



**Auditor of State
Betty Montgomery**

CAESARSCREEK TOWNSHIP
GREENE COUNTY

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Caesarscreek Township
Greene County
2034 E. Spring Valley Paintersville Road
Xenia, Ohio 45385

To the Board of Trustees:

We have audited the accompanying financial statements of Caesarscreek Township, Greene County, (the Township), as of and for the years ended December 31, 2002 and 2001. 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 Caesarscreek Township, Greene County, as of December 31, 2002 and 2001, 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 14, 2003, 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.

Caesarscreek Township
Greene County
Independent Accountants' Report
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.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

May 14, 2003

**CAESARSCREEK TOWNSHIP
GREENE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<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	\$28,431	\$88,029		\$116,460
Intergovernmental	32,576	75,877		108,453
Earnings on Investments	2,234	203		2,437
Other Revenue	4,159		575	4,734
	<u>67,400</u>	<u>164,109</u>	<u>575</u>	<u>232,084</u>
Cash Disbursements:				
Current:				
General Government	53,917	45,540		99,457
Public Works	1,413	116,008		117,421
Health	5,569			5,569
Capital Outlay	5,342		17,969	23,311
	<u>66,241</u>	<u>161,548</u>	<u>17,969</u>	<u>245,758</u>
Total Receipts Over/(Under) Disbursements	<u>1,159</u>	<u>2,561</u>	<u>(17,394)</u>	<u>(13,674)</u>
Fund Cash Balances, January 1	<u>112,934</u>	<u>132,203</u>	<u>131,882</u>	<u>377,019</u>
Fund Cash Balances, December 31	<u>\$114,093</u>	<u>\$134,764</u>	<u>\$114,488</u>	<u>\$363,345</u>
Reserves for Encumbrances, December 31	<u>\$0</u>	<u>\$8,000</u>	<u>\$0</u>	<u>\$8,000</u>

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

**CAESARSCREEK TOWNSHIP
GREENE 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	\$28,663	\$88,528		\$117,191
Intergovernmental	94,797	74,052		168,849
Earnings on Investments	9,304	731		10,035
Other Revenue	26,543			26,543
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	159,307	163,311		322,618
	<hr/>	<hr/>	<hr/>	<hr/>
Cash Disbursements:				
Current:				
General Government	53,882	46,838		100,720
Public Works	22,439	119,806		142,245
Health	5,689			5,689
Capital Outlay	3,676		\$697	4,373
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	85,686	166,644	697	253,027
	<hr/>	<hr/>	<hr/>	<hr/>
Total Receipts Over/(Under) Disbursements	73,621	(3,333)	(697)	69,591
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	39,313	135,536	132,579	307,428
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$112,934</u>	<u>\$132,203</u>	<u>\$131,882</u>	<u>\$377,019</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Reserves for Encumbrances, December 31	\$0	\$8,750	\$14,634	\$23,384
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The notes to the financial statements are an integral part of this statement.

**CAESARSCREEK TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Caesarscreek Township, Greene 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 contracts with the Xenia Township and Jefferson Township to provide fire services and 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's depository accounts and certificates of deposit and overnight sweep account are valued at cost. 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:

Road and Bridge Fund - This fund receives property tax money for constructing, maintaining and repairing Township roads and bridges.

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

**CAESARSCREEK TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

Special Levy Fire Fund – This fund receives property taxes from a special levy to provide emergency fire and medical services to the Township's residents. The Township contracts with Xenia Township and Jefferson Township to provide these services.

3. Capital Project Fund

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Township had the following capital project fund:

Permanent Improvement Fund – The Township received an inheritance from a Township resident for permanent improvement projects.

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 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. 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. The Township did not certify all commitments as required by Ohio law. The budgetary presentations have been adjusted to include material items that should have been certified.

A summary of 2002 and 2001 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.

