



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

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**STATE OF OHIO**



MILL TOWNSHIP  
TUSCARAWAS COUNTY

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Report of Independent Accountants .....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types For the Year Ended December 31, 2001 .....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Fiduciary Fund Types For the Year Ended December 31, 2001 .....	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types For the Year Ended December 31, 2000 .....	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Fiduciary Fund Types For the Year Ended December 31, 2000 .....	6
Notes to the Financial Statements .....	7
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	15
Schedule of Findings .....	17
Schedule of Prior Audit Findings .....	19

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STATE OF OHIO  
OFFICE OF THE AUDITOR

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**REPORT OF INDEPENDENT ACCOUNTANTS**

Mill Township  
Tuscarawas County  
P.O. Box 423  
Uhrichsville, Ohio 44683

To the Board of Trustees:

We have audited the accompanying financial statements of Mill Township, Tuscarawas County, Ohio, (the Township) as of and for the years ended December 31, 2001 and 2000. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As 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 and reserves for encumbrances of the Township as of December 31, 2001 and 2000, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2002 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 audits.

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

March 6, 2002

**MILL TOWNSHIP  
TUSCARAWAS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<b>Cash Receipts:</b>					
Taxes	\$56,189	\$143,492	\$46,679		\$246,360
Intergovernmental	56,566	73,169		\$55,717	185,452
Charges for Services	125				125
Interest	8,223	1,543			9,766
Donations	10,342				10,342
Other Revenue		205	24		229
	<u>131,445</u>	<u>218,409</u>	<u>46,703</u>	<u>55,717</u>	<u>452,274</u>
<b>Total Cash Receipts</b>					
<b>Cash Disbursements:</b>					
Current:					
General Government	110,579	2,265			112,844
Public Safety	15,433	43,931			59,364
Public Works		120,910			120,910
Health	1,650				1,650
Debt Service:					
Loan Principal Payments	7,000	10,111	39,056		56,167
Interest		699	2,214		2,913
Capital Outlay	11,792			55,717	67,509
	<u>146,454</u>	<u>177,916</u>	<u>41,270</u>	<u>55,717</u>	<u>421,357</u>
<b>Total Cash Disbursements</b>					
Total Cash Receipts Over/(Under) Cash Disbursements	(15,009)	40,493	5,433	0	30,917
Fund Cash Balances, January 1	193,392	267,829	6,751	0	467,972
<b>Fund Cash Balances, December 31</b>	<u><b>\$178,383</b></u>	<u><b>\$308,322</b></u>	<u><b>\$12,184</b></u>	<u><b>\$0</b></u>	<u><b>\$498,889</b></u>
Reserves for Encumbrances, December 31	<u>\$0</u>	<u>\$1,392</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,392</u>

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

**MILL TOWNSHIP  
TUSCARAWAS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<b>Fiduciary Fund Types</b>		<b>Totals (Memorandum Only)</b>
	<b>Nonexpendable Trust</b>	<b>Agency</b>	
<b>Operating Cash Receipts:</b>			
Interest	\$17		\$17
Other		\$75	75
Total Operating Cash Receipts	17	75	92
<b>Total Operating Cash Disbursements</b>	0	0	0
<b>Operating Income</b>	17	75	92
Fund Cash Balances, January 1	718	442	1,160
<b>Fund Cash Balances, December 31</b>	<b>\$735</b>	<b>\$517</b>	<b>\$1,252</b>
Reserves for Encumbrances, December 31	\$0	\$0	\$0

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

**MILL TOWNSHIP  
TUSCARAWAS 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>	
<b>Cash Receipts:</b>				
Taxes	\$59,496	\$96,761	\$45,320	\$201,577
Intergovernmental	25,064	64,151		89,215
Charges for Services	3,525			3,525
Interest	6,838	1,760		8,598
Other Revenue		3,289		3,289
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	94,923	165,961	45,320	306,204
<b>Cash Disbursements:</b>				
Current:				
General Government	131,426	1,899		133,325
Public Safety	10,379			10,379
Public Works		149,429		149,429
Health	1,650			1,650
Debt Service:				
Loan Principal Payments	7,000		39,056	46,056
Interest			4,439	4,439
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	150,455	151,328	43,495	345,278
Total Cash Receipts Over/(Under) Cash Disbursements	<hr/> (55,532)	<hr/> 14,633	<hr/> 1,825	<hr/> (39,074)
<b>Other Financing Receipts/(Disbursements):</b>				
Proceeds of Loans		30,000		30,000
Sale of Assets	36,025			36,025
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	36,025	30,000	0	66,025
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<hr/> (19,507)	<hr/> 44,633	<hr/> 1,825	<hr/> 26,951
Fund Cash Balances, January 1	<hr/> 212,899	<hr/> 223,196	<hr/> 4,926	<hr/> 441,021
<b>Fund Cash Balances, December 31</b>	<hr/> <b>\$193,392</b>	<hr/> <b>\$267,829</b>	<hr/> <b>\$6,751</b>	<hr/> <b>\$467,972</b>
Reserves for Encumbrances, December 31	<hr/> <hr/> \$826	<hr/> <hr/> \$2,038	<hr/> <hr/> \$0	<hr/> <hr/> \$2,864

