



**Auditor of State
Betty Montgomery**

**WILKESVILLE TOWNSHIP
VINTON COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Wilkesville Township
Vinton County
73231 State Route 124
Wilkesville, Ohio 45695

To the Board of Township Trustees:

We have audited the accompanying financial statements of Wilkesville Township, Vinton County, Ohio (the Township), as of and for the years ended December 31, 2003 and 2002. 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 Wilkesville Township, Vinton County, as of December 31, 2003 and 2002, 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 August 30, 2004 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 Township 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

August 30, 2004

WILKESVILLE TOWNSHIP
VINTON 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, 2003**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Fiduciary Funds</u>	
Cash Receipts:				
Local Taxes	\$68,831	\$69,345	\$	\$138,176
Intergovernmental	8,341	77,700		86,041
Earnings on Investments	410		111	521
Other Revenue	325	8,122		8,447
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	77,907	155,167	111	233,185
	<hr/>	<hr/>	<hr/>	<hr/>
Cash Disbursements:				
Current:				
General Government	15,741			15,741
Public Safety		7,915		7,915
Public Works	41,471	105,196		146,667
Health	454		140	594
Capital Outlay		11,109		11,109
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	57,666	124,220	140	182,026
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	20,241	30,947	(29)	51,159
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	(1,473)	34,072	3,401	36,000
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	\$18,768	\$65,019	\$3,372	\$87,159
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

WILKESVILLE TOWNSHIP
VINTON 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>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Fiduciary Funds</u>	
Cash Receipts:				
Local Taxes	\$3,561	\$49,559	\$	\$53,120
Intergovernmental	8,326	74,015		82,341
Earnings on Investments	411		146	557
Other Revenue	1,013	3,168		4,181
	<u>13,311</u>	<u>126,742</u>	<u>146</u>	<u>140,199</u>
Total Cash Receipts				
	<u>13,311</u>	<u>126,742</u>	<u>146</u>	<u>140,199</u>
Cash Disbursements:				
Current:				
General Government	16,273			16,273
Public Works		96,355		96,355
Health	454		140	594
Capital Outlay	2,500	24,429		26,929
	<u>19,227</u>	<u>120,784</u>	<u>140</u>	<u>140,151</u>
Total Cash Disbursements				
	<u>19,227</u>	<u>120,784</u>	<u>140</u>	<u>140,151</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(5,916)</u>	<u>5,958</u>	<u>6</u>	<u>48</u>
Other Financing Receipts/(Disbursements):				
Transfers-In	2,332			2,332
Transfers-Out		(2,332)		(2,332)
	<u>2,332</u>	<u>(2,332)</u>	<u>0</u>	<u>0</u>
Total Other Financing Receipts/(Disbursements)				
	<u>2,332</u>	<u>(2,332)</u>	<u>0</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(3,584)	3,626	6	48
Fund Cash Balances, January 1	<u>2,111</u>	<u>30,446</u>	<u>3,395</u>	<u>35,952</u>
Fund Cash Balances, December 31	<u>(\$1,473)</u>	<u>\$34,072</u>	<u>\$3,401</u>	<u>\$36,000</u>

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

**WILKESVILLE TOWNSHIP
VINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Wilkesville Township, Vinton 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 (public works), cemetery maintenance (health), and fire protection (public safety).

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 Deposits 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:

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

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

Fire Fund - This fund receives property tax money for providing emergency services for Township residents.

**WILKESVILLE TOWNSHIP
VINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. Fiduciary Funds (Trust Funds)

These funds are used to account for resources restricted by legally binding trust agreements. The Township had the following Fiduciary Fund:

Cemetery Bequest Fund - This fund received bequests. The Township receives the interest from these bequests to pay for cemetery maintenance.

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 or object level of control, and appropriations may not exceed estimated resources. The Board of Township 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 2003 and 2002 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.

**WILKESVILLE TOWNSHIP
VINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002**

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:

	2003	2002
Demand deposits	\$83,959	\$32,800
Certificates of deposit	3,200	3,200
Total deposits	\$87,159	\$36,000

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2003 and 2002 follows:

2003 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$104,921	\$77,907	(\$27,014)
Special Revenue	153,292	155,167	1,875
Fiduciary	0	111	111
Total	\$258,213	\$233,185	(\$25,028)

2003 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$105,775	\$57,666	\$48,109
Special Revenue	202,038	124,220	77,818
Fiduciary	465	140	325
Total	\$308,278	\$182,026	\$126,252

2002 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$12,614	\$13,311	\$697
Special Revenue	126,742	126,742	0
Fiduciary	168	146	(22)
Total	\$139,524	\$140,199	\$675

2002 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$19,231	\$19,227	\$4
Special Revenue	148,762	120,784	27,978
Fiduciary	363	140	223
Total	\$168,356	\$140,151	\$28,205

