

**OLIVE TOWNSHIP  
NOBLE COUNTY  
Regular Audit  
December 31, 2004 and 2003**





**Auditor of State  
Betty Montgomery**

Board of Trustees  
Olive Township  
Noble County  
506 Cumberland Street  
Caldwell, Ohio 43724

We have reviewed the Independent Auditor's Report of the Olive Township, Noble County, prepared by Perry & Associates CPA's A.C., for the audit period January 1, 2003 through December 31, 2004. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State's Office (AOS). Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Accountants' Report* on your financial statements. While the AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Accountants' Report* also includes an opinion on the financial statements using the regulatory format the AOS permits.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Olive Township is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

July 13, 2005

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**OLIVE TOWNSHIP  
NOBLE COUNTY  
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## INDEPENDENT ACCOUNTANTS' REPORT

Olive Township  
Noble County  
506 Cumberland Street  
Caldwell, OH 43724

June 27, 2005

To the Olive Township Board of Trustee's:

We have audited the accompanying financial statements of Olive Township, Noble County, (the Government) as of and for the year ended December 31, 2004 and 2003. These financial statements are the responsibility of the Government'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 reasonably assure 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 described more fully in Note 1, the government has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America. For the year ended December 31, 2004, the Township was required to present the financial statements in accordance with a new reporting model. Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, we presume they are material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Government as of December 31, 2004, or its changes in financial position for the year then ended.

Also, 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 Olive Township, Noble County, as of December 31, 2004 and 2003, and its combined cash receipts and disbursements for the year then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2005, on our consideration of the Government's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. It does not opine on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Perry & Associates CPA's, A.C.  
June 27, 2005

**OLIVE TOWNSHIP  
NOBLE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Governmental Fund Types</u>				<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Fiduciary Funds</u>	
<b>Cash Receipts:</b>					
Property Tax and Other Local Taxes	\$ 20,588	\$ 59,427	\$ 3,722	\$ -	\$ 83,737
Special Assessments	-		-		-
Intergovernmental Receipts	14,964	122,978		-	137,941
Charges for Services	-	-			-
Fines, Licenses and Permits	-	-			-
Earnings on Investments	99	43		55	196
Miscellaneous	257	37,458	-	-	37,715
	<u>35,907</u>	<u>219,906</u>	<u>3,722</u>	<u>55</u>	<u>259,589</u>
<b>Total Cash Receipts</b>					
<b>Cash Disbursements:</b>					
Current:					
General Government	27,467	3,343	-	108	30,918
Public Safety	798	-	-	-	798
Public Works	10,554	238,622	-	-	249,177
Health	8,535	1,183	-	-	9,718
Debt Service					
Principal Payments	-	-	3,332	-	3,332
Interest Payments	-	-	389	-	389
	<u>47,354</u>	<u>243,148</u>	<u>3,722</u>	<u>108</u>	<u>294,332</u>
<b>Total Cash Disbursements</b>					
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(11,447)</u>	<u>(23,243)</u>	<u>-</u>	<u>(53)</u>	<u>(34,743)</u>
<b>Other Financing Receipts/(Disbursements):</b>					
Advances-In	20,922	20,922	3,722	-	45,566
Advances-Out	(20,922)	(20,922)	(3,722)	-	(45,566)
Other Financing Sources	-	31,521		-	31,521
	<u>-</u>	<u>31,521</u>	<u>-</u>	<u>-</u>	<u>31,521</u>
<b>Total Other Financing Receipts/(Disbursements)</b>					
Excess of Cash and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(11,447)	8,278	-	(53)	(3,222)
Fund Cash Balances, January 1	<u>22,112</u>	<u>33,331</u>	<u>-</u>	<u>1,446</u>	<u>56,889</u>
<b>Fund Cash Balances, December 31</b>	<u>\$ 10,666</u>	<u>\$ 41,609</u>	<u>\$ -</u>	<u>\$ 1,392</u>	<u>\$ 53,667</u>
Reserve for Encumbrances, December 31	<u>\$ 473</u>	<u>\$ 9,443</u>	<u>\$ 38</u>	<u>\$ -</u>	<u>\$ 9,954</u>