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

**MILL TOWNSHIP  
TUSCARAWAS COUNTY**

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

	<b>Fiduciary Fund Types</b>		<b>Totals (Memorandum Only)</b>
	<b>Nonexpendable Trust</b>	<b>Agency</b>	
<b>Operating Cash Receipts:</b>			
Interest	\$22		\$22
Other		\$242	242
Total Operating Cash Receipts	22	242	264
<b>Total Operating Cash Disbursements</b>	<b>0</b>	<b>0</b>	<b>0</b>
Operating Income	22	242	264
Fund Cash Balances, January 1	696	200	896
<b>Fund Cash Balances, December 31</b>	<b>\$718</b>	<b>\$442</b>	<b>\$1,160</b>
Reserve for Encumbrances, December 31	\$0	\$0	\$0

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

**MILL TOWNSHIP  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Mill Township, Tuscarawas County, Ohio, (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. The Township contracts with the City of Uhrichsville to provide fire services and Smith Ambulance to provide ambulance services.

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

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

**C. Cash**

The Township maintains cash in a checking account, passbook savings account and certificates of deposit. 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 has the following significant Special Revenue Funds:

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

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

**MILL TOWNSHIP  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000  
(Continued)**

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

**D. Fund Accounting (Continued)**

**2. Special Revenue Funds (Continued)**

Motor Vehicle License Tax - This fund receives state motor vehicle license tax money for constructing, repairing and maintaining Township roads and bridges.

Emergency Medical Services - This fund receives property tax revenue to provide emergency medical services to residents of the Township.

**3. Debt Service Funds**

The Debt Service Fund is used to accumulate resources for the payment of loans. The Township has the following significant Debt Service Funds:

Note Retirement Fund - This fund receives property tax revenue to retire the debt associated with the purchase of a tractor.

**4. Capital Projects Funds**

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Township has the following significant Capital Projects Fund:

Miscellaneous Capital Projects Fund - This fund receives on-behalf Community Development Block Grant monies from Tuscarawas County for repairing Township Roads.

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

Trust 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 has the following significant Fiduciary Funds:

Cemetery Bequest Fund - This Nonexpendable Trust Fund is used to record the donations from individuals and the interest received from the related passbook savings account.

Agency Fund - This Agency Fund is used to account for driveway and open road permits.

**MILL TOWNSHIP  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000  
(Continued)**

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

**E. Budgetary Process**

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

**2. Estimated Resources**

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

**3. Encumbrances**

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over and need not be reappropriated. The Township did not encumber all commitments required by Ohio law. The budgetary presentations have been adjusted to include material items that should have been encumbered.

A summary of 2001 and 2000 budgetary activity appears in Note 3.

**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.

**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>2001</u>	<u>2000</u>
Demand deposits	\$391,940	\$365,949
Certificates of Deposit	108,201	103,183
Total deposits	<u>\$500,141</u>	<u>\$469,132</u>

**Deposits:** Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Township.

**MILL TOWNSHIP  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000  
(Continued)**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ended 2001 and 2000 was as follows:

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$113,810	\$131,445	\$17,635
Special Revenue	203,989	218,409	14,420
Debt Service	46,679	46,703	24
Capital Project	55,717	55,717	0
Fiduciary	75	92	17
Total	<u>\$420,270</u>	<u>\$452,366</u>	<u>\$32,096</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$229,116	\$146,454	\$82,662
Special Revenue	325,611	179,308	146,303
Debt Service	45,056	41,270	3,786
Capital Projects	55,717	55,717	0
Fiduciary	950	0	950
Total	<u>\$656,450</u>	<u>\$422,749</u>	<u>\$233,701</u>

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$77,492	\$130,948	\$53,456
Special Revenue	147,380	195,961	48,581
Debt Service	45,320	45,320	0
Fiduciary	75	264	189
Total	<u>\$270,267</u>	<u>\$372,493</u>	<u>\$102,226</u>

**MILL TOWNSHIP  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$238,615	\$151,281	\$87,334
Special Revenue	304,000	153,366	150,634
Debt Service	45,056	43,495	1,561
Fiduciary	970	0	970
Total	\$588,641	\$348,142	\$240,499

**Material Noncompliance**

Contrary to 5705.41(D) Ohio Rev. Code, the Township did not always certify the availability of funds prior to the obligation of expenditures.

**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 payments, 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, 2001 was as follows:

	Principal	Interest Rate
Building Loan	\$28,000	0%
Equipment Loan - Tractor/Mower	20,000	6.5%
Total	\$48,000	

**MILL TOWNSHIP  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000  
(Continued)**

**5. DEBT (Continued)**

The Township obtained a loan from the Tuscarawas County Commissioners for the purchase of a building. The loan will be repaid in annual installments of \$7,000 without interest over the remaining 4 years.

The Township also obtained an equipment loan from a bank for the purpose of purchasing a tractor/mower for use by the Township. This loan will be repaid in annual installments of \$10,000 with 6.5% interest, over 2 years.

