



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**BELPRE TOWNSHIP
WASHINGTON COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Belpre Township
Washington County
P.O. Box 156
Little Hocking, Ohio 45742

To the Board of Trustees:

We have audited the accompanying financial statements of Belpre Township, Washington County, Ohio (the Township), as of and for the years ended December 31, 2001 and 2000. 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 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 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 of Belpre Township, Washington County, as of December 31, 2001 and 2000, 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 26, 2002, 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.

Belpre Township
Washington 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 Section 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 26, 2002

**BELPRE TOWNSHIP
WASHINGTON 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, 2001**

	<u>Governmental Fund Types</u>					Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Fiduciary Funds</u>	
Cash Receipts:						
Local Taxes	\$ 73,889	\$ 515,170	\$ 22,500	\$	\$	\$ 611,559
Intergovernmental	52,205	85,504				137,709
Charges for Services		2,000				2,000
Licenses, Permits, and Fees	22,925					22,925
Earnings on Investments	15,609	1,764			324	17,697
Other Revenue	4,093	19,618		18,522		42,233
Total Cash Receipts	168,721	624,056	22,500	18,522	324	834,123
Cash Disbursements:						
Current:						
General Government	92,773					92,773
Public Safety		24,724				24,724
Public Works		484,531				484,531
Health	52,248	6,776				59,024
Conservation - Recreation	835					835
Debt Service:						
Redemption of Principal			22,000			22,000
Interest and Fiscal Charges			680			680
Capital Outlay	28,000	86,483				114,483
Total Cash Disbursements	173,856	602,514	22,680	0	0	799,050
Total Cash Receipts Over/(Under) Cash Disbursements	(5,135)	21,542	(180)	18,522	324	35,073
Other Financing Receipts and (Disbursements):						
Other Sources					135,450	135,450
Other Uses	0	0	0	0	(70,584)	(70,584)
Total Other Financing Receipts/(Disbursements)	0	0	0	0	64,866	64,866
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(5,135)	21,542	(180)	18,522	65,190	99,939
Fund Cash Balances, January 1	70,969	485,176	180	0	11,362	567,687
Fund Cash Balances, December 31	\$ 65,834	\$ 506,718	\$ 0	\$ 18,522	\$ 76,552	\$ 667,626

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

**BELPRE TOWNSHIP
WASHINGTON 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>Debt Service</u>	<u>Fiduciary Funds</u>	
Cash Receipts:					
Local Taxes	\$ 62,241	\$ 416,884	\$ 43,909	\$	\$ 523,034
Intergovernmental	71,588	84,008			155,596
Charges for Services		3,000			3,000
Licenses, Permits, and Fees	29,900				29,900
Earnings on Investments	12,768	1,680		292	14,740
Other Revenue		19,851			19,851
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	176,497	525,423	43,909	292	746,121
Cash Disbursements:					
Current:					
General Government	103,020				103,020
Public Safety		20,116			20,116
Public Works		375,415			375,415
Health	59,797	7,476			67,273
Conservation - Recreation	5,144				5,144
Debt Service:					
Redemption of Principal			42,000		42,000
Interest and Fiscal Charges			1,729		1,729
Capital Outlay	35,055	3,000			38,055
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	203,016	406,007	43,729	0	652,752
Total Cash Receipts Over/(Under) Cash Disbursements	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	(26,519)	119,416	180	292	93,369
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	97,488	365,760	0	11,070	474,318
Fund Cash Balances, December 31	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 70,969	\$ 485,176	\$ 180	\$ 11,362	\$ 567,687

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

**BELPRE TOWNSHIP
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Belpre Township, Washington 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, and fire protection 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

All cash assets are maintained in an interest-bearing checking account. There were no other investments held by the Township.

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 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.

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

**BELPRE TOWNSHIP
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

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

Fire District Fund – This fund receives property tax money for maintaining the Township's fire department.

3. Debt Service Fund

The Debt Service Fund is used to accumulate resources for the payment of bonds and note indebtedness. The Township had the following Debt Service Fund:

Equipment Note Fund – This fund was established to service the debt requirements incurred from the purchase of a fire truck.

4. Capital Projects Fund

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Township had the following Capital Projects Fund:

Issue II Fund – The Township received a grant from the State of Ohio to repair and/or replace various roads and bridges. The project also involved Barlow Township, Dunham Township and Washington County. This fund accounts for the Township's share of this project.

5. 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 had the following significant Fiduciary Funds:

Cemetery Bequest Fund – This fund accounts for the principal and interest received from contributions made for cemetery maintenance. This fund is classified as a Nonexpendable Trust Fund.