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



**OLIVE TOWNSHIP  
NOBLE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Types</u>				<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Fiduciary Funds</u>	
<b>Cash Receipts:</b>					
Property Tax and Other Local Taxes	\$ 22,991	\$ 68,655	\$ 774	\$ -	\$ 92,420
Special Assessments	-	-	-	-	-
Intergovernmental Receipts	53,050	80,410	-	-	133,460
Charges for Services	-	-	-	-	-
Fines, Licenses and Permits	-	-	-	-	-
Earnings on Investments	185	64	-	55	304
Miscellaneous	26	1,157	-	-	1,183
	<u>76,252</u>	<u>150,286</u>	<u>774</u>	<u>55</u>	<u>227,366</u>
<b>Total Cash Receipts</b>					
	<u>76,252</u>	<u>150,286</u>	<u>774</u>	<u>55</u>	<u>227,366</u>
<b>Cash Disbursements:</b>					
Current:					
General Government	29,497	2,502	-	20	32,019
Public Safety	780	-	-	-	780
Public Works	43,457	151,855	-	-	195,312
Health	7,430	1,202	-	-	8,632
Debt Service					
Principal Payments	-	-	774	-	774
Interest Payments	-	-	-	-	-
	<u>81,164</u>	<u>155,559</u>	<u>774</u>	<u>20</u>	<u>237,517</u>
<b>Total Cash Disbursements</b>					
	<u>81,164</u>	<u>155,559</u>	<u>774</u>	<u>20</u>	<u>237,517</u>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	<u>(4,912)</u>	<u>(5,274)</u>	<u>-</u>	<u>35</u>	<u>(10,151)</u>
<b>Other Financing Receipts/(Disbursements):</b>					
Advances-In	18,574	17,800	774	-	37,148
Advances-Out	(18,574)	(17,800)	(774)	-	(37,148)
Other Financing Sources	-	12,416	-	-	12,416
	<u>-</u>	<u>12,416</u>	<u>-</u>	<u>-</u>	<u>12,416</u>
<b>Total Other Financing Receipts/(Disbursements)</b>					
	<u>-</u>	<u>12,416</u>	<u>-</u>	<u>-</u>	<u>12,416</u>
<b>Excess of Cash and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>(4,912)</u>	<u>7,142</u>	<u>-</u>	<u>35</u>	<u>2,265</u>
<b>Fund Cash Balances, January 1</b>	<u>27,024</u>	<u>26,188</u>	<u>-</u>	<u>1,411</u>	<u>54,623</u>
<b>Fund Cash Balances, December 31</b>	<u>\$ 22,112</u>	<u>\$ 33,331</u>	<u>\$ -</u>	<u>\$ 1,446</u>	<u>\$ 56,889</u>
<b>Reserve for Encumbrances, December 31</b>	<u>\$ 2,465</u>	<u>\$ 16,464</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,929</u>

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

**OLIVE TOWNSHIP  
NOBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Olive Township, Noble 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 services. The Township contracts with the Caldwell Volunteer Fire Department to provide fire 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 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**

The certificate of deposit is valued at cost.

**D. Fund Accounting**

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

**1. General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township has the following significant Special Revenue Funds:

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

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

**OLIVE TOWNSHIP  
NOBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003  
(Continued)**

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

**D. Fund Accounting (Continued)**

**3. Debt Service Fund**

These funds are used to accumulate resources for the payment of bonds and note indebtedness. The Township had the following significant Debt Service Fund:

*Equipment lease Fund* – This fund was established to service the debt incurred from the lease/purchase of a grader.

**4. Capital Project 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 has the following significant Capital Project Funds:

**5. Fiduciary Fund (Trust Fund)**

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Township to maintain a corpus of the trust, the fund is classified as a Nonexpendable Trust Fund. The Township had the following Nonexpendable Trust Fund:

Cemetery Trust Fund – This fund receives interest from principal that is invested in a certificate of deposit.

**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 Council 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.

**OLIVE TOWNSHIP  
NOBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003  
(Continued)**

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

**E. Budgetary Process**

**3. Encumbrances**

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year. The Township did encumber all commitments required by Ohio law.

A summary of 2004 and 2003 budgetary activity appears in Note 7.

**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.

**2. EQUITY IN POOLED CASH**

The Township maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 was as follows:

	<u>2004</u>	<u>2003</u>
Demand deposits	\$ 52,315	\$ 55,537
Certificate of deposit	<u>1,352</u>	<u>1,352</u>
Total deposits	<u>\$ 53,667</u>	<u>\$ 56,889</u>

Deposits are entirely insured by the Federal Deposit Insurance Corporation, or collateralized by the financial institution's public entity deposit pool.

**3. PROPERTY TAXES**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Village Council. 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. 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 taxes are 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.

**OLIVE TOWNSHIP  
NOBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003**

(Continued)

**4. RETIREMENT SYSTEMS**

The Township's officials belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multi-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 2004 and 2003, PERS members contributed 8.5% of their wages. The Township contributed an amount equal to 13.55% of participants' gross salaries for 2004 and 2003. The Township has paid all contributions required through December 31, 2004.

Contributions:	<u>2004</u>	<u>2003</u>
Township	\$ 6,491	\$ 6,056
Employees	<u>4,072</u>	<u>3,799</u>
	<u>10,563</u>	<u>9,855</u>

**5. 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 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 member's deductibles.

Casualty Coverage

OTARMA retains casualty risks up to \$250,000 per claim, including loss adjustment expenses. 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, which the General Reinsurance Corporation will reinsure.

