



**Auditor of State
Betty Montgomery**

**TOWNSEND TOWNSHIP
SANDUSKY COUNTY**

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**Auditor of State
Betty Montgomery**

Townsend Township
Sandusky County
2739 County Road 306
Vickery, Ohio 43464-9733

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA). While 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. Our Report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in cursive script that reads "Betty Montgomery".

Betty Montgomery
Auditor of State

September 7, 2005

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Townsend Township
Sandusky County
2739 County Road 306
Vickery, Ohio 43464-9733

To the Board of Trustees:

We have audited the accompanying financial statements of Townsend Township, Sandusky County, (the Township) as of and for the years ended December 31, 2004 and 2003. 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 the Comptroller General of the United States' *Government Auditing Standards*. 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. The Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Township 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 (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the Township to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. Instead of the combined funds the accompanying financial statements present for 2004 (and 2003), the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2004. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Township has elected not to reformat its statements. Since this Township does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the year ended December 31, 2004 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township 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 Townsend Township, Sandusky County, as of December 31, 2004 and 2003, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Township to include Management's Discussion and Analysis for the year ended December 31, 2004. The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 7, 2005, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. 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.



Betty Montgomery
Auditor of State

September 7, 2005

**TOWNSEND TOWNSHIP
SANDUSKY 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, 2004**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Fiduciary Funds</u>	
Cash Receipts:					
Local Taxes	\$25,293	\$104,876			\$130,169
Intergovernmental	38,257	91,844	\$15,276		145,377
Special Assessments		2,458			2,458
Licenses, Permits, and Fees		3,180			3,180
Earnings on Investments	828	107			935
Other Revenue	22	1,897			1,919
Total Cash Receipts	<u>64,400</u>	<u>204,362</u>	<u>15,276</u>		<u>284,038</u>
Cash Disbursements:					
Current:					
General Government	52,758				52,758
Public Safety	1,740	77,289			79,029
Public Works	63	76,950			77,013
Health	283	8,389			8,672
Capital Outlay	2,400		50,276		52,676
Total Cash Disbursements	<u>57,244</u>	<u>162,628</u>	<u>50,276</u>		<u>270,148</u>
Total Receipts Over/(Under) Disbursements	<u>7,156</u>	<u>41,734</u>	<u>(35,000)</u>		<u>13,890</u>
Other Financing Receipts and (Disbursements):					
Transfers-In			15,000		15,000
Transfers-Out	(15,000)				(15,000)
Total Other Financing Receipts/(Disbursements)	<u>(15,000)</u>		<u>15,000</u>		
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(7,844)</u>	<u>41,734</u>	<u>(20,000)</u>		<u>13,890</u>
Fund Cash Balances, January 1	16,869	43,978	77,057	\$600	138,504
Fund Cash Balances, December 31	<u><u>\$9,025</u></u>	<u><u>\$85,712</u></u>	<u><u>\$57,057</u></u>	<u><u>\$600</u></u>	<u><u>\$152,394</u></u>
Reserve for Encumbrances, December 31		<u><u>\$17,000</u></u>			<u><u>\$17,000</u></u>

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

**TOWNSEND TOWNSHIP
SANDUSKY 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>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$24,668	\$106,659		\$131,327
Intergovernmental	65,676	80,243		145,919
Special Assessments		2,370		2,370
Licenses, Permits, and Fees		900		900
Earnings on Investments	591	110	\$57	758
Other Revenue	91	7,141		7,232
	<u>91,026</u>	<u>197,423</u>	<u>57</u>	<u>288,506</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
General Government	57,742			57,742
Public Safety	1,740	74,407		76,147
Public Works	75	49,435		49,510
Health	790	5,973		6,763
Capital Outlay	2,400	11,493	50,247	64,140
	<u>62,747</u>	<u>141,308</u>	<u>50,247</u>	<u>254,302</u>
Total Cash Disbursements				
Total Receipts Over/(Under) Disbursements	<u>28,279</u>	<u>56,115</u>	<u>(50,190)</u>	<u>34,204</u>
Other Financing Receipts and (Disbursements):				
Transfers-In		5,000	77,000	82,000
Transfers-Out	(35,000)	(47,000)		(82,000)
Other Sources	107			107
	<u>(34,893)</u>	<u>(42,000)</u>	<u>77,000</u>	<u>107</u>
Total Other Financing Receipts/(Disbursements)				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(6,614)	14,115	26,810	34,311
Fund Cash Balances, January 1	<u>23,483</u>	<u>29,863</u>	<u>50,247</u>	<u>\$600</u>
Fund Cash Balances, December 31	<u>\$16,869</u>	<u>\$43,978</u>	<u>\$77,057</u>	<u>\$600</u>
Reserve for Encumbrances, December 31	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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

