



**WILLIAMSBURG TOWNSHIP
CLERMONT COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**WILLIAMSBURG TOWNSHIP
CLERMONT COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Williamsburg Township
Clermont County
PO Box 499
Williamsburg, Ohio 45176

To the Board of Trustees:

We have audited the accompanying financial statements of Williamsburg Township, Clermont 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 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 *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 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 April 3, 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 audit.

This report is intended solely for the information and use of management, the Board 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

April 3, 2002

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WILLIAMSBURG TOWNSHIP
CLERMONT 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, 2001**

	Governmental Fund Types					Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Fiduciary Funds	
Cash Receipts:						
Local Taxes	\$81,498	\$379,212	\$49,903	\$0	\$0	\$510,613
Intergovernmental	100,239	151,359				251,598
Charges for Services		66,456				66,456
Licenses, Permits, and Fees		31,405				31,405
Fines, Forfeitures, and Penalties	7,216	0				7,216
Earnings on Investments	32,266	1,978			455	34,699
Other Revenue		19,503				19,503
Total Cash Receipts	<u>221,219</u>	<u>649,913</u>	<u>49,903</u>	<u>0</u>	<u>455</u>	<u>921,490</u>
Cash Disbursements:						
Current:						
General Government	131,828	1,962				133,790
Public Safety	38,711	335,257				373,968
Public Works		108,040				108,040
Health	13,367	42,762				56,129
Debt Service:						
Redemption of Principal			41,516			41,516
Interest and Fiscal Charges			8,139			8,139
Capital Outlay	62,505	174,374				236,879
Total Cash Disbursements	<u>246,411</u>	<u>662,395</u>	<u>49,655</u>	<u>0</u>	<u>0</u>	<u>958,461</u>
Total Receipts Over/(Under) Disbursements	<u>(25,192)</u>	<u>(12,482)</u>	<u>248</u>	<u>0</u>	<u>455</u>	<u>(36,971)</u>
Other Financing Receipts/(Disbursements):						
Proceeds from Sale of Public Debt:						
Sale of Notes		57,580				57,580
Other Sources	12,985	0				12,985
Other Uses		(6,038)				(6,038)
Total Other Financing Receipts/(Disbursements)	<u>12,985</u>	<u>51,542</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>64,527</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(12,207)	39,060	248	0	455	27,556
Fund Cash Balances, January 1	270,829	527,428	0	3,187	7,287	808,731
Fund Cash Balances, December 31	<u>\$258,622</u>	<u>\$566,488</u>	<u>\$248</u>	<u>\$3,187</u>	<u>\$7,742</u>	<u>\$836,287</u>
Reserve for Encumbrances, December 31	<u>\$1,088</u>	<u>\$8,026</u>				<u>\$9,114</u>

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

WILLIAMSBURG TOWNSHIP
CLERMONT 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					Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Fiduciary Funds	
Cash Receipts:						
Local Taxes	\$78,543	\$371,385	\$38,607	\$0	\$0	\$488,535
Intergovernmental	72,985	206,126				279,111
Charges for Services		54,236				54,236
Licenses, Permits, and Fees		31,312				31,312
Fines, Forfeitures, and Penalties	2,725					2,725
Earnings on Investments	44,110	3,629			320	48,059
Other Revenue	5,896	31,261				37,157
Total Cash Receipts	<u>204,259</u>	<u>697,949</u>	<u>38,607</u>	<u>0</u>	<u>320</u>	<u>941,135</u>
Cash Disbursements:						
Current:						
General Government	111,823	16,707				128,530
Public Safety	34,824	322,507				357,331
Public Works	25,807	144,283				170,090
Health	12,992	29,655				42,647
Debt Service:						
Redemption of Principal			35,000			35,000
Interest and Fiscal Charges			7,215			7,215
Capital Outlay	68,577	248,753				317,330
Total Cash Disbursements	<u>254,023</u>	<u>761,905</u>	<u>42,215</u>	<u>0</u>	<u>0</u>	<u>1,058,143</u>
Total Receipts Over/(Under) Disbursements	<u>(49,764)</u>	<u>(63,956)</u>	<u>(3,608)</u>	<u>0</u>	<u>320</u>	<u>(117,008)</u>
Other Financing Receipts/(Disbursements):						
Sale of Fixed Assets	200,000					200,000
Transfers-In		131,100	3,608			134,708
Transfers-Out	(134,708)					(134,708)
Total Other Financing Receipts/(Disbursements)	<u>65,292</u>	<u>131,100</u>	<u>3,608</u>	<u>0</u>	<u>0</u>	<u>200,000</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	15,528	67,144	0	0	320	82,992
Fund Cash Balances, January 1	255,301	460,284	0	3,187	6,967	725,739
Fund Cash Balances, December 31	<u>\$270,829</u>	<u>\$527,428</u>	<u>\$0</u>	<u>\$3,187</u>	<u>\$7,287</u>	<u>\$808,731</u>
Reserve for Encumbrances, December 31	<u>\$1,093</u>	<u>\$6,326</u>				<u>\$7,419</u>

