



**Auditor of State
Betty Montgomery**

CLINTON TOWNSHIP
FULTON COUNTY

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**Auditor of State
Betty Montgomery**

Clinton Township
Fulton County
149 South Fulton Street
Wauseon, Ohio 43567-1351

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

July 14, 2005

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Clinton Township
Fulton County
149 South Fulton Street
Wauseon, Ohio 43567-1351

To the Board of Trustees:

We have audited the accompanying financial statements of Clinton Township, Fulton County, (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. The Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. 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 its 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 Clinton Township, Fulton County, 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 July 14, 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

July 14, 2005

**CLINTON TOWNSHIP
FULTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2004**

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash Receipts:				
Local Taxes	\$110,288	\$384,335		\$494,623
Intergovernmental	61,726	147,781	\$306,766	516,273
Licenses, Permits, and Fees	4,150	1,950		6,100
Earnings on Investments	3,981	412		4,393
Other Revenue	29,177	1,540		30,717
	<u>209,322</u>	<u>536,018</u>	<u>306,766</u>	<u>1,052,106</u>
Cash Disbursements:				
Current:				
General Government	158,158			158,158
Public Safety		59,080		59,080
Public Works	35,246	489,784	136,766	661,796
Health		69,058		69,058
Human Services	813			813
Capital Outlay	48,188	206,881	370,000	625,069
	<u>242,405</u>	<u>824,803</u>	<u>506,766</u>	<u>1,573,974</u>
Total Cash Disbursements	<u>242,405</u>	<u>824,803</u>	<u>506,766</u>	<u>1,573,974</u>
Total Cash Disbursements Over Cash Receipts	<u>(33,083)</u>	<u>(288,785)</u>	<u>(200,000)</u>	<u>(521,868)</u>
Other Financing Receipts:				
Loan Proceeds from Ohio Public Works Commission			200,000	200,000
			<u>200,000</u>	<u>200,000</u>
Excess of Cash Disbursements Over Cash Receipts and Other Financing Receipts	<u>(33,083)</u>	<u>(288,785)</u>		<u>(321,868)</u>
Fund Cash Balances, January 1	<u>190,843</u>	<u>386,496</u>		<u>577,339</u>
Fund Cash Balances, December 31	<u>\$157,760</u>	<u>\$97,711</u>		<u>\$255,471</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**CLINTON TOWNSHIP
FULTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$119,326	\$440,744	\$560,070
Intergovernmental	87,438	118,414	205,852
Licenses, Permits, and Fees	1,480	4,090	5,570
Earnings on Investments	2,791	393	3,184
Other Revenue	7,370	7,325	14,695
	<u>218,405</u>	<u>570,966</u>	<u>789,371</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
General Government	142,544		142,544
Public Safety	4,398	18,464	22,862
Public Works	10,000	317,996	327,996
Health		13,206	13,206
Debt Service:			
Redemption of Principal		55,683	55,683
Interest and Fiscal Charges		1,489	1,489
Capital Outlay		79,433	79,433
	<u>156,942</u>	<u>486,271</u>	<u>643,213</u>
Total Cash Disbursements			
Total Cash Receipts Over Cash Disbursements	<u>61,463</u>	<u>84,695</u>	<u>146,158</u>
Other Financing Receipts:			
Other Sources	<u>4,737</u>		<u>4,737</u>
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements	66,200	84,695	150,895
Fund Cash Balances, January 1	<u>124,643</u>	<u>301,801</u>	<u>426,444</u>
Fund Cash Balances, December 31	<u>\$190,843</u>	<u>\$386,496</u>	<u>\$577,339</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**CLINTON TOWNSHIP
FULTON 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 the State of Ohio establish the rights and privileges of Clinton Township, Fulton County, (the Township) as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, and fire protection 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. Fund Accounting

The Township uses fund accounting to segregate cash that is 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:

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

Special Levy - Fire Equipment Fund - This fund receives property tax money for maintaining fire equipment.

**CLINTON TOWNSHIP
FULTON COUNTY**

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

3. Capital Project Funds

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Township had the following significant capital project fund:

Issue II Fund - The Township received a grant and loan from the State of Ohio for the Clinton Township Road AC Project.

