

***RANDOLPH TOWNSHIP  
PORTAGE COUNTY, OHIO***

***AUDIT REPORT***

***FOR THE YEARS ENDED DECEMBER 31, 2010 & 2009***

***Charles E. Harris and Associates, Inc.***  
**Certified Public Accountants and Government Consultants**





# Dave Yost • Auditor of State

Board of Trustees  
Randolph Township  
3636 Waterloo Road  
Randolph, Ohio 44265

We have reviewed the *Report of Independent Accountants* of Randolph Township, Portage County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2009 through December 31, 2010. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Report of Independent Accountants* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Report of Independent Accountants* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Randolph Township is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost  
Auditor of State

May 20, 2011

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**RANDOLPH TOWNSHIP  
PORTAGE COUNTY, OHIO  
Audit Report  
For the Years Ended December 31, 2010 & 2009**

**TABLE OF CONTENTS**

<u><b>Title</b></u>	<u><b>Page</b></u>
<b>Report of Independent Accountants</b>	<b>1-2</b>
<b>Combined Statement of Receipts, Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2010</b>	<b>3</b>
<b>Combined Statement of Receipts, Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2009</b>	<b>4</b>
<b>Combined Statement of Cash Receipts, Disbursements, and Changes in Fund Cash Balances - Fiduciary Fund Types For the Year Ended December 31, 2010</b>	<b>5</b>
<b>Combined Statement of Cash Receipts, Disbursements, and Changes in Fund Cash Balances - Fiduciary Fund Types For the Year Ended December 31, 2009</b>	<b>6</b>
<b>Notes to the Financial Statements</b>	<b>7-13</b>
<b>Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i></b>	<b>14-15</b>
<b>Schedule of Prior Audit Findings</b>	<b>16</b>

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***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

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**REPORT OF INDEPENDENT ACCOUNTANTS**

Randolph Township  
Portage County  
3636 Waterloo Rd  
Randolph, Ohio 44265

To the Board of Trustees:

We have audited the accompanying financial statements of Randolph Township, Portage County, Ohio (the Township), as of and for the years ended December 31, 2010 and 2009. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 described more fully in Note 1, the Township has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the Township to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2010 and 2009. Instead of the combined funds the accompanying financial statements present for 2010 and 2009, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2010 and 2009. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Township has elected not to reformat its statements. Since the Township does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2010 and 2009, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2010 and 2009, or its changes in financial position for the years then ended.

Also, 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 Randolph Township, Portage County, as of December 31, 2010 and 2009, and its combined cash receipts and disbursements and changes in fund cash balances for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Township to include Management's Discussion and Analysis for the years ended December 31, 2010 and 2009. The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2011, 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, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

A handwritten signature in black ink that reads "Charles E. Harris Associates". The signature is written in a cursive, slightly slanted style.

***Charles E. Harris & Associates, Inc.***  
April 29, 2011



RANDOLPH TOWNSHIP  
 PORTAGE COUNTY  
 COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
 CHANGES IN FUND CASH BALANCES  
 ALL GOVERNMENTAL FUND TYPES  
 FOR THE YEAR ENDED DECEMBER 31, 2010

