



**Auditor of State
Betty Montgomery**

TRIMBLE TOWNSHIP
ATHENS COUNTY

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Trimble Township
Athens County
11972 Red Rock Rd.
Glouster, Ohio 45732

To the Board of Trustees:

We have audited the accompanying financial statements of Trimble Township, Athens County, Ohio (the Township), as of and for the years ended December 31, 2002 and 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 generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Trimble Township, Athens County, as of December 31, 2002 and 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 May 7, 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.

Trimble Township
Athens County
Independent Accountants' Report
Page 2

This report is intended solely for the information and use of the audit committee, management, the Board of Trustees and other officials authorized to receive this report under Section 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

May 7, 2003

TRIMBLE TOWNSHIP
ATHENS 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, 2002**

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Expendable Trust</u>	<u>Non-Expendable Trust</u>	
Cash Receipts:					
Local Taxes	\$10,739	\$55,931	\$	\$	\$66,670
Intergovernmental	16,181	72,892			89,073
Licenses, Permits, and Fees		13,825			13,825
Earnings on Investments	467	344	225	1,300	2,336
Other Revenue	7,541	20,532			28,073
Total Cash Receipts	<u>34,928</u>	<u>163,524</u>	<u>225</u>	<u>1,300</u>	<u>199,977</u>
Cash Disbursements:					
Current:					
General Government	37,105	2,020			39,125
Public Safety		14,218			14,218
Public Works		73,991			73,991
Health	1,559	40,277			41,836
Capital Outlay		35,402			35,402
Total Cash Disbursements	<u>38,664</u>	<u>165,908</u>	<u>0</u>	<u>0</u>	<u>204,572</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(3,736)</u>	<u>(2,384)</u>	<u>225</u>	<u>1,300</u>	<u>(4,595)</u>
Fund Cash Balances, January 1	<u>27,443</u>	<u>67,303</u>	<u>8,573</u>	<u>26,782</u>	<u>130,101</u>
Fund Cash Balances, December 31	<u>\$23,707</u>	<u>\$64,919</u>	<u>\$8,798</u>	<u>\$28,082</u>	<u>\$125,506</u>

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

TRIMBLE TOWNSHIP
ATHENS 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**

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Expendable Trust</u>	<u>Non-Expendable Trust</u>	
Cash Receipts:					
Local Taxes	\$11,760	\$59,569	\$	\$	\$71,329
Intergovernmental	22,112	72,343			94,455
Licenses, Permits, and Fees		13,200			13,200
Earnings on Investments	944	683	508	1,300	3,435
Other Revenue	4,107	13,220			17,327
	<u>38,923</u>	<u>159,015</u>	<u>508</u>	<u>1,300</u>	<u>199,746</u>
Total Cash Receipts					
Cash Disbursements:					
Current:					
General Government	33,619	2,171			35,790
Public Safety		12,831			12,831
Public Works		68,512			68,512
Health	1,247	44,849			46,096
Capital Outlay	420	27,417			27,837
	<u>35,286</u>	<u>155,780</u>	<u>0</u>	<u>0</u>	<u>191,066</u>
Total Cash Disbursements					
Total Cash Receipts Over/(Under) Cash Disbursements	<u>3,637</u>	<u>3,235</u>	<u>508</u>	<u>1,300</u>	<u>8,680</u>
Fund Cash Balances, January 1	<u>23,806</u>	<u>64,068</u>	<u>8,065</u>	<u>25,482</u>	<u>121,421</u>
Fund Cash Balances, December 31	<u>\$27,443</u>	<u>\$67,303</u>	<u>\$8,573</u>	<u>\$26,782</u>	<u>\$130,101</u>

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

**TRIMBLE TOWNSHIP
ATHENS COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Trimble Township, Athens 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, cemetery maintenance, and fire protection.

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 that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

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

Cemetery Fund - This fund receives property tax money to pay for maintaining Township cemeteries.

**TRIMBLE TOWNSHIP
ATHENS COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. Fiduciary Funds (Trust and Agency Funds)

These funds are used to account for resources restricted by legally binding trust agreements and funds for which the Township is acting in an agency capacity. The Township had the following significant fiduciary funds:

Expendable Trust Fund – This fund is to account for resources given to the Trustees by the Maplewood Cemetery Association, and the interest earned thereon, to be used for the perpetual care of Maplewood Cemetery. The Township is not required to maintain the corpus of the trust intact.

Non-Expendable Trust Fund – This fund accounts for resources restricted by legally binding trust agreements. The revenue was received from the Maplewood Cemetery Association. The agreement requires the Township to maintain the corpus of the trust, which is \$20,000. The interest may be used for the perpetual care of Maplewood 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 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. Appropriations lapse at year end.

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year. The Township did not encumber all commitments as required by Ohio Law.

A summary of 2002 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.

