



**CLINTON TOWNSHIP  
VINTON COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000-1999**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



CLINTON TOWNSHIP  
VINTON COUNTY

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## REPORT OF INDEPENDENT ACCOUNTANTS

Clinton Township  
Vinton County  
36030 State Route 324  
Hamden, Ohio 45634

To the Board of Trustees:

We have audited the accompanying financial statements of Clinton Township, Vinton 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 audit.

We conducted our audit 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 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 Clinton Township, Vinton County, 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 March 22, 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.

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

March 22, 2001

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CLINTON TOWNSHIP  
VINTON 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>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Fiduciary Funds</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$6,614	\$32,815	\$	\$39,429
Intergovernmental	7,367	63,170		70,537
Earnings on Investments	237	451	61	749
Other Revenue		5,340		5,340
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	14,218	101,776	61	116,055
<b>Cash Disbursements:</b>				
Current:				
General Government	14,916			14,916
Public Safety		9,739		9,739
Public Works		81,573		81,573
Health	549	17,098		17,647
Conservation - Recreation	111			111
Capital Outlay		49,865		49,865
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	15,576	158,275	0	173,851
Total Cash Receipts Over/(Under) Cash Disbursements	<hr/>	<hr/>	<hr/>	<hr/>
	(1,358)	(56,499)	61	(57,796)
<b>Other Financing Receipts/(Disbursements):</b>				
Proceeds from Sale of Public Debt:				
Sale of Notes		49,865		49,865
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	0	49,865	0	49,865
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<hr/>	<hr/>	<hr/>	<hr/>
	(1,358)	(6,634)	61	(7,931)
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>	<hr/>
	3,831	32,408	2,428	38,667
<b>Fund Cash Balances, December 31</b>	<hr/>	<hr/>	<hr/>	<hr/>
	<b>\$2,473</b>	<b>\$25,774</b>	<b>\$2,489</b>	<b>\$30,736</b>

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

**CLINTON TOWNSHIP  
VINTON 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>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Fiduciary Funds</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$6,796	\$34,230	\$	\$41,026
Intergovernmental	7,153	61,315		68,468
Earnings on Investments	336	671	74	1,081
Other Revenue	11	6,159		6,170
	<u>14,296</u>	<u>102,375</u>	<u>74</u>	<u>116,745</u>
<b>Total Cash Receipts</b>				
	<u>14,296</u>	<u>102,375</u>	<u>74</u>	<u>116,745</u>
<b>Cash Disbursements:</b>				
Current:				
General Government	15,309			15,309
Public Safety		6,745		6,745
Public Works		77,343		77,343
Health	584	16,697		17,281
Capital Outlay		11,344		11,344
	<u>15,893</u>	<u>112,129</u>	<u>0</u>	<u>128,022</u>
<b>Total Cash Disbursements</b>				
	<u>15,893</u>	<u>112,129</u>	<u>0</u>	<u>128,022</u>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	<u>(1,597)</u>	<u>(9,754)</u>	<u>74</u>	<u>(11,277)</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Other Uses	<u>(1,578)</u>	<u>(2,000)</u>		<u>(3,578)</u>
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>(1,578)</u>	<u>(2,000)</u>	<u>0</u>	<u>(3,578)</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>(3,175)</u>	<u>(11,754)</u>	<u>74</u>	<u>(14,855)</u>
<b>Fund Cash Balances, January 1</b>	<u>7,006</u>	<u>44,162</u>	<u>2,354</u>	<u>53,522</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$3,831</u></u>	<u><u>\$32,408</u></u>	<u><u>\$2,428</u></u>	<u><u>\$38,667</u></u>

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



**CLINTON TOWNSHIP  
VINTON COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Clinton Township, Vinton 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, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the Villages of Hamden and Dundus to provide fire 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.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**C. Cash and Investments**

Certificates of deposit 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 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.

**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.

**CLINTON TOWNSHIP  
VINTON COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

**2. Special Revenue Funds (Continued)**

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

**3. Fiduciary Funds (Trust Funds)**

These funds are used to account for resources restricted by legally binding trust agreements. If the agreement required the Township to maintain the corpus of the trust, the fund is classified as a Non-expendable Trust Fund. Other trust funds are classified as Expendable. The Township had the following Fiduciary Fund:

*Cemetery Bequest Fund*- This is a Non-expendable Trust Fund which received interest payments for the upkeep of the Mt. Olive 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.

**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 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.

**CLINTON TOWNSHIP  
VINTON COUNTY**

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

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

The Township maintains a cash and investments 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:

	<b>2000</b>	<b>1999</b>
Demand deposits	\$29,237	\$37,169
Certificates of deposit	1,500	1,500
Total deposits	<b>\$30,737</b>	<b>\$38,669</b>

**Deposits:** Deposits are insured by the Federal Deposit Insurance Corporation.

**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	\$12,799	\$14,218	\$1,419
Special Revenue	93,741	151,641	57,900
Fiduciary	928	61	61
Total	<b>\$106,540</b>	<b>\$165,920</b>	<b>\$59,380</b>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$16,632	\$15,576	\$1,056
Special Revenue	126,150	158,275	(32,125)
Fiduciary	928	928	928
Total	<b>\$143,710</b>	<b>\$173,851</b>	<b>(\$30,141)</b>

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$11,505	\$14,296	\$2,791
Special Revenue	96,854	102,375	5,521
Fiduciary	291	74	(217)
Total	<b>\$108,650</b>	<b>\$116,745</b>	<b>\$8,095</b>

**CLINTON TOWNSHIP  
VINTON 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	\$18,411	\$17,471	\$940
Special Revenue	142,017	114,129	27,888
Fiduciary	1,145		1,145
Total	\$161,573	\$131,600	\$29,973

Actual expenditures exceeded appropriations in the Gasoline Tax and Road and Bridge funds for 2000, contrary to Ohio Revised Code.

