



**CLEARCREEK TOWNSHIP  
FAIRFIELD COUNTY**

**REGULAR AUDIT**

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



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

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**STATE OF OHIO**



**CLEARCREEK TOWNSHIP  
FAIRFIELD COUNTY**

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## REPORT OF INDEPENDENT ACCOUNTANTS

Clearcreek Township  
Fairfield County  
10474 Dozer Road SW  
Stoutsville, Ohio 43154

To Board of Trustees:

We have audited the accompanying financial statements of Clearcreek Township, Fairfield 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 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 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 and reserves for encumbrances of Clearcreek Township, Fairfield County, Ohio 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 May 31, 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.

Clearcreek Township  
Fairfield County  
Report of Independent Accountants  
Page 2

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

May 31, 2001

**CLEARCREEK TOWNSHIP  
FAIRFIELD 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>	
<b>Cash Receipts:</b>			
Local Taxes	\$31,140	\$164,863	\$196,003
Intergovernmental	82,551	118,053	200,604
Charges for Services	0	29,700	29,700
Licenses, Permits, and Fees	29,421	9,100	38,521
Earnings on Investments	5,997	1,528	7,525
Other Revenue	9,709	75,378	85,087
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	158,818	398,622	557,440
<b>Cash Disbursements:</b>			
Current:			
General Government	124,468	0	124,468
Public Safety	0	104,840	104,840
Public Works	0	186,049	186,049
Health	7,700	16,621	24,321
Debt Service:			
Redemption of Principal	0	27,255	27,255
Interest and Fiscal Charges	0	2,492	2,492
Capital Outlay	0	39,493	39,493
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	132,168	376,750	508,918
Total Cash Receipts Over/(Under) Cash Disbursements	<hr/>	<hr/>	<hr/>
	26,650	21,872	48,522
<b>Other Financing Cash Receipts/(Cash Disbursements):</b>			
Proceeds from Notes	0	25,000	25,000
Transfers-In	0	2,500	2,500
Transfers-Out	(2,500)	0	(2,500)
	<hr/>	<hr/>	<hr/>
Total Other Financing Cash Receipts/(Cash Disbursements)	(2,500)	27,500	25,000
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<hr/>	<hr/>	<hr/>
	24,150	49,372	73,522
Fund Cash Balances, January 1, 2000	<hr/>	<hr/>	<hr/>
	61,456	174,171	235,627
<b>Fund Cash Balances, December 31, 2000</b>	<hr/>	<hr/>	<hr/>
	<b>\$85,606</b>	<b>\$223,543</b>	<b>\$309,149</b>
Reserve for Encumbrances, December 31, 2000	<hr/>	<hr/>	<hr/>
	\$930	\$1,946	\$2,876

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

CLEARCREEK TOWNSHIP  
FAIRFIELD COUNTY

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

	<u>Non Expendable Trust</u>
Operating cash receipts:	
Interest	<u>\$3,503</u>
Total Operating Cash Receipts	3,503
Fund Cash Balance, January 1, 2000	<u>41,419</u>
Fund Cash Balance, December 31, 2000	<u><u>\$44,921</u></u>

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



**CLEARCREEK TOWNSHIP  
FAIRFIELD COUNTY**

**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>			<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$30,134	\$163,425	\$0	\$193,559
Intergovernmental	74,903	134,264	317,815	526,982
Charges for Services	0	17,000	0	17,000
Licenses, Permits, and Fees	13,855	7,315	0	21,170
Earnings on Investments	6,792	350	0	7,142
Other Revenue	12,790	8,964	0	21,754
	<u>138,474</u>	<u>331,318</u>	<u>317,815</u>	<u>787,607</u>
<b>Total Cash Receipts</b>				
<b>Cash Disbursements:</b>				
Current:				
General Government	92,218	0	0	92,218
Public Safety	0	40,579	0	40,579
Public Works	0	198,780	0	198,780
Health	10,238	15,719	0	25,957
Debt Service:				
Redemption of Principal	30,000	73,909	0	103,909
Interest and Fiscal Charges	0	6,517	0	6,517
Capital Outlay	11,500	146,688	317,815	476,003
	<u>143,956</u>	<u>482,192</u>	<u>317,815</u>	<u>943,963</u>
<b>Total Cash Disbursements</b>				
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(5,482)</u>	<u>(150,874)</u>	<u>0</u>	<u>(156,356)</u>
<b>Other Financing Cash Receipts/(Cash Disbursements):</b>				
Proceeds from Notes	0	41,000	0	41,000
Sale of Fixed Assets	0	9,671	0	9,671
Transfers-In	0	2,000	0	2,000
Transfers-Out	(2,000)	0	0	(2,000)
	<u>(2,000)</u>	<u>52,671</u>	<u>0</u>	<u>50,671</u>
<b>Total Other Financing Cash Receipts/(Cash Disbursements)</b>				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(7,482)	(98,203)	0	(105,685)
Fund Cash Balances, January 1, 1999	<u>68,938</u>	<u>272,374</u>	<u>0</u>	<u>341,312</u>
<b>Fund Cash Balances, December 31, 1999</b>	<b><u>\$61,456</u></b>	<b><u>\$174,171</u></b>	<b><u>\$0</u></b>	<b><u>\$235,627</u></b>
Reserve for Encumbrances, December 31, 1999	<u>\$2,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,000</u>

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

CLEARCREEK TOWNSHIP  
FAIRFIELD COUNTY

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

	<u>Non Expendable Trust</u>
Operating Cash Receipts:	
Interest	<u>\$2,967</u>
Total Operating Cash Receipts	<u>2,967</u>
Fund cash balance, January 1, 1999	<u>38,452</u>
Fund cash balance, December 31, 1999	<u><u>\$41,419</u></u>

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

**CLEARCREEK TOWNSHIP  
FAIRFIELD COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Clearcreek Township, Fairfield 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. The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

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 Fund:

Road and Bridge Fund - This fund receives property tax money for constructing, maintaining and repairing Township roads and bridges.

