



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

CLINTON TOWNSHIP
SENECA COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Clinton Township
Seneca County
2584 North State Route 101
P.O. Box 801
Tiffin, Ohio 44883-0801

To the Board of Trustees:

We have audited the accompanying financial statements of Clinton 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 April 9, 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.

Clinton Township
Seneca County
Report of Independent Accountants
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This report is intended solely for the information and use of the audit committee, 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.

Jim Petro
Auditor of State

April 9, 2002

**CLINTON TOWNSHIP
SENECA 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>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$64,776	\$210,277	\$7,500	\$282,553
Intergovernmental	79,276	85,847	17,663	182,786
Licenses, Permits, and Fees	4,420			4,420
Earnings on Investments	8,032	1,905		9,937
Other Revenue	30,598	7,428		38,026
Total Cash Receipts	<u>187,102</u>	<u>305,457</u>	<u>25,163</u>	<u>517,722</u>
Cash Disbursements:				
Current:				
General Government	140,949			140,949
Public Safety		54,887		54,887
Public Works	4,015	229,082		233,097
Capital Outlay	24,263	8,413	17,663	50,339
Total Cash Disbursements	<u>169,227</u>	<u>292,382</u>	<u>17,663</u>	<u>479,272</u>
Total Receipts Over Disbursements	<u>17,875</u>	<u>13,075</u>	<u>7,500</u>	<u>38,450</u>
Other Financing Receipts/(Disbursements):				
Transfers-In			20,000	20,000
Transfers-Out	(20,000)			(20,000)
Total Other Financing Receipts/(Disbursements)	<u>(20,000)</u>		<u>20,000</u>	
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(2,125)	13,075	27,500	38,450
Fund Cash Balances, January 1	<u>105,543</u>	<u>167,472</u>	<u>76,985</u>	<u>350,000</u>
Fund Cash Balances, December 31	<u>\$103,418</u>	<u>\$180,547</u>	<u>\$104,485</u>	<u>\$388,450</u>

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

**CLINTON TOWNSHIP
SENECA 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**

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Cash Receipts:					
Local Taxes	\$58,326	\$197,625		\$7,500	\$263,451
Intergovernmental	74,017	86,054		20,000	180,071
Licenses, Permits, and Fees	6,750				6,750
Earnings on Investments	9,054	2,994			12,048
Other Revenue	19,647	19,824			39,471
Total Cash Receipts	167,794	306,497		27,500	501,791
Cash Disbursements:					
Current:					
General Government	168,335				168,335
Public Safety	5,223	53,093			58,316
Public Works	19,047	215,935			234,982
Debt Service:					
Redemption of Principal			\$4,777		4,777
Interest and Fiscal Charges			559		559
Capital Outlay	35,435	4,834		40,846	81,115
Total Cash Disbursements	228,040	273,862	5,336	40,846	548,084
Total Receipts Over/(Under) Disbursements	(60,246)	32,635	(5,336)	(13,346)	(46,293)
Other Financing Receipts/(Disbursements):					
Transfers-In				30,000	30,000
Transfers-Out	(30,000)				(30,000)
Total Other Financing Receipts/(Disbursements)	(30,000)			30,000	
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(90,246)	32,635	(5,336)	16,654	(46,293)
Fund Cash Balances, January 1	195,789	134,837	5,336	60,331	396,293
Fund Cash Balances, December 31	\$105,543	\$167,472		\$76,985	\$350,000

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

**CLINTON TOWNSHIP
SENECA COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Clinton Township, Seneca 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 general governmental services, including road and bridge maintenance, street lighting, 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 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.

Certificates of deposit are valued at cost.

D. 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 expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

**CLINTON TOWNSHIP
SENECA COUNTY**

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

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

Fire Special Levy Fund - This fund receives tax revenue which is used for the purpose of fire protection.

3. Debt Service Fund

The debt service fund is used to accumulate resources for the payment of bonds and note indebtedness. The Township had the following significant Debt Service Fund:

General Note Retirement Fund - This fund receives tax revenue to pay note debt for the purchase of a new fire truck and fire station.

4. 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:

Public Works Projects Fund - The Township received a grant from the State of Ohio to repair and pave roads.

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 2001 and 2000 budgetary activity appears in Note 3.

**CLINTON TOWNSHIP
SENECA COUNTY**

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

2. EQUITY IN POOLED CASH

The Township maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 was as follows:

	<u>2001</u>	<u>2000</u>
Demand deposits	\$318,450	\$280,000
Certificates of deposit	<u>70,000</u>	<u>70,000</u>
Total deposits	<u>\$388,450</u>	<u>\$350,000</u>

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

3. BUDGETARY ACTIVITY

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

2001 Budgeted vs. Actual Receipts			
<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$163,219	\$187,102	\$23,883
Special Revenue	305,255	305,457	202
Debt Service	19,750		(19,750)
Capital Projects	<u> </u>	<u>45,163</u>	<u>45,163</u>
Total	<u>\$488,224</u>	<u>\$537,722</u>	<u>\$49,498</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$265,600	\$189,227	\$76,373
Special Revenue	465,000	292,382	172,618
Capital Projects	<u>25,163</u>	<u>17,663</u>	<u>7,500</u>
Total	<u>\$755,763</u>	<u>\$499,272</u>	<u>\$256,491</u>

**CLINTON TOWNSHIP
SENECA COUNTY**

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

2000 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$146,727	\$167,794	\$21,067
Special Revenue	306,014	306,497	483
Debt Service	19,175		(19,175)
Capital Projects	<u>28,695</u>	<u>57,500</u>	<u>28,805</u>
Total	<u>\$500,611</u>	<u>\$531,791</u>	<u>\$31,180</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$344,600	\$258,040	\$86,560
Special Revenue	409,000	273,862	135,138
Debt Service	11,000	5,336	5,664
Capital Projects	<u>89,000</u>	<u>40,846</u>	<u>48,154</u>
Total	<u>\$853,600</u>	<u>\$578,084</u>	<u>\$275,516</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.

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 SYSTEM

The Township's trustees, clerk and roadmen belong to the Public Employees Retirement System (PERS) of Ohio. PERS is 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.

**CLINTON TOWNSHIP
SENECA COUNTY**

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2001 and 2000, members of 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 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

Risk Pool Membership

The Township is a member of the Ohio Township Risk Management Authority Insurance Pool (the Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool covers the following risks:

- General liability and casualty;
- Public official's liability; and
- Vehicle.

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2000</u>	<u>1999</u>
Cash and investments	<u>\$22,684,383</u>	<u>\$18,172,222</u>
Actuarial liabilities	<u>\$8,924,977</u>	<u>\$5,947,013</u>

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

Clinton Township
Seneca County
2584 North State Route 101
P.O. Box 801
Tiffin, Ohio 44883-0801

To the Board of Trustees:

We have audited the accompanying financial statements of Clinton Township (the Township) as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated April 9, 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*.

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 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 9, 2002.

Clinton Township
Seneca 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 is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

April 9, 2002



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OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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CLINTON TOWNSHIP

SENECA 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**