



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**ATHENS TOWNSHIP
ATHENS COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Athens Township
Athens County
P.O. Box 193
The Plains, Ohio 45780

To the Board of Trustees:

We have audited the accompanying financial statements of Athens Township, Athens County, Ohio (the Township), as of and for the years ended December 31, 2001 and 2000. 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 and reserves for encumbrances of Athens Township, Athens County, as of December 31, 2001 and 2000, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 19, 2002 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 the management, the Board of Trustees and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a long horizontal stroke extending to the right.

Jim Petro
Auditor of State

April 18, 2002

**ATHENS TOWNSHIP
ATHENS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts:				
Local Taxes	\$77,874	\$537,889	\$70,986	\$686,749
Intergovernmental	208,686	162,211		370,897
Licenses, Permits, and Fees		877		877
Earnings on Investments	12,232	1,148		13,380
Other Revenue	7,240			7,240
	<u>306,032</u>	<u>702,125</u>	<u>70,986</u>	<u>1,079,143</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
General Government	194,962			194,962
Public Safety		133,389		133,389
Public Works	3,313	400,204		403,517
Health	18,156			18,156
Debt Service:				
Redemption of Principal		64,340	57,338	121,678
Interest and Fiscal Charges		13,125	13,648	26,773
Capital Outlay	56,684			56,684
	<u>273,115</u>	<u>611,058</u>	<u>70,986</u>	<u>955,159</u>
Total Cash Disbursements				
Total Cash Receipts Over/(Under) Cash Disbursements	<u>32,917</u>	<u>91,067</u>	<u>0</u>	<u>123,984</u>
Other Financing Receipts and (Disbursements):				
Advances-In	60,000	60,000		120,000
Advances-Out	(60,000)	(60,000)		(120,000)
Other Sources	(193)			(193)
Other Uses	4,040	372		4,412
	<u>3,847</u>	<u>372</u>	<u>0</u>	<u>4,219</u>
Total Other Financing Receipts/(Disbursements)				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	36,764	91,439	0	128,203
Fund Cash Balances, January 1	316,333	251,463	4,765	572,561
Fund Cash Balances, December 31	<u>\$353,097</u>	<u>\$342,902</u>	<u>\$4,765</u>	<u>\$700,764</u>
Reserve for Encumbrances, December 31	<u>\$12,054</u>	<u>\$17,722</u>	<u>\$0</u>	<u>\$29,776</u>

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

**ATHENS TOWNSHIP
ATHENS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts:				
Local Taxes	\$76,051	\$534,377	\$56,975	\$667,403
Intergovernmental	137,740	162,278		300,018
Charges for Services		5,975		5,975
Earnings on Investments	15,790	2,158		17,948
Other Revenue	3,482			3,482
	<u>233,063</u>	<u>704,788</u>	<u>56,975</u>	<u>994,826</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
General Government	156,825			156,825
Public Safety		505,957		505,957
Public Works	4,123	435,843		439,966
Health	12,616			12,616
Debt Service:				
Redemption of Principal			44,946	44,946
Interest and Fiscal Charges			12,029	12,029
Capital Outlay	37,850	119,985		157,835
	<u>211,414</u>	<u>1,061,785</u>	<u>56,975</u>	<u>1,330,174</u>
Total Cash Disbursements				
Total Cash Receipts Over/(Under) Cash Disbursements	<u>21,649</u>	<u>(356,997)</u>	<u>0</u>	<u>(335,348)</u>
Other Financing Receipts and (Disbursements):				
Proceeds from Sale of Public Debt:				
Sale of Notes		337,324		337,324
	<u>0</u>	<u>337,324</u>	<u>0</u>	<u>337,324</u>
Total Other Financing Receipts/(Disbursements)				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	21,649	(19,673)	0	1,976
Fund Cash Balances, January 1	<u>294,684</u>	<u>271,136</u>	<u>4,765</u>	<u>570,585</u>
Fund Cash Balances, December 31	<u>\$316,333</u>	<u>\$251,463</u>	<u>\$4,765</u>	<u>\$572,561</u>
Reserve for Encumbrances, December 31	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

**ATHENS TOWNSHIP
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Athens 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 and a publicly elected Clerk. The Township provides general governmental services, including 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

Cash assets are maintained in an interest-bearing checking account and a market index (savings) account.

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:

Motor Vehicle License Tax Fund - This fund receives motor vehicle license tax money for constructing, maintaining and repairing Township roads.