**TOWNSEND TOWNSHIP
SANDUSKY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Townsend Township, Sandusky County, (the Township) as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection. The Township contracts with the Townsend Township Volunteer Fire Department, Inc. 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 the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements. The Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the Auditor of State prescribes or permits.

C. Fund Accounting

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

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds 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 tax money for constructing, maintaining, and repairing Township roads and bridges.

Fire District Fund - This fund receives property tax money to pay for contracted fire services.

**TOWNSEND TOWNSHIP
SANDUSKY COUNTY**

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

3. Capital Project Funds

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Township had the following significant capital project funds:

Local Transportation Improvement Program (LTIP) Fund - The Township received a grant from Sandusky County for the upkeep of Township roads.

Miscellaneous Capital Projects Fund - The Township received transfers from the General, Motor Vehicle License Tax and Gasoline Tax funds for the upkeep of Township roads.

4. Fiduciary Fund (Trust Fund)

This fund accounts for resources restricted by legally binding trust agreements. The Township had the following significant fiduciary fund:

Cemetery Bequest Fund – The Township received estate money for the care and upkeep of specific cemetery lots.

D. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) 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 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.

A summary of 2004 and 2003 budgetary activity appears in Note 3.

**TOWNSEND TOWNSHIP
SANDUSKY COUNTY**

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

E. Property, Plant, and Equipment

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

2. EQUITY IN POOLED CASH

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

	2004	2003
Demand deposits	\$152,394	\$138,504

Deposits are insured by the Federal Depository Insurance Corporation.

3. 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	\$57,524	\$64,400	\$6,876
Special Revenue	189,080	204,362	15,282
Capital Projects	15,276	30,276	15,000
Total	\$261,880	\$299,038	\$37,158

2004 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$74,393	\$72,244	\$2,149
Special Revenue	227,262	179,628	47,634
Capital Projects	35,000	50,276	(15,276)
Total	\$336,655	\$302,148	\$34,507

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$89,729	\$91,133	\$1,404
Special Revenue	179,787	202,423	22,636
Capital Projects	79,000	77,057	(1,943)
Total	\$348,516	\$370,613	\$22,097

**TOWNSEND TOWNSHIP
SANDUSKY COUNTY**

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

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$63,519	\$97,747	(\$34,228)
Special Revenue	202,734	188,308	14,426
Capital Projects	50,247	50,247	
Total	\$316,500	\$336,302	(\$19,802)

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority for several line items within the General, Gas Tax, Road and Bridge, Cemetery, and LTIP funds for the year ended December 31, 2004; and the General, Motor Vehicle License, Gasoline Tax, and Road and Bridge funds for the year ended December 31, 2003.

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopt rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, 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.

5. RETIREMENT SYSTEMS

The Township's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2004 and 2003, OPERS members contributed 8.5 percent of their gross salaries. The Township contributed an amount equaling 13.55 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2004.

**TOWNSEND TOWNSHIP
SANDUSKY COUNTY**

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

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 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 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. Townships 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 in any one occurrence. The Travelers Indemnity Company reinsures losses exceeding \$100,000 up to \$500,000,000 per occurrence. 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.

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 2004 and 2003.

