



**ADAMS TOWNSHIP  
GUERNSEY COUNTY**

**REGULAR AUDIT**

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



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

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**STATE OF OHIO**



**ADAMS TOWNSHIP  
GUERNSEY COUNTY**

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## REPORT OF INDEPENDENT ACCOUNTANTS

Adams Township  
Guernsey County  
4821 Glenn Highway Road  
Cambridge, Ohio 43725

To the Board of Trustees:

We have audited the accompanying financial statements of Adams Township, Guernsey County, Ohio (the Township), as of and for the years ended December 31, 2000 and 1999. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Adams Township, Guernsey 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 May 22, 2001, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. 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 the audit committee, management, the Board of Trustees, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

May 22, 2001

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**ADAMS TOWNSHIP  
GUERNSEY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>				<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Project</u>	
<b>Cash Receipts:</b>					
Local Taxes	\$24,185	\$48,084	\$16,055	\$	\$88,324
Intergovernmental	34,179	71,574	4,535	13,651	123,939
Earnings on Investments	2,689	462			3,151
All Other Revenue	361	11,700			12,061
	<u>61,414</u>	<u>131,820</u>	<u>20,590</u>	<u>13,651</u>	<u>227,475</u>
<b>Total Cash Receipts</b>					
<b>Cash Disbursements:</b>					
Current:					
General Government	44,150	21,780			65,930
Public Safety		26,319			26,319
Public Works		74,050			74,050
Health	365				365
Capital Outlay		2,469		11,971	14,440
Debt Service:					
Note Principal Payment			14,376		14,376
Interest and Fiscal Charges			4,921		4,921
	<u>44,515</u>	<u>124,618</u>	<u>19,297</u>	<u>11,971</u>	<u>200,401</u>
<b>Total Cash Disbursements</b>					
Total Cash Receipts Over/(Under) Cash Disbursements	<u>16,899</u>	<u>7,202</u>	<u>1,293</u>	<u>1,680</u>	<u>27,074</u>
<b>Other Financing Receipts/(Disbursements):</b>					
Transfers-In		8,399			8,399
Transfers-Out	(5,000)	(3,399)			(8,399)
	<u>(5,000)</u>	<u>5,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Other Financing Receipts/(Disbursements)</b>					
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	11,899	12,202	1,293	1,680	27,074
Fund Cash Balances, January 1	2,806	48,163	5,136	0	56,105
<b>Fund Cash Balances, December 31</b>	<u><u>\$14,705</u></u>	<u><u>\$60,365</u></u>	<u><u>\$6,429</u></u>	<u><u>\$1,680</u></u>	<u><u>\$83,179</u></u>

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

**ADAMS TOWNSHIP  
GUERNSEY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Non- expendable Trust</u>	<u>Agency</u>	
<b>Operating Cash Receipts:</b>				
Charges for Services	\$3,324	\$	\$	\$3,324
Interest		313		313
Other Revenue			4,000	4,000
	<u>3,324</u>	<u>313</u>	<u>4,000</u>	<u>7,637</u>
<b>Total Operating Cash Receipts</b>				
	<u>3,324</u>	<u>313</u>	<u>4,000</u>	<u>7,637</u>
<b>Operating Cash Disbursements:</b>				
Purchased Services	3,293			3,293
Supplies and Materials		394		394
Other Expenses			2,000	2,000
	<u>3,293</u>	<u>394</u>	<u>2,000</u>	<u>5,687</u>
<b>Total Operating Cash Disbursements</b>				
	<u>3,293</u>	<u>394</u>	<u>2,000</u>	<u>5,687</u>
Operating Income/(Loss)	<u>31</u>	<u>(81)</u>	<u>2,000</u>	<u>1,950</u>
Fund Cash Balance, January 1	<u>0</u>	<u>5,169</u>	<u>0</u>	<u>5,169</u>
<b>Fund Cash Balance, December 31</b>	<u><b>\$31</b></u>	<u><b>\$5,088</b></u>	<u><b>\$2,000</b></u>	<u><b>\$7,119</b></u>

