



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**CROSBY TOWNSHIP
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REPORT OF INDEPENDENT ACCOUNTANTS

Crosby Township
Hamilton County
8910 Willey Road
Harrison, Ohio 45030

To the Board of Trustees:

We have audited the accompanying financial statements of Crosby Township, Hamilton County, Ohio (the Township), as of and for the years ended December 31, 1999 and 1998. 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, 1999 and 1998, 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 August 25, 2000, 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.

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.

A handwritten signature in black ink, appearing to read "Jim Petro".

Jim Petro
Auditor of State

August 25, 2000

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**CROSBY TOWNSHIP
 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**

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Fiduciary Funds	
Cash Receipts:				
Local Taxes	\$144,954	\$173,416	\$0	\$318,370
Intergovernmental	75,088	70,161		145,249
Charges for Services	5,676	7,901		13,577
Licenses, Permits, and Fees		3,500		3,500
Fines, Forfeitures, and Penalties	67			67
Earnings on Investments	31,417	12,627		44,044
Other Revenue	13,057	26,215		39,272
	270,259	293,820	0	564,079
Cash Disbursements:				
Current:				
General Government	121,302	2,514		123,816
Public Safety	9,423	167,876		177,299
Public Works	9,729	54,986		64,715
Health	4,217			4,217
Conservation - Recreation	1,365			1,365
Debt Service:				
Redemption of Principal	44,444	16,521		60,965
Interest and Fiscal Charges	20,060	2,385		22,445
Capital Outlay	306,151			306,151
	516,691	244,282	0	760,973
Total Receipts Over/(Under) Disbursements	(246,432)	49,538	0	(196,894)
Other Financing Receipts/(Disbursements):				
Other Sources	16,003			16,003
Other Uses		(243)	(1,500)	(1,743)
	16,003	(243)	(1,500)	14,260
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(230,429)	49,295	(1,500)	(182,634)
Fund Cash Balances, January 1	757,334	418,294	1,500	1,177,128
Fund Cash Balances, December 31	\$526,905	\$467,589	\$0	\$994,494
Reserve for Encumbrances, December 31	\$7,684	\$37,744	\$0	\$45,428

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

**CROSBY TOWNSHIP
 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, 1998**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Fiduciary Funds</u>	
Cash Receipts:				
Local Taxes	\$152,717	\$172,622	\$0	\$325,339
Intergovernmental	48,053	73,811		121,864
Charges for Services	5,478	5,997		11,475
Licenses, Permits, and Fees		3,094		3,094
Fines, Forfeitures, and Penalties	94			94
Earnings on Investments	30,885	11,722		42,607
Other Revenue	7,091	2,523		9,614
	<u>244,318</u>	<u>269,769</u>	<u>0</u>	<u>514,087</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
General Government	99,282	2,575		101,857
Public Safety	11,807	166,142		177,949
Public Works	8,397	36,606		45,003
Health	4,083			4,083
Conservation - Recreation	1,618			1,618
Capital Outlay	349,533	82,212		431,745
	<u>474,720</u>	<u>287,535</u>	<u>0</u>	<u>762,255</u>
Total Cash Disbursements				
Total Receipts Over/(Under) Disbursements	<u>(230,402)</u>	<u>(17,766)</u>	<u>0</u>	<u>(248,168)</u>
Other Financing Receipts/(Disbursements):				
Proceeds from Sale of Notes	400,000	49,564		449,564
Transfers-In		1,000		1,000
Transfers-Out	(1,000)			(1,000)
Other Sources	800	19	1,500	2,319
Other Uses			(1,500)	(1,500)
	<u>399,800</u>	<u>50,583</u>	<u>0</u>	<u>450,383</u>
Total Other Financing Receipts/(Disbursements)				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	169,398	32,817	0	202,215
Fund Cash Balances, January 1	<u>587,936</u>	<u>385,477</u>	<u>1,500</u>	<u>974,913</u>
Fund Cash Balances, December 31	<u>\$757,334</u>	<u>\$418,294</u>	<u>\$1,500</u>	<u>\$1,177,128</u>
Reserve for Encumbrances, December 31	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

**CROSBY TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Crosby Township, Hamilton County, Ohio (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. The Township contracts with the Hamilton County Sheriff's Department to provide security of persons and property.

