



**TROY TOWNSHIP
DELAWARE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**TROY TOWNSHIP
DELAWARE COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Troy Township
Delaware County
1721 Buttermilk Hill Road
Delaware, Ohio 43015

To the Board of Trustees:

We have audited the accompanying financial statements of Troy Township, Delaware 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 May 29, 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.

Troy Township
Delaware County
Report of Independent Accountants
Page 2

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 § 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

May 29, 2001

**TROY TOWNSHIP
DELAWARE 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>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$64,576	\$0	\$0	\$64,576
Intergovernmental	65,617	62,861	68,334	196,812
Licenses, Permits, and Fees	4,009	5,350	0	9,359
Earnings on Investments	22,398	4,298	0	26,696
Other Revenue	594	6,650	0	7,244
Total Cash Receipts	<u>157,194</u>	<u>79,159</u>	<u>68,334</u>	<u>304,687</u>
Cash Disbursements:				
Current:				
General Government	77,490	0	0	77,490
Public Works	6,299	68,162	0	74,461
Health	5,613	10,000	0	15,613
Capital Outlay	49,396	1,445	137,763	188,604
Total Cash Disbursements	<u>138,798</u>	<u>79,607</u>	<u>137,763</u>	<u>356,168</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>18,396</u>	<u>(448)</u>	<u>(69,429)</u>	<u>(51,481)</u>
Other Financing Receipts/(Disbursements):				
Transfers-In	0	0	600	600
Advances-In	0	0	9,000	9,000
Transfers-Out	(600)	0	0	(600)
Advances-Out	(9,000)	0	0	(9,000)
Total Other Financing Receipts/(Disbursements)	<u>(9,600)</u>	<u>0</u>	<u>9,600</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>8,796</u>	<u>(448)</u>	<u>(59,829)</u>	<u>(51,481)</u>
Fund Cash Balances, January 1, 2000	<u>309,047</u>	<u>116,366</u>	<u>60,001</u>	<u>485,414</u>
Fund Cash Balances, December 31, 2000	<u>\$317,843</u>	<u>\$115,918</u>	<u>\$172</u>	<u>\$433,933</u>
Reserve for Encumbrances, December 31, 2000	<u>\$946</u>	<u>\$1,506</u>	<u>\$0</u>	<u>\$2,452</u>

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

**TROY TOWNSHIP
DELAWARE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES
NON-EXPENDABLE TRUST FUNDS
DECEMBER 31, 2000**

Operating Cash Receipts:	
Interest	\$980
Total Operating Receipts	<u>980</u>
Operating Cash Disbursements:	
Total Operating Cash Disbursements	<u>0</u>
Operating Receipts Over (Under) Operating Disbursements	980
Fund Cash Balances, January 1, 2000	<u>15,287</u>
Fund cash balances, December 31, 2000	<u><u>\$16,267</u></u>

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

**TROY TOWNSHIP
DELAWARE 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>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$54,151	\$0	\$0	\$54,151
Intergovernmental	172,482	63,258	0	235,740
Licenses, Permits, and Fees	2,367	4,059	0	6,426
Earnings on Investments	17,375	3,935	0	21,310
Other Revenue	2,645	2,250	0	4,895
Total Cash Receipts	<u>249,020</u>	<u>73,502</u>	<u>0</u>	<u>322,522</u>
Cash Disbursements:				
Current:				
General Government	72,496	0	0	72,496
Public Works	8,580	71,631	0	80,211
Health	4,940	7,786	0	12,726
Capital Outlay	2,439	5,945	0	8,384
Total Cash Disbursements	<u>88,455</u>	<u>85,362</u>	<u>0</u>	<u>173,817</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>160,565</u>	<u>(11,860)</u>	<u>0</u>	<u>148,705</u>
Other Financing Receipts/(Disbursements):				
Transfers-In	0	0	60,001	60,001
Transfers-Out	(60,001)	0	0	(60,001)
Total Other Financing Receipts/(Disbursements)	<u>(60,001)</u>	<u>0</u>	<u>60,001</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>100,564</u>	<u>(11,860)</u>	<u>60,001</u>	<u>148,705</u>
Fund Cash Balances, January 1, 1999	<u>208,483</u>	<u>128,226</u>	<u>0</u>	<u>336,709</u>
Fund Cash Balances, December 31, 1999	<u>\$309,047</u>	<u>\$116,366</u>	<u>\$60,001</u>	<u>\$485,414</u>
Reserve for Encumbrances, December 31, 1999	<u>\$280</u>	<u>\$3,889</u>	<u>\$160,000</u>	<u>\$164,169</u>

