



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

CHARLESTON TOWNSHIP
PORTAGE COUNTY

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
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, 2001	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Nonexpendable Trust Fund – For the Year Ended December 31, 2001	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2000	5
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - Nonexpendable Trust Fund - For the Year Ended December 31, 2000	6
Notes to the Financial Statements	7
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	13

This page intentionally left blank.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Voinovich Government Center
Suite 302
Youngstown, Ohio 44512
Telephone 330-797-9900
1-800-443-9271
Facsimile 330-797-9949
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Charleston Township
Portage County
5595 Knapp Rd.
Ravenna, OH 44266

To the Board of Trustees:

We have audited the accompanying financial statements of Charleston Township (the Township) as of and for the years ended December 31, 2001 and 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 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 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, 2001 and 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 May 10, 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 audit.

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". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

May 10, 2002

**CHARLESTON TOWNSHIP
PORTAGE 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>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$49,161	\$73,484	\$122,645
Intergovernmental	66,246	62,099	128,345
Licenses, Permits, and Fees	1,255	3,779	5,034
Earnings on Investments	6,382	7,368	13,750
Other Revenue	13,518	5,002	18,520
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	136,562	151,732	288,294
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Current:			
General Government	76,624	13,974	90,598
Public Safety	10,785		10,785
Public Works	6,205	123,222	129,427
Health	7,409	1,364	8,773
Conservation - Recreation	8,129		8,129
Debt Service:			
Redemption of Principal		16,200	16,200
Interest and Fiscal Charges		4,576	4,576
Capital Outlay	3,471	184,536	188,007
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	112,623	343,872	456,495
	<hr/>	<hr/>	<hr/>
Total Receipts Over/(Under) Disbursements	23,939	(192,140)	(168,201)
	<hr/>	<hr/>	<hr/>
Other Financing Receipts and (Disbursements):			
Proceeds from Sale of Public Debt:			
Sale of Notes	0	162,000	162,000
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	0	162,000	162,000
	<hr/>	<hr/>	<hr/>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	23,939	(30,140)	(6,201)
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	190,301	305,740	496,041
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$214,240</u>	<u>\$275,600</u>	<u>\$489,840</u>

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

CHARLESTON TOWNSHIP
PORTAGE COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - NONEXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Nonexpendable Trust</u>
Operating Cash Receipts:	
Interest	<u>\$745</u>
Operating Cash Disbursements:	
Supplies and Materials	<u>204</u>
Operating Income	<u>541</u>
Fund Cash Balances, January 1	<u>13,330</u>
Fund Cash Balances, December 31	<u><u>\$13,871</u></u>

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

**CHARLESTON TOWNSHIP
PORTAGE 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>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$46,996	\$30,484	\$77,480
Intergovernmental	69,389	56,164	125,553
Licenses, Permits, and Fees	890	2,237	3,127
Earnings on Investments	4,966	5,020	9,986
Other Revenue	11,014	4,423	15,437
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	133,255	98,328	231,583
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Current:			
General Government	68,264	9,160	77,424
Public Safety	10,455		10,455
Public Works	5,375	28,259	33,634
Health	5,008	726	5,734
Conservation - Recreation	7,030		7,030
Capital Outlay	15,210	8,061	23,271
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	111,342	46,206	157,548
	<hr/>	<hr/>	<hr/>
Total Receipts Over/(Under) Disbursements	21,913	52,122	74,035
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	168,388	253,618	422,006
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$190,301</u>	<u>\$305,740</u>	<u>\$496,041</u>

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

CHARLESTON TOWNSHIP
PORTAGE COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - NONEXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Nonexpendable Trust</u>
Operating Cash Receipts:	
Interest	<u>\$680</u>
Operating Cash Disbursements:	
Supplies and Materials	<u>204</u>
Operating Income	<u>476</u>
Fund Cash Balances, January 1	<u>12,854</u>
Fund Cash Balances, December 31	<u><u>\$13,330</u></u>

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

**CHARLESTON TOWNSHIP
PORTAGE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Charleston Township, Portage County, (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 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

Investments are included in fund cash balances. 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.

