



**HAMBDEN TOWNSHIP
GEAUGA COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 & 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

HAMBDEN TOWNSHIP
GEAUGA 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, 2000	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types For the Year Ended December 31, 1999	4
Notes to the Financial Statements	5
Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	9

This page intentionally left blank.



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

Lausche Bldg
615 W Superior Ave
Floor 12
Cleveland OH 44113 - 1801
Telephone 216-787-3665
800-626-2297
Facsimile 216-787-3361
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Hambden Township
Geauga County
13887 G.A.R. Highway
Chardon, Ohio 44024

To the Board of Trustees:

We have audited the accompanying financial statements of Hambden Township, Geauga County, Ohio, (the Township) as of and for the years ended December 31, 2000 and December 31, 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 described 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 Hambden Township, Geauga County, Ohio, 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 5, 2001 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 the Audit Committee, management, the Board of Trustees and other 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.

Jim Petro
Auditor of State

June 5, 2001

This page intentionally left blank.

**HAMBDEN TOWNSHIP
GEAUGA 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>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>(Memorandum Only) Total</u>
Cash Receipts:				
Local taxes	\$109,757	\$418,242	\$27,661	\$555,660
Intergovernmental	112,325	104,985	131,410	348,720
Licenses, permits and fees	0	19,678	0	19,678
Earnings on investments	32,708	8,177	0	40,885
Other revenue	12,073	8,100	0	20,173
Total Cash Receipts	<u>266,863</u>	<u>559,182</u>	<u>159,071</u>	<u>985,116</u>
Cash Disbursements:				
Current:				
General government	146,958	13,633	0	160,591
Public safety	0	139,958	0	139,958
Public works	46,994	98,227	0	145,221
Health	12,714	160	0	12,874
Conservation - recreation	0	8,804	0	8,804
Capital outlay	20,961	108,070	181,381	310,412
Total Cash Disbursements	<u>227,627</u>	<u>368,852</u>	<u>181,381</u>	<u>777,860</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>39,236</u>	<u>190,330</u>	<u>(22,310)</u>	<u>207,256</u>
Other Financing Receipts/(Disbursements):				
Other sources	567	3,750	0	4,317
Total Other Financing Receipts/(Disbursements)	<u>567</u>	<u>3,750</u>	<u>0</u>	<u>4,317</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	39,803	194,080	(22,310)	211,573
Fund Cash Balances, January 1, 2000	167,519	280,426	66,687	514,632
Fund Cash Balances, December 31, 2000	<u>\$207,322</u>	<u>\$474,506</u>	<u>\$44,377</u>	<u>\$726,205</u>
Reserve for Encumbrances, December 31, 2000	<u>\$13,295</u>	<u>\$11,551</u>	<u>\$0</u>	<u>\$24,846</u>

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

HAMB DEN TOWNSHIP
GEAUGA 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**

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>(Memorandum Only) Total</u>
Cash Receipts:				
Local taxes	\$91,428	\$345,832	\$25,220	\$462,480
Intergovernmental	106,556	98,261	2,339	207,156
Licenses, permits and fees	0	21,655	0	21,655
Earnings on investments	23,465	5,866	0	29,331
Other revenue	<u>10,542</u>	<u>931</u>	<u>6,600</u>	<u>18,073</u>
Total Cash Receipts	<u>231,991</u>	<u>472,545</u>	<u>34,159</u>	<u>738,695</u>
Cash Disbursements:				
Current:				
General government	135,281	13,762	0	149,043
Public safety	0	119,679	0	119,679
Public works	53,704	95,252	0	148,956
Health	12,288	2,389	0	14,677
Conservation - recreation	0	2,922	0	2,922
Capital outlay	<u>116,765</u>	<u>300,520</u>	<u>27,544</u>	<u>444,829</u>
Total Cash Disbursements	<u>318,038</u>	<u>534,524</u>	<u>27,544</u>	<u>880,106</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(86,047)</u>	<u>(61,979)</u>	<u>6,615</u>	<u>(141,411)</u>
Other Financing Receipts/(Disbursements):				
Other sources	<u>2,419</u>	<u>2,650</u>	<u>0</u>	<u>5,069</u>
Total Other Financing Receipts/(Disbursements)	<u>2,419</u>	<u>2,650</u>	<u>0</u>	<u>5,069</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(83,628)	(59,329)	6,615	(136,342)
Fund Cash Balances, January 1, 1999	<u>251,147</u>	<u>339,755</u>	<u>60,072</u>	<u>650,974</u>
Fund Cash Balances, December 31, 1999	<u>\$167,519</u>	<u>\$280,426</u>	<u>\$66,687</u>	<u>\$514,632</u>
Reserve for Encumbrances, December 31, 1999	<u>\$7,554</u>	<u>\$0</u>	<u>\$0</u>	<u>\$7,554</u>

