



**TRENTON TOWNSHIP
DELAWARE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999 - 1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

TRENTON TOWNSHIP
DELAWARE COUNTY

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Report of Independent Accountants	1
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	3
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	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

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REPORT OF INDEPENDENT ACCOUNTANTS

Trenton Township
Delaware County
15495 Hartford Road
Sunbury, Ohio 43074

To the Board of Trustees:

We have audited the accompanying financial statements of Trenton Township, Delaware County, Ohio, (the Township) as of and for the years ended December 31, 1999, and December 31, 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 audits.

We conducted our audits 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 audits 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 audits provide 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 Trenton Township, Delaware County, Ohio as of December 31, 1999, and December 31, 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 April 21, 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 the Township's 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.

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

JIM PETRO
Auditor of State

April 21, 2000

**TRENTON TOWNSHIP
DELAWARE 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, 1999**

	<u>Governmental Fund Types</u>			<u>Fiduciary</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Expendable Trust</u>	
Cash Receipts:					
Local Taxes	\$88,194	\$0	\$0	\$0	\$88,194
Intergovernmental	297,197	75,369	0	0	372,566
Licenses, Permits, and Fees	30,309	0	0	0	30,309
Earnings on Investments	8,543	1,031	0	18	9,592
Other Revenue	10,733	2,000	0	0	12,733
Total Cash Receipts	<u>434,976</u>	<u>78,400</u>	<u>0</u>	<u>18</u>	<u>513,394</u>
Cash Disbursements:					
Current:					
General Government	87,986	0	0	0	87,986
Public Works		66,580	0	0	66,580
Health	15,469	0	0	20	15,489
Debt Service:					
Redemption of Principal	0	0	134,600	0	134,600
Interest and Fiscal Charges	0	0	1,368	0	1,368
Capital Outlay	27,952	28,330	0	0	56,282
Total Cash Disbursements	<u>131,407</u>	<u>94,910</u>	<u>135,968</u>	<u>20</u>	<u>362,305</u>
Total Receipts Over/(Under) Disbursements	<u>303,569</u>	<u>(16,510)</u>	<u>(135,968)</u>	<u>(2)</u>	<u>151,089</u>
Other Financing Receipts/(Disbursements):					
Transfers-In	0	0	135,968	0	135,968
Advances-In	4,557	5,431	0	0	9,988
Transfers-Out	(135,968)	0	0	0	(135,968)
Advances-Out	(5,431)	(4,557)	0	0	(9,988)
Other Uses	(8,505)	0	0	0	(8,505)
Total Other Financing Receipts/(Disbursements)	<u>(145,347)</u>	<u>874</u>	<u>135,968</u>	<u>0</u>	<u>(8,505)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	158,222	(15,636)	0	(2)	142,584
Fund Cash Balances, January 1	<u>100,579</u>	<u>42,320</u>	<u>0</u>	<u>453</u>	<u>143,352</u>
Fund Cash Balances, December 31	<u><u>\$258,801</u></u>	<u><u>\$26,684</u></u>	<u><u>\$0</u></u>	<u><u>\$451</u></u>	<u><u>\$285,936</u></u>
Reserve for Encumbrances, December 31	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

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

**TRENTON TOWNSHIP
DELAWARE 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, 1998**

	<u>Governmental Fund Types</u>			<u>Fiduciary</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Expendable Trust</u>	
Cash Receipts:					
Local Taxes	\$77,766	\$0	\$0	\$0	\$77,766
Intergovernmental	61,448	61,477	0	0	122,925
Licenses, Permits, and Fees	15,236	0	0	0	15,236
Earnings on Investments	5,184	1,641	0	23	6,848
Other Revenue	4,480	5,600	0	0	10,080
Total Cash Receipts	<u>164,114</u>	<u>68,718</u>	<u>0</u>	<u>23</u>	<u>232,855</u>
Cash Disbursements:					
Current:					
General Government	81,062	0	0	0	81,062
Public Works	0	53,019	0	0	53,019
Health	15,611	0	0	22	15,633
Debt Service:					
Redemption of Principal	0	0	36,200	0	36,200
Interest and Fiscal Charges	0	0	9,582	0	9,582
Capital Outlay	2,051	1,650	0	0	3,701
Total Cash Disbursements	<u>98,724</u>	<u>54,669</u>	<u>45,782</u>	<u>22</u>	<u>199,197</u>
Total Receipts Over/(Under) Disbursements	<u>65,390</u>	<u>14,049</u>	<u>(45,782)</u>	<u>1</u>	<u>33,658</u>
Other Financing Receipts/(Disbursements):					
Transfers-In	0	0	45,782	0	45,782
Transfers-Out	(45,782)	0	0	0	(45,782)
Total Other Financing Receipts/(Disbursements)	<u>(45,782)</u>	<u>0</u>	<u>45,782</u>	<u>0</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>19,608</u>	<u>14,049</u>	<u>0</u>	<u>1</u>	<u>33,658</u>
Fund Cash Balances, January 1	<u>80,970</u>	<u>28,271</u>	<u>0</u>	<u>453</u>	<u>109,694</u>
Fund Cash Balances, December 31	<u><u>\$100,578</u></u>	<u><u>\$42,320</u></u>	<u><u>\$0</u></u>	<u><u>\$454</u></u>	<u><u>\$143,352</u></u>
Reserve for Encumbrances, December 31	<u><u>\$7,601</u></u>	<u><u>\$10,663</u></u>	<u><u>\$0</u></u>	<u><u>\$3</u></u>	<u><u>\$18,267</u></u>

