



**ORANGE TOWNSHIP
DELAWARE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2001 - 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**ORANGE TOWNSHIP
DELAWARE COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Orange Township
Delaware County
1680 East Orange Road
Lewis Center, Oh 43035

To the Board of Trustees:

We have audited the accompanying financial statements of Orange Township, Delaware County, Ohio (the Township) as of and for the years ended December 31, 2001 and December 31, 2000. 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 *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, 2001 and December 31, 2000, 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 22, 2002 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.

Orange Township
Delaware County
Report of Independent Accountants
Page 2

This report is intended solely for the information and use of 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.

JIM PETRO
Auditor of State

April 22, 2002

**ORANGE TOWNSHIP
DELAWARE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
Cash Receipts:					
Local Taxes	\$801,707	\$3,668,385	\$0	\$0	\$4,470,092
Intergovernmental	208,312	519,531	160,956	0	888,799
Licenses, Permits, and Fees	308,890	3,500	0	0	312,390
Earnings on Investments	221,859	5,688	0	134	227,681
Other Receipts	26,782	27,724	50,000	0	104,506
	<u>1,567,550</u>	<u>4,224,828</u>	<u>210,956</u>	<u>134</u>	<u>6,003,468</u>
Total Cash Receipts					
	<u>1,567,550</u>	<u>4,224,828</u>	<u>210,956</u>	<u>134</u>	<u>6,003,468</u>
Cash Disbursements:					
Current:					
General Government	571,342	0	0	0	571,342
Public Safety	0	1,779,251	0	0	1,779,251
Public Works	188,117	160,937	0	0	349,054
Health	43,579	11,178	0	0	54,757
Conservation - Recreation	0	26,090	0	0	26,090
Capital Outlay	160,233	81,826	227,308	0	469,367
	<u>963,271</u>	<u>2,059,282</u>	<u>227,308</u>	<u>0</u>	<u>3,249,861</u>
Total Cash Disbursements					
	<u>963,271</u>	<u>2,059,282</u>	<u>227,308</u>	<u>0</u>	<u>3,249,861</u>
Total Receipts Over/(Under) Disbursements	<u>604,279</u>	<u>2,165,546</u>	<u>-16,352</u>	<u>134</u>	<u>2,753,607</u>
Other Financing Receipts and (Disbursements):					
Transfers-In	0	43,000	93,782		136,782
Transfers-Out	(136,782)				(136,782)
	<u>(136,782)</u>	<u>43,000</u>	<u>93,782</u>	<u>0</u>	<u>0</u>
Total Other Financing Receipts/(Disbursements)					
	<u>(136,782)</u>	<u>43,000</u>	<u>93,782</u>	<u>0</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	467,497	2,208,546	77,430	134	2,753,607
Fund Cash Balances, January 1	<u>1,679,882</u>	<u>2,112,606</u>	<u>65,387</u>	<u>3,172</u>	<u>3,861,047</u>
Fund Cash Balances, December 31	<u><u>\$2,147,379</u></u>	<u><u>\$4,321,152</u></u>	<u><u>\$142,817</u></u>	<u><u>\$3,306</u></u>	<u><u>\$6,614,654</u></u>
Reserve for Encumbrances, December 31	<u><u>\$87,331</u></u>	<u><u>\$69,903</u></u>	<u><u>\$29,958</u></u>	<u><u>\$0</u></u>	<u><u>\$187,192</u></u>

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

**ORANGE TOWNSHIP
DELAWARE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
Cash Receipts:					
Local Taxes	\$728,370	\$1,248,540	\$0	\$0	\$1,976,910
Intergovernmental	127,292	227,999	48,875	0	404,166
Licenses, Permits, and Fees	352,582	5,217	0	0	357,799
Earnings on Investments	210,175	8,091	0	127	218,393
Other Receipts	15,895	21,613	2,000	0	39,508
	<u>1,434,314</u>	<u>1,511,460</u>	<u>50,875</u>	<u>127</u>	<u>2,996,776</u>
Total Cash Receipts					
	<u>1,434,314</u>	<u>1,511,460</u>	<u>50,875</u>	<u>127</u>	<u>2,996,776</u>
Cash Disbursements:					
Current:					
General Government	442,973	0	0	0	442,973
Public Safety	0	1,258,991	0	0	1,258,991
Public Works	242,733	172,203	0	0	414,936
Health	0	9,558	0	0	9,558
Capital Outlay	19,865	19,844	635,384	0	675,093
	<u>705,571</u>	<u>1,460,596</u>	<u>635,384</u>	<u>0</u>	<u>2,801,551</u>
Total Cash Disbursements					
	<u>705,571</u>	<u>1,460,596</u>	<u>635,384</u>	<u>0</u>	<u>2,801,551</u>
Total Receipts Over/(Under) Disbursements	<u>728,743</u>	<u>50,864</u>	<u>-584,509</u>	<u>127</u>	<u>195,225</u>
Other Financing Receipts and (Disbursements):					
Transfers-In	0	52,750	526,500	0	579,250
Transfers-Out	(579,250)	0	0	0	(579,250)
	<u>(579,250)</u>	<u>52,750</u>	<u>526,500</u>	<u>0</u>	<u>0</u>
Total Other Financing Receipts/(Disbursements)					
	<u>(579,250)</u>	<u>52,750</u>	<u>526,500</u>	<u>0</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	149,493	103,614	-58,009	127	195,225
Fund Cash Balances, January 1	<u>1,530,389</u>	<u>2,008,992</u>	<u>123,396</u>	<u>3,045</u>	<u>3,665,822</u>
Fund Cash Balances, December 31	<u>\$1,679,882</u>	<u>\$2,112,606</u>	<u>\$65,387</u>	<u>\$3,172</u>	<u>\$3,861,047</u>
Reserve for Encumbrances, December 31	<u><u>\$76,884</u></u>	<u><u>\$53,851</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$130,735</u></u>

