



**Auditor of State
Betty Montgomery**

**MONROE TOWNSHIP
PICKAWAY COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2002.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2001.....	4
Notes to the Financial Statements	5
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	11
Schedule of Findings	13

THIS PAGE INTENTIONALLY LEFT BLANK



**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Monroe Township
Pickaway County
16657 Dennis Road
Mt. Sterling, Ohio 43143

To the Board of Trustees:

We have audited the accompanying financial statements of Monroe Township, Pickaway County, Ohio (the Township) as of and for the years ended December 31, 2002 and December 31, 2001. 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 accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserve for encumbrances of Monroe Township, Pickaway County, Ohio as of December 31, 2002 and December 31, 2001, 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 30, 2003 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.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

BETTY MONTGOMERY
Auditor of State

April 30, 2003

**MONROE TOWNSHIP
PICKAWAY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$174,786	\$218,557	\$0	\$393,343
Intergovernmental	37,424	81,871	32,422	151,717
Licenses, Permits, and Fees	4,336	0	0	4,336
Earnings on Investments	5,384	5,384	0	10,768
Other Revenue	1,625	819	0	2,444
	<u>223,555</u>	<u>306,631</u>	<u>32,422</u>	<u>562,608</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
General Government	148,748	541	0	149,289
Public Safety	5,000	0	0	5,000
Public Works	15,000	216,348	0	231,348
Health	6,361	0	0	6,361
Human Services	0	0	0	0
Conservation - Recreation	20,099	0	0	20,099
Debt Service:				
Redemption of Principal	0	12,022	0	12,022
Interest and Fiscal Charges	0	3,439	0	3,439
Capital Outlay	0	41,295	36,752	78,047
	<u>195,208</u>	<u>273,645</u>	<u>36,752</u>	<u>505,605</u>
Total Cash Disbursements				
Total Receipts Over/(Under) Disbursements	28,347	32,986	(4,330)	57,003
Fund Cash Balances, January 1	116,949	204,367	23,839	345,155
Fund Cash Balances, December 31	<u>\$145,296</u>	<u>\$237,353</u>	<u>\$19,509</u>	<u>\$402,158</u>
Reserve for Encumbrances, December 31	<u>\$672</u>	<u>\$0</u>	<u>\$184,254</u>	<u>\$184,926</u>

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

**MONROE TOWNSHIP
PICKAWAY 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**

	<u>Governmental Fund Types</u>			<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$177,296	\$223,988	\$0	\$401,284
Intergovernmental	75,896	75,346	0	151,242
Licenses, Permits, and Fees	4,225	0	0	4,225
Earnings on Investments	6,422	6,409	0	12,831
Other Revenue	2,646	1,088	0	3,734
	<u>266,485</u>	<u>306,831</u>	<u>0</u>	<u>573,316</u>
Total Cash Receipts				
	<u>266,485</u>	<u>306,831</u>	<u>0</u>	<u>573,316</u>
Cash Disbursements:				
Current:				
General Government	138,368	1,109	0	139,477
Public Safety	5,000	0	0	5,000
Public Works	46,800	215,479	0	262,279
Health	8,202	0	0	8,202
Conservation - Recreation	33,752	0	0	33,752
Debt Service:				
Redemption of Principal	0	12,021	0	12,021
Interest and Fiscal Charges	0	3,439	0	3,439
Capital Outlay	0	41,797	16,726	58,523
	<u>232,122</u>	<u>273,845</u>	<u>16,726</u>	<u>522,693</u>
Total Cash Disbursements				
	<u>232,122</u>	<u>273,845</u>	<u>16,726</u>	<u>522,693</u>
Total Receipts Over/(Under) Disbursements	34,363	32,986	(16,726)	50,623
Fund Cash Balances, January 1	82,586	171,381	40,565	294,532
Fund Cash Balances, December 31	<u><u>\$116,949</u></u>	<u><u>\$204,367</u></u>	<u><u>\$23,839</u></u>	<u><u>\$345,155</u></u>

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

**MONROE TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Monroe Township, Pickaway 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 road and bridge maintenance, fire protection and emergency medical services. The Township contracts with the Williamsport-Deercreek Fire Department and the Tri-County Joint Fire District to provide fire services and the Williamsport and Deercreek Emergency Services (WADES) and the Sterling Joint Ambulance District, 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. 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:

Road and Bridge Fund - This fund receives property, real estate and manufactured home 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.