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



**ADAMS TOWNSHIP  
GUERNSEY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>				<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Project</u>	
<b>Cash Receipts:</b>					
Local Taxes	\$22,821	\$57,340	\$3,152	\$	\$83,313
Intergovernmental	21,883	72,308	5,026	13,651	112,868
Charges for Services		2,816			2,816
Earnings on Investments	854	90			944
All Other Revenue	104	4,073			4,177
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	45,662	136,627	8,178	13,651	204,118
<b>Cash Disbursements:</b>					
Current:					
General Government	44,702	7,464			52,166
Public Safety		28,225			28,225
Public Works		104,120			104,120
Health	366				366
Capital Outlay		71,797		13,651	85,448
Debt Service:					
Note Principal Payment			5,969		5,969
Interest and Fiscal Charges			325		325
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	45,068	211,606	6,294	13,651	276,619
Total Cash Receipts Over/(Under) Cash Disbursements	594	(74,979)	1,884	0	(72,501)
<b>Other Financing Receipts/(Disbursements):</b>					
Proceeds from Sale of Public Debt:					
Sale of Notes		78,500			78,500
Transfers-In			3,243		3,243
Transfers-Out	(3,243)				(3,243)
Other Sources	75				75
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(3,168)	78,500	3,243	0	78,575
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(2,574)	3,521	5,127	0	6,074
Fund Cash Balances, January 1	5,380	44,642	9	0	50,031
<b>Fund Cash Balances, December 31</b>	<b><u>\$2,806</u></b>	<b><u>\$48,163</u></b>	<b><u>\$5,136</u></b>	<b><u>\$0</u></b>	<b><u>\$56,105</u></b>

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

ADAMS TOWNSHIP  
GUERNSEY COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCE  
NONEXPENDABLE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Nonexpendable Trust</u>
<b>Operating Cash Receipts:</b>	
Interest	<u>\$284</u>
Total Operating Cash Receipts	<u>284</u>
<b>Operating Cash Disbursements:</b>	
Supplies and Materials	<u>400</u>
Total Operating Cash Disbursements	<u>400</u>
Operating Income/(Loss)	<u>(116)</u>
Fund Cash Balance, January 1	<u>5,285</u>
<b>Fund Cash Balance, December 31</b>	<b><u><u>\$5,169</u></u></b>

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

**ADAMS TOWNSHIP  
GUERNSEY COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Adams Township, Guernsey County (the Township), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides general governmental services, including road and bridge maintenance, cemetery maintenance, and fire protection. The Township contracts with the Village of New Concord and the Cassell Station Volunteer Fire Departments to provide 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 prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

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

**C. Cash**

Certificates of deposit are valued at cost.

**D. 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 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:

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

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

**ADAMS TOWNSHIP  
GUERNSEY COUNTY**

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

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

**D. Fund Accounting (Continued)**

**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 Fund:

Bond Retirement Fund - This fund receives property tax money and gasoline tax money for the principal and interest payments on outstanding notes.

**4. Capital Project Funds**

These funds are 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 Projects Fund:

Issue II Fund - This fund receives Issue II grant revenue through the Guernsey County Engineer to pay for construction, maintenance and repair of Township roads and bridges.

**5. Enterprise Funds**

These funds account for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be recovered through user charges. The Township had the following significant Enterprise Fund:

Trash Service Fund - This fund receives charges for services from residents to cover the cost of providing trash collection service to the Township by a private vendor.

**6. Fiduciary Funds (Trust and Agency Funds)**

These funds 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 had the following significant Fiduciary Funds:

Cemetery Bequest Fund - This nonexpendable trust fund maintains the trust corpus and receives interest income from a certificate of deposit. The income is to be used for maintenance of Township cemeteries.