	Governmental Fund Types			Total Memorandum Only
	General	Special Revenue	Permanent	
Cash Receipts:				
Property and Other Local Taxes	\$ 145,205	\$ 744,864	-	\$ 890,069
Intergovernmental	86,461	243,971	-	330,432
Charges for Services	-	140,413	-	140,413
Fines, Licenses & Permits	26,154	13,115	-	39,269
Earnings on Investments	167	482	\$ 2	651
Miscellaneous	12,124	4,807	8,400	25,331
<b>Total Cash Receipts</b>	<b>270,111</b>	<b>1,147,652</b>	<b>8,402</b>	<b>1,426,165</b>
Cash Disbursements:				
Current:				
General Government	259,440	2,133	-	261,573
Public Safety	-	456,989	-	456,989
Public Works	-	572,297	-	572,297
Health	91	15,578	-	15,669
Human Services	-	1,794	6,514	8,308
Conservation/Recreation	61,551	-	1,483	63,034
Capital Outlay	13,518	209,238	-	222,756
Debt Service:				
Principal Payment	14,500	20,677	-	35,177
Interest and Fiscal Charges	1,982	12,754	-	14,736
<b>Total Cash Disbursements</b>	<b>351,082</b>	<b>1,291,460</b>	<b>7,997</b>	<b>1,650,539</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>(80,971)</b>	<b>(143,808)</b>	<b>405</b>	<b>(224,374)</b>
Other Financing Sources/(Uses):				
Sale of Bonds	145,000	-	-	145,000
Sale of Fixed Assets	-	3,735	-	3,735
<b>Total Other Financing Sources/(Uses)</b>	<b>145,000</b>	<b>3,735</b>	<b>-</b>	<b>148,735</b>
<b>Excess of Cash Receipts and Other Financing Sources Over / (Under) Cash Disbursements and Other Financing Uses</b>	<b>64,029</b>	<b>(140,073)</b>	<b>405</b>	<b>(75,639)</b>
Fund Cash Balance, January 1	\$ 41,365	\$ 529,201	\$ 6,513	\$ 577,079
Fund Cash Balance, December 31	\$ 105,394	\$ 389,128	\$ 6,918	\$ 501,440
Reserve for Encumbrances, December 31	\$ -	\$ 150	\$ -	\$ 150

See accompanying Notes to the Financial Statements.

RANDOLPH TOWNSHIP  
 PORTAGE COUNTY  
 COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
 CHANGES IN FUND CASH BALANCES  
 ALL GOVERNMENTAL FUND TYPES  
 FOR THE YEAR ENDED DECEMBER 31, 2009

	Governmental Fund Types			Total Memorandum Only
	General	Special Revenue	Permanent	
Cash Receipts:				
Property and Other Local Taxes	\$ 141,018	\$ 721,756	-	\$ 862,774
Intergovernmental	68,722	254,023	-	322,745
Charges for Services	-	116,553	-	116,553
Fines, Licenses & Permits	22,957	12,498	-	35,455
Earnings on Investments	784	286	-	1,070
Miscellaneous	17,006	5,471	\$ 2,956	25,433
<b>Total Cash Receipts</b>	<b>250,487</b>	<b>1,110,587</b>	<b>2,956</b>	<b>1,364,030</b>
Cash Disbursements:				
Current:				
General Government	277,226	3,413	-	280,639
Public Safety	-	342,989	-	342,989
Public Works	-	462,243	-	462,243
Health	-	31,288	-	31,288
Conservation/Recreation	600	-	-	600
Other	-	63,422	-	63,422
Capital Outlay	26,519	-	-	26,519
Debt Service:				
Principal Payment	17,930	45,221	-	63,151
Interest and Fiscal Charges	413	10,232	-	10,645
<b>Total Cash Disbursements</b>	<b>322,688</b>	<b>958,808</b>	<b>-</b>	<b>1,281,496</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>(72,201)</b>	<b>151,779</b>	<b>2,956</b>	<b>82,534</b>
Other Financing Sources/(Uses):				
Sale of Fixed Assets	-	17,800	-	17,800
<b>Total Other Financing Sources/(Uses)</b>	<b>-</b>	<b>17,800</b>	<b>-</b>	<b>17,800</b>
<b>Excess of Cash Receipts and Other Financing Sources Over / (Under) Cash Disbursements and Other Financing Uses</b>	<b>(72,201)</b>	<b>169,579</b>	<b>2,956</b>	<b>100,334</b>
Fund Cash Balance, January 1	\$ 113,566	\$ 359,622	\$ 3,557	\$ 476,745
Fund Cash Balance, December 31	\$ 41,365	\$ 529,201	\$ 6,513	\$ 577,079
Reserve for Encumbrances, December 31	\$ -	\$ 150	\$ -	\$ 150

See accompanying Notes to the Financial Statements.

