



**NEW RUSSIA TOWNSHIP
LORAIN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2001 & 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

NEW RUSSIA TOWNSHIP
LORAIN COUNTY

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Report of Independent Accountants	1
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, 2001	3
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, 2000	4
Notes to the Financial Statements	5
Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	13
Schedule of Findings.....	15

This page intentionally left blank.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Lausche Building
615 Superior Avenue, NW.
Twelfth Floor
Cleveland, Ohio 44113-1801
Telephone 216-787-3665
800-626-2297
Facsimile 216-787-3361
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

New Russia Township
Lorain County
46268 Butternut Ridge Road
Oberlin, Ohio 44074

To the Board of Trustees:

We have audited the accompanying financial statements of New Russia Township, Lorain County, Ohio, (the Township) as of and for the years ended December 31, 2001 and December 31, 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 New Russia Township, Lorain County, Ohio, as of December 31, 2001 and December 31, 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 June 12, 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", written in a cursive style.

Jim Petro
Auditor of State

June 12, 2002

**NEW RUSSIA TOWNSHIP
LORAIN 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, 2001**

	<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	\$15,417	\$71,566	\$0	\$0	\$86,983
Intergovernmental	125,919	76,937	87,639	0	290,495
Licenses, Permits, and Fees	14,999	0	0	0	14,999
Earnings on Investments	44,409	2,003	0	0	46,412
Other Revenue	826,692	0	0	173	826,865
Total Cash Receipts	<u>1,027,436</u>	<u>150,506</u>	<u>87,639</u>	<u>173</u>	<u>1,265,754</u>
Cash Disbursements:					
Current:					
General Government	243,012	0	0	0	243,012
Public Safety	50,678	0	0	0	50,678
Public Works	107,947	182,176	0	0	290,123
Health	4,952	0	0	0	4,952
Human Services	7,500	0	0	0	7,500
Miscellaneous	0	0	0	173	173
Debt Service:					
Redemption of Principal	69,637	0	0	0	69,637
Capital Outlay	81,422	51,446	87,639	0	220,507
Total Cash Disbursements	<u>565,148</u>	<u>233,622</u>	<u>87,639</u>	<u>173</u>	<u>886,582</u>
Total Receipts Over/(Under) Disbursements	<u>462,288</u>	<u>(83,116)</u>	<u>0</u>	<u>0</u>	<u>379,172</u>
Other Financing Receipts and (Disbursements):					
Sale of Fixed Assets	0	4,803	0	0	4,803
Advances-In	32,100	2,100	30,000	0	64,200
Advances-Out	(32,100)	(2,100)	(30,000)	0	(64,200)
Other Sources	0	0	0	0	0
Total Other Financing Receipts/(Disbursements)	<u>0</u>	<u>4,803</u>	<u>0</u>	<u>0</u>	<u>4,803</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>462,288</u>	<u>(78,313)</u>	<u>0</u>	<u>0</u>	<u>383,975</u>
Fund Cash Balances, January 1	<u>859,724</u>	<u>162,493</u>	<u>0</u>	<u>0</u>	<u>1,022,217</u>
Fund Cash Balances, December 31	<u>\$1,322,012</u>	<u>\$84,180</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,406,192</u>
Reserve for Encumbrances, December 31	<u>\$79,405</u>	<u>\$4,081</u>	<u>\$0</u>	<u>\$0</u>	<u>\$83,486</u>