**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. DEBT**

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
Promissory Note	\$49,865	6.75%
Total	\$49,865	

The promissory note was issued in 2000 to finance the purchase of a new truck and related equipment to be used for Township road maintenance. The note is collateralized by the Township's taxing authority and the items purchased by the proceeds of the note.

**CLINTON TOWNSHIP  
VINTON COUNTY**

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

**5. DEBT (Continued)**

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

<u>Year ending December 31:</u>	<u>Promissory Notes</u>
2001	\$12,080
2002	12,080
2003	12,080
2004	12,080
2005	<u>12,080</u>
Total	<u><u>\$60,400</u></u>

**6. RETIREMENT SYSTEMS**

The Township's elected officials and employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. The 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 and 1999, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries through June 30, 2000. For the period July 1, 2000 through December 31, 2000, PERS temporarily reduced the employer's contribution rate to 8.13% of participants gross salaries. The Township has paid all contributions required through December 31, 2000.

**7. RISK MANAGEMENT**

The Township is insured with Ohio Township Association Risk Management Authority (OTARMA). OTARMA assumes the risk of loss up to the limits of the Township's policies. Coverage is subject to deductibles and scheduled property. The following risks are covered by OTARMA:

- General Liability
- Public Officials' Liability
- Vehicles
- Property

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

Clinton Township  
Vinton County  
36030 State Route 324  
Hamden, Ohio 45634

To the Board of Trustees:

We have audited the accompanying financial statements of Clinton Township, Vinton County, Ohio (the Township), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated March 22, 2001. We conducted our audit 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 audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* in the accompanying Schedule of Findings as items 2000-40782-001 through 2000-40782-003. We also 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 March 22, 2001.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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 March 22, 2001.

Clinton Township  
Vinton 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

March 22, 2001



CLINTON TOWNSHIP  
VINTON COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2000 AND 1999

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

FINDING NUMBER 2000-40782-001

**Noncompliance Citation**

Ohio Revised Code § 5705.41(D) states in part that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

The following exceptions to this basic requirement are provided by statute:

Then and Now Certificate: This exception provides that, if the fiscal officer can certify that both at the time that the contract or order was made and at the time that he is completing his certification, sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing authority can authorize the drawing of a warrant. The taxing authority has 30 days from the receipt of such certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing district.

Amounts of less than \$100 for counties, or less than \$1,000 for other political subdivisions, may be paid by the fiscal officer without such affirmation of the taxing authority upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority.

The Township incurred 25% of all expenditures tested in 1999 and 52% of all expenditures tested in 2000 prior to obtaining certification by the Clerk.

We recommend the Township obtain certification of the availability of funds from the Clerk that the commitment has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund, free from any previous encumbrance, prior to incurring an obligation.

FINDING NUMBER 2000-40782-002

**Finding Repaid Under Audit**

The Township purchased tires for \$90 each and determined that they had purchased three more than needed. The Township sold the extra three tires, for \$90 each, for a total of \$270, to Matt Chesser, Trustee, in 1999. As of December 31, 2000, the Township had not received payment for these tires.

In accordance with the foregoing facts, and pursuant to Section 117.28, Revised Code, a finding for recovery is hereby issued against Matt Chesser and Western Surety Company, his bonding company, in the amount of \$270, in favor of the Gasoline Tax Fund of the Township.

As of March 22, 2001, Matt Chesser had reimbursed the Township for the full amount.

**CLINTON TOWNSHIP  
VINTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

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

**FINDING NUMBER 2000-40782-003**

**Noncompliance Citation**

Ohio Rev. Code §5705.41(B) states that no subdivision or taxing unit is to expend money unless it has been appropriated.

In 2000, the Township issued debt in the amount of \$49,865 and the lending institution distributed the proceeds directly to the vendor for the purchase of a new truck and related equipment. The receipt and corresponding expenditure of the debt proceeds were not recorded on the Township financial records and neither the appropriations nor the estimated receipts were increased to cover the transactions. This resulted in the Gasoline Tax and Road and Bridge Funds to have actual expenditures exceeding appropriations. The accompanying financial statements have been adjusted to reflect the receipt and expenditure of the debt proceeds. This resulted in Note 3 to the financial statements reflecting the combined Special Revenue Funds having expenditures exceeding appropriations by \$32,125.

We recommend the Township record all transactions that are made on behalf of the Township and refrain from making expenditures in excess of the appropriations.



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**CLINTON TOWNSHIP**

**VINTON 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  
APRIL 24, 2001**