



**DORSET TOWNSHIP  
ASHTABULA COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000 -1999**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**DORSET TOWNSHIP  
ASHTABULA COUNTY**

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## REPORT OF INDEPENDENT ACCOUNTANTS

Dorset Township  
Ashtabula County  
3710 Tower Road  
Dorset, Ohio 44032

To the Board of Trustees:

We have audited the accompanying financial statements of Dorset Township, Ashtabula County, Ohio, (the Township) as of and for the years ended December 31, 2000 and December 31, 1999. 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 described 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 of the Township as of December 31, 2000 and 1999, 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 October 16, 2001 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 management, the Board 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.

**Jim Petro**  
Auditor of State

October 16, 2001

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**DORSET TOWNSHIP  
ASHTABULA 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**

	<b>Governmental Fund Types</b>		<b>Totals (Memorandum Only)</b>
	<b>General</b>	<b>Special Revenue</b>	
<b>Cash Receipts:</b>			
Local Taxes	\$26,559	\$59,067	\$85,626
Intergovernmental	17,121	64,211	81,332
Licenses, Permits, and Fees	400	3,622	4,022
Earnings on Investments	2,256	1,596	3,852
Other Revenue	1,471	6,830	8,301
 Total Cash Receipts	 47,807	 135,326	 183,133
<b>Cash Disbursements:</b>			
Current:			
General Government	21,832	13,639	35,471
Public Safety	210	7,634	7,844
Public Works		73,587	73,587
Health	4,283	5,386	9,669
Capital Outlay	7,005	44,720	51,725
 Total Cash Disbursements	 33,330	 144,966	 178,296
 Total Receipts Over/(Under) Disbursements	 14,477	 (9,640)	 4,837
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In		2,500	2,500
Transfers-Out	(2,500)		(2,500)
 Total Other Financing Receipts/(Disbursements)	 (2,500)	 2,500	 
 Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	 11,977	 (7,140)	 4,837
 Fund Cash Balances, January 1	 93,929	 132,937	 226,866
 <b>Fund Cash Balances, December 31</b>	 <b>\$105,906</b>	 <b>\$125,797</b>	 <b>\$231,703</b>

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

**DORSET TOWNSHIP  
ASHTABULA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
<b>Cash Receipts:</b>			
Local Taxes	\$22,947	\$45,877	\$68,824
Intergovernmental	24,915	71,222	96,137
Licenses, Permits, and Fees	280	5,035	5,315
Special Assessments		8	8
Earnings on Investments	2,177	1,366	3,543
Other Revenue	19,566	4,995	24,561
Total Cash Receipts	69,885	128,503	198,388
<b>Cash Disbursements:</b>			
Current:			
General Government	25,674	22,356	48,030
Public Safety	105	4,737	4,842
Public Works		31,955	31,955
Health	3,932	6,101	10,033
Capital Outlay	39,753	31,886	71,639
Total Cash Disbursements	69,464	97,035	166,499
Total Receipts Over/(Under) Disbursements	421	31,468	31,889
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In		2,500	2,500
Transfers-Out	(2,500)		(2,500)
Total Other Financing Receipts/(Disbursements)	(2,500)	2,500	
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(2,079)	33,968	31,889
Fund Cash Balances, January 1	96,008	98,969	194,977
<b>Fund Cash Balances, December 31</b>	<b>\$93,929</b>	<b>\$132,937</b>	<b>\$226,866</b>

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



**DORSET TOWNSHIP  
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Dorset Township, Ashtabula 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 general governmental services, including road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services.

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

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received 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**

Certificate of Deposits are valued at cost.

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.

**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.

**DORSET TOWNSHIP  
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

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

**2. Special Revenue Funds**

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

*Fire Levy Fund* - This fund's receipts are generated from a restricted Township levy and are only to be utilized to assist in providing the necessary equipment and fire protection for Township residents.

**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 function 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 canceled, and re-appropriated in the subsequent year.

A summary of 2000 and 1999 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. Unpaid Vacation and Sick Leave**

The township currently has no employees entitled to sick and/or vacation leave.