**TOWNSEND TOWNSHIP
SANDUSKY COUNTY**

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

<u>Casualty Coverage</u>	<u>2004</u>	<u>2003</u>
Assets	\$30,687,203	\$27,792,223
Liabilities	(13,640,962)	(11,791,300)
Retained Earnings	<u>\$17,046,241</u>	<u>\$16,000,923</u>
<u>Property Coverage</u>	<u>2004</u>	<u>2003</u>
Assets	\$7,799,073	\$6,791,060
Liabilities	(753,906)	(750,956)
Retained Earnings	<u>\$7,045,167</u>	<u>\$6,040,104</u>



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Townsend Township
Sandusky County
2739 County Road 306
Vickery, Ohio 43464-9733

To the Board of Trustees:

We have audited the financial statements of Townsend Township (the Township) as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated September 7, 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 also noted that the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. 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. In a separate letter to the Township's management dated September 7, 2005, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

Compliance and Other Matters

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 instances of noncompliance we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2004-001 and 2004-002. In a separate letter to the Township's management dated September 7, 2005, we reported other matters related to noncompliance we deemed immaterial.

We intend this report solely for the information and use of management and the Board of Trustees. It is not intended for anyone other than these specified parties.



Betty Montgomery
Auditor of State

September 7, 2005

**TOWNSEND TOWNSHIP
SANDUSKY 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 Revised Code § 5705.41(B) states in part that no subdivision shall make any expenditure of money unless it has been lawfully appropriated. The Board of Trustees established appropriations at the object level during 2004 and 2003.

As of December 31, 2004 the following object line items had expenditures in excess of appropriations:

<u>Legal level of control</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
LTIP fund			
Other financing uses:			
Transfers out		\$15,276	(\$15,276)

As of December 31, 2003 the following object line items had expenditures in excess of appropriations:

<u>Legal level of control</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General fund			
Other financing uses:			
Transfers out		\$35,000	(\$35,000)
Motor Vehicle License Tax fund			
Other financing uses:			
Transfers out		\$11,000	(\$11,000)
Gas Tax fund			
Other financing uses:			
Transfers out		\$19,000	(\$19,000)
Road and Bridge fund			
Other financing uses:			
Transfers out		\$17,000	(\$17,000)

There were several other objects within the General fund during 2003, and the General, Gas Tax, Road and Bridge, and Cemetery funds during 2004 where expenditures exceed appropriations in relatively smaller amounts.

The failure to limit spending to only those amounts approved by the Board of Trustees could allow expenditures to exceed available resources and create deficit fund balances. Actual revenues were sufficient to allow the Township to obtain an increased amended certificate from the Budget Commission and make supplemental appropriations. We recommend, if sufficient resources exist, the Clerk request the Board of Trustees amend appropriations before expenditures exceed appropriations.

FINDING NUMBER 2004-002

Finding for Recovery Repaid Under Audit

Ohio Revised Code § 507.09 sets the 2004 salary for township clerks in townships with a budget between \$250,000.01 and \$500,000, as follows. For clerks whose terms were April 1, 2000 to March 31, 2004 and then started a new term of April 1, 2004 to March 31, 2008, the clerk is due \$2,785.75 for January 1, 2004 to March 31, 2004 and \$8,661 for April 1, 2004 to December 31, 2004, for a total amount due of \$11,446.75.

For 2004, Township Clerk, Cathy Bales, was compensated \$11,548 resulting in an overpayment of \$101.25.

In accordance with the forgoing facts and pursuant to O.R.C. §117.28, a finding for recovery for public money illegally expended is hereby issued against Cathy Bales, Township Clerk, and Travelers Casualty and Surety Company of America, her surety, jointly and severally, in the amount of \$101.25, in favor of the Township Treasury.

The clerk, Cathy Bales, repaid \$101.25 on August 22, 2005.

**TOWNSEND TOWNSHIP
SANDUSKY COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2004 AND 2004**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2002-001	Revised Code § 5705.36, failure to request proper amended certificates of estimated resources	Yes	
2002-002	Revised Code § 5705.41(D), failure to encumber funds	No	Partially corrected. Reported in the management letter.
2002-003	Revised Code § 5705.39, failure to limit appropriations to total estimated revenue	Yes	
2002-004	Revised Code § 135.18, failure to obtain adequate security of public funds on deposit	Yes	



**Auditor of State
Betty Montgomery**

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TOWNSEND TOWNSHIP

SANDUKSY 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
OCTOBER 4, 2005**