In 2001, the Township paid off a loan for the purchase of a fire truck.

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

Year ending December 31:	Building Loan	Tractor/Mower Loan
2002	\$7,000	\$11,026
2003	7,000	11,026
2004	7,000	
2005	7,000	
Total	\$28,000	\$22,052

**6. RETIREMENT SYSTEM**

The Township's full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. 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 also prescribed by the Ohio Revised Code. The Township contributed an amount equal to 13.55% of participants' gross salaries through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13%, effective July 1, 2000. The Township has paid all contributions required through December 31, 2001.

**7. RISK MANAGEMENT**

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Public official's liability

**Risk Pool Membership**

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk sharing pool available to Ohio townships. OTARMA provides property and casualty insurance for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

**MILL TOWNSHIP  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000  
(Continued)**

**7. RISK MANAGEMENT (Continued)**

Casualty Insurance

OTARMA retains casualty risks up to \$250,000 per claim. Claims exceeding \$250,000 are reinsured with APEEP up to \$1,750,000 per claim and \$5,000,000 in the aggregate per year. Governments can elect additional coverage, from \$2,000,000 to \$10,000,000, from the General Reinsurance Corporation.

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

Property Insurance

OTARMA retains property risks including automobile physical damage up to \$100,000 on any specific loss. The Travelers Indemnity Company reinsures specific losses exceeding \$100,000. The Travelers Indemnity Company also provides aggregate excess coverage for property including automobile physical damage subject to an annual stop loss. When the stop loss is reached in any year, The Travelers Indemnity Company provides coverage in excess of \$10,000.

The aforementioned casualty and property reinsurance agreements do not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, which is the latest information available:

<u>Casualty Coverage</u>	<u>2000</u>	<u>1999</u>
Assets	\$22,684,383	\$18,172,222
Liabilities	<u>8,924,977</u>	<u>5,947,013</u>
Equity	<u>\$13,759,406</u>	<u>\$12,225,209</u>

<u>Property Coverage</u>	<u>2000</u>	<u>1999</u>
Assets	\$4,156,784	\$3,544,437
Liabilities	<u>497,831</u>	<u>674,752</u>
Equity	<u>\$3,658,953</u>	<u>\$2,869,685</u>

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STATE OF OHIO  
OFFICE OF THE AUDITOR

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

Mill Township  
Tuscarawas County  
P.O. Box 423  
Uhrichsville, Ohio 44683

To the Board of Trustees:

We have audited the accompanying financial statements of Mill Township, Tuscarawas County, Ohio, (the Township) as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated March 6, 2002. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying Schedule of Findings as item 2001-41279-001.

**Internal Control Over Financial Reporting**

In planning and performing our audits, 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 statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

However, we noted 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 March 6, 2002.

Mill Township  
Tuscarawas 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

March 6, 2002

**MILL TOWNSHIP  
TUSCARAWAS COUNTY  
SCHEDULE OF FINDINGS  
DECEMBER 31, 2001 AND 2000**

<b>FINDING RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
---

**FINDING NUMBER 2001-41279-001**

**Ohio Rev. Code Section 5705.41(D)**, states that no subdivision shall make any contract or order any expenditure of money unless the certificate of the fiscal officer is attached. The fiscal officer must certify that the amount required to meet such a commitment has been lawfully appropriated and is in the treasury or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Further, contracts and other orders for expenditure lacking prior certification should be null and void and no warrant shall be issued in payment of any amount due thereon. This section also provides for two "exceptions" to the above requirements:

- A. Then and Now Certificates - If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was, both at the time of the contract or order and at the time of the certificate appropriated and free of any previous encumbrances, the Township Board may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate, if such expenditure is otherwise valid.
  
- B. If the amount involved is less than \$1,000, the Clerk may authorize payment through a Then and Now Certificate without affirmation of the Board of Trustees.

The Township's fiscal officer failed to certify the availability of funds for 27% of transactions tested in 2001 and 100% of transactions tested in 2000. Neither of the two exceptions noted above were utilized for the items found to be in noncompliance. Prior to entering purchase commitments, the Clerk should either certify that funds are available for expenditure or use the exceptions noted above, as applicable.

We also reported this matter in our audit of the 1999 and 1998 financial statements.

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**MILL TOWNSHIP  
TUSCARAWAS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2001 AND 2000**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected; Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b>Explain:</b>
1999-41279-001	<b>Ohio Rev. Code 5705.41 (D)</b> requires Township's fiscal officer to certify the availability of funds prior to any obligation. During 1998 and 1997, the Township did not certify the availability of funds prior to commitments being made.	No	Not Corrected. Reissued as Finding Number 2001-41279-001.
1999-41279-002	<b>Ohio Admin. Code 117-03-11.</b> The Township did not comply with the encumbrance method of accounting as prescribed by the Ohio Admin. Code.	Yes	Corrected.





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**MILL TOWNSHIP**  
**TUSCARAWAS 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  
APRIL 9, 2002**