*RANDOLPH TOWNSHIP*  
*PORTAGE COUNTY*  
 COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
 CHANGES IN FUND CASH BALANCES  
 FIDUCIARY FUND TYPES  
 FOR THE YEAR ENDED DECEMBER 31, 2010

	Fiduciary Fund Types
	Agency Fund
Non-Operating Cash Receipts	\$ 1,214
Total Operating Cash Receipts	1,214
Non-Operating Cash Disbursements	2,065
Total Non-Operating Cash Disbursements	2,065
Total Non-Operating Cash Receipts Over/(Under) Disbursements	(851)
Fund Cash Balance, January 1	\$ 851
Fund Cash Balance, December 31	\$ -

See accompanying Notes to the Financial Statements.

*RANDOLPH TOWNSHIP*  
*PORTAGE COUNTY*  
 COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
 CHANGES IN FUND CASH BALANCES  
 FIDUCIARY FUND TYPES  
 FOR THE YEAR ENDED DECEMBER 31, 2009

	Fiduciary Fund Types
	Agency Fund
Non-Operating Cash Receipts	\$ 1,866
Total Operating Cash Receipts	1,866
Non-Operating Cash Disbursements	1,015
Total Non-Operating Cash Disbursements	1,015
Total Non-Operating Cash Receipts Over/(Under) Disbursements	851
Fund Cash Balance, January 1	\$ -
Fund Cash Balance, December 31	\$ 851

See accompanying Notes to the Financial Statements.

**RANDOLPH TOWNSHIP  
PORTAGE COUNTY, OHIO  
Notes to the Financial Statements  
For the Years Ended December 31, 2010 and 2009**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. DESCRIPTION OF THE ENTITY**

Randolph Township, Portage County (the Township) is a body corporate and politic established for the purpose of exercising 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 and a publicly-elected Fiscal Officer. The Township provides road and bridge maintenance, fire protection, cemetery maintenance and emergency medical services. The Township contracts with the Portage County Sheriff's Department to provide security of persons and property.

The Township's management believes these financial statements included in this report represent all of the funds of the Township over which the Township has the ability to exercise direct operating control.

**B. BASIS OF ACCOUNTING**

The Township prepares its financial statements following 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.)

The statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**C. CASH AND INVESTMENTS**

Investments are included in the fund cash balances. 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 maintains its accounting records in accordance with the principles of fund accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity, which stands separate from the activities reported in other funds. The restrictions associated with each class of funds are as follows:

**Governmental Fund Types:**

**General Fund:** The general operating fund of the Township. It is used to account for all financial resources except those required by law or contract to be accounted for in another fund.

RANDOLPH TOWNSHIP  
PORTAGE COUNTY, OHIO  
Notes to the Financial Statements  
For the Years Ended December 31, 2010 and 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

D. FUND ACCOUNTING – (continued)

**Special Revenue Funds:** These funds are used to account for proceeds from special sources (other than from trusts or for capital projects) that are restricted to expenditures for specific purposes. The Township has the following significant Special Revenue fund:

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

**Permanent Fund:** This fund accounts for resources restricted by legally binding trust agreements. The Township had the following significant Permanent Fund:

- *Beverly Bird Sanctuary Fund* – This fund utilizes the interest revenue for the upkeep and maintenance of the park system. An amount of \$5,000 must remain intact.

**Agency Fund** This fund is purely custodial in nature and is used to hold resources for individuals, organizations or other governments.

- *St. Joseph Recycling Committee Fund* – This fund accounts for the collection of funds within its jurisdiction and the disbursement of the collection to the Recycling Committee.

E. BUDGETARY PROCESS

A budget of estimated cash receipts and disbursements is prepared by the Fiscal Officer, approved by the Township Board of Trustees, and submitted to the county auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

1. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered balances as of January 1. The County Budget Commission must also approve estimated resources.

Budgeted receipts, as shown in Note 4, do not include the unencumbered fund balances as of January 1, 2010 and 2009. However, those fund balances are available for appropriation.

2. 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 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.

**RANDOLPH TOWNSHIP**  
**PORTAGE COUNTY, OHIO**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2010 and 2009**

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)**

D. **BUDGETARY PROCESS – (continued)**

3. **Encumbrances**

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year- end are carried over and need not be reappropriated.