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

**TRENTON TOWNSHIP
DELAWARE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Trenton Township, Delaware 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, including road and bridge maintenance, and cemetery maintenance. The Township contracts with the B.S.G. & T. Fire District to provide fire services and the Delaware County Emergency Services for 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

The Township maintains its cash in a depository account. Repurchase agreements were held at the Delaware County Bank during the period January 1, 1998 through December 31, 1999.

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:

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

**TRENTON TOWNSHIP
DELAWARE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

Motor Vehicle License - This fund receives vehicle registration tax money.

Permissive Tax - This fund receives intergovernmental tax for local government revenue assistance.

3. Debt Service Funds

The debt service fund is used to accumulate resources for the payment of bonds and note indebtedness.

4. Fiduciary Funds (Expendable Trust)

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.

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, 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 re-appropriated.

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 disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**TRENTON TOWNSHIP
DELAWARE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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>1999</u>	<u>1998</u>
Demand deposits	\$5,736	\$8,352
Petty Cash	200	0
Total deposits	5,936	8,352
Repurchase Agreement	280,000	135,000
Total investments	280,000	135,000
Total deposits and investments	\$285,936	\$143,352

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution to the Township, or (3) collateralized by the financial institution's public entity deposit pool.

Investments: Repurchase agreements are held at the Delaware County Bank & Trust.

3. BUDGETARY ACTIVITY

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

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$353,353	\$439,533	\$86,180
Special Revenue	76,819	83,831	7,012
Debt Service	137,700	135,968	(1,732)
Fiduciary	16	18	2
Total	\$567,888	\$659,350	\$91,462

**TRENTON TOWNSHIP
DELAWARE COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$461,533	\$275,880	\$185,653
Special Revenue	126,801	94,910	31,891
Debt Service	137,428	135,968	1,460
Fiduciary	472	20	452
Total	<u>\$726,234</u>	<u>\$506,778</u>	<u>\$219,456</u>

1998 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$133,520	\$164,114	\$30,594
Special Revenue	61,478	68,718	7,240
Debt Service	42,210	45,782	3,572
Fiduciary	16	23	7
Total	<u>\$237,224</u>	<u>\$278,637</u>	<u>\$41,413</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$214,490	\$152,107	\$62,383
Special Revenue	89,749	65,332	24,417
Debt Service	46,210	45,782	428
Fiduciary	469	25	444
Total	<u>\$350,918</u>	<u>\$263,246</u>	<u>\$87,672</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.

**TRENTON TOWNSHIP
DELAWARE COUNTY**

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

4. PROPERTY TAX (Continued)

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

5. DEBT

There is no debt outstanding at December 31, 1999. The Township retired early the debt issued in 1996.

The Township Facility Notes were issued to finance the construction of a new Township Hall. The notes were collateralized solely by the Township's taxing authority. The debt was to be paid over a nine year period, however, the Township had adequate funds during the year ended December 31, 1999 to repay the balance.

6. RETIREMENT SYSTEMS

The Township's 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 1999 and 1998, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 1999.

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 insurance and dental and vision coverage to full-time employees through a private carrier.

8. RELATED PARTY TRANSACTIONS

A Township trustee is the owner of a company from which the Township acquired hauling services during 1998 and 1999. The Township paid \$885 and \$185 for such services for 1999 and 1998 respectively.

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

Trenton Township
Delaware County
15495 Hartford Road
Sunbury, Ohio 43074

To the Board of Trustees:

We have audited the accompanying financial statements of Trenton Township, Delaware County, Ohio (the Township), as of and for the years ended December 31, 1999 and December 31, 1998, and have issued our report thereon dated April 21, 2000. We conducted our audits 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 audits 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 April 21, 2000.

Internal Control Over Financial Reporting

In planning and performing our audits, 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 a matter 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 April 21, 2000.

Trenton Township
Delaware 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 the Township's 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", written in a cursive style.

JIM PETRO
Auditor of State

April 21, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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TRENTON TOWNSHIP

DELAWARE 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
JUNE 1, 2000**