

**CLARK TOWNSHIP
COSHOCOTON COUNTY**

**REGULAR AUDIT
FOR THE YEARS ENDED DECEMBER 31, 2001 – 2000**

Lynch & Lynch CPA's Inc.
5 S. 4th Street
P.O. Box 307
Zanesville, Ohio 43702
(740)454-8527



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
Columbus, Ohio 43215

Telephone 614-466-4514
800-282-0370

Facsimile 614-728-7398
www.auditor.state.oh.us

Board of Trustees
Clark Township
Coshocton County
33954 State Route 83
Coshocton, Ohio 43812

We have reviewed the Independent Auditor's Report of Clark Township, Coshocton County, prepared by Lynch & Lynch CPAs, for the audit period January 1, 2000 through December 31, 2001. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Clark Township is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

June 11, 2002

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**Clark Township
Coshocton County**

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**Clark Township
Coshocton County
Elected Officials
as of December 31, 2001**

Name	Title	Term of Office	Surety	Amount and Period
Robert Myers	President Trustee	1/1/98 - 1/1/2002	(A)	5,000. (B)
Gerald Williamson	Vice - President Trustee	1/1/98 - 1/1/2002	(A)	5,000. (B)
William Mohler	Trustee	1/1/96 - 1/1/2000 (C)	(A)	5,000. (B)
Helen Mullet	Clerk	4/1/96 - 4/1/2000 (D)	(A)	10,000. (B)
John Siegel	Trustee	1/1/2000 - 1/1/2004	(A)	5,000. (B)

(A) Ohio Government Risk Management Plan.

(B) Concurrent with Term.

(C) Not re-elected.

(D) Re-elected for period 4/1/2000 - 4/1/2004.

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REPORT OF INDEPENDENT ACCOUNTANTS

Clark Township
Coshocton County
33594 SR 83
Coshocton, Ohio 43812

To the Board of Trustees:

We have audited the accompanying financial statements of Clark Township, Coshocton County, Ohio (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 cash and cash fund balances of Clark Township, Coshocton County, Ohio, 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 the management, the Board and other officials authorized to receive this report under section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully Submitted:

Lynch & Lynch CPAs
Zanesville, Ohio
May 10, 2002

**CLARK TOWNSHIP
COSHOCOTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Cemetery Bequest</u>	
Cash Receipts:				
Taxes	\$ 16,111.91	\$ 1,969.09	\$.00	\$ 18,081.00
Licenses, Permits and Fees	.00	2,210.00	.00	2,210.00
Intergovernmental Receipts	76,202.10	58,825.88	.00	135,027.98
Interest	484.75	.00	261.57	746.32
All Other Revenue	<u>3,064.74</u>	<u>286.00</u>	<u>.00</u>	<u>3,350.74</u>
Total Cash Receipts	<u>\$ 95,863.50</u>	<u>\$ 63,290.97</u>	<u>\$ 261.57</u>	<u>\$ 159,416.04</u>
Cash Disbursements:				
General Government	\$ 27,894.96	\$.00	\$.00	\$ 27,894.96
Public Works	34,616.75	58,906.12	.00	93,522.87
Health	6,518.00	2,179.41	.00	8,697.41
Capital Outlay	<u>.00</u>	<u>260.00</u>	<u>.00</u>	<u>260.00</u>
Total Cash Disbursements	<u>\$ 69,029.71</u>	<u>\$ 61,345.53</u>	<u>\$.00</u>	<u>\$ 130,375.24</u>
Total Receipts Over/(Under)				
Program Disbursements	\$ 26,833.79	\$ 1,945.44	\$ 261.57	\$ 29,040.80
Other Financing Sources	1,417.77	400.00	.00	1,817.77
Operating Transfers In (Out)	.00	261.57	(261.57)	.00
Fund Cash Balances- January 1, 2001	<u>13,114.82</u>	<u>13,581.64</u>	<u>4,366.47</u>	<u>31,062.93</u>
Fund Cash Balances-December 31,2001	<u>\$ 41,366.38</u>	<u>\$ 16,188.65</u>	<u>\$ 4,366.47</u>	<u>\$ 61,921.50</u>