**CLEARCREEK TOWNSHIP  
FAIRFIELD COUNTY**

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

Issue II Fund - The Township received a grant from the State of Ohio in 1999 for road repairs on Dozer Road.

**4. Fiduciary Funds (Trust Fund)**

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

Cemetery Bequest Fund - The interest income received in this fund is to be used for the upkeep and maintenance of the 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. 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 2000 and 1999 budgetary activity appears in Note 3.

**CLEARCREEK TOWNSHIP  
FAIRFIELD COUNTY**

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

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

**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. 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>2000</u>	<u>1999</u>
Demand deposits	\$311,579	\$237,682
Certificates of deposit	3,626	3,000
Total deposits	315,205	240,682
Total investments - STAR Ohio	38,865	36,364
Total deposits and investments	\$354,070	\$277,046

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

**Investments:** Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

**3. BUDGETARY ACTIVITY**

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

<b>2000 Budgeted vs. Actual Receipts</b>			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$94,375	\$158,818	\$64,443
Special Revenue	411,180	426,122	14,942
Fiduciary	2,000	3,503	1,503
Total	\$507,555	\$588,443	\$80,888

**CLEARCREEK TOWNSHIP  
FAIRFIELD COUNTY**

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

**3. BUDGETARY ACTIVITY (Continued)**

**2000 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$150,390	\$133,598	\$16,792
Special Revenue	474,520	378,696	95,824
Fiduciary	0	0	\$0
Total	<u>\$624,910</u>	<u>\$512,294</u>	<u>\$112,616</u>

**1999 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$131,313	\$138,474	\$7,161
Special Revenue	375,932	383,989	8,057
Capital Projects	350,040	317,815	(32,225)
Fiduciary	2,000	2,967	967
Total	<u>\$859,285</u>	<u>\$843,245</u>	<u>(\$16,040)</u>

**1999 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$175,000	\$147,956	\$27,044
Special Revenue	604,969	482,192	122,777
Capital Projects	350,040	317,815	32,225
Fiduciary	0	0	0
Total	<u>\$1,130,009</u>	<u>\$947,963</u>	<u>\$182,046</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.

**CLEARCREEK TOWNSHIP  
FAIRFIELD COUNTY**

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

**4. PROPERTY TAX (Continued)**

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. DEBT**

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
General Obligation Notes:		
Note activated 1999	14,182	5.75%
Note activated 2000	20,779	6.25%
Total	\$34,961	

One general obligation note was issued in 1999 to finance the purchase of a new fire engine. Another general obligation note was issued in 2000 for the rechassis and remount of the squad. The notes are collateralized solely by the Township's taxing authority.

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

Year ending December 31:	General Obligation Notes
2001	23,970
2002	9,107
2003	4,554
Total	\$37,631

**6. RETIREMENT SYSTEMS**

All full-time employees, along with the elected officials, participate in the Public Employees Retirement System of Ohio (PERS), a cost-sharing multiple-employer public employee retirement system administered by the Public Employees Retirement Board. PERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries.

Contribution rates are also prescribed by the Ohio Revised Code. PERS members contributed 8.5% of their gross salaries. The Township was required to contribute an amount equal to 13.55% of participants' gross salaries for 1999 and an amount equal to 10.84% of participants' gross salaries for 2000. The Township has paid all contributions required through December 31, 2000.

**CLEARCREEK TOWNSHIP  
FAIRFIELD COUNTY**

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

**7. RISK MANAGEMENT**

The Township has obtained commercial insurance for the following risks:

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

**8. JOINTLY GOVERNED ORGANIZATION**

**Fairfield Regional Planning Commission**

The Township appoints a person to represent the Township on the 48 member board of the Fairfield Regional Planning Commission. The Township pays a small membership fee annually. The fee is based on the per capita of the Township. There is no ongoing financial interest or responsibility by the Township.

**Cross Mound Regional Sewer District**

The Township appoints an individual to represent the Township on the 3 member board of the Cross Mound Regional Sewer District. The Sewer District was created to provide an efficient and convenient means to eliminate the current danger to public health, safety and welfare caused by the sewage problems in the area. The Township disbursed \$500 to the Sewer District during the period under audit. There is no ongoing financial interest or responsibility by the Township.





**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**

Clearcreek Township  
Fairfield County  
10474 Dozer Road SW  
Stoutsville, Ohio 43154

We have audited the accompanying financial statements of Clearcreek Township, Fairfield 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 May 31, 2001. 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 May 31, 2001.

**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 May 31, 2001.

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

This report is intended for the information and use of the 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

May 31, 2001



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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800-282-0370  
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**CLEARCREEK TOWNSHIP**

**FAIRFIELD 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 21, 2001**