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

**WILLIAMSBURG TOWNSHIP
CLERMONT COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Williamsburg Township, Clermont 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 road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts to provide fire and emergency medical services to Jackson Township in Clermont County and Sterling Township in Brown County.

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

Investments are included in 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.

Certificates of deposit and repurchase agreements 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 Funds:

Emergency Medical Services Fund - This fund receives tax monies and charges for ambulance runs to provide emergency medical services to residents inside and outside the Township.

**WILLIAMSBURG TOWNSHIP
CLERMONT COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fire District Fund - This fund receives tax monies to provide fire protection to residents inside the Township and charges to provide fire protection to Sterling Township.

3. Debt Service Funds

The debt service fund is used to accumulate resources for the payment of bonds and note indebtedness. The Township had the following significant Debt Service Fund.

General Obligation Retirement Fund (Building Renovation) - This fund receives tax monies and accounts for the debt payment related to the General Obligation Fire House Notes.

4. Capital Projects 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.

Permanent Improvement Fund - This fund received money from the Proceeds of Building Renovation Notes is used to renovate a building purchased for emergency medical services.

5. Fiduciary Funds (Nonexpendable Trust Fund)

These funds are used to account for resources restricted by legally binding trust agreements. The Township had the following significant fiduciary fund.

Mina White Cemetery Bequest - This fund receives interest for the care and maintenance of the cemetery.

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 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.

**WILLIAMSBURG TOWNSHIP
CLERMONT COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

A summary of 2000 and 2001 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. 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 INVESTMENTS

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 and investments at December 31 was as follows:

	2000	2001
Demand deposits	(\$2,860)	\$103,545
Certificates of deposit	636,700	337,742
Savings Account	0	395,000
Total deposits	633,840	836,287
Repurchase agreement	174,891	0
Total deposits and investments	\$808,731	\$836,287

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

Investments: The repurchase agreement sweeps monies overnight into a Federal Home Loan by the financial institution. The financial institution maintains records identifying the Township as owner of these securities.

**WILLIAMSBURG TOWNSHIP
CLERMONT COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2001 and 2000 follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$192,078	\$234,204	\$42,126
Special Revenue	647,490	707,493	60,003
Debt Service	49,903	49,903	0
Fiduciary	335	455	120
Total	\$889,806	\$992,055	\$102,249

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$485,623	\$247,499	\$238,124
Special Revenue	1,156,541	676,459	480,082
Debt Service	49,903	49,655	248
Capital Projects	3,185		3,185
Fiduciary	7,475		7,475
Total	\$1,702,727	\$973,613	\$729,114

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$545,182	\$404,259	(\$140,923)
Special Revenue	887,763	829,049	(58,714)
Debt Service	42,308	42,215	(93)
Capital Projects	10		(10)
Fiduciary	335	320	(15)
Total	\$1,475,598	\$1,275,843	(\$199,755)

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$672,617	\$389,824	\$282,793
Special Revenue	1,215,886	768,231	447,655
Debt Service	38,900	42,215	(3,315)
Capital Projects	3,185		3,185
Fiduciary	7,301		7,301
Total	\$1,937,889	\$1,200,270	\$737,619

**WILLIAMSBURG TOWNSHIP
CLERMONT COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

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, 2001 was as follows:

	Principal	Interest Rate
Building Renovation Notes, Series 1998	\$90,000	4.65%
Fire Truck Notes, Series 2001	46,064	5.12%
Total	\$136,064	

The Building Renovation Notes, Series 1998 were issued September 1, 1998 to finance the cost of renovating a building purchased during the audit period. The note will be repaid over six years with not less than the principal amount of \$30,000 being paid annually. The final note will mature on November 1, 2004. The building will be used to provide emergency medical services. These are not collateralized.