**DORSET TOWNSHIP  
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**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:

	<u>2000</u>	<u>1999</u>
Demand deposits	\$186,703	\$181,866
Certificate of Deposits	<u>45,000</u>	<u>45,000</u>
Total deposits	<u><u>\$231,703</u></u>	<u><u>\$226,867</u></u>

**Deposits:** Deposits are either (1) insured by the Federal Depository Insurance Corporation or (2) collateralized by the financial institution's public entity deposit pool.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2000 and 1999 follows:

2000 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$33,674	\$47,807	\$14,133
Special Revenue	<u>121,102</u>	<u>137,826</u>	<u>16,724</u>
Total	<u><u>\$154,776</u></u>	<u><u>\$185,633</u></u>	<u><u>\$30,857</u></u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$52,395	\$35,830	\$16,565
Special Revenue	<u>135,789</u>	<u>144,966</u>	<u>(9,177)</u>
Total	<u><u>\$188,184</u></u>	<u><u>\$180,796</u></u>	<u><u>\$7,388</u></u>

1999 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$33,217	\$69,885	\$36,668
Special Revenue	<u>122,566</u>	<u>131,003</u>	<u>8,437</u>
Total	<u><u>\$155,783</u></u>	<u><u>\$200,888</u></u>	<u><u>\$45,105</u></u>

**DORSET TOWNSHIP  
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**3. BUDGETARY ACTIVITY** (continued)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$75,448	\$71,964	\$3,484
Special Revenue	154,348	97,035	57,313
Total	\$229,796	\$168,999	\$60,797

Section 5705.41(B), Revised Code, prohibits a subdivision from making an expenditure unless it has been properly appropriated. Expenditures exceeded appropriations in the Gasoline (\$16,378), Road & Bridge (\$11,349), and Permissive Motor Vehicle License (\$1,760) Funds in 2000.

Section 5705.41(D), Revised Code, provides that no subdivision shall make any contract or order any expenditure of money unless the certificate of the fiscal officer is attached. The fiscal officer must certify that the amount required to meet such a commitment has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance. The amounts so certified shall be recorded against the applicable appropriation account. The Township did not certify any of its obligations.

**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.

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 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 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 10.84% in 2000 and 13.55% in 1999 of participants' gross salaries. The Township has paid all contributions required through December 31, 2000.

**DORSET TOWNSHIP  
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**6. RISK MANAGEMENT**

The Township has obtained commercial insurance for the following risks:

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

The Township also provides health insurance and dental and vision coverage to full-time employees through a private carrier.

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

Dorset Township  
Ashtabula County  
3710 Tower Road  
Dorset, Ohio 44032

To the Board of Trustees:

We have audited the accompanying financial statements of Dorset Township, Ashtabula County, Ohio (the Township), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated October 16, 2001. 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 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 2000-411040-001 through 2000-411040-007. We also noted certain immaterial instances of noncompliance that we have reported to management of Dorset Township in a separate letter dated October 16, 2001.

**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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting, that in our judgement, could adversely affect Dorset Township's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying schedule of findings as item 2000-411040-008.

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. 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 reportable conditions and, accordingly would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However we believe the reportable condition disclosed above is not a material weakness. We also noted certain 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 October 16, 2001.

This report is intended for the information 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.

**Jim Petro**  
Auditor of State

October 16, 2001



**DORSET TOWNSHIP  
ASHTABULA COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2000 AND DECEMBER 31, 1999**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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<i><b>Finding Number</b></i>	<b>2000-411040-001*</b>
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**Ohio Administrative Code Section 117-3-01**, which was effective through December 31, 2000, provides that each township which uses a cash basis system of accounting shall employ the uniform system of accounting prescribed pursuant to rules 117-3-01 through 117-3-17 of the Ohio Administrative Code. Inclusive of these Rules are the following:

- To identify and organize the individual funds maintained by a township, a township shall employ the fund coding system prescribed in Rule 117-3-02 of the Ohio Administrative Code.
- To indicate the source of moneys contained in each individual fund, a township shall employ the source coding system prescribed in Rule 117-3-03 of the Ohio Administrative Code.
- To indicate the purpose for which an expenditure is made with moneys from an individual fund, a township shall employ the program code system prescribed in Rule 117-3-04 of the Ohio Administrative Code.

