



**CLEAR CREEK TOWNSHIP
ASHLAND COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**CLEAR CREEK TOWNSHIP
ASHLAND COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Clear Creek Township
Ashland County
774 Township Road 1243
Ashland, Ohio 44805

To the Board of Trustees:

We have audited the accompanying financial statements of Clear Creek Township, Ashland County, Ohio, (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 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, 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 May 2, 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 audits.

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 2, 2001

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**CLEAR CREEK TOWNSHIP
ASHLAND 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>Debt Service</u>	
Cash Receipts:				
Local Taxes	\$20,255	\$23,766	\$10,125	\$54,146
Intergovernmental	42,338	66,132		108,470
Licenses, Permits, and Fees	2,825	4,550		7,375
Earnings on Investments	609	1,246		1,855
Miscellaneous	3,710	84		3,794
Total Cash Receipts	<u>69,737</u>	<u>95,778</u>	<u>10,125</u>	<u>175,640</u>
Cash Disbursements:				
Current:				
General Government	44,953			44,953
Public Safety	200			200
Public Works	16,164	84,055		100,219
Health	637	4,194		4,831
Debt Service:				
Redemption of Principal			9,200	9,200
Interest and Fiscal Charges			1,130	1,130
Capital Outlay	11,568	20,717		32,285
Total Cash Disbursements	<u>73,522</u>	<u>108,966</u>	<u>10,330</u>	<u>192,818</u>
Total Cash Receipts (Under) Cash Disbursements	<u>(3,785)</u>	<u>(13,188)</u>	<u>(205)</u>	<u>(17,178)</u>
Other Financing Receipts/(Disbursements):				
Advances-In	14,025	9,000	5,025	28,050
Advances-Out	(14,025)	(9,000)	(5,025)	(28,050)
Other Sources	46	1,600		1,646
Total Other Financing Receipts/(Disbursements)	<u>46</u>	<u>1,600</u>	<u>0</u>	<u>1,646</u>
Excess of Cash Receipts and Other Financing Receipts (Under) Cash Disbursements and Other Financing Disbursements	<u>(3,739)</u>	<u>(11,588)</u>	<u>(205)</u>	<u>(15,532)</u>
Fund Cash Balances, January 1	<u>22,206</u>	<u>37,687</u>	<u>294</u>	<u>60,187</u>
Fund Cash Balances, December 31	<u>\$18,467</u>	<u>\$26,099</u>	<u>\$89</u>	<u>\$44,655</u>
Reserves for Encumbrances, December 31	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

**CLEAR CREEK TOWNSHIP
ASHLAND 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>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts:				
Local Taxes	\$17,093	\$20,856	\$11,200	\$49,149
Intergovernmental	36,928	66,176		103,104
Licenses, Permits, and Fees	1,150	6,815		7,965
Earnings on Investments	712	745		1,457
Miscellaneous	4,135	803		4,938
	<u>60,018</u>	<u>95,395</u>	<u>11,200</u>	<u>166,613</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
General Government	39,505			39,505
Public Safety	2,310			2,310
Public Works	13,884	80,982		94,866
Health	612	3,705		4,317
Conservation - Recreation	134			134
Debt Service:				
Redemption of Principal			9,200	9,200
Interest and Fiscal Charges			1,786	1,786
Capital Outlay		2,142		2,142
	<u>56,445</u>	<u>86,829</u>	<u>10,986</u>	<u>154,260</u>
Total Cash Disbursements				
Total Cash Receipts Over Cash Disbursements	<u>3,573</u>	<u>8,566</u>	<u>214</u>	<u>12,353</u>
Other Financing Receipts/(Disbursements):				
Advances-In	923		923	1,846
Advances-Out	(923)		(923)	(1,846)
Other Sources	25	1,000		1,025
	<u>25</u>	<u>1,000</u>	<u>0</u>	<u>1,025</u>
Total Other Financing Receipts/(Disbursements)				
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	3,598	9,566	214	13,378
Fund Cash Balances, January 1	18,608	28,121	80	46,809
Fund Cash Balances, December 31	<u><u>\$22,206</u></u>	<u><u>\$37,687</u></u>	<u><u>\$294</u></u>	<u><u>\$60,187</u></u>
Reserves for Encumbrances, December 31	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

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

**CLEAR CREEK TOWNSHIP
ASHLAND COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
NONEXPENDABLE TRUST FUND
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**

	2000	1999
Operating Cash Receipts:		
Earnings on Investments	\$155	\$135
Operating Cash Disbursements:		
Supplies and Materials	172	72
Net Cash Receipts (Under)/Over Cash Disbursements	(17)	63
Fund Cash Balances, January 1	2,631	2,568
Fund Cash Balances, December 31	\$2,614	\$2,631
Reserves for Encumbrances, December 31	\$0	\$0

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

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**CLEAR CREEK TOWNSHIP
ASHLAND COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Clear Creek Township, Ashland 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, which includes road maintenance and cemetery maintenance. The Ashland County Sheriff's department provides security of persons and property to 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 cash 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

The U.S. Savings bond is 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 included in the cash fund balances. 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.

