



**CLINTON TOWNSHIP
FRANKLIN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDING DECEMBER 31, 2001 AND 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

CLINTON TOWNSHIP
FRANKLIN COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Board of Trustees
Clinton Township
Franklin County
3820 Cleveland Avenue
Columbus, Ohio 43224

We have audited the accompanying financial statements of Clinton Township, Franklin County, Ohio, (the Township) as of and for the years ended December 31, 2001 and December 31, 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 described 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 the Township as of December 31, 2001 and December 31, 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 February 11, 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 Section 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

February 11, 2002

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**CLINTON TOWNSHIP
FRANKLIN 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**

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash Receipts:				
Local Taxes	\$28,500	\$1,646,698	\$0	\$1,675,198
Intergovernmental	431,107	340,594	333,802	1,105,504
Licenses, Permits, and Fees	0	107,807	0	107,807
Earnings on Investments	83,702	0	0	83,702
Other Revenue	14,426	14,766	0	29,192
	<u>557,735</u>	<u>2,109,865</u>	<u>333,802</u>	<u>3,001,403</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
General Government	253,491	0	0	253,491
Public Safety	54,897	1,987,096	0	2,041,993
Public Works	10,661	220,501	0	231,162
Health	2,497	0	0	2,497
Human Services	2,893	0	0	2,893
Supplies and Materials	0	52,713	0	52,713
Miscellaneous	0	7,538	0	7,538
Personal Services	0	4,078	0	4,078
Capital Outlay	50,230	187,207	332,769	570,206
	<u>374,669</u>	<u>2,459,133</u>	<u>332,769</u>	<u>3,166,571</u>
Total Cash Disbursements				
Total Cash Receipts Over/(Under) Disbursements	<u>183,066</u>	<u>(349,268)</u>	<u>1,033</u>	<u>(165,168)</u>
Other Financing Receipts/(Disbursements):				
Transfers-In	0	0		0
Transfers-Out	0	0		0
Other Sources	78,069	0	0	78,069
	<u>78,069</u>	<u>0</u>	<u>0</u>	<u>78,069</u>
Total Other Financing Receipts/(Disbursements)				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>261,135</u>	<u>(349,268)</u>	<u>1,033</u>	<u>(87,099)</u>
Fund Cash Balances, January 1, 2001	882,734	1,316,804	5,000	2,204,538
Fund Cash Balances, December 31, 2001	<u>\$1,143,869</u>	<u>\$967,536</u>	<u>\$6,033</u>	<u>\$2,117,439</u>
Reserve for Encumbrances, December 31, 2001	<u>\$219,059</u>	<u>\$278,196</u>	<u>\$0</u>	<u>\$497,255</u>

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

**CLINTON TOWNSHIP
FRANKLIN 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>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$30,039	\$1,797,968	\$0	\$1,828,007
Intergovernmental	340,833	230,208	95,610	666,651
Licenses, Permits, and Fees	0	53,964	0	158,783
Earnings on Investments	104,819	0	0	104,819
Other Revenue	49,908	19,500	0	69,408
	<u>525,599</u>	<u>2,101,640</u>	<u>95,610</u>	<u>2,722,849</u>
Total Cash Receipts				
	<u>525,599</u>	<u>2,101,640</u>	<u>95,610</u>	<u>2,722,849</u>
Cash Disbursements:				
Current:				
General Government	240,235	0	0	240,235
Public Safety	48,134	1,530,942	0	1,579,076
Public Works	14,480	171,477	0	185,957
Health	2,150	0	0	2,150
Human Services	15,834	0	0	15,834
Supplies and Materials	0	4,456	0	4,456
Miscellaneous	2,912	0	0	2,912
Personal Services	0	6,000	0	6,000
Capital Outlay	152,493	52,547	133,204	338,244
	<u>476,238</u>	<u>1,765,422</u>	<u>133,204</u>	<u>2,374,864</u>
Total Cash Disbursements				
	<u>476,238</u>	<u>1,765,422</u>	<u>133,204</u>	<u>2,374,864</u>
Total Cash Receipts Over Disbursements	<u>49,361</u>	<u>336,218</u>	<u>(37,594)</u>	<u>347,985</u>
Other Financing Receipts/(Disbursements):				
Transfers-In	11,378	0	5,000	16,378
Transfers-Out	(5,000)	0	(11,378)	(16,378)
	<u>6,378</u>	<u>0</u>	<u>(6,378)</u>	<u>0</u>
Total Other Financing Receipts/(Disbursements)				
	<u>6,378</u>	<u>0</u>	<u>(6,378)</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	<u>55,739</u>	<u>336,218</u>	<u>(43,972)</u>	<u>347,985</u>
Fund Cash Balances, January 1, 2000	<u>826,995</u>	<u>980,586</u>	<u>48,972</u>	<u>1,856,553</u>
Fund Cash Balances, December 31, 2000	<u>\$882,734</u>	<u>\$1,316,804</u>	<u>\$5,000</u>	<u>\$2,204,538</u>
Reserve for Encumbrances, December 31, 2000	<u>\$138,087</u>	<u>\$282,615</u>	<u>\$0</u>	<u>\$420,702</u>

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

**CLINTON TOWNSHIP
FRANKLIN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Clinton Township, Franklin 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, police protection, fire protection and emergency medical services for the East segment of the Township. The Township additionally contracts with the City of Upper Arlington to provide fire services and emergency medical services for the West segment of the Township.

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

U. S. Treasury Notes and Repurchase agreements are valued at cost.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains and 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:

**CLINTON TOWNSHIP
FRANKLIN 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 (Continued)

Police District Fund- This fund receives property tax money for the operation and maintenance of Township police protection services.

