



**Auditor of State  
Betty Montgomery**



CLARK TOWNSHIP  
CLINTON COUNTY

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**Auditor of State  
Betty Montgomery**

Clark Township  
Clinton County  
303 School Street  
Martinsville, Ohio 45146

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in cursive script that reads "Betty Montgomery".

**Betty Montgomery**  
Auditor of State

August 15, 2005

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## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

Clark Township  
Clinton County  
303 School Street  
Martinsville, Ohio 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, 2004 and 2003. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Township has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the Township to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. Instead of the combined funds the accompanying financial statements present for 2004 (and 2003), the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2004. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Township has elected not to reformat its statements. Since this Township does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the year ended December 31, 2004 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2004, or their changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Clark Township, Clinton County, Ohio, as of December 31, 2004 and 2003, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Township to include Management's Discussion and Analysis for the year ended December 31, 2004. The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 15, 2005, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



**Betty Montgomery**  
Auditor of State

August 15, 2005



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, 2004**

	<u>Governmental Fund Types</u>					<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Fiduciary Funds</u>	
<b>Cash Receipts:</b>						
Local Taxes	\$13,683	\$45,659	\$13,293	\$0	\$0	\$72,635
Intergovernmental	17,435	83,839	1,578	56,459		159,311
Earnings on Investments	285	100				385
Other Revenue	627	8,195	4,251		150	13,223
<b>Total Cash Receipts</b>	<u>32,030</u>	<u>137,793</u>	<u>19,122</u>	<u>56,459</u>	<u>150</u>	<u>245,554</u>
<b>Cash Disbursements:</b>						
Current:						
General Government	36,636		709			37,345
Public Safety		26,274				26,274
Public Works	5,323	57,804				63,127
Health	3,570				20	3,590
Debt Service:						
Redemption of Bonds Principal			10,000			10,000
Redemption of Note Principal			3,132			3,132
Interest and Fiscal Charges			4,024			4,024
Capital Outlay		39,657		56,459		96,116
<b>Total Cash Disbursements</b>	<u>45,529</u>	<u>123,735</u>	<u>17,865</u>	<u>56,459</u>	<u>20</u>	<u>243,608</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>(13,499)</u>	<u>14,058</u>	<u>1,257</u>	<u>0</u>	<u>130</u>	<u>1,946</u>
<b>Other Financing Receipts:</b>						
Other Sources	221					221
<b>Total Other Financing Receipts</b>	<u>221</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>221</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements</b>	<u>(13,278)</u>	<u>14,058</u>	<u>1,257</u>	<u>0</u>	<u>130</u>	<u>2,167</u>
<b>Fund Cash Balances, January 1</b>	<u>36,045</u>	<u>107,886</u>	<u>11,475</u>	<u>0</u>	<u>7,568</u>	<u>162,974</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$22,767</b></u>	<u><b>\$121,944</b></u>	<u><b>\$12,732</b></u>	<u><b>\$0</b></u>	<u><b>\$7,698</b></u>	<u><b>\$165,141</b></u>

*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, 2003**

	<u>Governmental Fund Types</u>					<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Fiduciary Funds</u>	
<b>Cash Receipts:</b>						
Local Taxes	\$13,073	\$43,591	\$12,855	\$0	\$0	\$69,519
Intergovernmental	40,852	77,824	1,540	47,794		168,010
Earnings on Investments	90	31			182	303
Other Revenue	628	1,100	3,902		150	5,780
<b>Total Cash Receipts</b>	<u>54,643</u>	<u>122,546</u>	<u>18,297</u>	<u>47,794</u>	<u>332</u>	<u>243,612</u>
<b>Cash Disbursements:</b>						
Current:						
General Government	34,376		343			34,719
Public Safety		28,403				28,403
Public Works	1,311	64,189				65,500
Health	3,069				180	3,249
Debt Service:						
Redemption of Bonds Principal			10,000			10,000
Redemption of Note Principal			8,200			8,200
Interest and Fiscal Charges			4,950			4,950
Capital Outlay		22,400		47,794		70,194
<b>Total Cash Disbursements</b>	<u>38,756</u>	<u>114,992</u>	<u>23,493</u>	<u>47,794</u>	<u>180</u>	<u>225,215</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>15,887</u>	<u>7,554</u>	<u>(5,196)</u>	<u>0</u>	<u>152</u>	<u>18,397</u>
<b>Other Financing Receipts and (Disbursements):</b>						
Transfers-In			5,415			5,415
Transfers-Out				(5,415)		(5,415)
Other Sources	187					187
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>187</u>	<u>0</u>	<u>5,415</u>	<u>(5,415)</u>	<u>0</u>	<u>187</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>16,074</u>	<u>7,554</u>	<u>219</u>	<u>(5,415)</u>	<u>152</u>	<u>18,584</u>
<b>Fund Cash Balances, January 1</b>	<u>19,971</u>	<u>100,332</u>	<u>11,256</u>	<u>5,415</u>	<u>7,416</u>	<u>144,390</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$36,045</u></u>	<u><u>\$107,886</u></u>	<u><u>\$11,475</u></u>	<u><u>\$0</u></u>	<u><u>\$7,568</u></u>	<u><u>\$162,974</u></u>