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

**NEW RUSSIA TOWNSHIP
LORAIN 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, 2000**

	<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	\$13,641	\$63,513	\$0	\$0	\$77,154
Intergovernmental	69,710	72,216	24,623	0	166,549
Licenses, Permits, and Fees	13,318	0	0	0	13,318
Earnings on Investments	43,273	5,000	0	0	48,273
Other Revenue	786,960	0	0	225	787,185
Total Cash Receipts	<u>926,902</u>	<u>140,729</u>	<u>24,623</u>	<u>225</u>	<u>1,092,479</u>
Cash Disbursements:					
Current:					
General Government	247,096	0	0	0	247,096
Public Safety	65,755	0	0	0	65,755
Public Works	2,048	114,236	0	0	116,284
Health	4,800	0	0	0	4,800
Human Services	7,500	0	0	0	7,500
Miscellaneous	0	0	0	225	225
Debt Service:					
Redemption of Principal	69,637	0	0	0	69,637
Capital Outlay	119,629	53,797	24,623	0	198,049
Total Cash Disbursements	<u>516,465</u>	<u>168,033</u>	<u>24,623</u>	<u>225</u>	<u>709,346</u>
Total Receipts Over/(Under) Disbursements	<u>410,437</u>	<u>(27,304)</u>	<u>0</u>	<u>0</u>	<u>383,133</u>
Other Financing Receipts and (Disbursements):					
Sale of Fixed Assets	0	0	0	0	0
Advances-In	0	0	0	0	0
Advances-Out	0	0	0	0	0
Other Sources	344	0	0	0	344
Total Other Financing Receipts/(Disbursements)	<u>344</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>344</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>410,781</u>	<u>(27,304)</u>	<u>0</u>	<u>0</u>	<u>383,477</u>
Fund Cash Balances, January 1	<u>448,943</u>	<u>189,797</u>	<u>0</u>	<u>0</u>	<u>638,740</u>
Fund Cash Balances, December 31	<u>\$859,724</u>	<u>\$162,493</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,022,217</u>
Reserve for Encumbrances, December 31	<u>\$46,481</u>	<u>\$6,829</u>	<u>\$0</u>	<u>\$0</u>	<u>\$53,310</u>

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

**NEW RUSSIA TOWNSHIP
LORAIN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

New Russia Township, Lorain County, Ohio, (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 general governmental services including road and bridge maintenance, cemetery maintenance, fire protection, and emergency medical services. The Township contracts with the City of Oberlin for fire protection services. The Township's police protection is provided by the Lorain County Sheriff and emergency medical services are provided by the Central Lorain County Joint Ambulance District.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

Investments are included in fund cash balances. 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.

The investment in STAR Ohio (The State of Ohio Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

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:

**NEW RUSSIA TOWNSHIP
LORAIN 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.

3. 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 had the following significant capital project funds:

Oberlin Road Berm Stabilization Project Fund – This fund accounts for Issue II grants received from the State of Ohio for repairs and reconstruction of the berm along Oberlin Road.

Parsons Road Improvement Project Fund – This fund accounts for Issue II grants received from the State of Ohio for repairs and improvements to Parsons Road.

Naturework Grant Fund – This fund accounts for the Ohio Department of Natural Resources Naturework grant for park restrooms.

4. Fiduciary Fund (Agency Fund)

This fund is used to account for resources restricted by legally binding trust agreements and funds for which the Township is acting in an agency capacity. The Township had the following significant fiduciary fund:

3% Board of Building Standards Fee Assessment Fund – This fund accounts for the three percent Board of Building Standards fee that is remitted to the State of Ohio.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of 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.

**NEW RUSSIA TOWNSHIP
LORAIN 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 carried over, and need not be reappropriated.

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 AND INVESTMENTS

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

	2001	2000
Demand deposits	\$67,602	\$63,741
Total deposits	67,602	63,741
STAR Ohio	1,338,590	958,476
Total investments	1,338,590	958,476
Total deposits and investments	\$1,406,192	\$1,022,217

Deposits: Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

Investments: Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**NEW RUSSIA TOWNSHIP
LORAIN 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 December 31, 2000 follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$774,809	\$1,027,436	\$252,627
Special Revenue	152,752	155,309	2,557
Capital Projects	103,574	87,639	(15,935)
Fiduciary	212	173	(39)
Total	\$1,031,347	\$1,270,557	\$239,210

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,046,162	\$644,553	\$401,609
Special Revenue	315,247	237,703	77,544
Capital Projects	103,574	87,639	15,935
Fiduciary	212	173	39
Total	\$1,465,195	\$970,068	\$495,127

