



**LAWRENCE TOWNSHIP
TUSCARAWAS COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2001-2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

LAWRENCE TOWNSHIP
TUSCARAWAS COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Lawrence Township
Tuscarawas County
10867 Industrial Parkway, N.W.
P.O. Box 190
Bolivar, Ohio 44612

To the Board of Trustees:

We have audited the accompanying financial statements of Lawrence Township, Tuscarawas 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 audits.

We conducted our audits 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 audits 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 audits provide 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 the Township 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 May 20, 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 audits.

This report is intended solely for the information and use of 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 cursive "Petro".

Jim Petro
Auditor of State

May 20, 2002

**LAWRENCE TOWNSHIP
TUSCARAWAS 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	\$55,727	\$365,104	\$63,000	\$483,831
Intergovernmental	144,453	155,488	0	299,941
Special Assessments	0	3,674	0	3,674
Licenses, Permits, and Fees	0	41,327	0	41,327
Earnings on Investments	14,824	557	0	15,381
Other	15,577	14,500	0	30,077
	<u>230,581</u>	<u>580,650</u>	<u>63,000</u>	<u>874,231</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
General Government	239,605	71,537	0	311,142
Public Safety	4,174	201,525	0	205,699
Public Works	1,323	296,968	0	298,291
Health	3,500	12,855	0	16,355
Debt Service:				
Redemption of Principal	0	0	60,000	60,000
Interest and Fiscal Charges	0	0	1,500	1,500
Capital Outlay	0	10,843	0	10,843
	<u>248,602</u>	<u>593,728</u>	<u>61,500</u>	<u>903,830</u>
Total Cash Disbursements				
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(18,021)</u>	<u>(13,078)</u>	<u>1,500</u>	<u>(29,599)</u>
Other Financing Receipts and (Disbursements):				
Transfers-In	0	9,136	0	9,136
Transfers-Out	0	(9,136)	0	(9,136)
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Receipts/(Disbursements)				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(18,021)	(13,078)	1,500	(29,599)
Fund Cash Balances, January 1	<u>168,967</u>	<u>256,279</u>	<u>1,500</u>	<u>426,746</u>
Fund Cash Balances, December 31	<u>\$150,946</u>	<u>\$243,201</u>	<u>\$3,000</u>	<u>\$397,147</u>
Reserves 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.

**LAWRENCE TOWNSHIP
TUSCARAWAS 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>				<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Local Taxes	\$53,082	\$353,781	\$61,000	\$0	\$467,863
Intergovernmental	157,389	145,400	0	0	302,789
Special Assessments	0	4,192	0	0	4,192
Licenses, Permits, and Fees	2,411	24,273	0	0	26,684
Earnings on Investments	10,457	525	0	0	10,982
Other	17,478	15,387	0	0	32,865
Total Cash Receipts	<u>240,817</u>	<u>543,558</u>	<u>61,000</u>	<u>0</u>	<u>845,375</u>
Cash Disbursements:					
Current:					
General Government	125,029	57,491	0	0	182,520
Public Safety	3,950	154,354	0	0	158,304
Public Works	8,952	251,146	0	0	260,098
Health	3,413	12,044	0	0	15,457
Debt Service:					
Redemption of Principal	0	0	61,000	0	61,000
Interest and Fiscal Charges	0	0	1,500	0	1,500
Capital Outlay	22,203	49,870	0	60,409	132,482
Total Cash Disbursements	<u>163,547</u>	<u>524,905</u>	<u>62,500</u>	<u>60,409</u>	<u>811,361</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>77,270</u>	<u>18,653</u>	<u>(1,500)</u>	<u>(60,409)</u>	<u>34,014</u>
Other Financing Receipts and (Disbursements):					
Proceeds of Notes	0	0	0	60,000	60,000
Transfers-In	0	1,500	1,000	0	2,500
Transfers-Out	(2,500)	0	0	0	(2,500)
Total Other Financing Receipts/(Disbursements)	<u>(2,500)</u>	<u>1,500</u>	<u>1,000</u>	<u>60,000</u>	<u>60,000</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>74,770</u>	<u>20,153</u>	<u>(500)</u>	<u>(409)</u>	<u>94,014</u>
Fund Cash Balances, January 1	<u>94,197</u>	<u>236,126</u>	<u>2,000</u>	<u>409</u>	<u>332,732</u>
Fund Cash Balances, December 31	<u>\$168,967</u>	<u>\$256,279</u>	<u>\$1,500</u>	<u>\$0</u>	<u>\$426,746</u>
Reserves for Encumbrances, December 31	<u>\$0</u>	<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.