**TRIMBLE TOWNSHIP
ATHENS COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Unpaid Vacation and Sick 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

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:

	2002	2001
Demand Deposits	\$96,709	\$101,528
Certificates of deposit	28,797	28,573
Total deposits	\$125,506	\$130,101

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 years ending December 31, 2002 and 2001 follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$34,986	\$34,928	(\$58)
Special Revenue	160,043	163,524	3,481
Expendable Trust	647	225	(422)
Non-Expendable Trust	1,230	1,300	70
Total	\$196,906	\$199,977	\$3,071

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$84,018	\$38,664	\$45,354
Special Revenue	243,302	165,908	77,394
Expendable Trust	8,424	0	8,424
Non-Expendable Trust		0	0
Total	\$335,744	\$204,572	\$131,172

**TRIMBLE TOWNSHIP
ATHENS 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	\$46,993	\$38,923	(\$8,070)
Special Revenue	173,568	159,015	(14,553)
Expendable Trust	628	508	(120)
Non-Expendable Trust	1,229	1,300	71
Total	\$222,418	\$199,746	(\$22,672)

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$70,799	\$35,286	\$35,513
Special Revenue	237,637	155,780	81,857
Expendable Trust	8,693	0	8,693
Non-Expendable Trust	6,711	0	6,711
Total	\$323,840	\$191,066	\$132,774

The following issues occurred contrary to Ohio Law:

- total appropriations exceeded the available resources in the General Fund, Road & Bridge, Fire District, and Expendable Trust funds for the year ended December 31, 2002 and in the General Fund, Motor Vehicle License Tax, Gasoline Tax, Road & Bridge, Cemetery, Permissive MVL, and Expendable Trust funds for the year ended December 31, 2001.
- Budgetary expenditures exceeded appropriation authority in the General, Special Revenue and Expendable Trust funds for the year ended December 31, 2001 and at the the fund-function-object level, the legal level of control, in 2001 and 2002.

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 within 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.

**TRIMBLE TOWNSHIP
ATHENS COUNTY**

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

5. CAPITAL LEASES

Capital Leases outstanding at December 31, 2002 was as follows:

	Principal	<u>Interest Rate</u>
Backhoe Capital Lease	\$5,647	5.90%
Tractor Capital Lease	<u>21,159</u>	5.75%
Total	<u><u>\$26,806</u></u>	

The Township entered into a capital lease with Case Credit, in 1997, for the purchase of a backhoe. The original lease amount was for \$54,353 for 6 years, with annual payments of \$5,949. The lease is secured solely by the backhoe itself. At the end of the lease agreement, the Township has the option to assume ownership of the backhoe at no additional expense.

The Township entered into a capital lease with Case Credit, in 1999, for the purchase of a tractor. The original lease amount was for \$48,552 for 5 years, with annual payments of \$11,448. The lease is secured solely by the tractor itself. At the end of the lease agreement, the Township has the option to assume ownership of the tractor at no additional expense.

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

	<u>Backhoe</u>	<u>Tractor</u>
Year ending December 31:		
2003	5,949	11,448
2004	<u>11,448</u>	<u>11,448</u>
Total	<u><u>\$5,949</u></u>	<u><u>\$22,896</u></u>

6. RETIREMENT SYSTEMS

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. 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. For 2002 and 2001, members of 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 employer contributions required through December 31, 2002.

7. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

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

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**Auditor of State
Betty Montgomery**

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

Trimble Township
Athens County
11972 Red Rock Rd.
Glouster, Ohio 45732

To the Board of Trustees:

We have audited the accompanying financial statements of Trimble Township, Athens County, Ohio (the Township), as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated May 7, 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. In addition, we noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated May 7, 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 other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to the management of the Township in a separate letter dated May 7, 2003.

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Trimble Township
Athens 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 audit committee, management, and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

May 7, 2003

**TRIMBLE TOWNSHIP
ATHENS COUNTY**

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

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

FINDING NUMBER 2002-001

Noncompliance Citation

Ohio Rev. Code Section 5705.36 allows all subdivisions to request reduced amended certificates upon the determination by the fiscal officer that revenue to be collected will be less than the amount in the official certificate of estimated resources. A reduced amended certificate must be obtained when actual receipts plus January 1 unencumbered cash will be less than amounts appropriated.

The Township had total appropriations (current appropriations plus prior year outstanding encumbrances), that exceeded the available resources (actual receipts plus beginning unencumbered fund balance), at December 31, 2002, as follows:

<u>Fund</u>	<u>Total</u> <u>Appropriations</u>	<u>Actual Revenue</u> <u>Plus</u> <u>Unencumbered Cash</u>	<u>Variance</u>
General	\$62,993	\$62,371	(\$622)
Road & Bridge	\$37,828	\$36,320	(\$1,508)
Fire District	\$51,639	\$49,784	(\$1,855)
Expendable Trust	\$9,220	\$8,798	(\$422)

The Township had total appropriations (current appropriations plus prior year outstanding encumbrances), that exceeded the available resources (actual receipts plus beginning unencumbered fund balance), at December 31, 2001, as follows:

<u>Fund</u>	<u>Total</u> <u>Appropriations</u>	<u>Actual Revenue</u> <u>Plus</u> <u>Unencumbered Cash</u>	<u>Variance</u>
General	\$70,799	\$62,728	(\$8,071)
Motor Vehicle License Tax	\$18,613	\$11,306	(\$7,307)
Gasoline Tax	\$69,785	\$67,774	(\$2,011)
Road & Bridge	\$38,378	\$36,215	(\$2,163)
Cemetery	\$59,484	\$56,304	(\$3,180)
Permissive Motor Vehicle License Tax	\$39,459	\$39,031	(\$428)
Expendable Trust	\$8,693	\$8,573	(\$120)

This could result in the Township overspending available fund balances.