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$730,992	\$927,246	\$196,254
Special Revenue	134,752	140,729	5,977
Capital Projects	54,623	24,623	(30,000)
Fiduciary	225	225	0
Total	\$920,592	\$1,092,823	\$172,231

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,169,921	\$562,946	\$606,975
Special Revenue	324,550	174,862	149,688
Capital Projects	54,623	24,623	30,000
Fiduciary	225	225	0
Total	\$1,549,319	\$762,656	\$786,663

Contrary to Ohio Revised Code Sections 5705.36, the Township certified, to the county auditor, tax revenues not due to the township in FY 2001.

**NEW RUSSIA TOWNSHIP
LORAIN 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 with 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>
Ohio Public Works Commission Note	\$60,280	0.00%

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

	<u>Ohio Public Works Commission Note</u>
Year ending December 31:	
2002	\$2,318
2003	4,637
2004	4,637
2005	4,637
2006	4,637
2007-2011	23,185
2011-2014	16,229
Total	<u><u>\$60,280</u></u>

The Ohio public Works Commission Loan was for the improvement of Butternut Ridge Road. The note is a zero interest instrument.

**NEW RUSSIA TOWNSHIP
LORAIN COUNTY**

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

6. RETIREMENT SYSTEMS

Most Township 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 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.

7. 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 insure.

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.

NEW RUSSIA TOWNSHIP
LORAIN COUNTY

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

7. RISK POOL MEMBERSHIP (Continued)

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	9,379,003	8,924,977
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	647,667	497,831
Retained earnings	<u>\$ 4,363,464</u>	<u>\$ 3,658,953</u>

This page intentionally left blank.



**STATE OF OHIO
OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

Lausche Building
615 Superior Avenue, NW.
Twelfth Floor
Cleveland, Ohio 44113-1801
Telephone 216-787-3665
800-626-2297
Facsimile 216-787-3361
www.auditor.state.oh.us

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

New Russia Township
Lorain County
46268 Butternut Ridge Road
Oberlin, Ohio 44074

To the Board of Trustees:

We have audited the accompanying financial statements of New Russia Township, Lorain County, Ohio, (the Township) as of and for the years ended December 31, 2001 and December 31, 2000, and have issued our report thereon dated June 12, 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2001-40847-001.

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 a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Township in a separate letter dated June 12, 2002.

New Russia Township
Lorain County
Report on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

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

A handwritten signature in black ink, 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

June 12, 2002

**NEW RUSSIA TOWNSHIP
LORAIN 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 2001-40847-001

Ohio Rev. Code Section 5705.36 requires in part that on or about the first day of each fiscal year, the fiscal officers of subdivisions and other taxing units are to certify to the county auditor the total amount from all sources which is available for expenditures from each fund in the tax budget along with any unencumbered balances that existed at the end of the proceeding year.

In fiscal year 2001, the Township incorrectly included \$108,082 in tax revenue of the Central Lorain County Joint Ambulance District, which is a separate taxing authority, in the total amount from all sources which was available for expenditures from each fund in the amounts certified to the county auditor.

Per Ohio Rev. Code Sections 505.24 and 507.09, the compensation of township trustees and clerks is based on the township's budget. 1999 Op. Att'y Gen. No. 99-015 states in part "for purposes of calculating the authorized compensation of the township trustees and the township clerk pursuant to Ohio revised Code Sections 505.24 and 507.09, the term "budget" refers to the total amount of resources available to the township pursuant to the official certificate of estimated resources or amendments to the certificate."

Incorrectly including the Central Lorain County Joint Ambulance District tax revenues on the Township's certificate of estimated resources may cause the Township Trustees and Clerk to be over compensated if these additional amounts elevate the budget into a range which provides a higher level of compensation. This did not occur during the period under audit.

The Township should take steps to ensure that only township revenues are certified to the county auditor per the above Ohio Rev. Code Section.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

NEW RUSSIA TOWNSHIP

LORAIN 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
JULY 16, 2002**