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. The investment in STAROhio (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:

Fire District Fund - This fund receives property tax money to provide fire and rescue services to the residents of the Township.

Fire Fighter EMT Fund - This fund receives property tax money to provide emergency medical services to the residents of the Township.

CROSBY TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Agency Fund

These funds are those for which the Township is acting in an agency capacity are classified as agency funds. The Township had the following Agency Fund:

Street Bonds Fund - This fund receives monies from owners or builders prior to construction to cover possible damage to street, curbs, utilities, etc. If no damage occurs through completion of the project, the Township refunds the amount in full.

E. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) 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. 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. There were no material outstanding encumbrances at December 31, 1998.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

G. Unpaid Vacation and Sick/Personal Leave

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

CROSBY TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Ohio Revised Code prescribes allowable deposits and investments. The Township maintains a cash and investments pool used by all funds. The carrying amount of cash and investments at December 31 follows:

	<u>1999</u>	<u>1998</u>
Demand deposits	\$ 396,174	\$ 604,323
Certificates of deposit	<u>463,128</u>	<u>444,209</u>
Total deposits	859,302	1,048,532
 STAROhio	 <u>135,192</u>	 <u>128,596</u>
Total deposits and investments	<u>\$ 994,494</u>	<u>\$ 1,177,128</u>

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 STAROhio are not evidenced by securities that exist in physical or book-entry form.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 215,540	\$ 286,262	\$ 70,722
Special Revenue	294,767	293,820	\$ (947)
Fiduciary	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$ 510,307</u>	<u>\$ 580,082</u>	<u>\$ 69,775</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 878,027	\$ 524,375	\$ 353,652
Special Revenue	604,000	282,269	321,731
Fiduciary	<u>1,500</u>	<u>1,500</u>	<u>0</u>
Total	<u>\$ 1,483,527</u>	<u>\$ 808,144</u>	<u>\$ 675,383</u>

CROSBY TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

3. BUDGETARY ACTIVITY (Continued)

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 213,442	\$ 645,118	\$ 431,676
Special Revenue	258,778	320,352	61,574
Fiduciary	0	1,500	1,500
Total	<u>\$ 472,220</u>	<u>\$ 966,970</u>	<u>\$ 494,750</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 806,471	\$ 475,720	\$ 330,751
Special Revenue	639,158	287,535	351,623
Fiduciary	1,500	1,500	0
Total	<u>\$ 1,447,129</u>	<u>\$ 764,755</u>	<u>\$ 682,374</u>

4. PROPERTY TAX

Real property tax becomes a lien on January 1 preceding the October 1 date for which rates are adopted by the 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 a semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

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 fire department personnel belong to the Police & Firemen's Disability & Pension Funds (PFDPF). Other full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including post-retirement 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 1999 and 1998, PFDPF members contributed 10% of their gross salaries. The Township contributed an amount equal to 19.5% of participants' gross salaries. PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55%. The Township has paid all contributions required through December 31, 1999.

**CROSBY TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

6. 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 insurance, life insurance, and dental coverage to full-time employees through a private carrier.

7. DEBT

Debt outstanding at December 31, 1999, was as follows:

	Principal	Interest Rate
Senior Center Building Notes	\$355,556	5.10%
Fire Vehicle Notes	33,043	5.28%
Total	\$388,599	

The notes identified above were issued in 1998 for the construction of a building and purchase of a fire vehicle. The notes will be paid as indicated in the schedule below.

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

Year ending December 31:	Senior Center Notes	Fire Vehicle Notes
2000	\$ 62,577	\$18,266
2001	60,311	17,393
2002	58,044	0
2003	55,777	0
Subsequent	200,443	0
Total	\$437,152	\$35,659

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

Crosby Township
Hamilton County
8910 Willey Road
Harrison, Ohio 45030

To the Board of Trustees:

We have audited the accompanying financial statements of Crosby Township, Hamilton County, Ohio (the Township), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated August 25, 2000. 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 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 a certain immaterial instance of noncompliance that we have reported to management of the Township in a separate letter dated August 25, 2000.

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 material weaknesses. A material weakness is a condition in which the *design or operation of one or more of the internal 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 does not require inclusion in this report that we have reported to management of the Township in a separate letter dated August 25, 2000.

This report is intended for the information and use of Township management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

August 25, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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CROSBY TOWNSHIP

HAMILTON 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
SEPTEMBER 12, 2000**