The Fire Truck Notes, Series 2001 were issued June 1, 2001 to finance the purchase of a fire truck. The note will be paid over five years and mature December 1, 2005. These are not collateralized.

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

Year ending December 31:	Building Renovation Notes	Fire Truck Notes
2002	34,190	13,727
2003	32,793	13,137
2004	31,397	12,548
2005		11,958
Total	\$98,380	\$51,370

**WILLIAMSBURG TOWNSHIP
CLERMONT COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

6. RETIREMENT SYSTEMS

The Township's certified Fire Fighters belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Public Employees Retirement System (PERS) of Ohio. OP&F and PERS are cost-sharing, multiple-employer plans. These plans provide 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 2001, members of OP&F participants contributed 10% of their wages. The Township contributed an amount equal to 24% of their wages to OP&F. PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13%, effective July 1, 2000 through December 31, 2000. The Township has paid all contributions required through December 31, 2001.

7. RISK MANAGEMENT

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.

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.

**WILLIAMSBURG TOWNSHIP
CLERMONT COUNTY**

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

7. RISK MANAGEMENT (Continued)

Financial Position

OTARMA'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: (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>
Retained earnings	<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>
Retained earnings	<u>\$3,658,953</u>	<u>\$2,869,685</u>

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

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

Williamsburg Township
Clermont County
PO Box 499
Williamsburg, Ohio 45176

To the Board of Trustees:

We have audited the accompanying financial statements of Williamsburg Township, Clermont County, Ohio (the Township), as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated April 3, 2002. 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 *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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated April 3, 2002.

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 judgment, 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 2001-40413-001.

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 statement being audited may occur and not be detected in 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 that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable condition described above is a material weakness.

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

We also 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 April 3, 2002.

This report is intended solely 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

April 3, 2002

**WILLIAMSBURG TOWNSHIP
CLERMONT COUNTY**

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

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

FINDING NUMBER 2001-40413-001

Material Weakness

Williamsburg Township has delegated ambulance billing processing and collecting, which is a significant accounting function, to a third-party administrator. The Township has not established procedures to reasonably determine that the billing service organization has sufficient controls in place and operating effectively to reduce the risk that ambulance billings have not been completely and accurately processed and collected in accordance with the ambulance billing contract. Furthermore, the Township has not established internal control procedures to reasonably determine that ambulance billings have been completely and accurately processed and collected in accordance with the ambulance billing contract.

We recommend that Williamsburg Township implement procedures to reasonably assure the completeness, and accuracy of ambulance billing and collecting processed by their third-party administrator. Statement on Auditing Standards No. 70 (SAS 70) as amended by SAS No. 88, prescribes standards for reporting on the processing of transactions by service organizations. An unqualified Tier II "Report on Policies and Procedures Placed in Operation and Tests of Operating Effectiveness" in accordance with SAS No. 70 and SAS No. 88, should provide the Township with an appropriate level of assurance that the ambulance bills are being processed in conformance with the contract. However, it may be possible for the Township to obtain an appropriate level of assurance by other means.

We recommend the Township specify in their contract with their third-party administrator that an annual Tier II SAS 70 audit report be performed. The Township should be provided a copy of the SAS 70 report timely and should review the report's content. A SAS 70 audit report should be conducted in accordance with American Institute of Certified Public Accountants' (AICPA) standards by a firm registered and considered in "good standing" with the Accountancy Board of the respective State. If the third-party administrator refuses to provide you with a Tier II SAS 70 report, we recommend you only contract with a third-party administrator that will provide such a report. Furthermore, we recommend the Township reconcile the input (run reports) to the output (list of patients and corresponding check from the billing service organization). Documentation of this procedure will ensure that the Township is receiving and properly posting the correct amount.

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**WILLIAMSBURG TOWNSHIP
CLERMONT COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FISCAL YEAR END 2001 AND 2000**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
1999-40413-001	Failure to obtain a SAS 70 report for the ambulance billings service organization.	No	Not Corrected, the Township still has not obtained a SAS 70 report from its ambulance billings service organization reissued as finding number 2001-40413-001.
1999-40413-002	ORC, Section 135.14, investment agreement to sweep into Overnight Eurodollar Time Deposits.	Yes	



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WILLIAMSBURG TOWNSHIP

CLERMONT COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MAY 9, 2002**