Road Bond Fund - This agency fund receives road bond money from various companies for their use of Township roads.

**E. Budgetary Process**

The Ohio Revised Code requires that each fund be budgeted annually.

**ADAMS TOWNSHIP  
GUERNSEY COUNTY**

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

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

**E. Budgetary Process (Continued)**

**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. The Township did not encumber all commitments required by Ohio law.

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

**F. Property, Plant and Equipment**

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

**G. Unpaid Vacation and Sick Leave**

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as a liability under the cash basis of accounting used by the Township.

**2. EQUITY IN POOLED CASH**

The Township maintains a cash 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>2000</u>	<u>1999</u>
Demand deposits	\$ 75,298	\$ 46,274
Certificates of deposit	15,000	15,000
Total deposits	<u>\$ 90,298</u>	<u>\$ 61,274</u>

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

**ADAMS TOWNSHIP  
GUERNSEY COUNTY**

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2000 and 1999, is as follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$53,611	\$61,414	\$7,803
Special Revenue	130,676	140,219	9,543
Debt Service	20,590	20,590	0
Capital Projects	13,651	13,651	0
Enterprise	2,511	3,324	813
Fiduciary	2,450	4,313	1,863
Total	\$223,489	\$243,511	\$20,022

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$42,380	\$49,515	(\$7,135)
Special Revenue	154,334	128,017	26,317
Debt Service	25,726	19,297	6,429
Capital Projects	13,651	11,971	1,680
Enterprise	800	3,293	(2,493)
Fiduciary	619	2,394	(1,775)
Total	\$237,510	\$214,487	\$23,023

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$42,907	\$45,737	\$2,830
Special Revenue	144,388	215,127	70,739
Debt Service	8,166	11,421	3,255
Capital Projects	13,651	13,651	0
Fiduciary	120	284	164
Total	\$209,232	\$286,220	\$76,988

**ADAMS TOWNSHIP  
GUERNSEY COUNTY**

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

**3. BUDGETARY ACTIVITY (Continued)**

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$46,394	\$48,311	(\$1,917)
Special Revenue	169,296	211,606	(42,310)
Debt Service	8,175	6,294	1,881
Capital Projects	0	13,651	(13,651)
Fiduciary	5,405	400	5,005
Total	\$229,270	\$280,262	(\$50,992)

As of December 31, 2000 and 1999, the Township made expenditures in excess of appropriations for several funds. The Township also made expenditures without obtaining the Clerk's prior certification of available funds.

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

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

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

**5. DEBT**

Debt outstanding at December 31, 2000, was as follows:

	Principal	Interest Rate
General Obligation Notes	\$69,778	5.85%

The general obligation notes were issued to finance the purchase of a new grader and truck to be used for Township road maintenance. The notes are collateralized solely by the Township's taxing authority.

Amortization of the above debt, including interest of \$18,377, is scheduled as follows:

**ADAMS TOWNSHIP  
GUERNSEY COUNTY**

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

**5. DEBT (Continued)**

Year ending <u>December 31:</u>	General Obligation <u>Notes</u>
2001	\$12,804
2002	12,294
2003	11,784
2004	11,280
2005	10,763
Subsequent	<u>29,230</u>
Total	<u><u>\$88,155</u></u>

**6. RETIREMENT SYSTEMS**

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries through June 30, 2000. For the period July 1, 2000 through December 31, 2000, PERS temporarily reduced the employer's contribution rate to 8.13% of participants' gross salaries. The Township has paid all contributions required through December 31, 2000.

**7. RISK MANAGEMENT**

The Township is insured with the Ohio Township Association Risk Management Authority (OTARMA). OTARMA assumes the risk of loss up to the limits of the township's policies. OTARMA may make supplemental assessments if the experience of the overall pool is unfavorable. The following risks are covered by OTARMA:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

The Township also provides health and life insurance coverage to officials and full-time employees through private carriers.

