



**CLAYTON TOWNSHIP
PERRY COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

CLAYTON TOWNSHIP
PERRY COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Clayton Township
Perry County
6065 Township Road 162, Rt. 2
New Lexington, Ohio 43764

To the Board of Trustees:

We have audited the accompanying financial statements of Clayton Township, Perry County, Ohio (the Township), as of and for the years ended December 31, 2000 and December 31, 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 presents fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of Clayton Township, Perry County, as of December 31, 2000 and as of December 31, 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 29, 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 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 29, 2001

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CLAYTON TOWNSHIP
PERRY COUNTY

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

	Governmental Fund Types			Fiduciary Funds	Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Non-Expendable Trust	
Cash Receipts:					
Local Taxes	\$ 18,256	\$ 23,188	\$	\$	\$ 41,444
Intergovernmental	44,208	62,924			107,132
Licenses, Permits, and Fees	19	1,250			1,269
Interest	1,467	215		403	2,085
Other Revenue	1,229	150			1,379
Total Cash Receipts	65,179	87,727	0	403	153,309
Cash Disbursements:					
Current:					
General Government	36,395				36,395
Public Safety		23,382			23,382
Public Works		69,635			69,635
Health	3,675	2,892			6,567
Redemption of Principal	12,305				12,305
Interest and Fiscal Charges	2,340				2,340
Capital Outlay	59,106	220			59,326
Total Cash Disbursements	113,821	96,129	0	0	209,950
Total Cash Receipts Over/(Under) Cash Disbursements	(48,642)	(8,402)	0	403	(56,641)
Other Financing Receipts/(Disbursements):					
Proceeds from Notes	57,906				57,906
Total Other Financing Receipts/(Disbursements)	57,906	0	0	0	57,906
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	9,264	(8,402)	0	403	1,265
Fund Cash Balances, January 1	19,601	28,324	31	9,274	57,230
Fund Cash Balances, December 31	\$ 28,865	\$ 19,922	\$ 31	\$ 9,677	\$ 58,495
Reserve for Encumbrances, December 31	\$	\$ 2,077	\$	\$	\$ 2,077

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

CLAYTON TOWNSHIP
PERRY COUNTY

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

	Governmental Fund Types			Fiduciary Fund	Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Non-Expendable Trust	
Cash Receipts:					
Local Taxes	\$ 16,450	\$ 24,067	\$	\$	\$ 40,517
Intergovernmental	27,748	71,634			99,382
Licenses, Permits, and Fees		1,725			1,725
Interest	1,241	636	1	406	2,284
Other Revenue	2,429	1,200			3,629
Total Cash Receipts	47,868	99,262	1	406	147,537
Cash Disbursements:					
Current:					
General Government	32,453				32,453
Public Safety		24,243			24,243
Public Works	8,711	50,244			58,955
Health	8,122	903			9,025
Purchased Services				900	900
Redemption of Principal		10,050			10,050
Interest and Fiscal Charges		492			492
Capital Outlay	1,974				1,974
Total Cash Disbursements	51,260	85,932	0	900	138,092
Total Cash Receipts Over/(Under) Cash Disbursements	(3,392)	13,330	1	(494)	9,445
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(3,392)	13,330	1	(494)	9,445
Fund Cash Balances, January 1	22,993	14,994	30	9,768	47,785
Fund Cash Balances, December 31	\$ 19,601	\$ 28,324	\$ 31	\$ 9,274	\$ 57,230
Reserve for Encumbrances, December 31	\$	\$ 778	\$	\$	\$ 778

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

**CLAYTON TOWNSHIP
PERRY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Clayton Township, Perry 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 and a publicly-elected Clerk. The Township provides general governmental services, including road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the Village of Crooksville, City of New Lexington and Reading Township to provide fire and emergency medical services.

The Township's management believes these financial statements present all activities for which the Township is financially accountable.

B. Basis of Accounting

These financial statements follow the basis of accounting 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.

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 Fund:

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

**CLAYTON TOWNSHIP
PERRY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. 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 capital project fund:

Capital Equipment Fund - This fund received proceeds of a note in 1998 in order to repair a road grader.

4. 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 fiduciary fund:

Cemetery Bequest Fund - This fund receives interest from money donated and placed in Certificates of Deposit to maintain cemeteries.

