



**COLUMBIA TOWNSHIP  
LORAIN COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 1999-1998**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



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## REPORT OF INDEPENDENT ACCOUNTANTS

Columbia Township  
Lorain County  
25496 Royalton Road  
Columbia Station, Ohio 44028

To the Board of Trustees:

We have audited the accompanying financial statements of Columbia Township, Lorain County, Ohio, (the Township) as of and for the years ended December 31, 1999 and December 31, 1998. 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 reserves for encumbrances of Columbia Township, Lorain County, as of December 31, 1999 and December 31, 1998, 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 March 3, 2000 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.

This report is intended solely for the information and use of management, the Board and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro".

**Jim Petro**  
Auditor of State

March 3, 2000

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**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>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Local Taxes	\$86,973	\$544,153	\$631,126
Intergovernmental	175,379	217,732	393,111
Special Assessments	0	6,507	6,507
Licenses, Permits, and Fees	63,276	15,736	79,012
Fines, Forfeitures, and Penalties	3,501	0	3,501
Earnings on Investments	40,742	8,435	49,177
Other Revenue	8,821	13,086	21,907
	<u>378,692</u>	<u>805,649</u>	<u>1,184,341</u>
<b>Total Cash Receipts</b>			
<b>Cash Disbursements:</b>			
Current:			
General Government	183,281	0	183,281
Public Safety	25,518	188,601	214,119
Public Works	7,828	365,456	373,284
Health	22,834	46,463	69,297
Conservation - Recreation	25,271	0	25,271
Capital Outlay	77,006	72,542	149,548
	<u>341,738</u>	<u>673,062</u>	<u>1,014,800</u>
<b>Total Cash Disbursements</b>			
Total Receipts Over/(Under) Disbursements	<u>36,954</u>	<u>132,587</u>	<u>169,541</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In	2,611	0	2,611
	<u>2,611</u>	<u>0</u>	<u>2,611</u>
<b>Total Other Financing Receipts/(Disbursements)</b>			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	39,565	132,587	172,152
Fund Cash Balances, January 1	<u>656,450</u>	<u>343,352</u>	<u>999,802</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$696,015</b></u>	<u><b>\$475,939</b></u>	<u><b>\$1,171,954</b></u>
Reserve for Encumbrances, December 31	<u>\$4,068</u>	<u>\$13,075</u>	<u>\$17,143</u>

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

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS  
AND CHANGES IN FUND CASH BALANCE - FIDUCIARY  
FUND TYPE - FOR THE YEAR ENDED DECEMBER 31, 1999**

	<b>Agency</b>
<b>Non-Operating Cash Receipts:</b>	
Other Non-Operating Receipts	\$9,623
Total Non-Operating Cash Receipts	9,623
<b>Non-Operating Cash Disbursements:</b>	
Other Non-Operating Cash Disbursements	13,512
Total Non-Operating Cash Disbursements	13,512
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers	(3,889)
Transfers - Out	(2,611)
Net Receipts Over (Under) Disbursements	(6,500)
Fund Cash Balances, January 1	16,795
<b>Fund Cash Balances, December 31</b>	<b>\$10,295</b>

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



**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$187,632	\$475,407	\$0	\$663,039
Intergovernmental	296,324	148,270	180,088	624,682
Charges for Services	0	2,630	0	2,630
Licenses, Permits, and Fees	70,976	13,011	0	83,987
Fines, Forfeitures, and Penalties	4,243	0	0	4,243
Earnings on Investments	38,959	3,871	0	42,830
Other Revenue	20,452	16,366	0	36,818
	<u>618,586</u>	<u>659,555</u>	<u>180,088</u>	<u>1,458,229</u>
<b>Total Cash Receipts</b>				
<b>Cash Disbursements:</b>				
Current:				
General Government	178,950	0	0	178,950
Public Safety	60,137	124,791	0	184,928
Public Works	22,553	341,445	0	363,998
Health	128,203	44,673	0	172,876
Conservation - Recreation	21,187	0	0	21,187
Capital Outlay	34,710	95,148	180,088	309,946
	<u>445,740</u>	<u>606,057</u>	<u>180,088</u>	<u>1,231,885</u>
<b>Total Cash Disbursements</b>				
<b>Total Receipts Over/(Under) Disbursements</b>	<u>172,846</u>	<u>53,498</u>	<u>0</u>	<u>226,344</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Transfers-In	1,258	0	0	1,258
Advances-Out	(11,100)	11,100	0	0
	<u>(9,842)</u>	<u>11,100</u>	<u>0</u>	<u>1,258</u>
<b>Total Other Financing Receipts/(Disbursements)</b>				
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>163,004</u>	<u>64,598</u>	<u>0</u>	<u>227,602</u>
<b>Fund Cash Balances, January 1</b>	<u>493,446</u>	<u>278,754</u>	<u>0</u>	<u>772,200</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$656,450</u></u>	<u><u>\$343,352</u></u>	<u><u>\$0</u></u>	<u><u>\$999,802</u></u>
<b>Reserve for Encumbrances, December 31</b>	<u><u>\$7,530</u></u>	<u><u>\$16,894</u></u>	<u><u>\$0</u></u>	<u><u>\$24,424</u></u>