**CLEAR CREEK TOWNSHIP
ASHLAND COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts) 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.

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

3. Debt Service Fund

The Debt Service Fund is used to accumulate resources for the payment of note indebtedness. The Township had the following Debt Service Fund:

Note Retirement Fund - This fund is used to accumulate resources for the payment of principal and interest on the purchase of a dump truck.

4. Fiduciary Fund (Trust Fund)

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. Other trust funds are classified as expendable. The Township had the following nonexpendable trust fund:

Cemetery Bequest Fund - This fund is used to account for the receipts and expenditures associated with the investment earnings on a bequest for the benefit of the Cemetery.

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.

**CLEAR CREEK TOWNSHIP
ASHLAND COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

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 capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

G. Unpaid Vacation

Employees are entitled to cash payments for unused vacation in certain circumstances, such as upon leaving employment. Unpaid vacation is not reflected as a liability under the basis of accounting used by the Township.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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 was as follows:

	<u>2000</u>	<u>1999</u>
Demand deposits	\$28,769	\$24,449
Investments:		
U.S. Savings Bond	1,000	1,000
STAR Ohio	<u>17,500</u>	<u>37,369</u>
Total investments	<u>18,500</u>	<u>38,369</u>
Total deposits and investments	<u><u>\$47,269</u></u>	<u><u>\$62,818</u></u>

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

Investments: The U.S. Savings Bond is held in book-entry form by the Federal Reserve, in the name of the Township. Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**CLEAR CREEK TOWNSHIP
ASHLAND COUNTY**

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

3. BUDGETARY ACTIVITY

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

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$54,235	\$69,783	\$15,548
Special Revenue	93,256	97,378	4,122
Debt Service	10,125	10,125	0
Nonexpendable Trust	140	155	15
Total	<u>\$157,756</u>	<u>\$177,441</u>	<u>\$19,685</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$76,441	\$73,522	\$2,919
Special Revenue	130,942	108,966	21,976
Debt Service	10,419	10,330	89
Nonexpendable Trust	271	172	99
Total	<u>\$218,073</u>	<u>\$192,990</u>	<u>\$25,083</u>

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$52,346	\$60,043	\$7,697
Special Revenue	84,865	96,395	11,530
Debt Service	11,287	11,200	(87)
Nonexpendable Trust	140	135	(5)
Total	<u>\$148,638</u>	<u>\$167,773</u>	<u>\$19,135</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$70,954	\$56,445	\$14,509
Special Revenue	112,986	86,829	26,157
Debt Service	11,367	10,986	381
Nonexpendable Trust	208	72	136
Total	<u>\$195,515</u>	<u>\$154,332</u>	<u>\$41,183</u>

**CLEAR CREEK TOWNSHIP
ASHLAND COUNTY**

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

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 payments, 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. DEBT

Debt outstanding at December 31, 2000, was as follows:

	Principal	Interest Rate
General Obligation Note (Dump Truck)	\$12,400	5.64%

The note was issued to finance the purchase of a new dump truck to be used for Township road maintenance and repair. The note is subject to prepayment, in whole or in part, at any time prior to maturity.

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

Year ending December 31:	General Obligation Note (Dump Truck)
2001	\$9,899
2002	3,380
Total	\$13,279

**CLEAR CREEK TOWNSHIP
ASHLAND COUNTY**

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

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 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, members of PERS contributed 8.5% of their gross salaries. The Township contributed an amount equal to 10.84% in 2000 and 13.55% in 1999 of participants' gross salaries. The Township has paid all contributions required through December 31, 2000.

7. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

- Real and personal property
- Public officials' liability
- Vehicles
- EDP
- Flood



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

Clear Creek Township
Ashland County
774 Township Road 1243
Ashland, Ohio 44805

To the Board of Trustees:

We have audited the accompanying financial statements of Clear Creek Township, Ashland County, Ohio, (the Township) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated May 2, 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 the 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 a certain immaterial instance of noncompliance that we have reported to management of the Township in a separate letter dated May 2, 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 certain 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 2, 2001.

Clear Creek Township
Ashland County
Report of Independent Accountants on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

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

May 2, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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CLEAR CREEK TOWNSHIP

ASHLAND 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 22, 2001**