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

**ORANGE TOWNSHIP
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Orange 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 road and bridge maintenance, cemetery maintenance, fire protection and emergency medical 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

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. Money market mutual funds (including STAR Ohio) are recorded at share values reported by the mutual fund.

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:

Special Fire levy Fund - This fund receives property tax money for providing fire protection and emergency medical services to the Township.

**ORANGE TOWNSHIP
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D Fund Accounting (Continued)

3. Capital Project 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 project fund:

Public Works Project Fund - The Township received a grant from the State of Ohio to repair Township roads.

4. Fiduciary Funds (Trust Fund)

This fund is used to account for resources restricted by a legally binding trust agreement . The Township had the following significant fiduciary fund:

Cemetery Bequest Fund- Interest derived from the corpus of this fund is used for cemetery upkeep.

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 2001 and 2000 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.

**ORANGE TOWNSHIP
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's basis of accounting.

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:

	2001	2000
Demand deposits	\$161,533	\$103,164
Certificates of deposit	1,252,757	1,252,757
Total deposits	1,414,290	1,355,921
STAR Ohio	5,200,364	2,505,126
Total investments	5,200,364	2,505,126
Total deposits and investments	\$6,614,654	\$3,861,047

Deposits: Deposits are either insured by the Federal Depository Insurance Corporation, or collateralized by the financial institution's public entity deposit pool.

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 ending December 31, 2001 and 2000 follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,526,962	\$1,567,550	\$40,588
Special Revenue	4,326,471	4,267,828	(58,643)
Capital Projects	876,840	304,738	(572,102)
Expendable Trust	150	134	(16)
Total	\$6,730,423	\$6,140,250	(\$590,173)

**ORANGE TOWNSHIP
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	expenditures	expenditures	Variance
General	\$1,723,949	\$1,187,384	\$536,565
Special Revenue	3,318,400	2,129,185	1,189,215
Capital Projects	776,840	257,266	519,574
Expendable Trust	0	0	0
Total	<u>\$5,819,189</u>	<u>\$3,573,835</u>	<u>\$2,245,354</u>

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,208,025	\$1,434,314	\$226,289
Special Revenue	1,490,088	1,564,210	74,122
Capital Projects	948,875	577,375	(371,500)
Expendable Trust	150	127	(23)
Total	<u>\$3,647,138</u>	<u>\$3,576,026</u>	<u>(\$71,112)</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Budgeted Expenditures	Actual Expenditures	Variance
General	\$2,739,779	\$1,361,705	\$1,378,074
Special Revenue	3,517,504	1,514,447	2,003,057
Capital Projects	1,249,270	635,384	613,886
Expendable Trust	150	0	150
Total	<u>\$7,506,703</u>	<u>\$3,511,536</u>	<u>\$3,995,167</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.

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.

**ORANGE TOWNSHIP
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(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. RETIREMENT SYSTEMS

The Township's certified Fire Fighters belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Public Employees Retirement System (PERS) of Ohio. OP&F 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 2001 and 2000, members of OP&F participants contributed 10% of their wages. The Township contributed an amount equal to 24% of their wages to OP&F. PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13%, effective July 1, 2000 through December 31, 2000. The Township has paid all contributions required through December 31, 2001

6. RISK MANAGEMENT

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

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

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**STATE OF OHIO
OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

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

Orange Township
Delaware County
1680 East Orange Road
Lewis Center, Ohio 43035

To the Board of Trustees:

We have audited the accompanying financial statements of Orange Township, Delaware County, Ohio (the Township) as of and for the years ended December 31, 2001 and December 31, 2000 and have issued our report thereon dated April 22, 2002. 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 *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 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 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 22, 2002.

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 April 22, 2002.

Orange Township
Delaware County
Report on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

This report is intended solely 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

April 22, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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ORANGE 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
MAY 14, 2002**