



**JIM PETRO**  
**AUDITOR OF STATE**  

---

**STATE OF OHIO**



HAMILTON TOWNSHIP  
FRANKLIN COUNTY

TABLE OF CONTENTS

<b>TITLE</b>	<b>PAGE</b>
Report of Independent Accountants .....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types For the Year Ended December 31, 2000 .....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types For the Year Ended December 31, 1999 .....	4
Notes to the Financial Statements .....	5
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	11

**This Page Intentionally Left Blank**



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street  
Columbus, Ohio 43215  
Telephone 614-466-3402  
800-443-9275  
Facsimile 614-728-7199  
www.auditor.state.oh.us

## REPORT OF INDEPENDENT ACCOUNTANTS

Hamilton Township  
Franklin County  
6400 Lockbourne Road  
Lockbourne, Ohio 43137

To the Board of Trustees:

We have audited the accompanying financial statements of Hamilton Township, Franklin County, Ohio, (the Township) as of and for the years ended December 31, 2000 and December 31, 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 December 31, 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 5, 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 the 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 5, 2001

**HAMILTON TOWNSHIP  
FRANKLIN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Local Taxes	\$139,074	\$1,894,558	\$2,033,632
Intergovernmental	355,712	204,159	559,871
Licenses, Permits, and Fees	6,837	0	6,837
Fines and Forfeitures	16,488	0	16,488
Earnings on Investments	122,441	5,033	127,474
Other Revenue	55,088	12,652	67,740
	<u>695,640</u>	<u>2,116,402</u>	<u>2,812,042</u>
Total Cash Receipts			
<b>Cash Disbursements:</b>			
Current:			
General Government	282,066	0	282,066
Public Safety	0	1,702,202	1,702,202
Public Works	66,334	148,571	214,905
Health	20,696	0	20,696
Conservation - Recreation	4,739	0	4,739
Debt Service:			
Redemption of Principal	0	33,631	33,631
Interest and Fiscal Charges	0	11,375	11,375
Capital Outlay	317,045	34,853	351,898
	<u>690,880</u>	<u>1,930,632</u>	<u>2,621,512</u>
Total Cash Disbursements			
Total Receipts Over/(Under) Disbursements	<u>4,760</u>	<u>185,770</u>	<u>190,530</u>
Fund Cash Balances, January 1, 2000	<u>1,150,714</u>	<u>1,088,443</u>	<u>2,239,157</u>
<b>Fund Cash Balances, December 31, 2000</b>	<b><u>\$1,155,474</u></b>	<b><u>\$1,274,213</u></b>	<b><u>\$2,429,687</u></b>
Reserve for Encumbrances, December 31, 2000	<u>\$281</u>	<u>\$2,635</u>	<u>\$2,916</u>

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

**HAMILTON TOWNSHIP  
FRANKLIN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Local Taxes	\$108,310	\$1,609,078	\$1,717,388
Intergovernmental	309,033	176,517	485,550
Fines and Forfeitures	14,712	0	14,712
Earnings on Investments	94,186	5,685	99,871
Other Revenue	56,880	4,847	61,727
	<u>583,121</u>	<u>1,796,127</u>	<u>2,379,248</u>
<b>Total Cash Receipts</b>			
	<u>583,121</u>	<u>1,796,127</u>	<u>2,379,248</u>
<b>Cash Disbursements:</b>			
Current:			
General Government	250,555	0	250,555
Public Safety	0	1,563,649	1,563,649
Public Works	80,596	133,996	214,592
Health	12,515	0	12,515
Conservation - Recreation	4,795	0	4,795
Debt Service:			
Redemption of Principal	31,727	6,550	38,277
Interest and Fiscal Charges	13,279	485	13,764
Capital Outlay	189,364	66,964	256,328
	<u>582,831</u>	<u>1,771,644</u>	<u>2,354,475</u>
<b>Total Cash Disbursements</b>			
	<u>582,831</u>	<u>1,771,644</u>	<u>2,354,475</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>290</u>	<u>24,483</u>	<u>24,773</u>
Fund Cash Balances, January 1, 1999	<u>1,150,424</u>	<u>1,129,576</u>	<u>2,280,000</u>
<b>Fund Cash Balances, December 31, 1999</b>	<u><b>\$1,150,714</b></u>	<u><b>\$1,154,059</b></u>	<u><b>\$2,304,773</b></u>
Reserve for Encumbrances, December 31, 1999	<u>\$281</u>	<u>\$2,635</u>	<u>\$2,916</u>

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



**HAMILTON TOWNSHIP  
FRANKLIN COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Hamilton Township, Franklin 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, fire protection and emergency medical services. The Township contracts with the Franklin 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**

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. The repurchase agreement is valued at cost.

