIP
FULTON 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	\$46,527	\$405,730
Certificates of deposit	500	2,176
Total deposits	47,027	407,906
STAR Ohio	541,542	
Total deposits and investments	\$588,569	\$407,906

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

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

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	\$275,504	\$272,281	(\$3,223)
Special Revenue	478,638	504,074	25,436
Fiduciary	109	165	56
Total	\$754,251	\$776,520	\$22,269

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$375,230	\$202,511	\$172,719
Special Revenue	779,045	425,557	353,488
Fiduciary	150	150	
Total	\$1,154,425	\$628,218	\$526,207

**SWANCREEK TOWNSHIP
FULTON COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$273,963	\$221,200	(\$52,763)
Special Revenue	375,900	378,104	2,204
Fiduciary	109	85	(24)
Total	<u>\$649,972</u>	<u>\$599,389</u>	<u>(\$50,583)</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$351,777	\$197,226	\$154,551
Special Revenue	620,947	332,898	288,049
Fiduciary	150	150	
Total	<u>\$972,874</u>	<u>\$530,274</u>	<u>\$442,600</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>
Term Note	<u>\$61,082</u>	8.25%

**SWANCREEK TOWNSHIP
FULTON COUNTY**

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

5. DEBT (Continued)

The term note agreement was entered into on December 16, 2000 to finance the purchase of a new dump truck and plowing equipment to be used for Township road maintenance. The note is secured by the dump truck.

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

<u>Year ending December 31:</u>	<u>Term Note</u>
2001	\$18,545
2002	18,545
2003	18,545
2004	<u>18,545</u>
Total	<u><u>\$74,180</u></u>

6. RETIREMENT SYSTEMS

The Township's 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. PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 10.84% and 13.55%, respectively, in 2000 and 1999 of participants' gross salaries. 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 assess supplemental premiums. The following risks are covered by the Pool:

- Real and Personal Property;
- Vehicles;
- Miscellaneous Property;
- Electronic Data Processing Equipment;
- Dishonesty;
- Boiler and Machinery;
- Earthquake; and
- Flood.

The Township also provides health insurance, life insurance, prescription, disability income, cancer plan, dental and vision coverage to full-time employees through private carriers.

**SWANCREEK TOWNSHIP
FULTON COUNTY**

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

8. RELATED PARTY TRANSACTIONS

The Township appoints all members of the Board of Trustees of the Swancreek Water District (the District). During 1997, the Township loaned the District \$51,402 for the purpose of conducting a feasibility study and for constructing, maintaining, repairing, and operating the water system. As of December 31, 2000, the District owes the Township \$51,402.



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

Swanecreek Township
Fulton County
5565 County Road D
Delta, Ohio 43515-9615

To the Board of Trustees:

We have audited the accompanying financial statements of Swanecreek Township (the Township) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated March 8, 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 March 8, 2001.

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 a matter involving the internal control over financial reporting that did not require inclusion in this report, that we have reported to management of the Township in a separate letter dated March 8, 2001.

Swanecreek Township
Fulton 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 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

March 8, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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SWANCREEK TOWNSHIP

FULTON 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 3, 2001**