**LAWRENCE TOWNSHIP
TUSCARAWAS COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Lawrence Township, Tuscarawas 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, fire protection and emergency medical services. The Township contracts with the Bolivar Fire Department, Inc. to provide fire services and ambulance services. The Township contracts with the Tuscarawas County Sheriff's Department to provide police services.

The Township's management believes these financial statements present all activities for which the Township is financially accountable.

The Township is associated with the Lawrence Township Community Improvement Corporation which is defined as a Jointly Governed Organization under Governmental Accounting Standards Board (GASB) Statement No. 14, Reporting Entity. This organization is presented in Note 8.

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

The Township maintains cash in an interest-bearing checking account. Since October 2000, the Township invests in an overnight repurchase agreement.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

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.

**LAWRENCE TOWNSHIP
TUSCARAWAS 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

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:

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

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

Ambulance and Emergency Medical Services Fund – This fund receives tax money to provide ambulance and emergency medical services.

3. Debt Service Fund

The Debt Service Fund is used to accumulate resources for the payment of note indebtedness. The Township had the following Debt Service Fund:

General Bond Note Retirement Fund – This fund receives property tax money for the payment of note indebtedness.

4. Capital Projects Fund

This fund is 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 had the following Capital Projects Fund:

Miscellaneous Capital Projects Fund – This fund is restricted for the acquisition and construction of miscellaneous major capital projects.

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 level of control within the General Fund or the fund level of control within all other funds, 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.

**LAWRENCE TOWNSHIP
TUSCARAWAS COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

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 canceled, and reappropriated in the subsequent year. The Township did not encumber all commitments required by Ohio law.

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 capital outlay 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 AND INVESTMENTS

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

	<u>2001</u>	<u>2000</u>
Demand deposits	\$20,690	\$14,847
Repurchase agreement	376,457	411,899
Total deposits and investments	<u>\$397,147</u>	<u>\$426,746</u>

Deposits: Deposits were insured by the Federal Depository Insurance Corporation.

Investments:

The Township's financial institution transfers securities to the Township's agent to collateralize the repurchase agreement. The securities are not in the Township's name.

**LAWRENCE TOWNSHIP
TUSCARAWAS 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	\$219,768	\$230,581	\$10,813
Special Revenue	551,692	589,786	38,094
Debt Service	60,000	63,000	3,000
Total	\$831,460	\$883,367	\$51,907

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$385,481	\$248,602	\$136,879
Special Revenue	807,971	602,864	205,107
Debt Service	61,500	61,500	0
Total	\$1,254,952	\$912,966	\$341,986

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$211,451	\$240,817	\$29,366
Special Revenue	531,747	545,058	13,311
Debt Service	62,820	62,000	(820)
Capital Projects	60,000	60,000	0
Total	\$866,018	\$907,875	\$41,857

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$305,648	\$166,047	\$139,601
Special Revenue	767,872	524,905	242,967
Debt Service	64,820	62,500	2,320
Capital Projects	409	60,409	(60,000)
Total	\$1,138,749	\$813,861	\$324,888

**LAWRENCE TOWNSHIP
TUSCARAWAS COUNTY**

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

4. NONCOMPLIANCE

Contrary to Ohio Rev. Code Section 135.14 the Township did not maintain an investment policy.

Contrary to Ohio Rev. Code Section 5705.40, certain fund appropriations were amended without the Board of Trustees approval.

Contrary to Ohio Rev. Code Section 5705.41(B), expenditures exceeded appropriations within the Special Revenue Ambulance and Emergency Medical Services Fund during 2001 and within the Capital Projects Miscellaneous Capital Projects Fund during 2000.

Contrary to Ohio Rev. Code Section 5705.41(D), certain 2001 and 2000 expenditures were not certified prior to incurring the commitment.

5. PROPERTY TAX

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

6. RETIREMENT SYSTEM

The Township's 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, PERS members 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.

**LAWRENCE TOWNSHIP
TUSCARAWAS COUNTY**

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

7. RISK MANAGEMENT

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions

The Township also provides health insurance coverage to the Board of Trustees and full-time employees through the Tuscarawas County Health Insurance Program.

8. LAWRENCE TOWNSHIP COMMUNITY IMPROVEMENT CORPORATION (CORPORATION)

The corporation is a non-profit Ohio Corporation organized under Chapter 1702 and Chapter 1724 of the Ohio Revised Code. It is controlled by a five member governing Board, of which not less than two-fifths have been selected from appointed or elected officials of Lawrence Township. The Board exercises total control for industrial, commercial, distribution and research development in the Township. In 2001 and 2000, no monies were received from the Township.

9. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.



**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**

Lawrence Township
Tuscarawas County
10867 Industrial Parkway, N.W.
P.O. Box 190
Bolivar, Ohio 44612

To the Board of Trustees:

We have audited the accompanying financial statements of Lawrence Township, Tuscarawas County, Ohio, (the Township) as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated May 20, 2002. We conducted our audits 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 audits 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 2001-41279-001 through 2001-41279-004.

We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated May 20, 2002.

Internal Control Over Financial Reporting

In planning and performing our audits, 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 May 20, 2002.

Lawrence Township
Tuscarawas 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

May 20, 2002

**LAWRENCE TOWNSHIP
TUSCARAWAS COUNTY**

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

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

FINDING NUMBER 2001-41279-001

Noncompliance Citation

Ohio Rev. Code Section 135.14 states that an investment or deposit cannot be made unless a written investment policy approved by the treasurer or governing board is on file with the Auditor of State, with the following exceptions:

- If a written investment policy is not filed with the Auditor of State, the treasurer or governing board is permitted to invest only in interim deposits or Star Ohio
- A subdivision whose average annual portfolio of investments is \$100,000 or less is not required to file an investment policy, provided that the treasurer or governing board certifies to the Auditor of State that the treasurer or governing board will comply and is in compliance with the provisions of Ohio Revised Code Sections 135.01 to 135.21.

Beginning in October 2000, the Township invested in an overnight repurchase agreement. As of December 31, 2001 and 2000, the Township's overnight repurchase agreements totaled \$376,457 (~95% of total fund balances) and \$411,899 (~96% of total fund balances), respectively; however, a written investment policy was not evident. The Clerk and the Board of Trustees should approve a written investment policy, obtain the required financial institution signatures and subsequently file the investment policy with the Auditor of State. This will help ensure the Township invests in only allowable investments.

FINDING NUMBER 2001-41279-002

Noncompliance Citation

Ohio Rev. Code Section 5705.40 provides that any appropriation measure may be amended or supplemented provided that such amendment or supplement complies with all provisions of law governing the taxing authority in making the original appropriation. Transfers may be made by resolution or ordinance from one appropriation line item to another.

During 2001 and 2000, the Township Clerk amended certain fund appropriations ranging between roughly \$1,000 and \$75,000 without the Board of Trustees approval as evidenced in the minute records. As a result, the supplemental appropriations were not legally adopted by the Township. The Board of Trustees should approve all supplemental appropriations at the established 'legal level of budgetary control' as evidenced in the minute records. This will help ensure supplemental appropriations are valid. Accordingly, appropriations were subsequently adjusted on the Township's financial statements to reflect the Annual Appropriations as approved by the Board of Trustees. These adjustments created certain violations of Ohio Rev. Code Section 5705.41(B) as reflected in Finding Number 003.

FINDING NUMBER 2001-41279-003

Noncompliance Citation

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

At December 31, 2001 and 2000, fund level expenditures plus outstanding encumbrances exceeded appropriations as follows:

2001

Special Revenue Ambulance and Emergency \$9,149
Medical Services Fund

2000

Capital Projects Miscellaneous Capital Projects \$60,000
Fund

The Township Clerk should frequently compare actual expenditures plus outstanding encumbrances to appropriations at the fund level to help avoid potential overspending.

FINDING NUMBER 2001-41279-004

Noncompliance Citation

Ohio Rev. Code Section 5705.41(D) requires that no subdivision or taxing unit make any contract or order any expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the same has been lawfully appropriated for such purposes and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. Every such contract made without such certification shall be null and void and no warrant shall be issued in payment of any amount due thereon.

This section also provides for two "exceptions" to the above requirements:

- Then and Now Certificates - If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was, both at the time of the contract or order and at the time of the certificate, appropriated and free of any previous encumbrances, the Board of Trustees may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate
- If the amount involved is less than \$1,000, the Township Clerk may authorize payment through a Then and Now Certificate without affirmation of the Board of Trustees.

During 2001 and 2000, 50% and 27% of expenditures tested, respectively, were not certified as to the availability of funds by the Township Clerk prior to incurring the obligations. In addition, during 2001, 3% of purchase orders tested were not signed by the Township Clerk. The Township Clerk should inform all Township employees of the requirements of Ohio Rev. Code Section 5705.41(D). The Township should implement the use of so called Then and Now Certificates and Blanket Certificates as further permitted by Ohio Rev. Code Section 5705.41.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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LAWRENCE TOWNSHIP

TUSCARAWAS 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 25, 2002**