We recommend the Township monitor estimated and actual revenues for all funds on a regular basis. In the situation where budgeted revenue exceeds actual revenue and appropriations exceed actual revenue, a reduced amended certificate must be obtained and appropriations adjusted accordingly.

**TRIMBLE TOWNSHIP
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2002 AND 2001
(Continued)**

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

FINDING NUMBER 2002-002

Noncompliance Citation

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

Actual disbursements exceeded appropriations, for the year ended December 31, 2002, at the legal level of control, as follows, due to amendments being posted to the UAN system without the approval of the Board of Trustees:

Fund	Line Item	Appropriations	Actual Expenditures	Variance
General	1000-110-221	\$6,500	\$14,240	(\$7,740)
General	1000-110-315	\$1,000	\$1,150	(\$150)
MVL Tax	2011-330-111	\$5,580	\$6,190	(\$610)
MVL Tax	2011-330-211	\$758	\$992	(\$234)
Gasoline Tax	2021-330-111	\$5,580	\$6,190	(\$610)
Gasoline Tax	2021-330-221	\$3,600	\$5,044	(\$1,444)
Road & Bridge	2031-330-420	\$5,000	\$6,205	(\$1,205)
Road & Bridge	2031-760-740	\$6,000	\$13,949	(\$7,949)
Cemetery	2041-410-360	\$15,000	\$17,325	(\$2,325)
Cemetery	2041-410-599	\$1,378	\$3,547	(\$2,169)
Permissive MVL	2231-330-420	\$5,000	\$7,388	(\$2,388)

Actual disbursements exceeded appropriations, for the year ended December 31, 2001, at the legal level of control, as follows, due to amendments being posted to the UAN system without the approval of the Board of Trustees:

Fund	Line Item	Appropriations	Actual Expenditures	Variance
General	1000-110-430	\$300	\$980	(\$680)
General	1000-420-370	\$0	\$1,246	(\$1,246)
Gasoline Tax	2021-330-221	\$3,600	\$3,765	(\$165)
Gasoline Tax	2021-330-230	\$1,000	\$1,631	(\$631)
Gasoline Tax	2021-330-420	\$6,000	\$7,819	(\$1,819)
Road & Bridge	2031-760-740	\$6,000	\$13,115	(\$7,115)
Cemetery	2041-410-230	\$1,000	\$1,350	(\$350)
Cemetery	2041-410-360	\$15,000	\$17,534	(\$2,534)
Permissive MVL	2231-330-599	\$1,389	\$5,950	(\$4,561)

**TRIMBLE TOWNSHIP
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2002 AND 2001
(Continued)**

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

FINDING NUMBER 2002-002 (Continued)

Noncompliance Citation (Continued)

Ohio Rev. Code Section 5705.41(B) (Continued)

This could result in the Township overspending available fund balances.

We recommend the Township review budgetary information on a regular basis to ensure disbursements do not exceed appropriations at the legal level of control and seek amendments as needed from the Board of Trustees.

FINDING NUMBER 2002-003

Noncompliance Citation

Ohio Rev. Code Section 5705.41(D), requires that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the obligation has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. This certificate need be signed only by the Township Clerk. Every contract made without such a certificate shall be 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:

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 Trustees 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 the amount involved is less than \$1,000 dollars (which was increased to \$3,000 on April 7, 2003), the Township Clerk may authorize payment through a Then and Now Certificate without affirmation of the Township Trustees, if such expenditure is otherwise valid.

Funds were not encumbered prior to purchase commitment being made and no "then and now" certificate was obtained for twenty-two percent of the transactions tested in 2002 and forty-four percent of the transactions tested in 2001. This could allow deficit spending to occur.

We recommend the Township not expend funds without obtaining the fiscal officer's certificate prior to an obligation being incurred.

**TRIMBLE TOWNSHIP
ATHENS COUNTY**

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

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2000-40705-001	Appropriations equaled estimated resources, however, estimated receipts exceeded actual receipts.	No.	See Finding Number 2002-001.
2000-40705-002	Expenditures were not properly encumbered.	No.	See Finding Number 2002-003.



**Auditor of State
Betty Montgomery**

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800-282-0370

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TRIMBLE TOWNSHIP

ATHENS 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 9, 2003**