**CLARK TOWNSHIP
COSHOCOTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Cemetery Bequest</u>	
Cash Receipts:				
Taxes	\$ 14,609.88	\$.00	\$.00	\$ 14,609.88
Licenses, Permits and Fees	.00	3,240.00	.00	3,240.00
Intergovernmental receipts	13,137.46	63,869.03	.00	77,006.49
Interest	642.27	.00	210.24	852.51
All other revenue	<u>3,455.68</u>	<u>6.00</u>	<u>.00</u>	<u>3,461.68</u>
Total Cash Receipts	<u>\$ 31,845.29</u>	<u>\$ 67,115.03</u>	<u>\$ 210.24</u>	<u>\$ 99,170.56</u>
Cash Disbursements:				
General government	\$ 16,628.57	\$.00	\$.00	\$ 16,628.57
Public works	1,812.15	74,513.39	.00	76,325.54
Capital Outlay	5,037.25	.00	.00	5,037.25
Health	<u>5,792.00</u>	<u>3,780.00</u>	<u>.00</u>	<u>9,572.00</u>
Total Cash Disbursements	<u>\$ 29,269.97</u>	<u>\$ 78,293.39</u>	<u>\$.00</u>	<u>\$ 107,563.36</u>
Total Receipts Over/(Under)				
Program Disbursements	\$ 2,575.32	\$(11,178.36)	\$ 210.24	\$ (8,392.80)
Operating Transfers In (Out)	.00	210.24	(210.24)	.00
Fund Cash Balances- January 1, 2000	<u>10,539.50</u>	<u>24,549.76</u>	<u>4,366.47</u>	<u>39,455.73</u>
Fund Cash Balances- December 31, 2000	<u>\$ 13,14.82</u>	<u>\$ 13,581.64</u>	<u>\$ 4,366.47</u>	<u>\$ 31,062.93</u>

**CLARK TOWNSHIP
COSHOCTON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Clark Township, Coshocton 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. The township provides road, bridge and ditch maintenance, cemetery maintenance, cemetery lot sales and opening and closing of graves.

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 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. Fund Accounting

The township uses fund accounting to segregate cash that is 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 expenditures for specific purposes. The Township had the following significant Special Revenue Fund:

Gasoline Tax Fund – This fund receives gasoline tax money to construct, maintain and repair 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:

Cemetery Trust Fund – This is a fiduciary fund and this fund accounts for the receipt of interest on a bequest for cemetery maintenance and the transfer of this interest to the cemetery fund.

**CLARK TOWNSHIP
COSHOCOTON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. 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 cash balances 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 2.

E. Property, Plant and Equipment

Acquisition of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

2. Budgetary Activity

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

<u>Fund Type:</u>	<u>2001 Budgeted vs. Actual Receipts</u>		<u>Variance</u>
	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	
General	\$ 100,840.16	\$ 95,863.50	\$ (4,976.66)
Special Revenue	87,085.64	63,290.97	(23,794.67)
Fiduciary Fund	<u>4,366.47</u>	<u>4,366.47</u>	<u>.00</u>
Total	<u>\$ 192,292.27</u>	<u>\$ 163,520.94</u>	<u>\$ (28,771.33)</u>

**CLARK TOWNSHIP
COSHOCTON COUNTY**

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

2001 Budgeted vs. Actual Budgetary Basis Expenditure

<u>Fund Type:</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 100,840.16	\$ 69,029.73	\$ 31,810.43
Special Revenue	87,085.64	61,345.53	25,740.11
Fiduciary Fund	<u>4,366.47</u>	<u>.00</u>	<u>4,366.47</u>
Total	<u>\$ 192,292.27</u>	<u>\$ 130,375.26</u>	<u>\$ 61,917.01</u>

2000 Budgeted vs. Actual Receipts

<u>Fund Type:</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 45,878.50	\$ 31,823.66	\$ (14,054.84)
Special Revenue	90,649.76	67,115.03	(23,534.73)
Fiduciary	<u>4,366.47</u>	<u>4,366.47</u>	<u>.00</u>
Total	<u>\$ 140,894.73</u>	<u>\$103,305.16</u>	<u>\$ 37,589.57</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type:</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 45,878.50	\$ 29,269.99	\$ 16,608.51
Special Revenue	90,649.76	78,293.39	12,356.37
Fiduciary	<u>4,366.47</u>	<u>.00</u>	<u>4,366.47</u>
Total	<u>\$ 140,894.73</u>	<u>\$ 107,563.38</u>	<u>\$33,331.35</u>

3. Equity in Pooled Cash and Investments

The township maintains a cash pool used by the general and special revenue funds. The Ohio Revised Code prescribes allowable deposits and Investments. The carrying amount of cash at December 31 was as follows:

	<u>2001</u>	<u>2000</u>
General and Special Revenue Funds:		
Demand deposits	\$ 26,696.46	\$ 57,555.03
Fiduciary Fund:		
Certificate of Deposit	<u>4,366.47</u>	<u>4,366.47</u>
Total	<u>\$ 31,062.93</u>	<u>\$ 61,921.50</u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

4. Debt

There was no Debt outstanding at December 31, 2001.