Special Levy Fire Fund - This fund receives property, real estate and manufactured home tax money for fire protection services to the Township. This is a 2 mill levied tax.

**MONROE TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

Special Levy Emergency Medical Services Fund - This fund receives property, real estate and manufactured home tax money for emergency medical services.

Special Levy Fire Protection Fund - This fund received property, real estate and manufactured home tax money for fire protection services within the Township. This is a 1 mill levied tax.

3. 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 had the following significant Capital Project Funds:

Issue II Fund - The Township receives grant monies to complete road repairs, including the replacement of a bridge on Call Road.

ODNR Funds – The Township receives grant monies from the Ohio Department of Natural Resources for the Township’s ongoing park project.

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.

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 certify all purchase commitments as required by Ohio Rev. Code Section 5705.41(D).

A summary of 2002 and 2001 budgetary activity appears in Note 3.

**MONROE TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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:

	2002	2001
Demand deposits	\$402,158	\$345,155

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution to the Township,

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2002 and December 31, 2001 follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$249,390	\$223,555	(\$25,835)
Special Revenue	369,720	306,631	(63,089)
Capital Projects	247,285	32,422	(214,863)
Total	\$866,395	\$562,608	(\$303,787)

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$353,874	\$195,880	\$157,994
Special Revenue	574,087	273,645	300,442
Capital Projects	48,839	221,006	(172,167)
Total	\$976,800	\$690,531	\$286,269

**MONROE TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$279,308	\$266,485	(\$12,823)
Special Revenue	369,363	306,831	(62,532)
Capital Projects	17,986	0	(17,986)
Total	\$666,657	\$573,316	(\$93,341)

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$311,508	\$232,122	\$79,386
Special Revenue	540,925	273,845	267,080
Capital Projects	58,551	16,726	41,825
Total	\$910,984	\$522,693	\$388,291

Contrary to Ohio law, budgetary expenditures exceeded appropriation spending authority at the amount indicated in the following funds:

December 31, 2002:

General Fund	\$4,621
Motor Vehicle License Tax Fund	2,683
Gas Tax Fund	2,927
Road and Bridge Fund	22,490
Ohio Public Work Commission Fund	198,690
Ohio Department of Natural Resources Fund	5,633

December 31, 2001:

General Fund	\$43,557
Gas Tax Fund	3,518
Road and Bridge Fund	540
Special Levy Fire Fund	426
Special Levy Emergency Fund	320
Special Levy Fire Protection Fund	242
Special Levy Emergency -5 Mill Fund	121

Also, the Township did not amend appropriations in the same manner as the original measure for the above noted funds.

4. PROPERTY TAX

Real property taxes become a lien on January 1 proceeding 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.

**MONROE TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

4. PROPERTY TAX (Continued)

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, 2002 was as follows:

	Principal	Interest Rate
General Obligation Note	\$22,048	6.45

The general obligation note was issued in 2000 to finance the purchase of a new road maintenance truck. The note is collateralized solely by the Township's taxing authority.

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

	Road Truck Loan
Year ending December 31:	
2003	15,461
2004	7,730
Total	\$23,191

6. RETIREMENT SYSTEMS

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

Contribution rates are also prescribed by the Ohio Revised Code. PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 2002.

7. RISK MANAGEMENT

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

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

THIS PAGE INTENTIONALLY LEFT BLANK



Auditor of State Betty Montgomery

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

Monroe Township
Pickaway County
16657 Dennis Road
Mt. Sterling, Ohio 43143

To the Board of Trustees:

We have audited the accompanying financial statements of Monroe Township, Pickaway County, Ohio (the Township) as of and for the years ended December 31, 2002 and December 31, 2001, and have issued our report thereon dated April 30, 2003. 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2002-001 through 2002-003. We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated April 30, 2003.

