



**CLARIDON TOWNSHIP  
GEAUGA COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2001 & 2000**



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

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**STATE OF OHIO**



CLARIDON TOWNSHIP  
GEAUGA COUNTY

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**STATE OF OHIO  
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**REPORT OF INDEPENDENT ACCOUNTANTS**

Claridon Township  
Geauga County  
P.O. Box 66  
East Claridon, Ohio 44033

To the Board of Trustees:

We have audited the accompanying financial statements of Claridon Township, Geauga County, Ohio, (the Township) as of and for the years ended December 31, 2001 and December 31, 2000. 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 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. 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 Claridon Township, Geauga County, Ohio, as of December 31, 2001 and December 31, 2000, 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 April 11, 2002 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 audits.

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

April 11, 2002

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**CLARIDON 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, 2001**

	<u>Governmental Fund Types</u>			<b>Total (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$56,805	\$292,309		\$349,114
Intergovernmental	137,459	93,018		230,477
Licenses, Permits and Fees		25,306		25,306
Earnings on Investments	21,320	915		22,235
Other Revenue	17,017	1,700		18,717
				<hr/>
Total Cash Receipts	<u>232,601</u>	<u>413,248</u>	<u>\$0</u>	<u>645,849</u>
<b>Cash Disbursements:</b>				
Current:				
General Government	78,291	7,861		\$86,152
Public Safety		125,052		125,052
Public Works	11,086	137,922		149,008
Health	34,279	12,125		46,404
Conservation - Recreation	30,049			30,049
Capital Outlay	368	2,590		2,958
				<hr/>
Total Cash Disbursements	<u>154,073</u>	<u>285,550</u>	<u>0</u>	<u>439,623</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	78,528	127,698	0	206,226
Fund Cash Balances, January 1, 2001	<u>165,826</u>	<u>391,252</u>	<u>43</u>	<u>557,121</u>
<b>Fund Cash Balances, December 31, 2001</b>	<b><u>\$244,354</u></b>	<b><u>\$518,950</u></b>	<b><u>\$43</u></b>	<b><u>\$763,347</u></b>
Reserve for Encumbrances, December 31, 2001	<u>\$18,465</u>	<u>\$39,053</u>	<u>\$0</u>	<u>\$57,518</u>

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

**CLARIDON 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>Governmental Fund Types</u>				<u>Total (Memorandum) Only</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>					
Local Taxes	\$54,602	\$283,163			\$337,765
Intergovernmental	104,984	91,933		\$84,000	280,917
Licenses, Permits, and Fees	5,368	15,846			21,214
Earnings on Investments	20,968	1,394			22,362
Other Revenue	11,506	3,650		21,099	36,255
<b>Total Cash Receipts</b>	<u>197,428</u>	<u>395,986</u>	<u>\$0</u>	<u>105,099</u>	<u>698,513</u>
<b>Cash Disbursements:</b>					
Current:					
General Government	75,837	9,418			85,255
Public Safety		109,068			109,068
Public Works	10,754	171,531			182,285
Health	24,573	4,262			28,835
Conservation - Recreation	18,261				18,261
Capital Outlay	20,774	29,818		105,099	155,691
<b>Total Cash Disbursements</b>	<u>150,199</u>	<u>324,097</u>	<u>0</u>	<u>105,099</u>	<u>579,395</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	47,229	71,889	0	0	119,118
Fund Cash Balances, January 1, 2000	118,597	319,363	43	0	438,003
<b>Fund Cash Balances, December 31, 2000</b>	<u><b>\$165,826</b></u>	<u><b>\$391,252</b></u>	<u><b>\$43</b></u>	<u><b>\$0</b></u>	<u><b>\$557,121</b></u>
Reserve for Encumbrances, December 31, 2000	<u>\$3,322</u>	<u>\$3,141</u>	<u>\$0</u>	<u>\$0</u>	<u>\$6,463</u>

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



**CLARIDON TOWNSHIP  
GEAUGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Claridon 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 government services and park operations (recreation). The Township contracts with the Chardon Volunteer Fire Department and Burton Volunteer Fire Department to provide fire services emergency medical services and ambulance 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.

**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 receives property tax money to construct, maintain and repair Township roads and bridges.

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

**CLARIDON TOWNSHIP  
GEAUGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

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

**D. Fund Accounting (Continued)**

**3. Capital Projects 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 projects fund.

*Issue II Fund* - In 2000, the Township received a grant from the State of Ohio to replace a culvert on Forest Ridge Road.

**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 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 2001 and 2000 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. 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.

**CLARIDON TOWNSHIP  
GEOUGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

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 and investments at December 31 was as follows:

	2001	2000
Demand deposits	\$238,347	\$162,121
Certificates of deposit	525,000	395,000
	\$763,347	\$557,121

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2001 and December 31, 2000 follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$155,179	\$232,601	\$77,422
Special Revenue	380,590	413,248	32,658
	\$535,769	\$645,849	\$110,080

2001 Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$317,682	\$172,538	\$145,144
Special Revenue	768,700	324,603	444,097
Debt Service	43	0	43
	\$1,086,425	\$497,141	\$589,284

**CLARIDON TOWNSHIP  
GEOUGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$149,731	\$197,428	\$47,697
Special Revenue	368,200	395,986	27,786
Capital Projects	107,600	105,099	(2,501)
Total	\$625,531	\$698,513	\$72,982

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$258,509	\$153,521	\$104,988
Special Revenue	519,707	327,238	192,469
Capital Projects	107,600	105,099	2,501
Total	\$885,816	\$585,858	\$299,958

**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.

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.

**CLARIDON TOWNSHIP  
GEOUGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**5. RETIREMENT SYSTEMS**

**PERS**

The Public Employees Retirement System (PERS) of Ohio 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 2001 and 2000, members of PERS contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13%, effective July 1, 2000 through December 31, 2000. The Township has paid all contributions required through December 31, 2001.

**6. RISK MANAGEMENT**

**Commercial Insurance**

The Township has obtained commercial insurance for the following risks:

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

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**STATE OF OHIO  
OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

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

Claridon Township  
Geauga County  
P.O. Box 66  
East Claridon, Ohio 44033

To the Board of Trustees:

We have audited the accompanying financial statements of Claridon Township, Geauga County, Ohio, (the Township) as of and for the years ended December 31, 2001 and December 31, 2000, and have issued our report thereon dated April 11, 2002. We conducted our audits 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.

**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. 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 April 11, 2002.

Claridon Township  
Geauga County  
Report on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
Page 2

This report is intended solely 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

April 11, 2002





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**CLARIDON 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  
MAY 9, 2002**