



**CLARK TOWNSHIP
CLINTON COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER, 2000-1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

CLARK TOWNSHIP
CLINTON COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT

Clark Township
Clinton County
1202 Oak Grove Road
Martinsville, OH 45146

To the Board of Trustees:

We have audited the accompanying financial statements of Clark Township, Clinton County (the Township), as of and for the years ended December 31, 2000 and 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 provide a reasonable basis for our opinion.

As discussed 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, 2000 and 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 June 21, 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.

This report is intended solely for the information and use of the management, Board of Trustees and other officials authorized to receive this report under § 117.26, of the 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

June 21, 2001

**CLARK TOWNSHIP
CLINTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND FIDUCIARY 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>Debt Service</u>	<u>Capital Projects</u>	<u>Fiduciary Funds</u>	
Cash Receipts:						
Local Taxes	\$11,829	\$38,016	\$16,363	\$0	\$0	\$66,208
Intergovernmental	18,335	69,619	1,825	44,491	0	134,270
Earnings on Investments	4,700	916	0	0	228	5,844
Other Revenue	3,994	24,044	2,874	0	0	30,912
Total Cash Receipts	38,858	132,595	21,062	44,491	228	237,234
Cash Disbursements:						
Current:						
General Government	33,525	0	0	0	0	33,525
Public Safety	0	34,616	0	0	0	34,616
Public Works	1,610	37,646	0	0	0	39,256
Health	2,618	0	0	0	0	2,618
Miscellaneous	0	0	0	0	357	357
Debt Service:						
Redemption of Principal	0	0	12,724	0	0	12,724
Interest and Fiscal Charges	0	0	5,137	0	0	5,137
Capital Outlay	0	40,631	0	144,572	0	185,203
Total Cash Disbursements	37,753	112,893	17,861	144,572	357	313,436
Total Receipts Over/(Under) Disbursements	1,105	19,702	3,201	(100,081)	(129)	(76,202)
Other Financing Receipts/(Disbursements):						
Proceeds from Sale of Public Debt:						
Sale of Bonds	0	0	0	100,000	0	100,000
Transfers-In	0	0	1	94	0	95
Transfers-Out	(95)	0	0	0	0	(95)
Other Sources	111	0	0	0	0	111
Total Other Financing Receipts/(Disbursements)	16	0	1	100,094	0	100,111
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	1,121	19,702	3,202	13	(129)	23,909
Fund Cash Balances, January 1	20,161	80,553	0	0	8,583	109,297
Fund Cash Balances, December 31	\$21,282	\$100,255	\$3,202	\$13	\$8,454	\$133,206

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

**CLARK TOWNSHIP
CLINTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>					Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Fiduciary Funds</u>	
Cash Receipts:						
Local Taxes	\$9,145	\$38,156	\$0	\$0	\$0	\$47,301
Intergovernmental	37,094	69,329	0	0	0	106,423
Earnings on Investments	1,230	430	0	0	547	2,207
Other Revenue	4,592	28,253	2,894	0	0	35,739
Total Cash Receipts	52,061	136,168	2,894	0	547	191,670
Cash Disbursements:						
Current:						
General Government	21,717	0	0	0	0	21,717
Public Safety	0	35,878	0	0	0	35,878
Public Works	17,940	75,179	0	0	0	93,119
Health	2,724	0	0	0	0	2,724
Miscellaneous	0	0	0	0	302	302
Debt Service:						
Redemption of Principal	0	0	2,576	0	0	2,576
Interest and Fiscal Charges	0	0	318	0	0	318
Capital Outlay	6,320	39,415	0	155	0	45,890
Total Cash Disbursements	48,701	150,472	2,894	155	302	202,524
Total Receipts Over/(Under) Disbursements	3,360	(14,304)	0	(155)	245	(10,854)
Other Financing Receipts/(Disbursements):						
Transfers-In	0	2,537	0	0	0	2,537
Transfers-Out	(2,537)	0	0	0	0	(2,537)
Other Sources	109	0	0	0	0	109
Total Other Financing Receipts/(Disbursements)	(2,428)	2,537	0	0	0	109
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	932	(11,767)	0	(155)	245	(10,745)
Fund Cash Balances, January 1	19,229	92,320	0	155	8,338	120,042
Fund Cash Balances, December 31	\$20,161	\$80,553	\$0	\$0	\$8,583	\$109,297

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

**CLARK TOWNSHIP
CLINTON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Clark Township, Clinton 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 maintenance and fire protection.

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 Deposits

During fiscal years 2000 and 1999, the Township's funds were deposited in a checking account and certificates of deposit with local commercial banks.