Fire District Fund- This fund receives property tax revenue and other intergovernmental revenue for maintaining and operating the Township fire department.

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 funds:

Elmore Avenue Issue II Fund - The Township received a grant from the State of Ohio to do infrastructure repair and road resurfacing on Elmore Avenue.

Lamont Road Issue II Fund - The Township received a grant from the State of Ohio to do infrastructure repair and road resurfacing on Lamont Road.

Mecca Avenue Issue II Fund - The Township received a grant from the State of Ohio to do infrastructure repair and road resurfacing on Mecca Avenue.

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. 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 2001 and 2000 budgetary activity appears in Note 3.

**CLINTON TOWNSHIP
FRANKLIN COUNTY**

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

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

	<u>2001</u>	<u>2000</u>
Demand deposits	<u>\$218,809</u>	<u>\$82,882</u>
Total deposits	<u>218,809</u>	<u>82,882</u>
U. S. Treasury Note	<u>1,898,630</u>	<u>2,121,656</u>
Total investments	<u>1,898,630</u>	<u>2,121,656</u>
Total deposits and investments	<u><u>\$2,117,439</u></u>	<u><u>\$2,204,538</u></u>

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 name of the Township's financial institution. The financial institution maintains records identifying the Township as owner of these securities.

**CLINTON TOWNSHIP
FRANKLIN COUNTY**

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

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	\$465,500	\$635,804	\$170,304
Special Revenue	1,871,773	2,109,865	238,092
Capital Project	383,157	333,802	(49,355)
Total	<u>\$2,720,430</u>	<u>\$3,079,471</u>	<u>\$359,041</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$795,280	\$593,728	\$201,552
Special Revenue	2,958,080	2,737,329	220,751
Capital Project	388,150	332,769	55,381
Total	<u>\$4,141,510</u>	<u>\$3,663,826</u>	<u>\$477,684</u>

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$420,657	\$536,977	\$116,320
Special Revenue	1,990,699	2,101,640	110,941
Capital Project	543,503	100,610	(442,893)
Total	<u>\$2,954,859</u>	<u>\$2,739,227</u>	<u>(\$215,632)</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$842,070	\$619,325	\$222,745
Special Revenue	2,541,940	2,048,037	493,903
Capital Project	574,810	144,582	430,228
Total	<u>\$3,958,820</u>	<u>\$2,811,944</u>	<u>\$1,146,876</u>

**CLINTON TOWNSHIP
FRANKLIN COUNTY**

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

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.

5. RETIREMENT SYSTEMS

The Township's certified Fire Fighters belong to the Police and Firemen's Disability and Pension Funds (PFDPF). Other employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are a cost-sharing, multiple-employer plans. These plans provide 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, members of PFDPF contributed 10% of their wages to the PFDPF. The Township contributed an amount equal to 24.0% of their wages. PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 16.7% of participants gross salaries. PERS LE members (police department) members contributed 9% of their gross wages. The Township contributed an amount equal to 16.7% of participants gross salaries. The Township has paid all contributions required through December 31, 2001.

6. RISK MANAGEMENT

Risk Pool Membership

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty insurance for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Insurance

OTARMA retains casualty risks up to \$250,000 per claim. Claims exceeding \$250,000 are reinsured with APEEP up to \$1,750,000 per claim and \$5,000,000 in the aggregate per year. Governments can elect additional coverage, from \$2,000,000 to \$10,000,000, from the General Reinsurance Corporation.

If losses exhaust OTARMA's retained earnings, APEEP covers OTARMA losses up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

**CLINTON TOWNSHIP
FRANKLIN COUNTY**

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

6. RISK MANAGEMENT (Continued)

Property Insurance

OTARMA retains property risks including automobile physical damage up to \$100,000 on any specific loss. The Travelers Indemnity Company reinsures specific losses exceeding \$100,000. The Travelers Indemnity Company also provides aggregate excess coverage for property including automobile physical damage subject to an annual stop loss. When the stop loss is reached in any year, The Travelers Indemnity Company provides coverage in excess of \$10,000.

The aforementioned casualty and property reinsurance agreements do not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2000, which is the latest information available:

<u>Casualty Coverage</u>	<u>2000</u>
Assets	\$22,684,383
Liabilities	<u>8,924,977</u>
Retained earnings	<u>\$13,759,406</u>

<u>Property Coverage</u>	<u>2000</u>
Assets	\$4,156,784
Liabilities	<u>497,831</u>
Retained earnings	<u>\$3,658,953</u>

6. JOINT VENTURE

On July 7, 1997, the Clinton Township Board of Trustees and the Mifflin Township (Franklin County, Ohio) Board of Trustees established a joint venture for the implementation of the Mifflin/Clinton Code Enforcement Officer Grant. This agreement is to provide residents with a clean, safe environment and to provide enforcement of code, health, and zoning issues. Mifflin Township is designated as the financial administrator of the joint venture and, therefore, the related receipts and disbursements are not reflected in the accompanying financial statements.



STATE OF OHIO
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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Board of Trustees
Clinton Township
Franklin County
3820 Cleveland Avenue
Columbus, Ohio 43224

We have audited the accompanying financial statements of Clinton Township, Franklin County, Ohio (the Township), as of and for the years ended December 31, 2001 and December 31, 2000, and have issued our report thereon dated February 11, 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 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 instances of noncompliance that we have reported to management of the Township in a separate letter dated February 11, 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 February 11, 2002.

This report is intended for the information and use of 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

February 11, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Facsimile 614-466-4490

CLINTON TOWNSHIP

FRANKLIN 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
FEBRUARY 28, 2002**