**8. CONTINGENT LIABILITIES**

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.





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

Adams Township  
Guernsey County  
4821 Glenn Highway Road  
Cambridge, Ohio 43725

To the Board of Trustees:

We have audited the accompanying financial statements of Adams Township, Guernsey County, Ohio (the Township), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated May 22, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2000-41030-001 and 2000-41030-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated May 22, 2001.

**Internal Control 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 assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the Township's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying Schedule of Findings as item 2000-41030-003.

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. 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 reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe the reportable condition described above to be a material weakness.

Adams Township  
Guernsey County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
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This report is intended for the information and use of the audit committee, 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

May 22, 2001

**ADAMS TOWNSHIP  
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2000 AND 1999**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2000-41030-001**

**Noncompliance Citation**

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

This section also provides two "exceptions" to the above requirements:

- A. Then and Now Certificate - This exception provides that, if the fiscal officer can certify that both at the time the contract or order was made and at the time that he/she is completing his/her certification, sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any encumbrance, the taxing authority can authorize the drawing of a warrant. The taxing authority has 30 days from the receipt of such certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing district.
  
- B. Amounts of less than \$1,000 may be paid by the fiscal officer without such affirmation of the taxing authority upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority.

Invoice dates preceded the Township Clerk's certification of available funds in twenty-seven percent of tested expenditures.

We recommend the Township Clerk certify the availability of funds prior to the date of incurring expenditures.

**FINDING NUMBER 2000-41030-002**

**Noncompliance Citation**

Ohio Rev. Code Section 5705.41(B) requires no subdivision or taxing authority to expend money unless it has been properly appropriated.

The following funds had expenditures which exceeded appropriations at December 31, 2000:

Fund	Appropriations	Budgetary expenditures	Overexpenditure
General Fund	\$42,380	\$49,515	(\$7,135)
Solid Waste Management Distribution Fund	3,434	6,294	(2,860)
Trash Service Fund	800	3,293	(2,493)
Road Bond Fund	0	2,000	(2,000)

**ADAMS TOWNSHIP  
GUERNSEY COUNTY**

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

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2000-41030-002 (Continued)**

**Noncompliance Citation - Ohio Rev. Code Section 5704.41(B) (Continued)**

The following funds had expenditures which exceeded appropriations at December 31, 1999:

Fund	Appropriations	Budgetary expenditures	Overexpenditure
General Fund	\$46,394	\$48,311	(\$1,917)
Gasoline Tax Fund	47,480	113,379	(65,899)
Issue II Fund	0	13,651	(13,651)

1999 Gasoline Tax Fund expenditures exceeded appropriations due to an audit adjustment required to reflect the Township's purchase of a road grader and truck. 1999 Issue II Fund expenditures exceeded appropriations due to supplemental appropriations not being presented to the Board of Trustees for approval.

Township management should monitor available appropriations, and should deny payments that exceed appropriations. If available resources exist to make the payment, management should request the Board of Trustees to consider amending appropriations.

**FINDING NUMBER 2000-41030-003**

**Reportable Condition - Receipt Ledger Classifications and Posting**

Several receipts were not posted into accurate revenue classifications based on the source of the receipt. This was the result of the Clerk incorrectly utilizing revenue classifications applicable to the Township or use of some revenue classifications that are not applicable to the Township.

As a result, several adjusting entries were prepared to post these revenues into correct classifications. This situation could also result in inaccurate financial information being distributed to Township officials.

We recommend the Township Clerk consult the Ohio Administrative Code when monies are received, to help ensure these receipts are posted to the appropriate receipt classification and accurate financial statements are prepared. We further recommend the Clerk correctly utilize all revenue journal classifications and eliminate the use of revenue journal classifications that are not applicable to the Township.



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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**ADAMS TOWNSHIP**

**GUERNSEY 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  
JULY 24, 2001**