



**UNION TOWNSHIP
CLINTON COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**UNION TOWNSHIP
CLINTON COUNTY**

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INDEPENDENT ACCOUNTANTS' REPORT

Union Township
Clinton County
P. O. Box 205
Wilmington, Ohio 45177

To the Board of Trustees:

We have audited the accompanying financial statements of Union Township, Clinton 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 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 audits provide a reasonable basis for our opinion.

As described 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 Union Township, Clinton 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 6, 2001, on our consideration of the Government's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of management, the Board of Trustees and other officials authorized to receive this report under Section 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 6, 2001

UNION TOWNSHIP
CLINTON COUNTY

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
FISCAL YEAR ENDING DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	General Fund	Special Revenue	Capital Project	Fiduciary	
Revenue Receipts:					
Taxes	\$20,677	\$341,670	\$0	\$0	\$20,677
Charges for Services	0	24,600	0	0	24,600
Intergovernmental Receipts	84,134	101,064	50,608	0	235,806
Special Assessments	0	3,114	0	0	3,114
Interest	27,695	2,643	2,138	43	32,519
Other Revenue	3,168	8,418	0	0	11,586
Total Revenue Receipts	<u>135,674</u>	<u>481,509</u>	<u>52,746</u>	<u>43</u>	<u>669,972</u>
Expenditure Disbursements:					
Current:					
General Government	43,178	0	0	0	43,178
Public Safety	0	234,825	0	0	234,825
Public Works	13,620	251,928	0	0	265,548
Health	4,951	0	0	0	4,951
Capital Outlay	48,985	16,832	50,608	0	116,425
Total Expenditure Disbursements	<u>110,734</u>	<u>503,585</u>	<u>50,608</u>	<u>0</u>	<u>664,927</u>
Total Receipts Over(Under) Disbursements	<u>24,940</u>	<u>(22,076)</u>	<u>2,138</u>	<u>43</u>	<u>5,045</u>
Other Financing Sources (Uses):					
Advances In	14,808	14,808	0	0	29,616
Advances Out	(14,808)	(14,808)	0	0	(29,616)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total of Rec. and Other Sources Over (Under) Disbursements and Other Uses	24,940	(22,076)	2,138	43	5,045
Fund Cash Balance, January 1, 2000	<u>140,663</u>	<u>450,891</u>	<u>51,286</u>	<u>990</u>	<u>643,830</u>
Fund Cash Balance, December 31, 2000	<u>\$165,603</u>	<u>\$428,815</u>	<u>\$53,424</u>	<u>\$1,033</u>	<u>\$648,875</u>
Reserve For Encumbrances, December 31, 2000	<u>\$0</u>	<u>\$4,359</u>	<u>\$0</u>	<u>\$0</u>	<u>\$4,359</u>

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

UNION TOWNSHIP
CLINTON COUNTY

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
FISCAL YEAR ENDING DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>				Total (Memorandum Only)
	<u>General Fund</u>	<u>Special Revenue</u>	<u>Capital Project</u>	<u>Fiduciary</u>	
Revenue Receipts:					
Taxes	\$17,945	\$321,640	\$0	\$0	\$339,585
Charges for Services	0	24,440	0	0	24,440
Intergovernmental Receipts	59,217	91,949	24,012	0	175,178
Special Assessments	0	3,223	0	0	3,223
Interest	17,808	5,455	1,286	42	24,591
Other Revenue	7,667	4,366	0	0	12,033
Total Revenue Receipts	<u>102,637</u>	<u>451,073</u>	<u>25,298</u>	<u>42</u>	<u>579,050</u>
Expenditure Disbursements:					
Current:					
General Government	54,635	0	0	0	54,635
Public Safety	0	227,989	0	0	227,989
Public Works	24,992	189,402	0	0	214,394
Health	5,111	0	0	0	5,111
Capital Outlay	1,500	44,175	24,012	0	69,687
Total Expenditure Disbursements	<u>86,238</u>	<u>461,566</u>	<u>24,012</u>	<u>0</u>	<u>571,816</u>
 Total Receipts Over(Under) Disbursements	 <u>16,399</u>	 <u>(10,493)</u>	 <u>1,286</u>	 <u>42</u>	 <u>7,234</u>
Other Financing Sources (Uses):					
Operating Transfers In	0	0	50,000	0	50,000
Operating Transfers Out	(50,000)	0	0	0	(50,000)
Advances In	600	600	0	0	1,200
Advances Out	(600)	(600)	0	0	(1,200)
Total Other Financing Sources (Uses)	<u>(50,000)</u>	<u>0</u>	<u>50,000</u>	<u>0</u>	<u>0</u>
 Total of Rec. and Other Sources Over (Under) Disbursements and Other Uses	 <u>(33,601)</u>	 <u>(10,493)</u>	 <u>51,286</u>	 <u>42</u>	 <u>7,234</u>
 Fund Cash Balance, January 1, 1999	 <u>174,264</u>	 <u>461,384</u>	 <u>0</u>	 <u>948</u>	 <u>636,596</u>
 Fund Cash Balance, December 31, 1999	 <u><u>\$140,663</u></u>	 <u><u>\$450,891</u></u>	 <u><u>\$51,286</u></u>	 <u><u>\$990</u></u>	 <u><u>\$643,830</u></u>
Reserve For Encumbrances, December 31, 1999	<u><u>\$51,000</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$51,000</u></u>