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

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS  
AND CHANGES IN FUND CASH BALANCE - FIDUCIARY  
FUND TYPE - FOR THE YEAR ENDED DECEMBER 31, 1998**

	<b>Agency</b>
<b>Non-Operating Cash Receipts:</b>	
Other Non-Operating Receipts	\$18,595
Total Non-Operating Cash Receipts	18,595
<b>Non-Operating Cash Disbursements:</b>	
Other Non-Operating Disbursements	11,869
Total Non-Operating Cash Disbursements	11,869
Excess of Receipts Over (Under) Disbursements Before Interfund Transfers and Advances	6,726
Transfers - Out	(1,258)
Net Receipts Over (Under) Disbursements	5,468
Fund Cash Balances, January 1	11,327
<b>Fund Cash Balances, December 31</b>	<b>\$16,795</b>

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Columbia Township, Lorain 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 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**

Certificates of deposit are valued at cost.

Investments are reported as assets. 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 is used to account for real and personal property tax money for constructing, maintaining and repairing Township streets.

Fire Levy Fund - This fund is used to defer expenses incurred in the operations of the Township's fire department.

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999 AND 1998**  
**(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

**3. Capital Project Funds**

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Township had the following significant capital project fund:

Issue II Fund - The Township received a grant from the State of Ohio to replace Squires Road and Emmons Road.

**4. Fiduciary Funds (Agency Funds)**

These funds are used to account for money for which the Township is acting in an agency capacity. The Township had the following significant fiduciary fund:

Commercial Building Inspection - This fund is used to hold and distribute commercial zoning fees.

**E. Budgetary Process**

The Ohio Revised Code requires that each fund (except certain agency funds) 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. Unencumbered 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.

A summary of 1999 and 1998 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999 AND 1998**  
(Continued)

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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>1999</u>	<u>1998</u>
Demand deposits	\$232,249	\$206,597
Certificates of deposit	<u>950,000</u>	<u>810,000</u>
Total deposits and investments	<u><u>\$1,182,249</u></u>	<u><u>\$1,016,597</u></u>

**Deposits:** Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

**3. BUDGETARY ACTIVITY**

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

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$319,536	\$381,303	\$61,767
Special Revenue	763,018	805,649	42,631
Fiduciary	<u>4,662</u>	<u>9,623</u>	<u>4,961</u>
Total	<u><u>\$1,087,216</u></u>	<u><u>\$1,196,575</u></u>	<u><u>\$109,359</u></u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$968,455	\$345,806	\$622,649
Special Revenue	1,089,474	686,137	403,337
Fiduciary	<u>21,459</u>	<u>16,123</u>	<u>5,336</u>
Total	<u><u>\$2,079,388</u></u>	<u><u>\$1,048,066</u></u>	<u><u>\$1,031,322</u></u>

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$401,741	\$619,844	\$218,103
Special Revenue	651,270	659,555	8,285
Capital Projects	198,618	180,088	(18,530)
Fiduciary	3,538	18,595	15,057
Total	\$1,255,167	\$1,478,082	\$222,915

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$891,746	\$453,270	\$438,476
Special Revenue	918,728	622,951	295,777
Capital Projects	198,618	180,088	18,530
Fiduciary	14,867	13,127	1,740
Total	\$2,023,959	\$1,269,436	\$754,523

**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 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. DEBT**

The Township paid off the Mortgage loan in March 1999, and had no outstanding debt on December 31, 1999.

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999 AND 1998**  
**(Continued)**

**6. RETIREMENT SYSTEMS**

The Township's firemen hired after August 3, 1992, contribute to Social Security. Other 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 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 1999 and 1998, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 1999.

**7. RISK MANAGEMENT**

The Township has obtained commercial insurance for the following risks:

- General liability and property
- Commercial property
- Public Officials Liability
- Boiler and Machinery
- Inland Marine
- EDP Hardware
- Vehicles

The Township also provides health insurance and dental and vision coverage to full-time employees through the Lorain County Health Plan.

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**STATE OF OHIO  
OFFICE OF THE AUDITOR**

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

Columbia Township  
Lorain County  
25496 Royalton Road  
Columbia Station, Ohio 44028

To the Board of Trustees:

We have audited the accompanying financial statements of Columbia Township, Lorain County, Ohio, (the Township) as of and for the years ended December 31, 1999 and December 31, 1998, and have issued our report thereon dated March 3, 2000. 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 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*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated March 3, 2000.

**Internal Control Over Financial Reporting**

In planning and performing our audits, 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 matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated March 3, 2000.

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

**Jim Petro**  
Auditor of State

March 3, 2000



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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**COLUMBIA TOWNSHIP**

**LORAIN 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  
APRIL 11, 2000**