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. 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 a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Township in a separate letter dated April 30, 2003.

35 N. Fourth St. / Second Floor / Columbus, OH 43215
Telephone: (614) 466-3402 (800) 443-9275 Fax: (614) 728-7199
www.auditor.state.oh.us

Monroe Township
Pickaway County
Independent Accountants' Report on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

This report is intended solely for the information and use of the management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

BETTY MONTGOMERY
Auditor of State

April 30, 2003

**MONROE TOWNSHIP
PICKAWAY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2002 AND 2001**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIERD TO BE REPORTED IN ACCORDANCE WITH GAAS

FINDING NUMBER	2002-001
-----------------------	-----------------

Expenditures Exceeding Appropriation Authority

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

At December 31, 2002, expenditures exceeded appropriations within the following funds at the legal level of control:

Fund Type/Legal Level of Control	Appropriation Authority	Expenditures	Expenditures Over Appropriation Authority
General Fund			
Medical/Hospital	\$52,000	\$52,512	(\$512)
Training Services	0	270	(270)
Liability Insurance Premiums	9,000	10,102	(1,102)
Machinery, equip. & furniture	0	1,235	(1,235)
Garbage & Trash Removal	0	881	(881)
Operating Supplies	800	1,059	(259)
Accounting & Legal	0	46	(46)
Advertising	300	564	(264)
Operating Supplies	0	52	(52)
Total General	\$62,100	\$66,721	\$4,621
Special Revenue Fund Type			
-Engineering Services-Call Rd	\$0	\$1,812	(\$1,812)
Operating Supplies Call Rd	0	871	(871)
Total Motor Vehicle Tax Fund	0	2,683	(2,683)
Engineering Services-Call Rd	0	1,811	(1,811)
-Operating Supplies-Jones Rd	0	1,116	(1,116)
Total Gas Tax Fund	0	2,927	(2,927)
Salaries- Call Road	0	3,514	(3,514)
Medicare	0	51	(51)
Accounting & Legal Fees-	0	42	(42)
Engineering Services	0	3,992	(3,992)
Engineering	0	3,623	(3,623)

**MONROE TOWNSHIP
PICKAWAY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2002 AND 2001**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIERD TO BE REPORTED IN ACCORDANCE WITH GAAS

Fund Type/Legal Level of Control	Appropriation Authority	Expenditures	Expenditures Over Appropriation Authority
Services			
Advertising	0	320	(320)
Operating Supplies	0	10,948	(10,948)
Total Road and Bridge Fund	0	22,490	(22,490)
Total Special Revenue	\$0	\$28,100	(\$28,100)
Capital Projects			
Engineering Services	\$0	\$31,200	(\$31,200)
Contracted Services	0	167,490	(167,490)
Total OPWC	0	198,690	(198,690)
Engineering Services	1000	6,311	(5311)
Advertising	\$0	322	(322)
Total ODNR	1,000	6,633	(5,633)
Total Capital Projects	\$1,000	\$205,323	(\$204,323)

At of December 31, 2001, expenditures exceeded appropriations within the following funds at the legal level of control:

FundType/Legal Level of Control	Appropriation Authority	Expenditures	Expenditures Over Appropriation Authority
General Fund			
Salary-Clerk	\$14,044	\$14,468	(\$424)
PERS	1,500	9,184	(7,684)
Medical/Hospital	35,000	41,270	(6,270)
Life Insurance	5,000	6,067	(1,067)
UAN Fees	2,000	2,310	(310)
Engineering Services	3,000	3,168	(168)
Travel & Meeting Expense	1,000	2,741	(1,741)
Liability Insurance	500	2,502	(2,002)
Other Expenses	2,000	2,759	(759)
Improvements of Sites	0	1,164	(1,164)
Travel & Meeting Expense	0	88	(88)
Advertising	0	189.	(189)