**WILKESVILLE TOWNSHIP
VINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002**

3. BUDGETARY ACTIVITY (Continued)

Contrary to Ohio law, at December 31, 2003 and 2002, expenditures exceeded appropriations at the legal level of control (fund, function or object level) as follows:

2003 <u>Fund/(Function or Object)</u>	<u>Overage</u>	2002 <u>Fund/(Function or Object)</u>	<u>Overage</u>
Motor Vehicle License Tax Fund		General Fund	
Supplies	(\$5,331)	Highway Improvement	(\$1,236)
Gasoline Tax Fund		Insurance	(\$2,000)
Workers Compensation	(\$ 386)	Election Expense	(\$291)
Salaries	(\$3,017)	Motor Vehicle License Tax Fund	
Road and Bridge Fund		Supplies	(\$6,020)
Tools and Equipment	(\$2,500)	Gasoline Tax Fund	
Supplies	(\$1,927)	Workers Compensation	(\$ 184)
Other	(\$1,293)	Salaries	(\$ 2,646)
		Road and Bridge Fund	
		Salaries	(\$ 643)
		Insurance	(\$ 170)
		Fire District Fund	
		Tools and Equipment	(\$9,217)

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 Township 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. 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 2003 and 2002, 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, 2003.

**WILKESVILLE TOWNSHIP
VINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002**

6. RISK MANAGEMENT

Risk Pool Membership

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio local governments. OTARMA provides property and casualty coverage 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 Coverage

OTARMA retains casualty risks up to \$250,000 per claim, including loss adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, 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 Coverage

OTARMA retains property risks, including automobile physical damage, up to \$100,000 on any specific loss with an annual aggregate of \$1,250,000 for 2002. There is no aggregate for 2003 and future accident years. Beginning in 2003, OTARMA retains property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsures losses exceeding \$100,000. APEEP's Guarantee Fund pays losses and loss adjustment expenses exceeding operating contributions.

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 township.

**WILKESVILLE TOWNSHIP
VINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

6. RISK MANAGEMENT (Continued)

Risk Pool Membership (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:

<u>Casualty Coverage</u>	<u>2003</u>	<u>2002</u>
Assets	\$27,792,223	\$23,757,036
Liabilities	<u>(11,791,300)</u>	<u>(9,197,512)</u>
Retained earnings	<u>\$16,000,923</u>	<u>\$14,559,524</u>
<u>Property Coverage</u>	<u>2003</u>	<u>2002</u>
Assets	\$6,791,060	\$6,596,996
Liabilities	<u>(750,956)</u>	<u>(1,204,326)</u>
Retained earnings	<u>\$6,040,104</u>	<u>\$5,392,670</u>



**Auditor of State
Betty Montgomery**

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

Wilkesville Township
Vinton County
73231 State Route 124
Wilkesville, Ohio 45695

To the Board of Township Trustees:

We have audited the accompanying financial statements of Wilkesville Township, Vinton County, Ohio (the Township), as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated August 30, 2004. 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 2003-001 through 2003-004. We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated August 30, 2004.

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 certain 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 August 30, 2004.

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Wilkesville Township
Vinton 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 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

August 30, 2004

**WILKESVILLE TOWNSHIP
VINTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2003 AND 2002**

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

FINDING NUMBER 2003-001

Finding for Recovery Repaid Under Audit

Ohio Rev. Code Section 505.24 sets compensation for the township trustees based upon the annual budget of the township.

For fiscal year 2003, the approved annual budget of Wilkesville Township was \$256,013. Per Ohio Rev. Code Section 505.24(B)(5), compensation to Trustees elected after December 8, 2000 should be \$37.62 per day up to a maximum of 200 days. Annual compensation for 200 days would be \$7,524.

The following represents annual salaries paid to John Adams and Roger Wells per their 2003 W-2 forms, the allowed amount per Ohio Rev. Code Section 505.24(B)(5), and the amount of the overpayment:

Trustee	Term of Office	Allowed Amount	Fund Paid From	Amount Paid	Amount Overpaid
John Adams	01/01/02 -01/01/06	\$7,524.00	General - 1A Gasoline Tax – 3A	\$637.57 <u>7,013.27</u> 7,650.84	\$126.84
Roger Wells	01/01/02 -01/01/06	\$7,524.00	General - 1A Gasoline Tax – 3A	\$637.57 <u>7,013.27</u> 7,650.84	\$126.84

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery is hereby issued against John A. Adams, Township Trustee, and the Ohio Township Association Risk Management Authority (OTARMA), his bonding company, jointly and severally, in the amount of \$126.84, for public moneys illegally expended, with \$2.54 in favor of the Wilkesville Township General Fund and \$124.30 in favor of the Wilkesville Township Gasoline Tax Fund.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery is hereby issued against Roger E. Wells, Township Trustee, and the Ohio Township Association Risk Management Authority (OTARMA), his bonding company, jointly and severally, in the amount of \$126.84, for public moneys illegally expended, with \$2.54 in favor of the Wilkesville Township General Fund and \$124.30 in favor of the Wilkesville Township Gasoline Tax Fund.

