



**CLAIBOURNE TOWNSHIP  
UNION COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**



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

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**STATE OF OHIO**



**CLAIBOURNE TOWNSHIP  
UNION COUNTY**

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**REPORT OF INDEPENDENT ACCOUNTANTS**

Claibourne Township  
Union County  
30498 SR 37  
Richwood, Ohio 43344

To the Board of Trustees:

We have audited the accompanying financial statements of Claibourne Township, Union 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 audit.

We conducted our audit 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Township 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 March 9, 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 management, the Board of Trustees and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

**JIM PETRO**  
Auditor of State

March 9, 2001

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**CLAIBOURNE TOWNSHIP  
UNION COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGE IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Expendable Trust</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$3,639	\$36,569	\$0	\$40,208
Intergovernmental	64,001	59,118	0	123,119
Licenses, Permits, and Fees	585	0	0	585
Fines, Forfeitures, and Penalties	298	0	0	298
Earnings on Investments	8,354	1,502	148	10,004
Other Revenue	0	10,137	0	10,137
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	76,877	107,326	148	184,351
<b>Cash Disbursements:</b>				
Current:				
General Government	50,356	32,870	0	83,226
Public Safety	0	35,679	0	35,679
Public Works	0	6,013	0	6,013
Health	88	0	0	88
Miscellaneous	0	2,820	0	2,820
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	50,444	77,382	0	127,826
Total Receipts Over/(Under) Disbursements	<hr/>	<hr/>	<hr/>	<hr/>
	26,433	29,944	148	56,525
<b>Other Financing Receipts/(Disbursements):</b>				
Sale of Fixed Assets	<hr/>	<hr/>	<hr/>	<hr/>
	2,172	0	0	2,172
Total Other Financing Receipts/(Disbursements)	<hr/>	<hr/>	<hr/>	<hr/>
	2,172	0	0	2,172
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<hr/>	<hr/>	<hr/>	<hr/>
	28,605	29,944	148	58,697
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>	<hr/>
	99,576	141,393	4,681	245,650
Fund Cash Balances, December 31	<hr/>	<hr/>	<hr/>	<hr/>
	\$128,181	\$171,337	\$4,829	\$304,347

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

CLAIBOURNE TOWNSHIIP  
UNION COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS  
AND CHANGE IN CASH BALANCE  
NON-EXPENDABLE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Non-Expendable Trust</u>
<b>Operating Cash Receipts:</b>	
Earnings on Investments	<u>\$117</u>
Total operating cash receipts	117
Fund Cash Balance, January 1	<u>3,557</u>
<b>Fund Cash Balance, December 31</b>	<b><u><u>\$3,674</u></u></b>

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



**CLAIBOURNE TOWNSHIP  
UNION COUNTY**

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

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Expendable Trust</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$3,688	\$91,311	\$0	\$94,999
Intergovernmental	43,739	66,716	0	110,455
Licenses, Permits, and Fees	465	0	0	465
Earnings on Investments	8,772	1,627	183	10,582
Other Revenue	492	6,324	0	6,816
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	57,156	165,978	183	223,317
<b>Cash Disbursements:</b>				
Current:				
General Government	33,155	5,217	0	38,372
Public Safety	0	49,132	0	49,132
Public Works	30,000	34,509	0	64,509
Health	4,385	29,567	0	33,952
Capital Outlay	7,927	62,767	0	70,694
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	75,467	181,192	0	256,659
Total Receipts Over/(Under) Disbursements	(18,311)	(15,214)	183	(33,342)
Fund Cash Balances, January 1	117,887	156,607	4,498	278,992
Fund Cash Balances, December 31	<u>\$99,576</u>	<u>\$141,393</u>	<u>\$4,681</u>	<u>\$245,650</u>