**MONROE TOWNSHIP
PICKAWAY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2002 AND 2001**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIERD TO BE REPORTED IN ACCORDANCE WITH GAAS**

FundType/Legal Level of Control	Appropriation Authority	Expenditures	Expenditures Over Appropriation Authority
Other Expenses	1,600	2,500	(900)
Contracted Services	0	200	(200)
Other Expenses	500	1,591	(1,091)
Payment to Other Political Subdivision	6,200	6,411	(211)
Advertising	0	315	(315)
Electricity	0	357	(357)
Small Tools & Minor Equip.	0	1,000	(1,000)
Other Supplies & Materials	0	2,460	(2,460)
Compensation & Damages	0	182	(182)
Improvements of Sites	0	14,975.	(14,975)
Total General	\$72,344	\$115,901	(\$43,557)
Special Revenue Fund Type			
Worker's Compensation	\$500	\$625	(\$125)
Telephone	0	85	(85)
Advertising	0	279	(279)
Operating Supplies	5,000	6,843	(1,843)
Operating Supplies-Adkins Rd.	0	1,186	(1,186)
Total Gas Tax Fund	5,500	9,018	(3,518)
Auditor's & Treas. Fees	\$0	\$540	(\$540)
Total Road and Bridge Fund	\$0	\$540	(\$540)
-Auditor's & Treas. Fees	\$0	\$426	(\$426)
Total Special Levy Fire Fund	\$0	\$426	(\$426)
Emerg-Auditor's & Treas. Fees	\$0	\$320.	(\$320)
Total Special Levy-Emergency Fund	\$0	\$320	(\$320)
Prot.- Auditor's &	\$0	\$242.	(\$242.)

**MONROE TOWNSHIP
PICKAWAY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2002 AND 2001**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIERD TO BE REPORTED IN ACCORDANCE WITH GAAS**

FundType/Legal Level of Control	Appropriation Authority	Expenditures	Expenditures Over Appropriation Authority
Treas. Fees			
Total Special Levy_Fire Protection Fund	\$0	\$242	(\$242)
Emer.-Auditor's & Treas. Fees	\$0	\$121	(\$121)
Total Special Levy Emergency	\$0	\$121	(\$121)
Total Special Revenue	\$5,500	\$10,667	(\$5,167)

Expenditures exceeding appropriations may result in negative fund balances and misappropriation of funds. We recommend the Township make no expenditure unless lawfully appropriated.

FINDING NUMBER	2002-002
-----------------------	-----------------

Appropriation Amendments

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 law as were used in the making of the original appropriation.

The Township amended appropriation authority at the fund, function, and object level for several funds throughout the year. The Board of Trustees did not approve any of the amendments as they had for the original appropriation measure. The appropriation authority subsequently was reduced by the unapproved amendments which caused several funds to have a zero appropriation authority, as illustrated in the table found in finding 2002-001 above.

We recommend the Township approve amended appropriations in the same manner as the original measure to comply with Ohio Rev. Code Section 5705.40.

FINDING NUMBER	2002-003
-----------------------	-----------------

Fiscal Officer Certification

Ohio Rev. Code Section 5705.41(D) stipulates that no orders or 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 has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. This section also provides two exceptions to the above requirements:

**MONROE TOWNSHIP
PICKAWAY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2002 AND 2001**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRD TO BE REPORTED IN ACCORDANCE WITH GAAS**

Then and Now Certificate - 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 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, is such expenditure is otherwise valid.

And if the amount involved is less than one thousand, the fiscal officer may authorize it to be paid without affirmation of the Board. Effective April 7, 2003, this amount increases to \$3,000 for all entities other than counties.

Forty-seven percent of the transactions examined were not certified prior to the purchase commitment. There was no evidence a then and now certificate was executed in any of these circumstances.

Therefore, we recommend the Township obtain certification for all expenditures at the time of the purchase commitment or utilize the other provisions available under this code section.



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

MONROE TOWNSHIP

PICKAWAY 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
SEPTEMBER 23, 2003**