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

**CLARK TOWNSHIP  
CLINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The constitution and laws of Ohio establish the rights and privileges of Clark Township, Clinton County, Ohio (the Township), as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides road and cemetery maintenance, 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 the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements. The Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the Auditor of State prescribes or permits.

**C. Cash and Deposits**

The Township deposits all available funds in a checking account and certificates of deposit with local commercial banks.

**D. Fund Accounting**

The Township uses fund accounting to segregate cash and deposits that are restricted as to use. The Township classifies its funds into the following types:

**1. General Fund**

The General Fund reports all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

These funds 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:

Motor Vehicle License Tax Fund - This fund receives motor vehicle tax money for constructing, maintaining, and repairing Township roads.

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

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

CLARK TOWNSHIP  
CLINTON COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003  
(Continued)

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

Fire Levy Fund - This fund receives property tax money for fire protection.

Emergency Services Levy Fund - This fund receives property tax levy money for emergency services.

3. **Debt Service Funds**

These funds are used to accumulate resources for the payment of bonds and note indebtedness. The Township had the following significant Debt Service Funds:

Ambulance Bonds Debt Fund - This fund receives property taxes for the payment of the Township Emergency Vehicle Bonds principal and interest.

Service Building Note Debt Fund - This fund is used to accumulate resources for the payment of the Fire and Emergency Capital Improvement Note principal and interest.

4. **Capital Project Fund**

These funds account for receipts restricted to acquiring or constructing major capital projects. The Township has the following significant capital projects fund:

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

5. **Fiduciary Fund (Trust and Agency Funds)**

These funds account for resources restricted by legally binding trust agreements and funds for which the Township is acting in an agency capacity.

Carr and Lewis Bequests - These funds are used to account for the funds bequeathed to the Township for cemetery care.

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 unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

**CLARK TOWNSHIP  
CLINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003  
(Continued)**

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

**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. There were no encumbrances outstanding at year end December 31, 2004 or 2003.

A summary of 2004 and 2003 budgetary activity appears in Note 3.

**F. Property, Plant, and Equipment**

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

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

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

	2004	2003
Demand deposits	\$158,141	\$155,974
Certificates of deposit	7,000	7,000
Total deposits	\$ 165,141	\$ 162,974

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2004 and 2003 follows:

2004 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$30,613	\$32,251	\$1,638
Special Revenue	126,569	137,793	11,224
Debt Service	18,907	19,122	215
Capital Projects	56,459	56,459	0
Fiduciary	105	150	45
Total	\$232,653	\$245,775	\$13,122

**CLARK TOWNSHIP  
CLINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

2004 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$66,657	\$45,529	\$21,128
Special Revenue	233,355	123,735	109,620
Debt Service	30,382	17,865	12,517
Capital Projects	0	56,459	(56,459)
Fiduciary	7,673	20	7,653
Total	<u>\$338,067</u>	<u>\$243,608</u>	<u>\$94,459</u>

2003 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$51,398	\$54,830	\$3,432
Special Revenue	111,452	122,546	11,094
Debt Service	22,821	23,712	891
Capital Projects	47,794	47,794	0
Fiduciary	368	332	(36)
Total	<u>\$233,833</u>	<u>\$249,214</u>	<u>\$15,381</u>

2003 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$48,691	\$38,756	\$9,935
Special Revenue	211,780	114,992	96,788
Debt Service	34,077	23,493	10,584
Capital Projects	0	53,209	(53,209)
Fiduciary	7,572	180	7,392
Total	<u>\$302,120</u>	<u>\$230,630</u>	<u>\$71,490</u>

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Ohio Public Works Commission Fund in by \$56,459 in 2004 and by \$47,794 in 2003, and in the Service Building Addition Fund by \$5,415 in 2003 because the Board failed to make any appropriations to these funds.