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:

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

Gasoline Tax Fund - This fund receives gasoline tax money to pay for constructing, maintaining and repairing Township roads.

**CLARK TOWNSHIP
CLINTON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Motor Vehicle License Tax Fund - This fund receives license tax money to pay for maintaining and repairing Township roads.

Fire Levy Fund - This fund receives proceeds from the property tax levy for fire protection.

Emergency Levy Fund - This fund receives proceeds from the property tax levy for emergency services.

3. Debt Service Fund

The Debt Service Fund is used to accumulate resources for the payment of bonds and note indebtedness. The Township had two outstanding debt issuances. One outstanding note for the purchase of Bunker Gear, and one bond issuance used for the purchase of a new emergency vehicle.

4. Capital Project Funds

This fund is 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:

Public Works Fund - This fund is used to record the related receipts and expenditures of benefits received for state grant for road projects.

Township Barn Addition Fund - This fund is used for construction of additional Township facilities.

Capital Equipment Fund - This Fund is used to purchase new equipment for the Township.

5. Fiduciary Funds (Nonexpendable Trust and Agency Funds)

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Township to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. Funds for which the Township is acting in an agency capacity are classified as agency funds. The Township had the following significant Fiduciary Funds:

Nonexpendable Trust Fund - This fund is used to account for the funds bequeathed to the Township for cemetery care.

Agency Fund - This fund is used to account for receipts from other entities for maintenance of an 800 radio system for fire and emergency.

**CLARK TOWNSHIP
CLINTON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. 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. The Township had no outstanding encumbrances at December 31, 2000 and 1999.

A summary of 2000 and 1999 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.

2. EQUITY IN POOLED CASH AND DEPOSITS

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

	<u>2000</u>	<u>1999</u>
Demand Deposits	<u>\$133,206</u>	<u>\$109,297</u>

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

**CLARK TOWNSHIP
CLINTON COUNTY**

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

3. BUDGETARY ACTIVITY

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

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$38,612	\$39,368	\$357
Special Revenue	128,138	132,196	4,457
Capital Projects	145,304	144,585	(719)
Debt Service	19,890	21,063	1,173
Fiduciary	442	228	(214)
Total	\$332,386	\$337,440	\$5,054

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$57,103	\$37,848	\$19,255
Special Revenue	208,685	112,893	95,792
Capital Projects	145,305	144,572	733
Debt Service	19,887	17,861	2,026
Fiduciary	8,101	357	7,744
Total	\$439,081	\$313,531	\$125,550

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$48,067	\$52,170	\$4,103
Special Revenue	121,789	138,705	16,916
Capital Projects	0	0	0
Debt Service	2,894	2,894	0
Fiduciary	442	547	105
Total	\$173,192	\$194,316	\$21,124

**CLARK TOWNSHIP
CLINTON COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$67,296	\$51,238	\$16,058
Special Revenue	196,440	150,472	45,968
Capital Projects	0	155	(155)
Debt Service	2,894	2,894	0
Fiduciary	8,705	302	8,403
Total	<u>\$275,335</u>	<u>\$205,061</u>	<u>\$70,274</u>

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the 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 SYSTEMS

Employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provide retirement benefits, including post retirement 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 and 1999, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 10.84% and 13.55% of participants' gross salaries for the years 2000 and 1999, respectively. The Township has paid all contributions required through December 31, 2000.

**CLARK TOWNSHIP
CLINTON COUNTY**

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

6. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Public Officials Liability
- Property
- Performance Bonds

7. DEBT

During 2000, the Township made a bond issuance of \$100,000 that was used to purchase a new emergency service vehicle. Bond payments are due June 1 and December 1, 2000-2010.

The portion of this note outstanding at December 31, 2000 was:

	<u>Principal</u>	<u>Interest</u>
Emergency Service Vehicle Bond	\$90,000	5.66%

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

<u>Year Ending December 31:</u>	<u>Emergency Service Bond</u>
2001	\$ 14,953
2002	14,387
2003	13,821
2004	13,255
2005	12,688
Aggregate of Remainder	<u>45,093</u>
	<u>\$114,197</u>



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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS

Clark Township
Clinton County
1202 Oak Grove Road
Martinsville, OH 45146

To the Board of Trustees:

We have audited the accompanying financial statements of Clark Township, Clinton County, Ohio (the Township), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated June 21, 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 an immaterial instance of noncompliance that we have reported to management of the Township in a separate letter dated June 21, 2001.

Internal Control Over Financial Reporting

In planning and performing our audits, 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 June 21, 2001.

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

June 21, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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CLARK TOWNSHIP

CLINTON 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
JULY 17, 2001**