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

**HAMB DEN TOWNSHIP
GEAUGA COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2000 AND 1999**

1. Summary of Significant Accounting Policies

A. Description of the Entity

Hambden Township, Geauga County, Ohio, (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 governmental services, including road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Geauga County Sheriff's department provides security of persons and property for the Township.

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 investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

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:

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.

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.

Fire District Fund - This fund receives property tax money to provide fire protection to the Township residents.

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 significant capital project fund:

Permanent Improvement Fund - This fund receives property taxes for the acquisition or construction of capital improvements.

**HAMB DEN TOWNSHIP
 GEAUGA COUNTY, OHIO
 NOTES TO THE FINANCIAL STATEMENTS
 AS OF DECEMBER 31, 2000 AND 1999
 (CONTINUED)**

1. Summary of Significant Accounting Policies (Continued)

E. 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 Geauga County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

Estimated Resources

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

Encumbrances

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

A summary of 2000 and 1999 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.

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Township.

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>
Demand Deposits	\$ <u>34,195</u>	\$ <u>41,782</u>
Total Deposits	<u>34,195</u>	<u>41,782</u>
STAR Ohio	<u>692,010</u>	<u>472,850</u>
Total Investments	<u>692,010</u>	<u>472,850</u>
Total Deposits and Investments	<u>\$ 726,205</u>	<u>\$ 514,632</u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

Investments: Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**HAMB DEN TOWNSHIP
 GEAUGA COUNTY, OHIO
 NOTES TO THE FINANCIAL STATEMENTS
 AS OF DECEMBER 31, 2000 AND 1999
 (CONTINUED)**

3. Budgetary Activity

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

2000 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$219,064	\$267,430	\$48,366
Special Revenue	500,250	562,932	62,682
Capital Projects	<u>177,700</u>	<u>159,071</u>	<u>(18,629)</u>
Total	<u>\$897,014</u>	<u>\$989,433</u>	<u>\$92,419</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$386,583	\$240,922	\$145,661
Special Revenue	780,677	380,403	400,274
Capital Projects	<u>244,387</u>	<u>181,381</u>	<u>63,006</u>
Total	<u>\$1,411,647</u>	<u>\$802,706</u>	<u>\$608,941</u>

1999 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$195,696	\$234,410	\$38,714
Special Revenue	441,575	475,195	33,620
Capital Projects	<u>25,800</u>	<u>34,159</u>	<u>8,359</u>
Total	<u>\$663,071</u>	<u>\$743,764</u>	<u>\$80,693</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$446,843	\$325,592	\$121,251
Special Revenue	781,330	534,524	246,806
Capital Projects	<u>85,872</u>	<u>27,544</u>	<u>58,328</u>
Total	<u>\$1,314,045</u>	<u>\$887,660</u>	<u>\$426,385</u>

**HAMB DEN TOWNSHIP
GEAUGA COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2000 AND 1999
(CONTINUED)**

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 20th.

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 with 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 full-time 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 2000 and 1999, members of PERS contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for 1999 and 10.84% for 2000. The Township has paid all contributions required through December 31, 2000.

6. Risk Management

The Township has obtained commercial insurance for the following risks:

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

The Township is a member of the Ohio Township Assessment Risk Management Authority (the Authority). The Authority assumes the risk of loss up to the limits of the Township's policy. The Authority may assess supplemental premiums. The following risks are covered by the Authority:

- General liability and casualty
- Public official's liability
- Vehicles

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

Lausche Bldg
615 W Superior Ave
Floor 12
Cleveland OH 44113 - 1801
Telephone 216-787-3665
800-626-2297
Facsimile 216-787-3361
www.auditor.state.oh.us

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

Hambden Township
Geauga County
13887 G.A.R. Highway
Chardon, Ohio 44024

To the Board of Trustees:

We have audited the financial statements of Hambden Township, Geauga 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 5, 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 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 audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audits, 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.

This report is intended for the information and use of the Audit Committee, management and the Township Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

June 5, 2001



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

HAMBDEN TOWNSHIP

GEAUGA 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 21, 2001**