**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 for providing security of persons and property for township residents.

**HAMILTON TOWNSHIP  
FRANKLIN COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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. 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.

**HAMILTON TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE GENERAL PURPOSE 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	(\$5,313)	\$105,773
Repurchase Agreement	<u>2,435,000</u>	<u>2,199,000</u>
Total deposits and investments	<u><u>\$2,429,687</u></u>	<u><u>\$2,304,773</u></u>

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ended 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	\$677,163	\$695,640	\$18,477
Special Revenue	<u>2,104,916</u>	<u>2,116,402</u>	<u>11,486</u>
Total	<u><u>\$2,782,079</u></u>	<u><u>\$2,812,042</u></u>	<u><u>\$29,963</u></u>

**2000 Budgeted vs. Actual Budgetary Basis Expenditures**

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$1,034,281	\$691,161	\$343,120
Special Revenue	<u>2,457,135</u>	<u>1,933,267</u>	<u>523,868</u>
Total	<u><u>\$3,491,416</u></u>	<u><u>\$2,624,428</u></u>	<u><u>\$866,988</u></u>

**HAMILTON TOWNSHIP  
FRANKLIN COUNTY**

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

**3. BUDGETARY ACTIVITY (Continued)**

**1999 Budgeted vs. Actual Receipts**

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$513,787	\$583,121	\$69,334
Special Revenue	1,938,537	1,796,127	(142,410)
Total	<u>\$2,452,324</u>	<u>\$2,379,248</u>	<u>(\$73,076)</u>

**1999 Budgeted vs. Actual Budgetary Basis Expenditures**

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$1,013,300	\$583,112	\$430,188
Special Revenue	2,275,404	1,774,279	501,125
Total	<u>\$3,288,704</u>	<u>\$2,357,391</u>	<u>\$931,313</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.

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.

**HAMILTON TOWNSHIP  
FRANKLIN COUNTY**

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

**5. DEBT**

Debt outstanding at December 31, 2000 was as follows:

	<b>Principal</b>	<b>Interest Rate</b>
Capital Lease (Fire Truck)	\$155,950	6%
Total	\$155,950	

The Township entered into a lease agreement with Banc One Leasing Corporation for the purchase of a fire truck in September 1996. The lease is being repaid in annual installments of \$45,006 at a 6% interest rate.

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

<b>Year ending December 31:</b>	<b>Capital Lease (Fire Truck)</b>
2001	\$45,006
2002	45,006
2003	45,006
2004	45,006
Total	\$180,024

**6. RETIREMENT SYSTEMS**

The Township's certified Fire Fighters belong to the Police and Firemen's Disability and Pension Funds (PFDPF). Other 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 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, the Township contributed the member contribution of 10% of gross wages to the PFDPF. The Township contributed an amount equal to 24% of their wages. PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% for 1999 and 10.84% for 2000 of participants' gross salaries. The Township has paid all contributions required through December 31, 2000.

**HAMILTON TOWNSHIP  
FRANKLIN COUNTY**

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

**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

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

**8. CONTINGENT LIABILITIES**

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

**9. CORRECTION OF ERROR AND RESTATEMENT OF BALANCES**

The Clerk of the Township corrected an error that occurred in prior years on January 1, 2000. The December 31, 1999 special revenue balance of \$ 1,154,060 was restated to \$1,088,443 as of January 1, 2000. The adjustment of \$65,615 was the correction of a payroll liability due to PERS.



STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

35 North Fourth Street  
Columbus, Ohio 43215  
Telephone 614-466-3402  
800-443-9275  
Facsimile 614-728-7199  
www.auditor.state.oh.us

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

Hamilton Township  
Franklin County  
6400 Lockbourne Road  
Lockbourne, Ohio 43137

To the Board of Trustees:

We have audited the accompanying financial statements of Hamilton Township, Franklin County, Ohio (the Township), as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated March 5, 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 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 5, 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. 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 5, 2001.

Hamilton Township  
Franklin 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 5, 2001





STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**HAMILTON TOWNSHIP**

**FRANKLIN 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 10, 2001**