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 \$10,000 on any specific loss. 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.

**OLIVE TOWNSHIP  
NOBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003  
(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:

Casualty Coverage	<u>2003</u>	<u>2002</u>
Assets	\$ 27,792,223	\$ 23,757,036
Liabilities	(11,791,300)	(9,197,512)
Retained Earnings	\$ 16,000,923	\$ 14,559,524
Property Coverage	<u>2003</u>	<u>2002</u>
Assets	\$ 5,011,131	\$ 6,596,996
Liabilities	(647,667)	(1,204,326)
Retained Earnings	\$ 4,363,464	\$ 5,392,670

The Township also provides health insurance coverage to its full time employee through a private carrier.

**6. DEBT OBLIGATIONS**

At December 31, 2004, debt obligations consisted of the following issuances:

2004 Grader, purchased August 12, 2004 through the Caldwell Savings and Loan, for a total obligation of \$33,496.56 (Including Interest at 4.25%), to be repaid \$930.46 Monthly, for (36 months), starting in September, 2004. The loan is collateralized solely by the grader and is being retired through a Debt Service Fund with property tax revenue.

	<u>Principal</u>	<u>Interest Rate</u>
2004 Grader	<u>\$ 28,068</u>	4.25%
Total	<u>\$ 28,068</u>	

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

2005	\$ 11,166
2006	11,166
2007	<u>7,404</u>
	\$ 29,736

OLIVE TOWNSHIP  
NOBLE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003  
(Continued)

**7. BUDGETARY ACTIVITY**

**Budgetary activity for the years ending December 31, 2004 and 2003 follows:**

**2004 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 29,581	\$ 35,907	\$ 6,326
Special Revenue	138,520	251,426	112,906
Debt Service	3,722	3,722	-
Capital Projects	-	-	-
Non-Expendable Trust	20	55	35
Total	<u>\$ 171,843</u>	<u>\$ 291,110</u>	<u>\$ 119,267</u>

**2004 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 51,213	\$ 47,828	\$ 3,385
Special Revenue	271,273	252,591	18,682
Debt Service	3,798	3,760	38
Capital Projects	-	-	-
Non-Expendable Trust	108	108	-
Total	<u>\$ 326,392</u>	<u>\$ 304,287</u>	<u>\$ 22,105</u>

**2003 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 28,116	\$ 76,252	\$ 48,136
Special Revenue	131,001	162,702	31,701
Debt Service	774	774	-
Capital Projects	1	-	(1)
Non-Expendable Trust	53	55	2
Total	<u>\$ 159,945</u>	<u>\$ 239,782</u>	<u>\$ 79,837</u>

**2003 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 89,511	\$ 83,628	\$ 5,883
Special Revenue	176,862	172,022	4,840
Debt Service	774	774	-
Capital Projects	-	-	-
Non-Expendable Trust	20	20	-
Total	<u>\$ 267,167</u>	<u>\$ 256,444</u>	<u>\$ 10,723</u>

Olive Township  
Noble County  
506 Cumberland Street  
Caldwell, Ohio 43724

June 27, 2005

To the Board of Trustees:

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

We have audited the financial statements of the Olive Township, Noble County (the Township) as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated June 27, 2005, wherein we noted the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 the Comptroller General of the United States' *Government Auditing Standards*.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit, we considered the Township's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses.

**COMPLIANCE**

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed an instances of noncompliance that we must report under *Government Auditing Standards*, which are described in the accompanying Schedule of Findings as items 2004-001.

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

Respectfully submitted,

Perry and Associates  
Certified Public Accountants, A.C.



**OLIVE TOWNSHIP  
NOBLE COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2004 AND 2003**

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

**FINDING NUMBER 2004-001**

**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 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:

A. Then and Now Certificate – This exception provides that, if the fiscal officer can certify that both at the time the contract or order was made and at the time of completing the certification, sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any encumbrances, 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.

B. Amounts of less than \$1,000 may be paid by the fiscal officer without such affirmation of the taxing authority upon completion of “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.

Thirty-three percent of the transactions we tested for 2004 and 2003 did not include prior certification of the Clerk nor was there any evidence of a “Then and Now” certificate being used by the Clerk. We recommend the Township obtain the Clerk’s prior certification for all disbursements.

**OLIVE TOWNSHIP  
NOBLE COUNTY**

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

**Finding Number 2002-41061-001**

ORC 5705.41(D) (1) – failure to obtain prior certification of disbursements.

Fully Corrected: NO

Finding is repeated at 2004-001

**Finding Number 2002-41061-002**

ORC 5705.09 – failure to create separate fund accounts for each class of revenues.

Fully Corrected: YES

Finding is no longer valid



**Auditor of State  
Betty Montgomery**

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**OLIVE TOWNSHIP**

**NOBLE 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  
AUGUST 9, 2005**