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, 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. The Township did not encumber all commitments as 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.

**CLAYTON TOWNSHIP
PERRY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 liabilities under the basis of accounting used by the Township.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>2000</u>	<u>1999</u>
Demand Deposits	\$30,183	\$28,918
Certificate of Deposit	<u>28,312</u>	<u>28,312</u>
Total Deposits	<u>\$58,495</u>	<u>\$57,230</u>

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

3. BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 2000 and December 31, 1999, follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 109,441	\$ 123,085	\$ 13,644
Special Revenue	82,750	87,727	4,977
Capital Projects	1,000	0	(1,000)
Non-Expendable Trust	<u>225</u>	<u>403</u>	<u>178</u>
Total	<u>\$ 193,416</u>	<u>\$ 211,215</u>	<u>\$ 17,799</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 112,676	\$ 113,821	\$ (1,145)
Special Revenue	103,417	98,206	5,211
Capital Projects	1,031	0	1,031
Non-Expendable Trust	<u>452</u>	<u>0</u>	<u>452</u>
Total	<u>\$ 217,576</u>	<u>\$ 212,027</u>	<u>\$ 5,549</u>

**CLAYTON TOWNSHIP
PERRY 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	\$ 39,700	\$ 47,868	\$ 8,168
Special Revenue	79,660	99,262	19,602
Capital Projects	900	1	(899)
Non-Expendable Trust	494	406	(88)
Total	\$ 120,754	\$ 147,537	26,783

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 62,693	\$ 51,260	\$ 11,433
Special Revenue	95,235	86,710	8,525
Capital Projects	930	0	(930)
Non-Expendable Trust	10,262	900	(9,362)
Total	\$ 169,120	\$ 138,870	9,666

Actual expenditures exceeded appropriations, at the legal level of control, in the General, Motor Vehicle License Tax (MVL), Gasoline Tax, Cemetery, Fire, Emergency Medical Services (EMS) Funds in 1999 and 2000, and in the Non-Expendable Trust Fund in 1999, contrary to Ohio Revised Code.

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 in 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.

**CLAYTON TOWNSHIP
PERRY COUNTY**

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

5. RETIREMENT SYSTEM

The Township's elected officials and employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. The plan provides retirement benefits, including postretirement 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 overpaid contributions required as of December 31, 2000.

The Township overpaid PERS for the employee share in January 1999.

6. DEBT

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
Promissory Note - Dump Truck	\$45,596	6.23%
Total	\$45,596	

The note was for the purchase, in 2000, of a dump truck. The original note amount was for \$57,906 for 8 years, with a bi-annual payment, including interest, of \$4,645. The note is secured by a lien against the truck.

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

Year ending December 31:	Promissory Note - Dump Truck
2001	\$9,290
2002	9,290
2003	9,290
2004	9,290
2005	9,290
2006	7,980
Total	\$54,430

**CLAYTON TOWNSHIP
PERRY COUNTY**

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

7. RISK MANAGEMENT

The Township belongs to the Ohio Township Association Risk Management Authority (the "OTARMA"), an unincorporated non-profit association with several governmental entity members providing a formalized, jointly administered self-insurance risk management program and other administrative services.

The Township has obtained coverage from OTARMA for the following risks:

- Comprehensive property and general liability
- Vehicles
- Public Officials' liability
- Property

8. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor. 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.



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

Clayton Township
Perry County
6065 Township Road 162, Rt. 2
New Lexington, Ohio 43764

To the Board of Trustees:

We have audited the accompanying financial statement of Clayton Township, Perry County, Ohio (the Township), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated May 29, 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 2000-41064-001 through 2000-41064-005. We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated May 29, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement 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 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 May 29, 2001.

Clayton Township
Perry County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

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.

Jim Petro
Auditor of State

May 29, 2001

CLAYTON TOWNSHIP
PERRY COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2000 AND 1999

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

FINDING NUMBER 2000-41064-001

Noncompliance Citation

Ohio Rev. Code Section 149.351 (A) established guidelines against the destruction or damage of records. All records are the property of the public office and shall not be mutilated, transferred or otherwise damaged or disposed of, in whole or in part, except as provided by law.