Certificates of deposit are valued at cost. STAR Ohio is recorded at share values reported by the mutual fund.

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:

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

**CHARLESTON TOWNSHIP
PORTAGE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds

Road and Bridge Fund - This fund receives property tax money restricted to constructing, maintaining and repairing roads and bridges within the Township.

Gasoline Tax Fund - This fund receives gasoline tax money to pay 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 fund:

Nonexpendable Trust Fund – This fund receives interest on U.S. Savings Bonds and CD's for which only the interest is expendable.

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 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 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.

**CHARLESTON TOWNSHIP
PORTAGE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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:

	2001	2000
Demand deposits	\$211,307	\$227,633
Certificates of deposit	10,075	10,075
Total deposits	221,382	237,708
U.S. Treasury - HH Bonds	1,500	1,500
STAR Ohio	280,829	270,163
Total investments	282,329	271,663
Total deposits and investments	\$503,711	\$509,371

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

Investments: U.S. Treasury Notes are held in book-entry form by the Federal Reserve, in the name of the Township. Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

3. BUDGETARY ACTIVITY

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

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$129,229	\$136,562	\$7,333
Special Revenue	305,329	313,732	8,403
Fiduciary	515	745	230
Total	\$435,073	\$451,039	\$15,966

**CHARLESTON TOWNSHIP
PORTAGE COUNTY**

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

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$319,530	\$112,623	\$206,907
Special Revenue	611,066	343,872	267,194
Fiduciary	2,270	204	2,066
Total	<u>\$932,866</u>	<u>\$456,699</u>	<u>\$476,167</u>

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$122,650	\$133,255	\$10,605
Special Revenue	91,967	98,328	6,361
Fiduciary	500	680	180
Total	<u>\$215,117</u>	<u>\$232,263</u>	<u>\$17,146</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$291,037	\$111,342	\$179,695
Special Revenue	345,581	46,206	299,375
Fiduciary	1,779	204	1,575
Total	<u>\$638,397</u>	<u>\$157,752</u>	<u>\$480,645</u>

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.

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.

**CHARLESTON TOWNSHIP
PORTAGE COUNTY**

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

5. DEBT

Debt outstanding at December 31, 2001 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
General Obligation Notes	162,000	4.73%
Total	<u>\$162,000</u>	

The General Obligation Note was issued in 2001 to finance the purchase a Fire Pumper Truck for \$162,000 to be used within the Township. The note will be repaid in semi-annual installments of \$16,200, plus interest, over 5 years. The general obligation notes are collateralized solely by the Township's taxing authority.

Amortization of the above debt, including interest, is scheduled as follows:

	<u>General Obligation Notes</u>
Year ending December 31:	
2002	\$38,913
2003	37,381
2004	35,848
2005	34,316
2006	16,583
Total	<u>\$163,041</u>

6. RETIREMENT SYSTEMS

The Township's 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 2001 and 2000, PERS members contributed 8.5% of their wages. 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.

7. RISK MANAGEMENT

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

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

This page intentionally left blank.



**STATE OF OHIO
OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

Voinovich Government Center
Suite 302
Youngstown, Ohio 44503
Telephone 330-799-9900
800-443-9271
Facsimile 330-797-9949
www.auditor.state.oh.us

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

Charleston Township
Portage County
5595 Knapp Rd.
Ravenna, OH 44266

To the Board of Trustees:

We have audited the accompanying financial statements of Charleston Township (the Township) as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated May 10, 2002. 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 certain immaterial instance of noncompliance that we have reported to management of the Township in a separate letter dated May 10, 2002.

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 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 May 10, 2002.

This report is intended solely for the information and use, 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 stylized with a large, sweeping initial "J" and a long horizontal stroke extending to the right.

Jim Petro
Auditor of State

May 10, 2002



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

CHARLESTON TOWNSHIP

PORTAGE 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 25, 2002**