

CIRCLEVILLE TOWNSHIP

PICKAWAY COUNTY, OHIO

AUDITED FINANCIAL STATEMENTS

JANUARY 1, 2003 – DECEMBER 31, 2003



**Auditor of State
Betty Montgomery**

Board of Trustees
Circleville Township, Pickaway County
934 D. Washington St.
P.O. Box 121
Circleville, OH 43113-0121

We have reviewed the *Report of Independent Accountants* of Circleville Township, Pickaway County, prepared by Vanessa L. Blevins, CPA, for the audit period January 1, 2003 through December 31, 2003. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Circleville Township, Pickaway County is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

August 8, 2006

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Vanessa L. Blevins, CPA

777 W. Elm Street
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**CIRCLEVILLE TOWNSHIP
PICKAWAY COUNTY, OHIO**

JANUARY 1, 2003 TO DECEMBER 31, 2003

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REPORT OF INDEPENDENT ACCOUNTANTS

Circleville Township
Pickaway County
934 South Washington Street
P.O. Box 121
Circleville, Ohio 43113

To the Board of Township Trustees:

We have audited the accompanying financial statements of Circleville Township, Pickaway County, Ohio, (the Township) as of and for the year ended December 31, 2003. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audits to reasonably assure 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 accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Circleville Township, Pickaway County, Ohio, as December 31, 2003, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 2005 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 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.

Vanessa L. Blevins
Certified Public Accountant

September 10, 2005

**CIRCLEVILLE TOWNSHIP
PICKAWAY COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES- ALL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Governmental Funds</u>		<u>Fiduciary</u>	<u>Total</u> (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Funds Expendable Trust</u>	
Cash receipts:				
Taxes	\$ 60,725	\$ 170,092	\$ -	\$ 230,817
Intergovernmental	30,059	85,276	-	115,335
Special Assessments	-	4,664	-	4,664
Fines, licenses, and permits	-	7,224	-	7,224
Interest Revenue	5,928	762	2	6,692
Miscellaneous	15,736	-	400	16,136
	<hr/>			
Total cash receipts	112,448	268,017	402	380,867
	<hr/>			
Cash disbursements:				
Current:				
Public safety	32,230	58,131	-	90,361
Public health services	11,117	-	-	11,117
Public Works	-	131,727	-	131,727
Conservation- Recreation	545	12,724	-	13,269
General government	75,395	4,800	-	80,194
Capital outlay	2,575	219	-	2,794
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Total cash disbursements	121,862	207,600	-	329,462
	<hr/>			
Total receipts over/(under) disbursements	(9,414)	60,417	402	51,405
	<hr/>			
Other Financing Sources (Uses)				
Other Financing Sources	496	-	-	496
	<hr/>			
Total Other Financing Sources (Uses)	496	-	-	496
	<hr/>			
Total of Receipts and Other Sources Over (Under) Disbursements and Other Uses	(8,919)	60,417	402	51,900
	<hr/>			
Fund cash balances, January 1, 2003	276,777	359,995	2,600	639,373
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Fund cash balances, December 31, 2003	267,859	420,412	3,002	691,273
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See accompanying notes the basic financial statements.

**CIRCLEVILLE TOWNSHIP
PICKAWAY COUNTY, OHIO**

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Circleville Township, Pickaway 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. The Township provides general governmental services, including street maintenance and cemetery management. The Township also contracts out for emergency medical services, fire and police protection.

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.

Certificates of deposit are 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:

General Fund - The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

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:

**CIRCLEVILLE TOWNSHIP
PICKAWAY COUNTY, OHIO**

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(continued)

Motor Vehicle License Fund - This fund receives tax money for maintaining and repairing Township roads.

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

Fire District Fund - This fund receives property tax money to pay for fire protection of the Township.

Capital Projects Fund - Capital Projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities..

Fiduciary Funds (Expendable Trust Fund) - Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Township to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. Other trust funds are classified as expendable. Funds for which the Township is acting in an agency capacity are classified as agency funds. The Township had the following significant fiduciary funds:

M. Brown Expendable Trust for the Blind - This fund receives proceeds from interest earned on principal to be used for assisting blind citizens.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

Apropriations - 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 must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

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.

Encumbrances - The Ohio Revised Code requires the Township to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2003 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.

**CIRCLEVILLE TOWNSHIP
PICKAWAY COUNTY, OHIO**

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31,2003
(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>2003</u>
Demand deposits	\$ 95,102
Certificates of deposit	250,000
Other Investments	<u>346,171</u>
Total deposits	<u><u>\$ 691,272</u></u>

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 year ending December 31, 2003 was as follows:

**CIRCLEVILLE TOWNSHIP
PICKAWAY COUNTY, OHIO**

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(continued)

2003 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 106,504	\$ 112,943	\$ 6,439
Special Revenue	219,635	268,017	48,382
Expendable Trust	400	402	2
Total	<u>\$ 326,539</u>	<u>\$ 381,362</u>	<u>\$ 54,823</u>

2003 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 369,700	\$ 121,862	\$ 247,838
Special Revenue	525,650	207,600	318,050
Expendable Trust	2,600	-	2,600
Capital Projects			-
Total	<u>\$ 897,950</u>	<u>\$ 329,462</u>	<u>\$ 568,488</u>

4. PROPERTY TAX

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

**CIRCLEVILLE TOWNSHIP
PICKAWAY COUNTY, OHIO**

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(continued)

5. RETIREMENT SYSTEMS

The Township's full-time 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 2003, PERS members contributed 8.5 percent of their gross salaries. The Township contributed an amount equal to 13.55 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2003.

6. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

- General liability
- Public Officials Liability
- Automobile Liability, Comprehensive and Collision
- Property Coverage

The Township provides health coverages for an official through a private carrier or reimburse those officials covered under another plan.

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS

Circleville Township
Pickaway County
934 South Washington Street
P.O. Box 121
Circleville, Ohio 43113

To the Board of Township Trustees:

We have audited the financial statements of Circleville Township, Pickaway County, Ohio (the Township) as of and for the years ended December 31, 2003, which collectively comprise the Township's basic financial statements and have issued our report thereon dated September 10, 2005, wherein we noted that the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. 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 the Comptroller General of the United States' *Government Auditing Standards*.

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 to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when 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.

COMPLIANCE

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could directly and materially effect 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 an opinion. The results of our tests disclosed no instance of noncompliance that is required to be reported under *Government Auditing Standards*.

We intend this report solely for the information and use of the audit committee, management, and the Board of Trustees. It is not intended for anyone other than these specified parties.

Vanessa L. Blevins
Certified Public Accountant

September 10, 2005



**Auditor of State
Betty Montgomery**

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CIRCLEVILLE TOWNSHIP

PICKAWAY 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
AUGUST 22, 2006**