D. 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 2004 and 2004 budgetary activity appears in Note 3.

E. 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.

F. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**CLINTON TOWNSHIP
FULTON COUNTY**

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

2. EQUITY IN POOLED CASH

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

	2004	2003
Demand deposits	\$255,471	\$577,339

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	\$155,990	\$209,322	\$53,332
Special Revenue	533,263	536,018	2,755
Capital Projects	506,766	506,766	0
Total	\$1,196,019	\$1,252,106	\$56,087

2004 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$342,362	\$242,405	\$99,957
Special Revenue	924,229	824,803	99,426
Capital Projects	506,766	506,766	0
Total	\$1,773,357	\$1,573,974	\$199,383

2003 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$190,529	\$223,142	\$32,613
Special Revenue	548,821	570,966	22,145
Total	\$739,350	\$794,108	\$54,758

**CLINTON TOWNSHIP
FULTON COUNTY**

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

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$156,942	(\$156,942)
Special Revenue	0	486,271	(486,271)
Total	\$0	\$643,213	(\$643,213)

Contrary to Ohio law, the Township did not approve appropriations for the year ended December 31, 2003.

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.

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
OPWC LOAN CE26F	\$200,000	0%

The Township entered into a loan agreement with Ohio Public Works Commission (OPWC) for the Clinton Township Road AC Project.

The Township did not comply with provisions of the grant/loan agreement requiring OPWC approval of contractual change orders in excess of 10 percent of the contract amount.

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

**CLINTON TOWNSHIP
FULTON COUNTY**

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

<u>Year ending December 31:</u>	<u>OPWC Loan</u>
2005	\$20,000
2006	20,000
2007	20,000
2008	20,000
2009	20,000
2010-2014	100,000
Total	<u><u>\$200,000</u></u>

6. RETIREMENT SYSTEMS

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

The Ohio Revised Code also prescribes contribution rates. For 2004 and 2003, OPERS members 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.

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 local governments. 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. Governments can elect additional coverage, from \$2,000,000 to \$10,000,000 from the General Reinsurance Corporation.

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

Property Coverage

OTARMA retains property risks, including automobile physical damage, up to \$100,000 on any specific loss with an annual aggregate of \$1,250,000 for 2002. There is no aggregate for 2003 and future accident years. Beginning in 2003, OTARMA retains property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers

**CLINTON TOWNSHIP
FULTON COUNTY**

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

Indemnity Company reinsures losses exceeding \$100,000. 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, 2003 and 2002 (the latest information available):

<u>Casualty Coverage</u>	<u>2003</u>	<u>2002</u>
Assets	\$27,792,223	\$23,757,036
Liabilities	(11,791,300)	(9,197,512)
Retained Earnings	<u>\$16,000,923</u>	<u>\$14,559,524</u>
<u>Property Coverage</u>	<u>2003</u>	<u>2002</u>
Assets	\$6,791,060	\$6,596,996
Liabilities	(750,956)	(1,204,326)
Retained Earnings	<u>\$6,040,104</u>	<u>\$5,392,670</u>



**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***

Clinton Township
Fulton County
149 South Fulton Street
Wauseon, Ohio 43567-1351

To the Board of Trustees:

We have audited the financial statements of Clinton Township, Fulton County (the Township) as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated July 14, 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 also noted that the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. 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 July 14, 2005, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

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 instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2004-001 through 2004-004. In a separate letter to the Township's management dated July 14, 2005, we reported other matters related to noncompliance we deemed immaterial.

We intend this report solely for the information and use of the audit committee, 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

July 14, 2005

**CLINTON TOWNSHIP
FULTON 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

Article 4.1(e) of the Ohio Public Works Commission Project Agreement (the Agreement) for the Road AC (SR 108 to Road 15) project requires the recipient submit to the OPWC for prior approval any change or changes in a construction contract in excess of ten percent (10%) of the contract price or any change or change regardless of cost which substantially modifies the scope of the Project.

There were two change orders that amounted to \$117,954 or nineteen percent of the original bid amount of \$627,706 that were in excess of ten percent of the contract price. The Township could not provide documentation that these change orders were submitted to the OPWC for prior approval.

We recommend management carefully review grant and loan agreements to identify requirements. The Township should then establish controls and procedures to ensure requirements of these agreements are addressed and that documentation of compliance is retained.