**ATHENS TOWNSHIP
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

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 and bridges.

Richland Fire District Fund -This fund receives property tax money to provide fire protection through a contract with Richland Fire Department.

The Plains Fire District Fund -This fund receives property tax money to provide fire protection through The Plains Fire Department.

The Plains Fire Equipment Fund -This fund receives property tax money to provide for fire equipment for The Plains Fire Department.

Permissive Motor Vehicle Tax - This fund receives permissive motor vehicle license tax money for constructing, maintaining and repairing Township roads.

3. Debt Service Funds

The debt service fund is used to accumulate resources for the payment of note indebtedness. The Township had the following significant Debt Service Funds:

Note Retirement Fund - This fund is receives property tax money for the retirement of Township notes issued for the purpose of capital outlay, including the purchase of equipment and the retirement of an Ohio Public Works Commission loan.

E. Budgetary Process

The Ohio Revised Code requires that each 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.

**ATHENS TOWNSHIP
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. The Township did not encumber all commitments required by Ohio law. The budgetary presentations have been adjusted to include material items that should have been encumbered.

A summary of 2001 and 2000 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.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's basis of accounting.

2. EQUITY IN POOLED CASH

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>2001</u>	<u>2000</u>
Demand deposits		
Checking Account	\$605,845	\$481,008
Market Index (Savings) Account	94,919	91,553
Total Demand deposits	<u>\$700,764</u>	<u>\$572,561</u>

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

**ATHENS TOWNSHIP
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2001 and 2000 follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$240,620	\$370,072	\$129,452
Special Revenue	653,123	762,497	109,374
Debt Service	70,986	70,986	0
Total	\$964,729	\$1,203,555	\$238,826

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$616,834	\$345,362	\$271,472
Special Revenue	896,998	688,780	208,218
Debt Service	70,986	70,986	0
Total	\$1,584,818	\$1,105,128	\$479,690

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$165,345	\$233,063	\$67,718
Special Revenue	987,621	1,042,112	54,491
Debt Service	56,975	56,975	0
Total	\$1,209,941	\$1,332,150	\$122,209

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$464,795	\$211,414	\$253,381
Special Revenue	1,258,756	1,061,785	196,971
Debt Service	56,975	56,975	0
Total	\$1,780,526	\$1,330,174	\$450,352

Contrary to Ohio law, appropriation authority exceeded the estimated resources in the General Fund, Motor Vehicle License Tax, Gasoline Tax, Plains Fire Equipment and Permissive Motor Vehicle License Tax funds for the year ended December 31, 2001.

**ATHENS TOWNSHIP
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

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.

5. DEBT

Debt outstanding at December 31, 2001 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
General Obligation Notes - Dump Truck	\$27,622	3.50%
General Obligation Notes - Fire Truck	211,984	4.75%
General Obligation Notes - Wheel Loader	49,893	4.80%
OPWC Loan - Road Improvement	427,353	2.00%
Total	<u>\$716,852</u>	

The Dump Truck Loan was entered into by the Township in 1998. Payments began December 10, 1999 and are due the same day of each year after that. Final payment will be due December 10, 2002 and will be for all principal and accrued interest not yet paid.

In 2000, payments began on the Ohio Public Works Commission loan which was entered into by the Township in 1998. Semi-annual payments are due on January 1 and July 1 of each year. Amortization commenced on the second payment date and will run through January, 2019

In 2000, the Township entered into a loan for a fire truck in the amount of \$276,324. Payments began on February 2, 2001 and are due the same day of each year after that. Final payment will be due February 2, 2004 and will be for all principal and accrued interest not yet paid.

In 2000, the Township entered into a loan for a wheel-loader in the amount of \$61,000. Payments began on August 11, 2001 and are due the same day of each year after that. Final payment will be due August 11, 2005 and will be for all principal and accrued interest not yet paid.

The notes are collateralized solely by the Township's taxing authority.

**ATHENS TOWNSHIP
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

5. DEBT (Continued)

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

	1998 Dump Truck	2000 Fire Truck	2000 Wheel Loader	OPWC Loan - Road Improvement
Year ending December 31:				
2002	\$28,586	\$77,466	\$14,011	\$28,388
2003		77,466	14,011	28,388
2004		77,466	14,011	28,388
2005			14,011	28,388
2006				28,388
2007 - 2011				141,940
2012 - 2016				141,940
2017 - 2019				85,164
Total	\$28,586	\$232,398	\$56,044	\$510,984

6. RETIREMENT SYSTEM

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 2001 and 2000, members of PERS contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13%, effective July 1, 2000 through December 31, 2000. The Township has paid all contributions required through December 31, 2001.