Purchase orders and blanket certificates were not available for 45% of the expenditures tested in 1999 and 91% of those tested in 2000. The Township Clerk stated she believed she had disposed of these purchase orders.

We recommend the Township take the appropriate steps to maintain all public records.

FINDING NUMBER 2000-41064-002

Noncompliance Citation

Ohio Revised Code Section 5705.38 states that on or about the first day of the 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.

The 1999 appropriation measure was not filed until April 20, 1999, and the 2000 appropriation measure was not filed until March 28, 2000. Temporary appropriations were not adopted to meet ordinary expenses until the permanent appropriations were known.

We recommend the Township file an appropriation measure on or about the first day of the fiscal year for each year.

FINDING NUMBER 2000-41064-003

Noncompliance Citation

Ohio Rev. Code Section 5705.40 states that any appropriation measure may be amended or supplemented as long as the entity complies with the same provisions of the law as are used in making the original appropriation. However, no appropriation may be reduced below an amount sufficient to cover all unliquidated and outstanding contracts or obligations against them. Transfers may be made by resolution or ordinance from one appropriation item to another. Subject to certain limitations, the annual appropriation measure may contain an appropriation for contingencies.

During 1999 and 2000, supplemental appropriations were posted which were not approved in the minutes or filed with the County Auditor.

This resulted in spending more than what was actually appropriated at the legal level of control, as further explained in finding number 2000-41064-004. The notes to the financial statements reflect only those appropriations which were approved by the Board of Trustees and filed with the County Auditor.

**CLAYTON TOWNSHIP
PERRY COUNTY**

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

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

FINDING NUMBER 2000-41064-003 (Continued)

Noncompliance Citation (Continued)

Ohio Rev. Code Section 5705.40 (Continued)

We recommend the Board of Trustees approve all amendments to the appropriation measure and that the Township follow the same provisions of the law as used in making the original appropriation before any amendments are posted to the accounting system.

FINDING NUMBER 2000-41064-004

Noncompliance Citation

Ohio Revised Code Section 5705.41(B) states that no subdivision or taxing unit is to expend money unless it has been appropriated.

Actual expenditures exceeded appropriations in 1999 as follows:

<u>Fund</u>	<u>Line Item</u>	<u>Appropriations</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	1000-110-111	\$ 10,900	\$ 11,072	\$ (172)
General	1000-110-211	\$ 5,500	\$ 6,491	\$ (991)
General	1000-110-213	\$ 500	\$ 528	\$ (28)
General	1000-110-360	\$ 150	\$ 486	\$ (318)
General	1000-110-382	\$ 2,800	\$ 2,862	\$ (62)
General	1000-120-351	\$ 200	\$ 266	\$ (66)
General	1000-410-360	\$ 1,200	\$ 7,888	\$ (6,688)
General	1000-410-519	\$ 0	\$ 25	\$ (25)
General	1000-760-740	\$ 200	\$ 1,974	\$ (1,774)
MVL	2011-330-420	\$ 1,400	\$ 1,949	\$ (549)
MVL	2011-330-599	\$ 2,695	\$ 8,248	\$ (5,554)
Gasoline Tax	2021-330-111	\$ 5,700	\$ 5,872	\$ (172)
Gasoline Tax	2021-330-160	\$ 21,500	\$ 24,580	\$ (3,090)
Gasoline Tax	2021-330-599	\$ 10,000	\$ 10,657	\$ (657)
Road & Bridge	2031-330-323	\$ 200	\$ 1,623	\$ (1,423)
Road & Bridge	2031-330-353	\$ 400	\$ 432	\$ (32)

**CLAYTON TOWNSHIP
PERRY COUNTY**

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

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

FINDING NUMBER 2000-41064-004 (Continued)

Ohio Revised Code Section 5705.41(B) (Continued)

<u>Fund</u>	<u>Line Item</u>	<u>Appropriations</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Cemetery	2041-410-360	\$ 800	\$ 810	\$ (10)
Fire	2191-220-370	\$ 12,450	\$ 13,153	\$ (703)
EMS	2192-230-314	\$ 300	\$ 310	\$ (10)
EMS	2192-230-370	\$ 9,820	\$ 10,386	\$ (566)
Non-Expendable Trust	8001-410-360	\$ 0	\$ 900	\$ (900)

