



**WILLS TOWNSHIP
GUERNSEY COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2000 - 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**WILLS TOWNSHIP
GUERNSEY COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Wills Township
Guernsey County
63371 Range Road
Lore City, Ohio 43755

To the Board of Trustees:

We have audited the accompanying financial statements of Wills Township, Guernsey 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 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 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 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 audit.

This report is intended solely for the information and use of management audit committee, 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 27, 2001

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**WILLS TOWNSHIP
GUERNSEY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES AND NON-EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Governmental Fund Types			Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Non-Expendable Trust	
Cash Receipts:					
Local Taxes	\$16,274	\$21,663	\$6,250		\$44,187
Intergovernmental	49,583	76,457			126,040
Charges for Services		5,134			5,134
Licenses, Permits, and Fees					0
Earnings on Investments	1,128	460		123	1,711
Total Cash Receipts	\$66,985	\$103,714	\$6,250	\$123	\$177,072
Cash Disbursements:					
Current:					
General Government	\$32,322				\$32,322
Public Safety	4,900	1,000			5,900
Public Works	1,231	108,963			110,194
Health	4,493				4,493
Miscellaneous	500				500
Debt Service:					
Note Principal Payment			5,000		5,000
Interest and Fiscal Charges			1,271		1,271
Capital Outlay	374	3,548			3,922
Total Cash Disbursements	\$43,820	\$113,511	\$6,271	\$0	\$163,602
Total Receipts Over/(Under) Disbursements	23,165	(9,797)	(21)	123	13,470
Other Financing Receipts/(Disbursements):					
Transfers-In		1,000	15		1,015
Transfers-Out	(1,015)				(1,015)
Total Other Financing Receipts/(Disbursements)	(1,015)	1,000	15	0	0
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	22,150	(8,797)	(6)	123	13,470
Fund Cash Balances, January 1	25,922	86,693	7	1,616	114,238
Fund Cash Balances, December 31	\$48,072	\$77,896	\$1	\$1,739	\$127,708
Reserve for Encumbrances, December 31	\$50	\$100	\$0	\$0	\$150

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

WILLS TOWNSHIP
GUERNSEY COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES AND NON-EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Governmental Fund Types			Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Non-Expendable Trust	
Cash Receipts:					
Local Taxes	\$13,734	\$26,481	\$750		\$40,965
Intergovernmental	24,194	97,889			122,083
Charges for Services		4,999			4,999
Earnings on Investments	1,272	339		65	1,676
Other Revenue	2,281	38,024			40,305
Total Cash Receipts	\$41,481	\$167,732	\$750	\$65	\$210,028
Cash Disbursements:					
Current:					
General Government	\$27,790				\$27,790
Public Safety	1,900	3,800			5,700
Public Works		148,698			148,698
Health	5,910	300			6,210
Contractual Services				250	250
Debt Service:					
Interest and Fiscal Charges			743		743
Capital Outlay	9,990	45,260			55,250
Total Cash Disbursements	\$45,590	\$198,058	\$743	\$250	\$244,641
Total Receipts Over/(Under) Disbursements	(4,109)	(30,326)	7	(185)	(34,613)
Other Financing Receipts/(Disbursements):					
Proceeds from Sale of Public Debt:					
Sale of Notes		25,000			25,000
Transfers-In		2,000			2,000
Transfers-Out	(2,000)				(2,000)
Total Other Financing Receipts/(Disbursements)	(2,000)	27,000	0	0	25,000
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(6,109)	(3,326)	7	(185)	(9,613)
Fund Cash Balances, January 1	32,031	90,019	0	1,801	123,851
Fund Cash Balances, December 31	\$25,922	\$86,693	\$7	\$1,616	\$114,238
Reserve for Encumbrances, December 31	\$108	\$3,048	\$0	\$0	\$3,156

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

**WILLS TOWNSHIP
GUERNSEY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Wills Township, Guernsey 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 and cemetery maintenance. The Township contracts with various local entities to provide fire and ambulance 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.

2. Special Revenue Fund

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.

**WILLS TOWNSHIP
GUERNSEY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Fund (continued)

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

FEMA Fund - This fund receives money from the Federal Emergency Mangement Agency to provide flood relief to the Township.

3. Debt Service Fund

The Debt Service Fund is used to accumulate resources for the payment of bonds and note indebtedness. The Township had a Note Retirement Fund to accumulate resources for the payment of debt related to the purchase of a backhoe.

4. Fiduciary Funds (Trust and Agency 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's Carlisle Cemetery Fund, a non-expendable trust fund, collects interest from a certificate of deposit to be used for cemetery maintenance.

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 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.

**WILLS TOWNSHIP
GUERNSEY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 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	\$ 126,111	\$ 112,641
Certificates of Deposit	<u>\$ 1,597</u>	<u>\$ 1,597</u>
Total	<u>\$ 127,708</u>	<u>\$ 114,238</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	\$ 64,462	\$ 66,985	\$ 2,523
Special Revenue	101,423	104,714	3,291
Debt Service	6,250	6,265	\$15
Non-Expendable Trust	<u>80</u>	<u>123</u>	<u>\$43</u>
Total	<u>\$ 172,215</u>	<u>\$ 178,087</u>	<u>\$ 5,872</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 90,275	\$ 44,885	\$ 45,390
Special Revenue	185,066	113,611	71,455
Debt Service	6,271	6,271	0
Non-Expendable Trust	<u>99</u>	<u>0</u>	<u>99</u>
Total	<u>\$ 281,711</u>	<u>\$ 164,767</u>	<u>\$ 116,944</u>

**WILLS TOWNSHIP
GUERNSEY 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	\$ 33,806	\$ 41,481	\$ 7,675
Special Revenue	160,847	194,732	33,885
Debt Service	750	750	0
Non-Expendable Trust	80	65	(15)
Total	\$ 195,483	\$ 237,028	\$ 41,545

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 65,836	\$ 47,698	\$ 18,138
Special Revenue	250,863	201,106	49,757
Debt Service	0	743	(743)
Non-Expendable Trust	281	250	31
Total	\$ 316,980	\$ 249,797	\$ 67,183

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Township 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.

**WILLS TOWNSHIP
GUERNSEY COUNTY**

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

5. DEBT

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
General Obligation Note	\$20,000	5%
Total	\$20,000	

This general obligation note was issued to finance the purchase of a new backhoe to be used for Township road maintenance.

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

Year ending December 31:	General Obligation Notes
2001	6,000
2002	5,750
2003	5,500
2004	5,250
Total	\$22,500

6. RETIREMENT SYSTEMS

The Township's employees, as well as elected officials, belong to a Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. These plans provide 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% of participants' gross salaries through June 30, 2000. For the period July 1, 2000 through December 31, 2000, PERS temporarily reduced the employer's contribution rate to 8.13% of participants gross salaries. The Township has paid all contributions required through December 31, 2000.

7. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

The Township also provides health and life insurance to its officials and full-time employees through a private carrier.

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

Wills Township
Guernsey County
63371 Range Road
Lore City, Ohio 43755

To the Board of Trustees:

We have audited the accompanying financial statements of Wills Township, Guernsey County, Ohio (the Township), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated March 27, 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 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 27, 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 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 March 27, 2001.

Wills Township
Guernsey 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 27, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

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WILLS TOWNSHIP

GUERNSEY 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 22, 2001**