

***CLARK TOWNSHIP
COSHOCOTON COUNTY, OHIO***

AUDIT REPORT

FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

Charles E. Harris and Associates, Inc.
Certified Public Accountants and Government Consultants



**Auditor of State
Betty Montgomery**

Board of Trustees
Clark Township
29402 Township Road 32
Warsaw, Ohio 43812-1116

We have reviewed the *Report of Independent Accountants* of Clark Township, Coshocton County, prepared by Charles E. Harris & Associates, Inc. for the audit period January 1, 2004 through December 31, 2005. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State's Office (AOS). Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Report of Independent Accountants* on your financial statements. While the 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. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Report of Independent Accountants* also includes an opinion on the financial statements using the regulatory format the AOS permits.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Clark Township is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

October 17, 2006

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**CLARK TOWNSHIP
COSHOCTON COUNTY, OHIO
Audit Report
For the Years Ended December 31, 2005 and 2004**

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

REPORT OF INDEPENDENT ACCOUNTANTS

The Board of Trustees
Clark Township
29402 Township Rd. 32
Warsaw, Ohio 43812-1116

We have audited the accompanying financial statements of Clark Township, Coshocton County (the Township), as of and for the years ended December 31, 2004 and 2005. 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 that 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 years ended December 31, 2004 and 2005. Instead of the combined funds the accompanying financial statements present for 2005 and 2004, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2005 and 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 the 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 years ended December 31, 2004 and 2005, 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 and 2005, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Township, as of December 31, 2004 and 2005, and its cash receipts and disbursements and changes in fund cash balances 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 years ended December 31, 2004 and 2005. 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 September 22, 2006, 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 do not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal controls 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.

Charles E. Harris & Associates, Inc.

September 22, 2006

**CLARK TOWNSHIP
COSHOCOTON COUNTY, OHIO
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES AND FIDUCIARY FUNDS
For the Year Ended December 31, 2005**

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>(Memorandum Only) Total</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Expendable Trust</u>	
Receipts:				
Property and Other Local Taxes	\$ 19,398	\$ 2,045	\$ -	\$ 21,443
Licenses, permits and fees	-	1,200	-	1,200
Intergovernmental	26,370	153,176	-	179,546
Earnings on Investments	277	70	-	347
Miscellaneous	1,955	-	-	1,955
Total Receipts	48,000	156,491	-	204,491
Disbursements:				
Current:				
General Government	29,882	-	-	29,882
Public Works	2,286	89,090	-	91,376
Health	6,042	2,406	-	8,448
Transportation	-	70,065	-	70,065
Total Cash Disbursements	38,210	161,561	-	199,771
Excess of Receipts Over/(Under) Disbursements	9,790	(5,070)	-	4,720
Other Financing Sources/(Uses):				
Other Financing Sources	-	1,200	-	1,200
Total Other Financing Sources/(Uses)	-	1,200	-	1,200
Excess of Receipts & Other Financing Sources Over/(Under) Disbursements and Other Financing Uses	9,790	(3,870)	-	5,920
Fund Balance January 1, 2005	3,805	22,023	4,366	30,194
Fund Balance December 31, 2005	\$ 13,595	\$ 18,153	\$ 4,366	\$ 36,114

See accompanying Notes to the Financial Statements.

**CLARK TOWNSHIP
COSHOCOTON COUNTY, OHIO
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES AND FIDUCIARY FUNDS
For the Year Ended December 31, 2004**

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>(Memorandum Only) Total</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Expendable Trust</u>	
Receipts:				
Property and Other Local Taxes	\$ 19,780	\$ 1,962	\$ -	\$ 21,742
Licenses, permits and fees	-	4,385	-	4,385
Intergovernmental	16,531	81,014	-	97,545
Earnings on Investments	86	70	-	156
Miscellaneous	716	730	-	1,446
Total Receipts	37,113	88,161	-	125,274
Disbursements:				
Current:				
General Government	29,569	-	-	29,569
Public Works	2,304	80,333	-	82,637
Health	8,062	4,340	-	12,402
Capital Outlay	235	2,234	-	2,469
Total Cash Disbursements	40,170	86,907	-	127,077
Excess of Receipts Over/(Under) Disbursements	(3,057)	1,254	-	(1,803)
Fund Balance January 1, 2004	6,862	20,769	4,366	31,997
Fund Balance December 31, 2004	\$ 3,805	\$ 22,023	\$ 4,366	\$ 30,194

See accompanying Notes to the Financial Statements.