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

CLAIBOURNE TOWNSHIP  
UNION COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS  
AND CHANGE IN CASH BALANCE  
NON-EXPENDABLE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Non-Expendable Trust</u>
<b>Operating Cash Receipts:</b>	
Earnings on Investments	<u>\$240</u>
Total Operating Cash Receipts	<u>240</u>
Fund Cash Balance, January 1	<u>3,317</u>
<b>Fund Cash Balance, December 31</b>	<b><u><u>\$3,557</u></u></b>

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

**CLAIBOURNE TOWNSHIP  
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Claibourne Township, Union 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 contracts with the Village of Richwood to provide fire services 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. Gain 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:

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

Cemetery Fund - This fund receives tax money for maintaining Township cemeteries.

**CLAIBOURNE TOWNSHIP  
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

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

**D. Fund Accounting (Continued)**

**2. Special Revenue Funds (Continued)**

Fire Fund - This fund receives tax money from a specific fire levy to help cover the cost of fire protection.

**3. Fiduciary Funds (Trust Funds)**

These funds are used to account for resources restricted by legally binding trust agreements. The Township had the following significant fiduciary funds:

Expendable Trust Cemetery Mausoleum Fund - This fund receives interest from bequests for maintaining Township mausoleums.

Non-Expendable Cemetery Bequest Fund - This fund receives interest from bequests for maintaining Township cemeteries.

**E. Budgetary Process**

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

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function and object level of control and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus 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 canceled, and re-appropriated in the subsequent year.

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.

**CLAIBOURNE TOWNSHIP  
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**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	\$135,821	\$77,007
Certificates of deposit	<u>172,200</u>	<u>172,200</u>
Total deposits and investments	<u><u>\$308,021</u></u>	<u><u>\$249,207</u></u>

**Deposits:** Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Township,

**3. BUDGETARY ACTIVITY**

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

<b>2000 Budgeted vs. Actual Receipts</b>			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$58,000	\$79,049	\$21,049
Special Revenue	159,240	107,326	(51,914)
Expendable Trust	0	148	148
Non-Expendable Trust	<u>0</u>	<u>117</u>	<u>117</u>
Total	<u><u>\$217,240</u></u>	<u><u>\$186,640</u></u>	<u><u>(\$30,600)</u></u>

<b>2000 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$141,199	\$50,444	\$90,755
Special Revenue	192,828	77,382	115,446
Expendable Trust	0	0	0
Non-Expendable Trust	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u><u>\$334,027</u></u>	<u><u>\$127,826</u></u>	<u><u>\$206,201</u></u>

**CLAIBOURNE TOWNSHIP  
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

<b>1999 Budgeted vs. Actual Receipts</b>			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$65,933	\$57,156	(\$8,777)
Special Revenue	159,660	165,978	6,318
Expendable Trust	0	183	183
Non-Expendable Trust	0	240	240
Total	\$225,593	\$223,557	(\$2,036)

<b>1999 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$135,850	\$75,467	\$60,383
Special Revenue	275,034	181,192	93,842
Expendable Trust	0	0	0
Non-Expendable Trust	4,000	0	4,000
Total	\$414,884	\$256,659	\$158,225

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Township.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

**CLAIBOURNE TOWNSHIP  
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**5. RETIREMENT SYSTEMS**

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 members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries in 1999 and 10.84% in 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 also provides health insurance and dental and vision coverage to full-time employees through a private carrier.

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STATE OF OHIO  
OFFICE OF THE AUDITOR

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

Claibourne Township  
Union County  
30498 SR 37  
Richwood, Ohio 43344

To the Board of Trustees:

We have audited the accompanying financial statements of Claibourne Township, Union 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 March 9, 2001. We conducted our audit 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 audit 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 a certain immaterial instance of noncompliance that we have reported to management of the Township in a separate letter dated March 9, 2001.

**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 matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Township in a separate letter dated March 9, 2001.

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.

**JIM PETRO**  
Auditor of State

March 9, 2001



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**CLAIBOURNE TOWNSHIP**

**UNION 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 10, 2001**