

CLARIDON TOWNSHIP
COLUMBUS REGION, MARION COUNTY
REPORT ON FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Board of Trustees
Claridon Township

We have reviewed the Independent Auditor's Report of Claridon Township, Marion County, prepared by Holbrook & Manter for the audit period January 1, 1999 through December 31, 2000. Based upon this review, we have accepted this report 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.

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. Claridon Township is responsible for compliance with these laws and regulations.

JIM PETRO
Auditor of State

July 5, 2001

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Claridon Township
Marion County
2272 Caledonia-Climax Rd
Caledonia, Ohio 43314

We have audited the accompanying financial statements of Claridon Township, Marion County, Ohio, (the Township) as of and for the years ended 2000 and 1999. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 audits provide 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 reserve for encumbrances of Claridon Township, Marion County, as of December 31, 2000 and December 31, 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2001 on our consideration of the Government'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 the officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Holbrook & Manter

Certified Public Accountants

June 20, 2001
Marion, Ohio

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MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
OHIO SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

CLARIDON TOWNSHIP
MARION 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

	General	Special Revenue	(Memorandum Only) Total
Cash receipts:			
Local taxes	\$ 94,157	\$ 0	\$ 94,157
Intergovernmental	59,088	57,061	116,149
Interest	18,446	8,374	26,820
Licenses, permits and fees	839	15,262	16,101
Miscellaneous	346	8,455	8,801
Total cash receipts	172,876	89,152	262,028
Cash disbursements:			
Current:			
Public health services	16,375	31,579	47,954
Public works	2,804	29,695	32,499
General government	89,368	0	89,368
Capital outlay	182,321	4,682	187,003
Total cash disbursements	290,868	65,956	356,824
Total receipts over/(under) cash disbursements	(117,992)	23,196	(94,796)
Other financing receipts:			
Sale of assets	28,303	0	28,303
Total other financing receipts	28,303	0	28,303
Excess of cash receipts and other financing receipts over/(under) cash disbursements	(89,689)	23,196	(66,493)
Fund cash balances January 1, 2000	459,877	172,354	632,231
Fund cash balances, December 31, 2000	370,188	195,550	565,738
Reserve for Encumbrances, December 31, 2000	\$ 3,792	\$ 15,821	\$ 19,613

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

CLARIDON TOWNSHIP
MARION COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES-ALL GOVERNMENTAL FUND TYPES-
FOR THE YEAR ENDED DECEMBER 31, 1999**

	General	Special Revenue	(Memorandum Only) Total
Cash receipts:			
Local taxes	\$ 88,918	\$ 0	\$ 88,918
Intergovernmental	99,802	58,735	158,537
Interest	18,957	7,860	26,817
Licenses, permits and fees	1,965	14,931	16,896
Miscellaneous	8,353	5,943	14,296
Total cash receipts	217,995	87,469	305,464
Cash disbursements:			
Current:			
Public health services	20,611	17,961	38,572
Public works	470	60,639	61,109
General government	83,928	0	83,928
Capital outlay	74,246	0	74,246
Total cash disbursements	179,255	78,600	257,855
Total receipts over cash disbursements	38,740	8,869	47,609
Other financing receipts:			
Other financing sources	12,768	0	12,768
Total other financing receipts	12,768	0	12,768
Excess of cash receipts and other financing receipts over cash disbursements	51,508	8,869	60,377
Fund cash balances, January 1, 1999	408,369	163,485	571,854
Fund cash balances, December 31, 1999	\$ 459,877	\$ 172,354	\$ 632,231

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

CLARIDON TOWNSHIP
MARION COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: -

Description of the Entity – Claridon Township, Marion 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 three publicly elected Trustees. The Township provides general governmental services, including road maintenance and repair.

The Township's management believes these financial statements present all activities for which the Township is financially accountable

Basis of Accounting - These financial statements were prepared on the cash 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.

Cash and Investments - Certificates of deposit are valued at cost.

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:

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

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:

Gasoline Tax Fund

This fund receives gasoline tax money for constructing, maintaining and repairing township roads.