CLARK TOWNSHIP
COSHOCTON COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE ENTITY

Clark Township, Coshocton County (the Township) is a body corporate and politic established for the purpose of exercising 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 cemetery maintenance.

The Township's management believes these financial statements included in this report represent all of the funds of the Township over which the Township has the ability to exercise direct operating control.

B. BASIS OF ACCOUNTING

The Township prepares its financial statements following 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.)

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

C. CASH

Investments are included in the fund cash balances. Accordingly, purchases of investments are not recorded as disbursements and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

D. FUND ACCOUNTING

The Township maintains its accounting records in accordance with the principles of "Fund" accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of

CLARK TOWNSHIP
COSHOCTON COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

D. FUND ACCOUNTING - (Continued)

specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity, which stands separate from the activities reported in other funds. The restrictions associated with each class of funds are as follows:

Governmental Fund Types:

General Fund: The general operating fund of the Township. It is used to account for all financial resources except those required by law or contract to be accounted for in another fund.

Special Revenue Funds: These funds are used to account for proceeds from special sources (other than from trusts or for capital projects) that are restricted to expenditures for specific purposes. The Township has the following significant Special Revenue funds:

- *Gasoline Tax Fund* – This fund receives gasoline tax money for constructing, maintaining and repairing Township roads.
- *Motor Vehicle Fund* – This Fund receives motor vehicle license tax money to construct, maintain and repair Township roads.

Fiduciary Fund Types:

This fund are used to account for resources restricted by legally binding trust agreements and funds for which the Township is acting in an agency capacity. The Township has the following fiduciary fund:

- *Cemetery Trust Fund* – This Expendable Trust fund is used to carry the principal on a bequest for cemetery maintenance. The interest on this principal is credited directly to the Special Revenue-Cemetery fund.

E. BUDGETARY PROCESS

A budget of estimated cash receipts and disbursements is prepared by the Clerk, approved by the Township Board of Trustees, and submitted to the county auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

CLARK TOWNSHIP
COSHOCTON COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

E. BUDGETARY PROCESS - (Continued)

1. Estimated Resources

The county auditor calculates the estimated revenues available to the Township. He prepares a certificate of estimated resources based upon this calculation and upon the other financial information supplied in the budget sent by the Township. The certificate is approved by the county budget commission and sent to the Township Clerk by September 1.

Prior to December 31, the Township must revise its budget so that the total budgeted expenditures for a fund will not exceed the amount of estimated resources stated in the certificate of estimated resources. The revised budget serves as the basis for the annual appropriation measure.

On or about January 1, the Clerk sends the county auditor a certificate which includes the actual unencumbered balances from the preceding year. The county auditor prepares an amended certificate, submits it to the county budget commission for approval. This amended certificate may be further amended during the year if projected revenue increases or the Clerk identifies decreases in revenue.

Budgeted receipts, as shown in Note 4, do not include the unencumbered fund balances as of January 1, 2004 and 2005. However, those fund balances are available for appropriation.

2. Appropriations

A temporary appropriation measure to control cash expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation measure must be passed by March 31 of each year for the period January 1 to December 31. The appropriation measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources.

**CLARK TOWNSHIP
 COSHOCTON COUNTY, OHIO
 Notes to the Financial Statements
 For the Years Ended December 31, 2005 and 2004**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

E. BUDGETARY PROCESS - (Continued)

3. Encumbrances

The Township is required to use the encumbrance method of accounting by virtue of Ohio law. Under this system, purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The sum of expenditures and encumbrances may not exceed appropriated totals at any level of budgetary control. The legal level of control is the function level.

Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward to the succeeding fiscal year without being re-appropriated.

F. PROPERTY, PLANT AND EQUIPMENT

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

G. ACCUMULATED LEAVE

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's basis of accounting.

2. EQUITY IN POOLED CASH AND CASH EQUIVALENTS

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

	<u>2005</u>	<u>2004</u>
Demand Deposits	<u>\$36,114</u>	<u>\$30,194</u>

Deposits: Deposits are either (1) insured by the Federal Deposit Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution to the Township, or (3) collateralized by the financial institution's public entity deposit pool.