F. **PROPERTY, PLANT AND EQUIPMENT**

Acquisitions of property, plant and equipment are recorded as capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

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 CASH EQUIVALENTS**

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

	2010	2009
Demand Deposit	\$ 501,440	\$ 577,930

Deposits: Deposits are either (1) insured by the Federal Deposit 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.

3. **PROPERTY TAXES**

Real property taxes are levied on assessed values, which equal 35% of appraised value. The county auditor reappraises all real property every six years with a triennial update.

Real property taxes become a lien on all non-exempt real property located in the county on January 1. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20 of the following year. Under certain circumstances, state statute permits later payment dates to be established.

**RANDOLPH TOWNSHIP  
PORTAGE COUNTY, OHIO  
Notes to the Financial Statements  
For the Years Ended December 31, 2010 and 2009**

**3. PROPERTY TAXES – (continued)**

The State Board of Tax Equalization adjusts the tax rates for inflation. Real property owners' tax bills are further reduced by homestead and rollback deductions when applicable. The amount of these homestead and rollback reductions is reimbursed to the Township by the State of Ohio. The amounts reimbursed by the State of Ohio are reflected in the accompanying financial statements as intergovernmental receipts.

Taxes collected from tangible personal property (other than public utility) received during calendar year 2010 represent the collection of 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property taxes on business inventory, manufacturing and equipment, and furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied April 1, 2009 on the values listed as of December 31, 2009. Public utility real and public utility personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Real property is assessed at 35% of market value and personal property is assessed at 100% of market value. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property tax on behalf of all taxing authorities within the county. The County Auditor periodically remits to the taxing authorities their portions of the taxes collected.

**4. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2010 and 2009 follows:

<u>2010 Budgeted vs Actual Budgetary Basis Expenditures</u>			
<u>Funds</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 449,788	\$ 351,082	\$ 98,706
Special Revenue	1,658,801	1,291,610	367,191
Permanent	7,997	7,997	-

<u>2010 Budgeted vs Actual Receipts</u>			
<u>Funds</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 411,824	\$ 415,111	\$ 3,287
Special Revenue	1,129,600	1,151,537	21,937
Permanent	5,951	8,402	2,451



**RANDOLPH TOWNSHIP  
PORTAGE COUNTY, OHIO  
Notes to the Financial Statements  
For the Years Ended December 31, 2010 and 2009**

**4. BUDGETARY ACTIVITY – (continued)**

<u>2009 Budgeted vs Actual Budgetary Basis Expenditures</u>			
<u>Funds</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 391,811	\$ 322,688	\$ 69,123
Special Revenue	1,353,420	958,958	394,462
Permanent	4,301	-	4,301

<u>2009 Budgeted vs Actual Receipts</u>			
<u>Funds</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 285,119	\$ 250,487	\$ (34,632)
Special Revenue	1,007,975	1,128,387	120,412
Permanent	135	2,956	2,821

**5. RETIREMENT SYSTEMS**

Full-time employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost sharing, multiple-employer plans. 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 2010 and 2009, OPERS members contributed 10% of their salaries. The Township contributed an amount equal to 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2010.

**6. RISK MANAGEMENT**

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Service Group, Inc. (York), functions as the administrator of OTARMA and provides underwriting, claims loss control, risk management, and reinsurance services for OTARMA. OTARMA is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

**RANDOLPH TOWNSHIP**  
**PORTAGE COUNTY, OHIO**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2010 and 2009**

**6. RISK MANAGEMENT – (continued)**

**Casualty and Property Coverage**

APEEP provides OTARMA with an excess risk-sharing program. Under the arrangement, OTARMA retains insurance risks up to an amount specified in the contracts. At December 31, 2009, OTARMA retained \$350,000 for casualty claims and \$150,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge OTARMA's primary liability for claims payment on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

**Financial Position**

Financial Position - OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2009 and 2008:

	2009	2008
Assets	\$ 38,982,088	\$ 40,737,740
Liabilities	(12,880,766)	(12,981,818)
Retained earnings	\$ 26,101,322	\$ 27,755,922

At December 31, 2009 and 2008, respectively, liabilities noted above include approximately \$12 million and \$12.1 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$11.5 million and \$10.9 million of unpaid claims to be billed to approximately 950 member townships in the future, as of December 31, 2009 and 2008, respectively. These amounts will be included in future contributions from members when the related claims are due for payment.