John Adams repaid the Township \$126.84 on September 24, 2004 and Roger Wells repaid the Township \$126.84 on September 24, 2004.

**WILKESVILLE TOWNSHIP
VINTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2003 AND 2002
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2003-002

Noncompliance Citation

Ohio Rev. Code Section 5705.41(D)(1) states that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer attached 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.

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

Then and Now Certificate: If the fiscal officer can certify that both at the time that the contract or order was made and at the time that he is completing his certification, sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing authority can authorize the drawing of a warrant. The taxing authority has 30 days from the receipt of such certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing district.

Amounts of less than \$1,000 (\$3,000 effective April 7, 2003), may be paid by the fiscal officer without such affirmation of the taxing authority upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority.

Fifty-four percent of the vouchers tested were not certified prior to obligation and no "then and now" certificate was obtained.

We recommend the Township establish procedures to assure the required certification of funds from the Township Clerk is obtained prior to purchases being made. In the event this does not occur, we recommend the Township Clerk pursue a "then and now" certificate as stated above.

FINDING NUMBER 2003-003

Noncompliance Citation

Ohio Rev. Code Section 5705.10 provides, in part, that money paid into a fund shall be used only for the purpose for which such fund was established. As a result, negative fund balances indicate that money from one fund was used to cover expenses of another fund.

At December 31, 2002, the Township's audited financial statements reflect a negative General Fund balance of \$1,473.

We recommend the Township Clerk not certify the availability of funds and the Township Clerk should deny payment requests exceeding appropriations or which create deficit fund balances. The Township Clerk may request the Board of Trustees to approve increased expenditure levels by increasing appropriations and amending estimated resources, if necessary.

**WILKESVILLE TOWNSHIP
VINTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2003 AND 2002
(Continued)**

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

FINDING NUMBER 2003-004

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.

Nineteen percent of the vouchers tested lacked adequate appropriation authority at the time of commitment. Also, expenditures exceeded appropriations at the legal level of control in the following line items:

2003

	<u>Approved Appropriations</u>	<u>Actual Expenditures per Appropriation ledger</u>	<u>Variance</u>
Motor Vehicle License Tax Fund			
Supplies	\$ 6,850	\$12,181	(\$5,331)
Gasoline Tax Fund			
Workers Compensation	\$ 950	\$ 1,336	(\$ 386)
Salaries	\$21,154	\$24,171	(\$3,017)
Road and Bridge Fund			
Tools & Equipment	\$ 0	\$ 2,500	(\$2,500)
Supplies	\$10,649	\$12,576	(\$1,927)
Other	\$ 0	\$ 1,293	(\$1,293)

2002

General Fund			
Highway Improvement	\$ 1,264	\$2,500	(\$1,236)
Insurance	\$ 984	\$2,984	(\$2,000)
Election Expense	\$ 400	\$ 691	(\$291)
Motor Vehicle License Tax Fund			
Supplies	\$ 6,461	\$12,481	(\$6,020)
Gasoline Tax Fund			
Workers Compensation	\$ 800	\$ 984	(\$ 184)
Salaries	\$19,925	\$22,571	(\$ 2,646)
Road and Bridge Fund			
Salaries	\$ 0	\$ 643	(\$ 643)
Insurance	\$ 2,116	\$ 2,286	(\$ 170)
Fire District Fund			
Tools and Equipment	\$12,951	\$22,168	(\$9,217)

We recommend the Township review the appropriation balances each month and approve appropriation amendments as needed, prior to expending funds in excess of existing appropriations at the legal level of control. Additionally, the Township Clerk should not certify the availability of funds and should deny payment requests exceeding appropriations. The Township Clerk may request the Board of Trustees to approve increased expenditure levels by increasing appropriations and amending estimated resources, if necessary.

**WILKESVILLE TOWNSHIP
VINTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2003 and 2002**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2001-40782-001	Finding for Recovery against Phyllis Mulholand for over compensation in the amount of \$292.25.	Yes	Repaid
2001-40782-002	Ohio Rev. Code Section 505.24- No salary resolution in place for allocation of Trustees' salaries.	Yes	Corrected
2001-40782-003	Ohio Rev. Code Section 5705.39 – Appropriations exceeded available resources.	No	Partially Corrected: Referred to management of the Township in a separate letter dated August 30, 2004.



**Auditor of State
Betty Montgomery**

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Facsimile 614-466-4490

WILKESVILLE TOWNSHIP

VINTON 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
NOVEMBER 16, 2004**