**CLARK TOWNSHIP
COSHOCTON COUNTY**

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

5. Risk Management

The Township has obtained insurance for the following risks through the Ohio Government Risk Management Plan:

- Comprehensive property and general liability
- Wrongful acts
- Employee benefit liability
- Cemetery
- Professional liability and
- Vehicles

6. RETIREMENT SYSTEM

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 2000, Clark Township reported \$ 33,802.75 of wages to PERS on 12 monthly employee reports and four quarterly employers reports. This represented 100% of the wages of six employees, including three trustees and the Township Clerk. \$ 2,873.09 was withheld from employees at 8.5% and \$ 3,689.22 of employer contributions were sent in at the 13.55% employer rate but net of a \$ 891.06 second half rollback.

During 2001 Clark Township reported \$ 36,000.00 of wages to PERS on twelve monthly and four Quarterly reports. This represented 100% of the wages of six employees, including three trustees and The Township Clerk. \$ 3,059.94 was withheld from employees at 8.5% and \$ 4,910.88 of employer Contributions at 13.55% and increased by a late filing penalty of \$ 28.17 and interest of \$ 4.86. The Township has paid all contributions required through December 31, 2001.

Lynch & Lynch CPA's Inc.
5 South 4th Street
Zanesville, Ohio 43701

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

Clark Township
Coshocton County
33594 SR 83
Coshocton, Ohio 43812

To the Board of Trustees:

We have audited the accompanying financial statements of Clark township, Coshocton County, Ohio (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 the township's 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 an instance of non-compliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item one. We also noted certain immaterial instances of non-compliance which we have reported to the 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 a material weakness. 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 the management of the Township in a separate letter dated May 10, 2002.

Clark Township
Coshocton County
Report of Independent Accountants 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 should not be used by anyone other than these specified parties.

Lynch & Lynch CPA's Inc.
Zanesville, Ohio
May 10, 2002

**CLARK TOWNSHIP
COSHOCOTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2001 AND 2000**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER ONE

Ohio Revised Code Section 5705.41(D) states that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the obligation has been lawfully appropriated for such purpose and is in the treasury or in process of collection to the credit of an appropriate fund free from any previous encumbrances. This certificate need be signed only by the subdivision's fiscal officer. Every such contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

Ohio Revised Code Section 5705.41(D)(1) Provides two exceptions to the above requirement:

- If no certificate is furnished as required, upon receipt by the taxing authority of the subdivision or taxing unit of a certificate of the fiscal officer stating that there was at the time of the making of such Contract or order and at the time of the execution of such certificate a sufficient sum was appropriated and free of any previous encumbrances, the Board of Trustees may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within thirty days of the receipt of such certificate, if such expenditure is otherwise valid.
- If the amount involved is less than one thousand dollars, the fiscal officer may authorize it to be paid without the affirmation of the Board of Trustees.

FINDING

- The certificate of the fiscal officer appears on a purchase order which is then attached to the warrant and invoice or other supporting documents.
- The Township stopped the use of Purchase Orders in the year 2000. Of 108 warrants issued during the January through July, 2000 test period only 19 purchase orders were issued. Of the 187 warrants issued during 2001 none had purchase orders.
- Failure to certify the availability of funds did result in a negative balance in the General Fund of \$ 1,007.70 at September 26, 2000 due to payment of \$ 10,074.49 to a contractor toward construction of a new township hall which was not previously appropriated. The negative balance was covered at October 31, 2000 by transfer of \$ 3,441.88 from the gasoline fund.

Failure to certify the availability of funds could and in at least the above cited instance did result in overspending and negative cash balances. The Township should obtain approved purchase orders which include the fiscal officer's certification that the amount required to meet the obligation has been lawfully appropriated and authorized prior to making a commitment.



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

CLARK TOWNSHIP
COSHOCTON 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 18, 2002**