Actual expenditures exceeded appropriations in 2000 as follows:

<u>Fund</u>	<u>Line Item</u>	<u>Appropriation</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	1000-110-315	\$ 100	\$ 281	\$ (181)
General	1000-110-345	\$ 0	\$ 94	\$ (94)
General	1000-110-360	\$ 468	\$ 523	\$ (55)
General	1000-110-382	\$ 2,900	\$ 3,418	\$ (518)
General	1000-410-599	\$ 210	\$ 750	\$ (540)
General	1000-760-730	\$ 0	\$ 1,200	\$ (1,200)
General	1000-820-820	\$ 0	\$ 14,645	\$ (14,645)
MVL	2011-330-323	\$ 100	\$ 2,000	\$ (1,900)
MVL	2011-330-360	\$ 8,000	\$ 9,415	\$ (1,415)
Gasoline Tax	2021-330-160	\$ 25,000	\$ 26,235	\$ (1,235)
Gasoline Tax	2021-330-323	\$ 2,000	\$ 5,180	\$ (3,180)
Gasoline Tax	2021-330-420	\$ 3,000	\$ 3,981	\$ (981)
Road & Bridge	2031-330-351	\$ 420	\$ 489	\$ (69)

CLAYTON TOWNSHIP
PERRY COUNTY

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

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

FINDING NUMBER 2000-41064-004 (Continued)

Ohio Revised Code Section 5705.41(B) (Continued)

<u>Fund</u>	<u>Line Item</u>	<u>Appropriation</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Road & Bridge	2031-330-420	\$ 130	\$ 1,012	\$ (882)
Cemetery	2041-410-360	\$ 1,500	\$ 2,892	\$ (1,392)
Fire	2191-220-370	\$ 11,950	\$ 12,617	\$ (667)
EMS	2192-230-370	\$ 9,420	\$ 10,092	\$ (672)

We recommend the Township Clerk deny payments when disbursements would exceed appropriations at the legal level of control. The Township Clerk should inquire whether the Board of Trustees wish to permit the payments by amending appropriations. The Board of Trustees can increase total appropriations only to the extent of estimated resources. Such amendments or supplemental appropriations should be handled in the same manner as the original appropriations measure and the Board of Trustees approval should be documented in the minutes record.

FINDING NUMBER 2000-41064-005

Noncompliance Citation

Ohio Revised Code Section 5705.41(D) states there is to be no contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract had been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriated fund free from any previous encumbrances.

The following exceptions to this basic requirement are provided by statute:

Then and Now Certificate: This exception provides that, if the fiscal officer can certify that both at the time that the contract or order was made and at the time that he is completing his certification, 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 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.

**CLAYTON TOWNSHIP
PERRY COUNTY**

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

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

FINDING NUMBER 2000-41064-005 (Continued)

Ohio Revised Code Section 5705.41(D) (Continued)

Amounts of less than \$100 for counties, or less than \$1,000 for other political subdivisions, 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.

Of the transactions tested, 89% in 1999 and 75% in 2000 were certified subsequent to the invoice date and no corresponding Then and Now Certificates were obtained.

We recommend the Township Clerk certify the availability of funds prior to ordering goods or services and encumber the corresponding commitments when the certification is made. In the event the Township Clerk cannot make this certification prior to incurring an obligation, we recommend a Then and Now Certificate be approved and used as stated above.

**CLAYTON TOWNSHIP
PERRY COUNTY**

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

Finding Number	Finding Summary	Fully Corrected?	Not Corrected; Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
1998-41064-001	A material noncompliance citation was issued under Ohio Rev. Code Section 5705.41(B) expenditures exceeding appropriations in several funds.	No	Not Corrected: This issue is repeated in the current Schedule of Findings as item 2000-41064-004.
1998-41064-002	A material noncompliance citation was issued under Ohio Rev. Code Section 5705.41(D) for not utilizing the encumbrance method of accounting and for failing to obtain prior certification of available funds.	No	Not Corrected: This issue is repeated in the current Schedule of Findings as item 2000-41064-005.



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OFFICE OF THE AUDITOR

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CLAYTON TOWNSHIP

PERRY 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 10, 2001**