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

**TROY TOWNSHIP
DELAWARE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES
NON-EXPENDABLE TRUST FUNDS
DECEMBER 31, 2000**

Operating Cash Receipts:	
Interest	\$746
Total Operating Receipts	<u>746</u>
Operating Cash Disbursements:	
Total Operating Cash Disbursements	<u>0</u>
Operating Receipts Over (Under) Operating Disbursements	746
Fund cash balances, January 1, 2000	<u>14,541</u>
Fund cash balances, December 31, 2000	<u><u>\$15,287</u></u>

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

**TROY TOWNSHIP
DELAWARE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Troy Township, Delaware 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.

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 investment in STAR Ohio (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:

Cemetery - Receives revenue from lot sales and maintains the Township's cemetery.

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

**TROY TOWNSHIP
DELAWARE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. Capital Projects Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Township had the following significant capital projects funds

Coover Road Issue II Fund- Widening and resurfacing of Township road.

Troutman Road Issue II Fund - The Township received a grant from the State of Ohio to Widen and resurface township road.

4. 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:

Brown Fund, Cunningham Fund, and Pleasant Hill Fund - The Township received these funds by donation/bequest. The interest on these funds can be used for cemetery beautification.

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. 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.

**TROY TOWNSHIP
DELAWARE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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	\$38,502	\$55,093
Total deposits	38,502	55,093
 STAR Ohio	 411,698	 445,608
Total investments	411,698	445,608
Total deposits and investments	\$450,200	\$500,701

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,

Investments: Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2000 and December 31, 1999 follows:

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$142,726	\$157,194	\$14,468
Special Revenue	73,700	79,159	5,459
Capital Projects	0	68,934	68,934
Fiduciary	300	980	680
Total	\$216,726	\$306,267	\$89,541

**TROY TOWNSHIP
DELAWARE COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$238,880	\$140,344	\$98,536
Special Revenue	97,564	81,113	16,451
Capital Project	132,300	137,763	(5,463)
Total	<u>\$468,744</u>	<u>\$359,220</u>	<u>\$109,524</u>

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$238,732	\$249,020	\$10,288
Special Revenue	74,500	73,502	(998)
Capital Projects	128,335	60,001	(68,334)
Fiduciary	350	746	396
Total	<u>\$441,917</u>	<u>\$383,269</u>	<u>(\$58,648)</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$163,556	\$148,736	\$14,820
Special Revenue	130,267	89,251	41,016
Capital Projects	132,300	160,000	(27,700)
Total	<u>\$426,123</u>	<u>\$397,987</u>	<u>\$28,136</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.

**TROY TOWNSHIP
DELAWARE COUNTY**

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

4. PROPERTY TAX (Continued)

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

All employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a 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. PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries in 1999 and 10.84% of participants' gross salaries in 2000. The Township has paid all contributions required through December 31, 2000.

6. RISK MANAGEMENT

A. Risk Pool Membership

The Township belongs to the Ohio Government Risk Management Plan (the "Plan"), an unincorporated non-profit association with over 600 governmental entity members providing a formalized, jointly administered self-insurance risk management program and other administrative services.

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is deemed a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the member's deductible.

The Plan uses conventional insurance coverages and reinsures these coverages 100%, rather than using a risk pool of member funds to pay individual and collective losses. Therefore, the individual members are only responsible for their self-retention (deductible) amounts which vary from member to member.

The Township insures the following risks through this Plan:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

B. Employee Benefits

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

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

Troy Township
Delaware County
1721 Buttermilk Hill Road
Delaware, Ohio 43015

To the Board of Trustees:

We have audited the accompanying financial statements of Troy Township, Delaware 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 May 29, 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 May 29, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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 does not require inclusion in this report, that we have reported to management of the Township in a separate letter dated May 29, 2001.

Troy 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 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

May 29, 2001



STATE OF OHIO
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JIM PETRO, AUDITOR OF STATE

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TROY 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 19, 2001**