FINDING NUMBER 2004-002

Noncompliance Citation

Ohio Revised Code § 5705.38 requires that on or about the first day of each fiscal year, an appropriation measure is to be passed. If the taxing authority wants to postpone the passage of the annual appropriation measure until an amended certificate is received from the county budget commission based upon the actual year end balances, it may pass a temporary appropriation measure for meeting the ordinary expenses until April 1.

In 2003, no documentation was provided to indicate that appropriations were passed by the Trustees. Appropriation amounts were entered into the accounting system; these are not supported by any legislative action. In fiscal year 2004 the annual appropriation measure was not passed until April 24, 2004. There was no temporary appropriation measure passed either.

Ohio Revised Code § 5705.41(B) states that no subdivision or taxing unit is to expend money unless it has been appropriated. Since no appropriation measure was passed by the Trustees in 2003, all 2003 disbursements were made without appropriations.

In addition to reviewing these Revised Code Sections we recommend the Township review the budgetary process that is to be followed as outlined in the Auditor of State Ohio Township Handbook.

FINDING NUMBER 2004-003

Finding for Recovery Repaid Under Audit

Ohio Revised Code § 505.602 states that a board of township trustees may procure and pay all or any part of the cost of group life insurance to insure the lives of officers and full-time employees of the township. The amount of group life insurance coverage provided by the board to insure the lives of officers of the township shall not exceed fifty thousand dollars per officer.

During the period of January 1, 2003 to December 31, 2004, the Township paid for two insurance policies each year for Leonard Richer, Trustee. The Universal Guaranty Life Insurance policy provided a \$50,000 benefit. The Banner Life Insurance Company policy provided a \$250,000 benefit. Payments for the Banner Life Insurance Company policy are unallowable because the maximum benefit was met with the Universal Guaranty Life Insurance policy. Payments made for the Banner Life Insurance Company policy in 2004 and 2003 were \$1,970.90 and \$1,260.00, respectively for a total of \$3,230.90.

In accordance with the foregoing facts and pursuant to Ohio Revised Code §117.28, a finding for recovery for public money illegally expended is hereby issued against Leonard Richer, Trustee and Western Surety Company, his surety, jointly and severally, in the total amount of \$3,230.90 in favor of the General Fund of Clinton Township.

Payment in the amount of \$3,230.90 was received from Leonard Richer, Trustee on July 14, 2005. Receipt number 68-2005 was issued and the monies were recorded to the Townships' General Fund.

FINDING NUMBER 2004-004

Finding for Recovery Repaid Under Audit

Ohio Revised Code § 505.602 states that a board of township trustees may procure and pay all or any part of the cost of group life insurance to insure the lives of officers and full-time employees of the township. The amount of group life insurance coverage provided by the board to insure the lives of officers of the township shall not exceed fifty thousand dollars per officer.

During the period of January 1, 2003 to December 31, 2004, the Township paid for one insurance policy each year for Brett Kolb, Trustee. The policy with Nationwide Life Insurance Company provided a \$200,000 benefit at a \$314.00 premium. The premium cost for this same policy at the benefit of \$50,000 was \$203.50. This resulted in overpayments of \$110.50 in fiscal year 2004 and 2003, respectively.

In accordance with the foregoing facts and pursuant to Ohio Revised Code §117.28, a finding for recovery for public money illegally expended is hereby issued against Brett Kolb, Trustee and Western Surety Company, his surety, jointly and severally, in the total amount of \$221.00 in favor of the General Fund of Clinton Township.

Payment in the amount of \$221.00 was received from Brett Kolb, Trustee on July 13, 2005. Receipt number 67-2005 was issued and the monies were recorded to the Townships' General Fund.

**CLINTON TOWNSHIP
FULTON 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; <i>Explain</i>
2002-001	ORC §§ 5705.38 and 5705.41(B) – Failure to adopt appropriation measure and expenditures exceeding appropriations	No	Partially corrected. Board adopted an annual appropriation measure in fiscal year 2004. Repeated as Finding #2004-002.
2002-002	ORC § 5705.10 - Failure to properly allocate public utility reimbursements	Yes	
2002-003	ORC § 5705.10 - Failure to properly allocate tax settlement fees	No	Partially corrected. Reported in the management letter.



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

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800-282-0370

Facsimile 614-466-4490

CLINTON TOWNSHIP

FULTON 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
AUGUST 16, 2005**