**CLARK TOWNSHIP
 COSHOCTON COUNTY, OHIO
 Notes to the Financial Statements
 For the Years Ended December 31, 2005 and 2004**

3. PROPERTY TAXES

Real property taxes are levied on assessed values, which equal 35% of appraised value. The county auditor reappraises all real property every six years with a triennial update. The last update was completed for tax year 2004.

Real property taxes become a lien on all non-exempt real property located in the county on January 1. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20 of the following year. Under certain circumstances, state statute permits later payment dates to be established.

The State Board of Tax Equalization adjusts the tax rates for inflation. Real property owners' tax bills are further reduced by homestead and rollback deductions when applicable. The amount of these homestead and rollback reductions is reimbursed to the Township by the State of Ohio. The amounts reimbursed by the State of Ohio are reflected in the accompanying financial statements as intergovernmental receipts.

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

The property owners, who must file a list of such property to the County by each April 30, assess tangible personal property tax.

The County Treasurer collects property tax on behalf of all taxing authorities within the county. The County Auditor periodically remits to the taxing authorities their portions of the taxes collected.

4. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2005 and 2004 follows:

<u>2005 Budgeted vs Actual Budgetary Basis Expenditures</u>			
<u>Funds</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 33,607	\$ 38,210	\$ (4,603)
Special Revenue	109,840	161,561	(51,721)
Expendable Trust	4,366	-	4,366
Total	<u>\$ 147,813</u>	<u>\$ 199,771</u>	<u>\$ (51,958)</u>

CLARK TOWNSHIP
COSHOCTON COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004

4. BUDGETARY ACTIVITY - (continued)

2004 Budgeted vs Actual Budgetary Basis Expenditures			
Funds	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 47,126	\$ 40,170	\$ 6,956
Special Revenue	105,355	86,907	18,448
Expendable Trust	4,366	-	4,366
Total	<u>\$ 156,847</u>	<u>\$ 127,077</u>	<u>\$ 29,770</u>

2005 Budgeted vs Actual Receipts			
Funds	Budgeted Receipts	Actual Receipts	Variance
General	\$ 40,017	\$ 48,000	\$ 7,983
Special Revenue	87,818	157,691	69,873
Expendable Trust	-	-	-
Total	<u>\$ 127,835</u>	<u>\$ 205,691</u>	<u>\$ 77,856</u>

2004 Budgeted vs Actual Receipts			
Funds	Budgeted Receipts	Actual Receipts	Variance
General	\$ 40,151	\$ 37,113	\$ (3,038)
Special Revenue	84,700	88,161	3,461
Expendable Trust	-	-	-
Total	<u>\$ 124,851</u>	<u>\$ 125,274</u>	<u>\$ 423</u>

5. RETIREMENT SYSTEM

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

Contribution rates are prescribed by the Ohio Revised Code. OPERS members contributed 8.5% of their gross pay while the Township contributed an amount equal to 13.55% of covered payroll. The Township paid all required contributions through 2005.

**CLARK TOWNSHIP
 COSHOCTON COUNTY, OHIO
 Notes to the Financial Statements
 For the Years Ended December 31, 2005 and 2004**

6. RISK MANAGEMENT

The Township has obtained insurance for the following risks through the Ohio Government Risk Management Plan:

- Comprehensive property and general liability
- Wrongful acts
- Employee benefit liability
- Cemetery
- Professional liability and
- Vehicles

The Pool'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, 2005 and 2004:

	2005	2004
Assets	\$ 8,219,430	\$ 6,685,522
Liabilities	2,748,639	2,227,808
Member's Equity	\$ 5,470,791	\$ 4,457,714

The Township Trustees and Clerk are covered by separate bonds.

Settled Claims have not exceeded this commercial coverage in any of the last three years. There have been no significant reductions in insurance coverage from last year.

The Township pays the State Worker's Compensation System a premium based on a rate per \$100 of salaries. The rate is calculated based on accident history and administrative costs.

7. DEBT

There is no debt outstanding at December 31, 2005.

8. LEGAL COMPLIANCE

The Township did not properly certify the availability of funds for 100 percent of non-payroll expenditures contrary to Section 5705.41 (D) of the Ohio Revised Code.

