



**Auditor of State  
Betty Montgomery**



**CLAIBOURNE TOWNSHIP  
UNION COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Accountants' Report.....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental and Fiduciary Fund Types - For the Year Ended December 31, 2002.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental and Fiduciary Fund Types - For the Year Ended December 31, 2001.....	4
Notes to the Financial Statements .....	5
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	9

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

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, 2002, and December 31, 2001. 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 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 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 accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Claibourne Township, Union County, Ohio, as of December 31, 2002 and December 31, 2001, 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 February 28, 2003 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.

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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 § 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**BETTY MONTGOMERY**  
Auditor of State

February 28, 2003

CLAIBOURNE TOWNSHIP  
UNION COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	Governmental Fund Types		Fiduciary Fund Types		Totals (Memorandum Only)
	General	Special Revenue	Non- Expendable Trust	Expendable Trust	
<b>Cash Receipts:</b>					
Local Taxes	\$4,096	\$36,914	\$0	\$0	\$41,010
Intergovernmental	41,311	63,373	0	0	104,684
Licenses, Permits, and Fees	562	6,222	0	0	6,784
Fines, Forfeitures, and Penalties	4,381	0	0	0	4,381
Earnings on Investments	4,711	730	0	0	5,441
Other Revenue	1,172	6,310	0	0	7,482
<b>Total Cash Receipts</b>	<b>56,233</b>	<b>113,549</b>	<b>0</b>	<b>0</b>	<b>169,782</b>
<b>Cash Disbursements:</b>					
Current:					
General Government	57,868	35,641	0	0	93,509
Public Safety	4,495	0	0	0	4,495
Public Works	1,652	27,857	0	0	29,509
Health	67	50	0	0	117
Conservation - Recreation	6,125	0	0	0	6,125
Miscellaneous	0	2,342	0	0	2,342
<b>Total Cash Disbursements</b>	<b>70,207</b>	<b>65,890</b>	<b>0</b>	<b>0</b>	<b>136,097</b>
Total Cash Receipts Over/(Under) Cash Disbursements	(13,974)	47,659	0	0	33,685
Fund Cash Balances, January 1	129,703	153,643	3,674	4,829	291,849
<b>Fund Cash Balances, December 31</b>	<b>\$115,729</b>	<b>\$201,302</b>	<b>\$3,674</b>	<b>\$4,829</b>	<b>\$325,534</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 AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	Governmental Fund Types		Fiduciary Fund Types		Totals (Memorandum Only)
	General	Special Revenue	Non- Expendable Trust	Expendable Trust	
<b>Cash Receipts:</b>					
Local Taxes	\$3,740	\$37,688	\$0	\$0	41,428
Intergovernmental	37,891	60,644	0	0	98,535
Licenses, Permits, and Fees	805	9,059	0	0	9,864
Fines, Forfeitures, and Penalties	3,798		0	0	3,798
Earnings on Investments	13,699	1,286	0	0	14,985
Other Revenue	13	3,903	0	0	3,916
Total Cash Receipts	59,946	112,580	0	0	172,526
<b>Cash Disbursements:</b>					
Current:					
General Government	55,283	52,367	0	0	107,650
Public Works	1,493	75,700	0	0	77,193
Health	1,955	0	0	0	1,955
Conservation - Recreation	1,125	0	0	0	1,125
Miscellaneous	0	2,207	0	0	2,207
Total Cash Disbursements	59,856	130,274	0	0	190,130
Total Cash Receipts Over/(Under) Cash Disbursements	90	(17,694)	0	0	(17,604)
<b>Other Financing Receipts and (Disbursements):</b>					
Other Sources	1,532	0	0	0	1,532
Other Uses	(100)	0	0	0	(100)
Total Other Financing Receipts/(Disbursements)	1,432	0	0	0	1,432
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	1,522	(17,694)	0	0	(16,172)
Fund Cash Balances, January 1	128,181	171,337	3,674	4,829	308,021
<b>Fund Cash Balances, December 31</b>	<b><u>\$129,703</u></b>	<b><u>\$153,643</u></b>	<b><u>\$3,674</u></b>	<b><u>\$4,829</u></b>	<b><u>\$291,849</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, 2002, AND 2001**

**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'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 not 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 receives property tax money for constructing, maintaining and repairing Township roads and bridges.

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

**CLAIBOURNE TOWNSHIP  
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002, AND 2001  
(Continued)**

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

**D. Fund Accounting (Continued)**

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

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

*Motor Vehicle License Tax Fund* – This fund receives motor vehicle tax money for constructing, maintaining and repairing township roads.

**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:

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

*Cemetery Bequest Non-Expendable Trust 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 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.

**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 reappropriated in the subsequent year.

A summary of 2002 and 2001 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, 2002, AND 2001  
(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:

	2002	2001
Demand deposits	\$146,618	\$112,933
Certificates of deposit	178,916	178,916
Total deposits and investments	\$325,534	\$291,849

**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, 2002 and December 31, 2001 follows:

2002 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$54,500	\$56,233	\$1,733
Special Revenue	104,135	113,549	9,414
Expendable Trust	200	0	(200)
Non-Expendable Trust	200	0	(200)
Total	\$159,035	\$169,782	\$10,747

2002 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$169,500	\$70,207	\$99,293
Special Revenue	227,400	65,890	161,510
Expendable Trust	250	0	250
Non-Expendable Trust	250	0	250
Total	\$397,400	\$136,097	\$261,303

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$52,000	\$61,478	\$9,478
Special Revenue	107,100	112,580	5,480
Expendable Trust	238	0	(238)
Non-Expendable Trust	240	0	(240)
Total	\$159,578	\$174,058	\$14,480

**CLAIBOURNE TOWNSHIP  
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002, AND 2001  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$164,000	\$59,956	\$104,044
Special Revenue	249,000	130,274	118,726
Expendable Trust	250	0	250
Non-Expendable Trust	250	0	250
Total	\$413,500	\$190,230	\$223,270

**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 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.

**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 2002 and 2001, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for 2001 and 2002.

**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.



## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' 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, 2002, and December 31, 2001 and have issued our report thereon dated February 28, 2003. We conducted our audit 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 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 February 28, 2003.

#### Internal Control Over Financial Reporting

In planning and performing our audit, 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 certain other 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 February 28, 2003.

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Claibourne Township  
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Independent Accountants' 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 the audit committee, 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**BETTY MONTGOMERY**  
Auditor of State

February 28, 2003



**Auditor of State  
Betty Montgomery**

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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 15, 2003**