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

**UNION TOWNSHIP
CLINTON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Union Township, Clinton County, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides general governmental services, including road maintenance, cemetery maintenance, fire protection and emergency services protection. The Township contracts with the City of Wilmington to provide fire protection services and ambulance 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. 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

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:

**UNION TOWNSHIP
CLINTON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

3. Capital Project Fund

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Township had the following significant capital project:

Issue II Fund - Used to record the related receipts and expenditures of benefits received for state grant for road projects.

4. Nonexpendable Trust Fund

This fund is 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. Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

**UNION TOWNSHIP
CLINTON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

2. EQUITY IN POOLED CASH AND DEPOSITS

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

	<u>2000</u>	<u>1999</u>
Demand deposits	\$403,902	\$392,930
Certificates of deposit	<u>244,973</u>	<u>250,900</u>
Total deposits	<u><u>\$648,875</u></u>	<u><u>\$643,830</u></u>

Deposits: Deposits are either (1) 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, 2000 and 1999 follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$65,427	\$135,674	\$70,247
Special Revenue	404,101	481,509	77,408
Capital Projects	51,038	52,746	1,708
Fiduciary	<u>0</u>	<u>43</u>	<u>43</u>
Total	<u><u>\$520,566</u></u>	<u><u>\$669,972</u></u>	<u><u>\$149,406</u></u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$167,183	\$110,734	\$56,449
Special Revenue	677,411	507,944	169,467
Capital Projects	100,608	50,608	50,000
Fiduciary	<u>947</u>	<u>0</u>	<u>947</u>
Total	<u><u>\$946,149</u></u>	<u><u>\$669,286</u></u>	<u><u>\$276,863</u></u>

**UNION TOWNSHIP
CLINTON COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$52,754	\$102,637	\$49,883
Special Revenue	400,812	451,073	50,261
Capital Projects	24,012	75,298	51,286
Fiduciary	0	42	42
Total	\$477,578	\$629,050	\$151,472

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$205,921	\$187,238	\$18,683
Special Revenue	667,442	461,566	205,876
Capital Projects	24,012	24,012	0
Fiduciary	0	0	0
Total	\$897,375	\$672,816	\$224,559

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.

Public utilities are also taxed on personal and real property located within the Township.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

5. RETIREMENT SYSTEMS

Employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

**UNION TOWNSHIP
CLINTON COUNTY**

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

5. RETIREMENT SYSTEMS (Continued)

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 for 1999 and 10.84% of participant's gross salaries for 2000. The Township has paid all contributions required through December 31, 2000.

6. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Public Officials Liability
- Inland Marine

The Township also provides health insurance and dental and vision coverage to full-time employees through a private carrier.

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

Union Township
Clinton County
P. O. Box 205
Wilmington, Oh. 45177

To the Board of Trustees:

We have audited the accompanying financial statements of Union Township, Clinton County, Ohio (the Township), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated March 6, 2001. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Township in a separate letter dated March 6, 2001.

Union Township
Clinton County
Report on Compliance and on Internal Control Required by
Government Auditing Standards
Page 2

This report is intended for the information and use of the management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

March 6, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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UNION 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
MAY 8, 2001**