In 2005, the Township had expenditures exceeding appropriations contrary to Section 5705.41 (B) of the Ohio Revised Code.

**CLARK TOWNSHIP
COSHOCTON COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004**

9. CONTINGENT LIABILITES/SUBSEQUENT EVENTS

Management believes there are no pending claims or lawsuits.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS REQUIRED BY GOVERNMENT AUDITING STANDARDS**

The Board of Trustees
Clark Township
29402 Township Rd. 32
Warsaw, Ohio 43812-116

We have audited the financial statements of Clark Township, Coshocton County, Ohio, (the Township) as and for the years ended December 31, 2005 and 2004, and have issued our report thereon dated September 22, 2006, wherein we noted the Township follows 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 Controls Over Financial Reporting

In planning and performing our audit, 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 an opinion 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 caused by error or fraud 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 September 22, 2006.

Compliance and Other Matters

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, grant agreements and other matters, 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 several instances of noncompliance that are required to be reported under *Government Auditing Standards*, which are described in the accompanying Schedule of Findings as items 2005-CTCC-01 and 2005-CTCC-02.

Also, we noted other matters involving compliance that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated September 22, 2006.

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.

Charles E. Harris & Associates, Inc.

September 22, 2006

CLARK TOWNSHIP
COSHOCTON COUNTY, OHIO
SCHEDULE OF FINDINGS
DECEMBER 31, 2005 AND 2004

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

Finding Number: 2005-CTCC-01 – Noncompliance Citation

Ohio Revised Code Section 5705.41 (D), requires in part, that no subdivision or taxing unit shall make any contract or order any expenditure unless there is attached thereto a certificate of the fiscal officer of the subdivision certifying that the amount required to meet the obligation has been lawfully appropriated for such purposes and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Every contract made without such a certificate shall be void and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the standard requirement state above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. "Then and Now" Certificate – If the fiscal officer can certify that both at the time the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that 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 Township can authorize the drawing of a warrant for the payment of the amount due. The Township has thirty days from the receipt of the "then and now" certificate to approve payment by resolution.

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution 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 expenditure by the Township.

2. Blanket Certificate – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. Super Blanket Certificate – The Township may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

CLARK TOWNSHIP
 COSHOCTON COUNTY, OHIO
 SCHEDULE OF FINDINGS
 DECEMBER 31, 2005 AND 2004

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

Finding Number: 2005-CTCC-01 – Noncompliance Citation - (continued)

The Township did not properly certify the availability of funds for 100% of expenditures tested for the audit period of 2004 and 2005. Failure to certify the availability of funds and encumber appropriations could result in overspending and negative cash balances.

To improve controls over disbursements and to help reduce the possibility of the Township’s fund exceeding budgetary spending limitations, we recommend the Clerk certify the availability of funds prior to the commitment for the expenditure of Township money. The Township should consider the use of blanket purchase orders and “Then and Now” certificates to assist in complying with the above requirement.

The Township plans on using purchase orders in the future.

Expenditures and Encumbrances Exceed Appropriations – Noncompliance Citation

Finding Number: 2005-CTCC-02

Section 5705.41 (B), Ohio Revised Code, prohibits the Township from making expenditure unless it has been properly appropriated. The funds listed below were found to have expenditures exceeding appropriations:

Fund	2005 Appropriations	Expenditures plus Encumbrances	Variance
General	\$ 33,607	\$ 38,210	\$ (4,603)
Special Revenue-FEMA	\$ -	\$ 70,065	\$ (70,065)

The legal level of control citations were not disclosed since the Township is cited at the fund level.

We recommend the Township monitor appropriations and expenditures plus encumbrances regularly and amend appropriations as necessary to avoid overspending.

The Township will monitor budgetary activity more closely.

CLARK TOWNSHIP
COSHOCTON COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2005 and 2004

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid: Explain: Per ADAM 2001-10-Disclose the current year finding in this schedule
2003-CTCC-001	ORC Section 5705.41 (D) - Failure to certify	No	Not Corrected, repeated as Item 2005-CTCC-01



**Auditor of State
Betty Montgomery**

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**CLARK TOWNSHIP
COSHOCKTON 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
NOVEMBER 9, 2006**