**7. DEBT**

The Township's long-term debt activity for the year ended December 31, 2010, was as follows:

	Balance January 1, 2009	Additions	Reductions	Balance December 31, 2010
Capital Improvement Bonds, 2.78%	\$ -	\$ 145,000	\$ 14,500	\$ 130,500

The capital improvement bonds provided resources for various capital improvements including, but not limited to, a park restroom, park pavilion, park water pump improvements, repair of parking lots, painting of facilities and fire station concrete replacement. It is to be repaid in semiannual installments over 5 years.

**RANDOLPH TOWNSHIP  
PORTAGE COUNTY, OHIO  
Notes to the Financial Statements  
For the Years Ended December 31, 2010 and 2009**

**7. DEBT – (continued)**

The following is a summary of the Township’s future annual debt service requirements:

	<b>Capital Improvement Bonds</b>	
	<b>Principal</b>	<b>Interest</b>
2011	\$ 29,000	\$ 3,426
2012	29,000	2,620
2013	29,000	1,814
2014	29,000	1,008
2015	14,500	202
<b>Total</b>	<b>\$ 130,500</b>	<b>\$ 9,070</b>

**8. RENEWABLE LEASE-PURCHASE**

Leases outstanding as of December 31, 2010:

Year Ended December 31, 2010

	<b>Principal</b>	<b>Interest Rate</b>
Fire Pumper	\$ 211,910	5.48%

In 2008, the Township obtained a fire truck pumper equipment through a lease-purchase agreement with First Bankers. The lease amount is \$256,487 payable in 10 years at an interest rate of 5.48%. The lease will be paid through property taxes collected by the Township.

The lease rental requirements to retire long-term obligations outstanding at December 31, 2010 are as follows:

Year Ended December 31:

	<b>Fire Pumper</b>
2011	\$ 33,431
2012	33,431
2013	33,431
2014	33,431
2015	33,431
2016-2018	88,081
Subtotal	\$ 255,236
Amount Representing Interest	(43,326)
<b>Total Principal</b>	<b>\$ 211,910</b>

**9. CONTINGENT LIABILITES/SUBSEQUENT EVENTS**

Management believes there are no pending claims or lawsuits.

Rockefeller Building  
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***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

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INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS

Randolph Township  
Portage County  
3636 Waterloo Rd  
Randolph, Ohio 44265

To the Board of Trustees:

We have audited the financial statements of Randolph Township, Portage County Ohio (the Township) as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated April 29, 2011, wherein we noted the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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.

Internal Controls Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected.

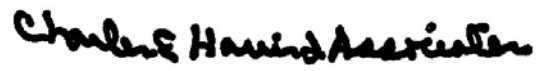
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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, grants agreements and other matters, 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 or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we have reported to management of the Township in a separate letter dated April 29, 2011.

This report is intended for the information and use of the audit committee, management, the Board of Trustees and others within the Township. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Charles E. Harris" in a cursive, slightly slanted script.

**Charles E. Harris and Associates, Inc.**  
April 29, 2011

**RANDOLPH TOWNSHIP  
PORTAGE COUNTY, OHIO  
For the Years Ending December 31, 2010 and 2009**

**SCHEDULE OF PRIOR AUDIT FINDINGS**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Fully Corrected?</b>	<b>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:</b>
2008-001	Lack of Proper Bank Reconciliations	Yes	Corrected
2008-002	Multiple Posting Errors	Yes	Corrected
2008-003	Ohio Revised Code Section 5705.41 (D), expenditures without the proper certificate of the Fiscal Officer	Yes	Corrected
2008-004	Ohio Revised Code Section 5705.14, improper transfers.	Yes	Corrected
2008-005	Ohio Revised Code Section 5705.41 (B), expenditures plus encumbrances exceeding appropriations.	No	Partially corrected. Reissued as management letter comment.



# Dave Yost • Auditor of State

**RANDOLPH TOWNSHIP**

**PORTAGE 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 2, 2011**