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopt rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

**CLARK TOWNSHIP  
CLINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003  
(Continued)**

**4. PROPERTY TAX (Continued)**

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. DEBT**

Debt outstanding at December 31, 2004 was as follows:

	Principal	Interest Rate
Township Emergency Vehicle Bonds	\$50,000	5.66%
Fire and Emergency Capital Improvement Note	14,668	4.25%
Total	\$64,668	

The Township Emergency Vehicle Bonds are general obligation bonds issued in 2000 to finance the purchase of a new emergency service vehicle.

The Fire and Emergency Capital Improvement Note was issued in 2002 to finance an addition to the fire and emergency squad building.

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

	Township Emergency Vehicle Bonds	Fire and Emergency Capital Improvement Note
Year ending December 31:		
2005	\$12,689	\$3,902
2006	12,123	3,901
2007	11,557	3,902
2008	10,991	3,901
2009	10,425	725
Total	\$57,785	\$16,331

**6. RETIREMENT SYSTEMS**

The Township's officials and employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes the plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2004 and 2003, members of OPERS contributed 8.5 percent of their gross salaries. The Township contributed an amount equaling 13.55 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2004.

CLARK TOWNSHIP  
CLINTON COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003  
(Continued)

7. 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 coverage 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 Coverage

OTARMA retains casualty risks up to \$250,000 per claim, including loss adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$5,000,000 in the aggregate per year. Townships 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.

Property Coverage

OTARMA retains property risks, including automobile physical damage, up to \$100,000 on any specific loss in one occurrence. The Travelers Indemnity Company reinsures losses exceeding \$100,000 up to \$500,000,000 per occurrence. APEEP's Guarantee Fund pays losses and loss adjustment expenses exceeding operating contributions.

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 township.

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 2004 ad 2003:



**CLARK TOWNSHIP  
CLINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003  
(Continued)**

**7. RISK MANAGEMENT (Continued)**

<u>Casualty Coverage</u>	<u>2004</u>	<u>2003</u>
Assets	\$30,687,203	\$27,792,223
Liabilities	<u>(13,640,962)</u>	<u>(11,791,300)</u>
Retained earnings	<u>\$17,046,241</u>	<u>\$16,000,923</u>

<u>Property Coverage</u>	<u>2004</u>	<u>2003</u>
Assets	\$7,799,073	\$6,791,060
Liabilities	<u>(753,906)</u>	<u>(750,956)</u>
Retained earnings	<u>\$7,045,167</u>	<u>\$6,040,104</u>

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Clark Township  
Clinton County  
303 School Street  
Martinsville, Ohio 45146

To the Board of Trustees:

We have audited the financial statements of Clark Township, Clinton County, Ohio (the Township), as of and for the year ended December 31, 2004 and 2003, and have issued our report thereon dated August 15, 2005 wherein we noted the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 the Comptroller General of the United States' *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Township's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the Township's management dated August 15, 2005, we reported another matter involving internal control over financial reporting we did not deem a reportable condition.

**Compliance and Other Matters**

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed an instance of noncompliance we must report under *Government Auditing Standards*, which is described in the accompanying schedule of findings as item 2004-001. In a separate letter to the Township's management dated August 15, 2005, we reported other matters related to noncompliance we deemed immaterial.

We intend this report solely for the information and use of the management and Board of Trustees. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

August 15, 2005

**CLARK TOWNSHIP  
CLINTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2004 AND 2003**

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

**FINDING NUMBER 2004-001**

**Noncompliance Citation**

Ohio Rev. Code, Section 5705.41(B), states that no subdivision or taxing unit is to expend money unless it has been appropriated. At December 31, 2004 the Ohio Public Works Commission Fund had total expenditures which exceeded appropriations by \$56,459. At December 31, 2003 the Ohio Public Works Commission Fund had total expenditures which exceeded appropriations by \$47,794, and the Service Building Addition Capital Projects Fund had expenditures which exceeded appropriation by \$5,415. This situation occurred because the Board failed to make any appropriations to these funds.

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CLARK TOWNSHIP  
CLINTON COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2004 AND 2003

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2002-40414-001	Expenditures exceeded appropriations	NO	Not Corrected – repeated as 2004-001







**Auditor of State  
Betty Montgomery**

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P.O. Box 1140  
Columbus, Ohio 43216-1140

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800-282-0370

Facsimile 614-466-4490

**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  
SEPTEMBER 1, 2005**