7. 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 occurrence. 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.

**ATHENS TOWNSHIP
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

7. RISK MANAGEMENT (Continued)

Property Coverage

OTARMA retains property risks including automobile physical damage up to \$100,000 on any specific loss. The Travelers Indemnity Company reinsures specific losses exceeding \$100,000. The Travelers Indemnity Company also provides aggregate excess coverage for property including automobile physical damage subject to an annual stop loss. When the stop loss is reached in any year, The Travelers Indemnity Company provides coverage in excess of \$10,000.

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 government.

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and report the following assets, liabilities and retained earnings at December 31:

<u>Casualty Coverage</u>	<u>2001</u>	<u>2000</u>
Assets	\$23,703,776	\$22,684,383
Liabilities	<u>9,379,003</u>	<u>8,924,977</u>
Retained earnings	<u>\$14,324,773</u>	<u>\$13,759,406</u>

<u>Property Coverage</u>	<u>2001</u>	<u>2000</u>
Assets	\$5,011,131	\$4,156,784
Liabilities	<u>647,667</u>	<u>497,831</u>
Retained earnings	<u>\$4,363,464</u>	<u>\$3,658,953</u>

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**STATE OF OHIO
OFFICE OF THE AUDITOR**

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

Athens Township
Athens County
P.O. Box 193
The Plains, Ohio 45780

To the Board of Trustees:

We have audited the accompanying financial statements of Athens Township, Athens County, Ohio (the Township), as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated April 19, 2002. 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 2001-40705-001 and 2001-40705-002.

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 management of the Township in a separate letter dated April 19, 2002.

Athens Township
Athens County
Report of Independent Accountants 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, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a cursive "Petro".

Jim Petro
Auditor of State

April 19, 2002

**ATHENS TOWNSHIP
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2001 AND 2000**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2001-40705-001

Noncompliance Citation

Ohio Rev. Code § 5705.39 states that total appropriations from each fund should not exceed the total estimated revenue. No appropriation measure is to become effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.

Appropriations exceeded the total estimated revenue at December 31, 2001 as follows:

Fund	Estimated Resources	Appropriation Authority	Unfavorable Variance
General Fund	\$ 556,953	\$ 616,834	(\$ 59,881)
Motor Vehicle License Tax	\$ 32,550	\$ 34,000	(\$1,450)
Gasoline Tax	\$ 45,031	\$ 53,452	(\$8,421)
Permissive Motor Vehicle Tax	\$ 23,858	\$ 25,500	(\$1,642)
The Plains Fire Equipment	\$ 109,547	\$ 139,666	(\$30,119)

This is contrary to the Revised Code and could allow deficit spending to occur.

We recommend the Township monitor budgetary data to ensure that total appropriations from each fund do not exceed the total estimated resources.

FINDING NUMBER 2001-40705-002

Noncompliance Citation

Ohio Revised Code Section 5705.41(D) states there is to be no 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 had been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriated fund free from any previous encumbrances.

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

Then and Now Certificate: This exception provides that, 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.

**ATHENS TOWNSHIP
ATHENS COUNTY**

**SCHEDULE OF FINDINGS (Continued)
DECEMBER 31, 2001 AND 2000**

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

FINDING NUMBER 2001-40705-001 (Continued)

Noncompliance Citation (Continued)

Ohio Rev. Code § 5705.41(D) (Continued)

Amounts of less than \$100 for counties, or less than \$1,000 for other political subdivisions, 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. [Section 5705.41(D)].

Of the expenditures tested for 2001 and 2000, 57% were not properly encumbered. The Township Clerk did not certify the amounts required to meet the expenditures of the District prior to obligation, and has honored such contracts and orders, rather than declaring them null and void. In addition, the December 31, 2001 unencumbered fund balance for The Plains Fire Department fund has been adjusted to reflect obligations which existed prior to year end which were not reported as outstanding encumbrances.

We recommend the Township Clerk and the Board of Trustees make a concentrated effort to obtain the certification of the Township Clerk prior to a commitment being made and that the required certification of available resources for expenditure be signed by the Township Clerk.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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ATHENS 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
JUNE 11, 2002**