Motor Vehicle License Tax Fund

This fund receives motor vehicle license tax money for constructing, maintaining and repairing township roads.

Cemetery Fund

This fund receives fees for cemetery services and sales of cemetery lots.

Budgetary Process - The Ohio Revised Code requires that each fund be budgeted annually.

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.

CLARIDON TOWNSHIP
MARION COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: - (continued)

Estimated Resources

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

Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when commitments are made.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

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

Unpaid Vacation - Employees are entitled to cash payments for unused vacation in certain circumstances, such as upon leaving employment. Unpaid vacation is not reflected as a liability under the cash basis of accounting used by the Township.

NOTE 2 – EQUITY IN POOLED CASH AND INVESTMENTS: -

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

	<u>2000</u>	<u>1999</u>
Deposits	\$ 103,697	\$ 218,168
Certificates of deposit	<u>462,041</u>	<u>414,063</u>
Total Deposits	<u>\$ 565,738</u>	<u>\$ 632,231</u>

Deposits - The Townships deposits are insured by the Federal Depository Insurance Corporation and collateralized by the financial institution's public entity deposit pool.

CLARIDON TOWNSHIP
MARION COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999

NOTE 3 - BUDGETARY ACTIVITY:

Budgetary activity for the years ending December 31, 1999 and 2000 was as follows:

2000 Budgeted VS. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 238,457	\$ 201,179	\$ (37,278)
Special Revenue	<u>105,377</u>	<u>89,152</u>	<u>(16,225)</u>
Total	<u>\$ 343,834</u>	<u>\$ 290,331</u>	<u>\$ (53,503)</u>

2000 Budgeted VS. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 441,473	\$ 294,660	\$ 146,813
Special Revenue	<u>194,426</u>	<u>81,777</u>	<u>112,649</u>
Total	<u>\$ 635,899</u>	<u>\$ 376,437</u>	<u>\$ 259,462</u>

CLARIDON TOWNSHIP
MARION COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999

NOTE 3 - BUDGETARY ACTIVITY: (continued)

1999 Budgeted VS. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 191,609	\$ 230,763	\$ 39,154
Special Revenue	<u>102,307</u>	<u>87,469</u>	<u>(14,838)</u>
Total	\$ <u><u>293,916</u></u>	\$ <u><u>318,232</u></u>	\$ <u><u>24,316</u></u>

1999 Budgeted VS. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 400,606	\$ 179,255	\$ 221,351
Special Revenue	<u>167,940</u>	<u>78,600</u>	<u>89,340</u>
Total	\$ <u><u>568,546</u></u>	\$ <u><u>257,855</u></u>	\$ <u><u>310,690</u></u>

CLARIDON TOWNSHIP
MARION COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999

NOTE 4 – PROPERTY TAX: -

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the 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.

NOTE 5 - RETIREMENT SYSTEMS: -

The Township's full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost – sharing, multiple-employee plan. This plan provides retirement benefits, including post-retirement 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 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for January 1999 through June 2000 and an amount equal to 8.13% of participants' gross salaries for July 2000 through December 2000. The Township has paid all contributions required through December 31, 1998

NOTE 6 – RISK MANAGEMENT: -

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles



Report on Compliance and on Internal Control Required by *Government Auditing Standards*

Board of Trustees
Claridon Township
Marion County
2147 Whetstone River Road North
Caledonia, Ohio 43314

We have audited the accompanying financial statements of Claridon Township, Marion County, Ohio (the Township), as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated June 20, 2001. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matter 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 of 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.

We noted other matters involving compliance and internal control over financial reporting that we have reported to the Management of the Township in a separate letter dated June 20, 2001.

This report is intended for the information of the Board of Trustees and Clerk, and is not intended to be and should not be used by anyone other than these specified parties.

Holbrook & Manter

Certified Public Accountants

June 20, 2001
Marion, Ohio



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
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800-282-0370
Facsimile 614-466-4490

CLARIDON TOWNSHIP

MARION 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
JULY 24, 2001**