Issue II Fund – This fund accounts for the proceeds received from Barlow Township, Dunham Township and Washington County for their shares of the road project. This fund is classified as an Agency Fund.

E. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

**BELPRE TOWNSHIP
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

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. 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 2001 and 2000 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. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's basis of accounting.

2. EQUITY IN POOLED CASH

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:

	2001	2000
Demand deposits	<u>\$ 667,626</u>	<u>\$ 567,687</u>

Deposits: Deposits are either (1) insured by the Federal Deposit Insurance Corporation, or (2) collateralized by securities specifically pledged by the financial institution to the Township.

**BELPRE TOWNSHIP
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity (except for certain agency funds) for the years ending December 31, 2001 and 2000, follows:

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 152,194	\$ 168,721	\$ 16,527
Special Revenue	569,824	624,056	54,232
Debt Service	23,138	22,500	(638)
Capital Projects	18,522	18,522	0
Fiduciary	303	324	21
Total	<u>\$ 763,981</u>	<u>\$ 834,123</u>	<u>\$ 70,142</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 229,528	\$ 173,856	\$ 55,672
Special Revenue	1,036,957	602,514	434,443
Debt Service	23,318	22,680	638
Capital Projects	18,522	0	18,522
Fiduciary	9,165	0	9,165
Total	<u>\$ 1,317,490</u>	<u>\$ 799,050</u>	<u>\$ 518,440</u>

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 151,723	\$ 176,497	\$ 24,774
Special Revenue	480,382	525,423	45,041
Debt Service	48,000	43,909	(4,091)
Fiduciary	303	292	(11)
Total	<u>\$ 680,408</u>	<u>\$ 746,121</u>	<u>\$ 65,713</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 249,166	\$ 203,016	\$ 46,150
Special Revenue	852,517	406,007	446,510
Debt Service	48,000	43,729	4,271
Fiduciary	11,373	0	11,373
Total	<u>\$ 1,161,056</u>	<u>\$ 652,752</u>	<u>\$ 508,304</u>

**BELPRE TOWNSHIP
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(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. RETIREMENT SYSTEMS

The Township's elected officials and 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 2001 and 2000, members of PERS contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13%, effective July 1, 2000 through December 31, 2000. The Township has paid all contributions required through December 31, 2001.

6. RISK MANAGEMENT

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

- General liability and casualty;
- Vehicles;
- Property; and
- Public officials' liability.

The Township also provides healthcare insurance to full-time employees and elected officials through a private carrier.

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

Belpre Township
Washington County
P.O. Box 156
Little Hocking, Ohio 45742

To the Board of Trustees:

We have audited the accompanying financial statements of Belpre Township, Washington County, Ohio (the Township), as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated March 26, 2002. 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 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 2001-41084-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated March 26, 2002.

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 March 26, 2002.

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

This report is intended solely 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 26, 2002

**BELPRE TOWNSHIP
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2001 AND 2000**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

Finding Number 2001-41084-001

Finding for Adjustment

Ohio Rev. Code Section 505.24 states that the Township Trustees shall be paid from the Township General Fund or from such other Township funds in such proportions as the Board may specify by resolution. The salary resolution must allocate the salary distribution from various funds in the same proportion as the Trustees' service bears to the activities supported by such funds, as determined by the Board.

During our audit, we noted that the Trustees were paid a combined total of \$27,100 in 2001 and \$25,461 in 2000. For 2001, 81% of the Trustees' salaries were paid from the Road and Bridge Fund and 19% were paid from the Cemetery Fund. For 2000, 91% of the Trustee's salaries were paid from the Road and Bridge Fund and 9% were paid from the Cemetery Fund. There was no resolution in effect which indicated that Trustees' salaries should be paid from any fund other than the General Fund.

The Trustees' believed that at least 25% of their salaries should be paid from the General Fund, 25% from the Cemetery Fund, and 50% from the Road and Bridge Fund, based upon the estimated level of service provided by the Trustees during the audit period. Based upon this percentage, a combined total of \$6,775 in 2001 and \$6,365 in 2000 should have been paid from the General Fund, and a combined total of \$1,749 in 2001 and \$4,190 in 2000 should have been paid from the Cemetery Fund.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 505.24, a Finding for Adjustment for monies illegally expended is hereby issued against the General and Cemetery Funds in the amount of \$13,140 and \$5,939, respectively, and in favor of the Road and Bridge Fund as of December 31, 2001.

Although these adjustments are reflected in the accompanying financial statements, the Township has not recorded them in their books and records until after the audit period. The Trustees adopted a retroactive resolution for these amounts in their February 2002 meeting.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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BELPRE TOWNSHIP

WASHINGTON 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 9, 2002**