**CAESARSCREEK TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(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:

	2002	2001
Demand deposits	\$0	\$20,000
Certificates of deposit	65,000	220,000
Total deposits	65,000	240,000
Repurchase agreement	298,345	137,019
Total investments	298,345	137,019
Total deposits and investments	\$363,345	\$377,019

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: Investments are represented by an overnight repurchase agreement. The Township's financial institution transfers securities to the Township's agent to collateralize repurchase agreements. The securities are not in the Township's name.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2002 and 2001 follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$81,259	\$67,400	(\$13,859)
Special Revenue	152,223	164,109	11,886
Capital Projects	132,579	575	(132,004)
Total	\$366,061	\$232,084	(\$133,977)

**CAESARSCREEK TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$192,004	\$66,241	\$125,763
Special Revenue	283,956	169,548	114,408
Capital Projects	264,004	17,969	246,035
Total	\$739,964	\$253,758	\$486,206

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$86,622	\$159,307	\$72,685
Special Revenue	152,899	163,311	10,412
Capital Projects	0	0	0
Total	\$239,521	\$322,618	\$83,097

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$228,919	\$85,686	\$143,233
Special Revenue	288,437	175,394	113,043
Capital Projects	132,579	15,331	117,248
Total	\$649,935	\$276,411	\$373,524

Contrary to Ohio law, appropriations exceeded estimated resources in the General Fund by \$102,984 for the year ended December 31, 2001 and the Township did not routinely certify the availability of funds for transactions after each year-end.

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.

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

**CAESARSCREEK TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

5. RETIREMENT SYSTEMS

The Township's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is 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 2002 and 2001, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for 2002 and 2001. The Township has paid all contributions required through December 31, 2002.

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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**Auditor of State
Betty Montgomery**

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

Caesarscreek Township
Greene County
2034 E. Spring Valley Paintersville Road
Xenia, Ohio 45385

To the Board of Trustees:

We have audited the accompanying financial statements of Caesarscreek Township, Greene County, (the Township), as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated May 14, 2003. 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2002-001 and 2002-002. We also noted an immaterial instance of noncompliance that we have reported to management of the Township in a separate letter dated May 14, 2003.

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 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 14, 2003.

Caesarscreek Township
Greene County
Independent Accountants' 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

May 14, 2003

CAESARSCREEK TOWNSHIP
GREENE COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2002 AND 2001

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

FINDING NUMBER 2002-001

Noncompliance Citation

Ohio Rev. Code § 5705.39 prohibits total appropriations from each fund from exceeding the total estimated resources. No appropriation measure is to become effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate. The following fund had appropriations in excess of estimated resources at December 31, 2001:

<u>Fund</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Variance</u>
1000-General Fund	\$125,935	\$228,919	(\$102,984)

The Township should implement budgetary policies and procedures that would provide for compliance with the requirement above and to reduce the possibility of overspending available funds.

FINDING NUMBER 2002-002

Noncompliance Citation

Ohio Rev. Code § 5705.41 (D) states that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or the process of collection to the credit of an appropriate fund free from any previous encumbrances.

The following is an exception to the requirement:

Then and now certificate: If the fiscal officer can certify that both at the time that the contract or order was made and at the time he/she is completing his/her certification, sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing authority can authorize the drawing of a warrant. The taxing authority has 30 days from the receipt of such certificate to approve payment made by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing district.

Amounts of less than \$100 for counties, or less than \$1,000 for other political subdivisions, may be paid by the fiscal officer without such affirmation of the taxing authority upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful.

For certain transactions tested subsequent to each year-end, the certificate of the fiscal officer was not executed until after the date of the invoice, and the exception above was not used. These transactions were paid for with the subsequent year budget, and resulted in overstated year-end unencumbered balances. Obligations were identified as of December 31, 2002 totaling \$8,000, and as of December 31, 2001 totaling \$23,334. These adjustments are reflected on the accompanying financial statements. The Township should implement procedures to timely certify expenditures to accurately reflect year-end unencumbered cash balances.

**CAESARSCREEK TOWNSHIP
GREENE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2002 AND 2001**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2000-40329-001	Ohio Rev. Code § 5705.41(B)- Expenditures in excess of appropriations	No	Significant improvement was made. Immaterial variances were reported to management of the Township in a separate letter.



**Auditor of State
Betty Montgomery**

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800-282-0370

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CAESARSCREEK TOWNSHIP

GREENE 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 17, 2003**