



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**DELAWARE TOWNSHIP
DELAWARE COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
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, 2001	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types For the Year Ended December 31, 2000	4
Notes to the Financial Statements	5
Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	9
Schedule of Findings.....	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

Delaware Township
Delaware County
2590 Liberty Road
Delaware, Ohio 43015

To the Board of Trustees:

We have audited the accompanying financial statements of Delaware Township (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 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 30, 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.

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.

A handwritten signature in black ink, appearing to read "Jim Petro", with a stylized flourish at the end.

JIM PETRO
Auditor of State

April 30, 2002

**DELAWARE TOWNSHIP
DELAWARE COUNTY**

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

	<u>Governmental Fund Types</u>			<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$ 83,563	\$ 26,916	\$ -	\$ 110,479
Intergovernmental	119,606	63,400	-	183,006
Licenses, Permits, and Fees	3,890	-	-	3,890
Earnings on Investments	3,917	1,471	-	5,388
Other Revenue	11,933	-	-	11,933
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	222,909	91,787	-	314,696
	<hr/>	<hr/>	<hr/>	<hr/>
Cash Disbursements:				
Current:				
General Government	100,986	-	-	100,986
Public Works	-	40,561	-	40,561
Health	5,460	-	-	5,460
Conservation - Recreation	6,865	-	-	6,865
Capital Outlay	17,463	25,430	-	42,893
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	130,774	65,991	-	196,765
	<hr/>	<hr/>	<hr/>	<hr/>
Total Receipts Over/(Under) Disbursements	92,135	25,796	-	117,931
	<hr/>	<hr/>	<hr/>	<hr/>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	92,135	25,796	-	117,931
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	233,862	143,338	9,376	386,576
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$ 325,997</u>	<u>\$ 169,134</u>	<u>\$ 9,376</u>	<u>\$ 504,507</u>

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

**DELAWARE TOWNSHIP
DELAWARE COUNTY**

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

	<u>Governmental Fund Types</u>			<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$ 78,466	\$ 25,692	\$ -	\$ 104,158
Intergovernmental	74,470	63,193	20,986	158,649
Licenses, Permits, and Fees	3,409	-	-	3,409
Earnings on Investments	3,094	1,746	702	5,542
Other Receipts	7,976	-	-	7,976
	<u>167,415</u>	<u>90,631</u>	<u>21,688</u>	<u>279,734</u>
Cash Disbursements:				
Current:				
General Government	101,382	-	-	101,382
Public Works	-	52,446	-	52,446
Health	538	-	-	538
Conservation - Recreation	15,130	-	-	15,130
Capital Outlay	9,278	38,271	12,758	60,307
	<u>126,328</u>	<u>90,717</u>	<u>12,758</u>	<u>229,803</u>
Total Receipts Over/(Under) Disbursements	<u>41,087</u>	<u>(86)</u>	<u>8,930</u>	<u>49,931</u>
Other Financing Receipts and (Disbursements):				
Transfers-In	63,479			63,479
Transfers-Out			(63,479)	(63,479)
	<u>63,479</u>	<u>-</u>	<u>(63,479)</u>	<u>-</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	104,566	(86)	(54,549)	49,931
Fund Cash Balances, January 1	<u>129,296</u>	<u>143,424</u>	<u>63,925</u>	<u>336,645</u>
Fund Cash Balances, December 31	<u>\$ 233,862</u>	<u>\$ 143,338</u>	<u>\$ 9,376</u>	<u>\$ 386,576</u>

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

**DELAWARE TOWNSHIP
DELAWARE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Delaware 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 government services, including road and bridge maintenance. The Township receives fire services through the Tri-Township Fire District and the Delaware County Emergency Services provides 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. Fund Accounting

The Township uses fund accounting to segregate cash that is 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:

Road District Fund - This fund receives tax revenue levied for road maintenance in the Township.

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

**DELAWARE TOWNSHIP
DELAWARE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Fund Accounting (Continued)

3. Capital Project Fund

This fund is 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

Park Fund – This fund is used to account for the Park construction project. The project was completed at 12/31/00.

D. 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 and 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. Appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash balances 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 canceled, and reappropriated in the subsequent year.

A summary of 2001 and 2000 budgetary activity appears in Note 3.

E. 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.

**DELAWARE TOWNSHIP
DELAWARE COUNTY**

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

2. EQUITY IN POOLED CASH

The Township maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 was as follows:

	2001	2000
Demand deposits	\$504,507	\$386,576

Deposits: Deposits are either insured by the Federal Depository Insurance Corporation, or collateralized by securities specifically pledged by the financial institution to the Township.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2001 and December 31, 2000 follows:

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$174,658	\$222,909	\$48,251
Special Revenue	89,003	91,787	2,784
Total	\$263,661	\$314,696	\$51,035

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Budgeted Expenditures	Actual Expenditures	Variance
General	\$406,762	\$130,774	\$275,988
Special Revenue	224,500	65,991	158,509
Total	\$631,262	\$196,765	\$434,497

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$223,025	\$230,894	\$7,869
Special Revenue	86,672	90,631	3,959
Capital Projects	28,275	21,688	(6,587)
Total	\$337,972	\$343,213	\$5,241

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Budgeted Expenditures	Actual Expenditures	Variance
General	\$360,146	\$126,328	\$233,818
Special Revenue	220,500	90,717	129,783
Capital Projects	76,303	76,237	66
Total	\$580,646	\$217,045	\$363,667

**DELAWARE TOWNSHIP
DELAWARE COUNTY**

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

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.

5. 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 2001 and 2000, 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.

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



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

Delaware Township
Delaware County
2590 Liberty Road
Delaware, Ohio 43015

To the Board of Trustees:

We have audited the accompanying financial statements of Delaware Township (the Township) as of and for the years ended December 31, 2001 and December 31, 2000, and have issued our report thereon dated April 30, 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 one instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying Schedule of Findings as item 2001-40621-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated April 30, 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 30, 2002.

Delaware 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.

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

JIM PETRO
Auditor of State

April 30, 2002

**DELAWARE TOWNSHIP
DELAWARE COUNTY
SCHEDULE OF FINDINGS
DECEMBER 31, 2001 AND 2000**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2001-40621-001

Noncompliance Citation

Ohio Rev Code Section 5549.21 states that competitive bidding is required for the purchase of materials, machinery, and tools to be used in constructing, maintaining, and repairing roads and culverts, where the amounts involved exceed \$15,000

In 2000, the Township purchased a Kubota loader and mower for \$ 15,789 without competitively bidding the purchase. We recommend all future purchases in excess of \$15,000 be bid in accordance with the aforementioned Code Section.



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

DELAWARE 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 6, 2002**