The Township's financial records were not maintained in compliance with the provisions of the Ohio Administrative Rules promulgated by the Auditor of State. The Township's funds, receipts, and disbursements were not identified and maintained in accordance with the abovementioned coding systems. Also, in obtaining evidence to support the Township's financial statements, it was noted that some receipts and disbursements were not classified in accordance with the abovementioned uniform system of accounting. These adjustments have been made to the Township records and also to the Financial Statements under audit.

<i><b>Finding Number</b></i>	<b>2000-411040-002*</b>
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**Ohio Administrative Code Section 117-3-08**, which was effective through December 31, 2000, provides that each township is to record each receipt and expenditure of township money in a cash journal. Inclusive of this Rule are the following:

- At the close of each month, all "debit" and "credit" columns shall be totaled and the totals for the month shall be entered. In addition, year-to-date totals shall be entered. The difference between the month's debits and credits shall be added to or subtracted from the previous month's balances and the new balances entered in the proper columns.
- The total of all fund balances in the cash journal must reconcile with the cash balance. The total of all fund credits must reconcile with the total cash debit and the total of all fund debits must reconcile with the cash credit.

The Township did not maintain it's cash journal as prescribed above as year-to-date totals were not included which could hamper the reconciling of fund activity with depository activity.

<b><i>Finding Number</i></b>	<b>2000-411040-003*</b>
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**Ohio Administrative Code Section 117-3-09**, which was effective through December 31, 2000, provides that each township shall maintain a receipts ledger. Inclusive of this rule are the following:

- The receipts ledger shall contain a separate sheet for each account established.
- Each township shall post to each receipt account the estimated amount of money to be received into the account as specified by the County Budget Commission in its official estimate of balances and the receipts set forth in the certificate of estimated resources. These estimated amounts shall be entered in the “balance” column under the heading “ memorandum.
- When moneys are received, the amount is posted to the proper account in the receipt ledger and shall be entered in the “credit” column and subtracted from the budget estimated amount “balance”. When properly posted this “balance” column will accurately show the amount of moneys still anticipated to be received for the calendar year.
- Appropriate columns shall be totaled and reconciled monthly and yearly.

The Township’s receipt ledger was not maintained as prescribed above as estimated amounts were not recorded and were not adjusted as receipts were posted. Also, there were some addition errors in the footing of the receipt ledger.

<b><i>Finding Number</i></b>	<b>2000-411040-004*</b>
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**Ohio Administrative Code 117-3-11**, which was effective through December 31, 2000, provides that each township maintain an appropriation ledger. Inclusive of this Rule are the following:

- The appropriation ledger shall contain a separate sheet for each account established and shall post to each appropriation account an amount equal to the amount appropriated for that account in the annual appropriation resolution.
- Each expenditure or encumbrance charged against an appropriation shall be posted and subtracted from the appropriated balance producing a declining unencumbered balance. This procedure is to be initialed by an executed purchase order. The name of the vendor or payee as it appears on the purchase order is entered in the “debt” column and also subtracted from the unencumbered balance. When the invoice is received from the vendor or payee and a warrant is written to meet the obligation, the name of the vendor or payee is again entered and the amount of the warrant is entered in the “amount of warrant” column. If the amount encumbered and the amount of the warrant are exactly the same, no other entry is made. However, if the amount entered to the “debit” column (amount encumbered) is different from the amount of the warrant, an adjustment must be made.
- Appropriate columns shall be totaled and reconciled monthly and yearly.

The Township did not maintain its appropriation ledger as prescribed above as appropriation amounts were not recorded and were not adjusted as encumbrance and warrant amounts were posted. Also, there were some addition errors in the footing of the appropriation ledger.

<b><i>Finding Number</i></b>	<b>2000-411040-005*</b>
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Sections 26 United States Code 3402 (federal) and Ohio Revised Code 5747.06 (state) provide that every employer making payment of compensation to an employee who is a taxpayer shall withhold from such compensation federal and state taxes (respectively) computed in such a manner as to result in an amount substantially equivalent to the tax reasonably estimated to be due.

The Township did not deduct federal and/or state taxes from its employees. The gross payroll for 1999 was \$24,920 and for 2000 was \$30,674, of which Medicare and PERS withholdings were the only deductions remitted to the proper agencies.

<b><i>Finding Number</i></b>	<b>2000-411040-006</b>
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Section 5705.41(B), Revised Code, prohibits a subdivision from making an expenditure unless it has been properly appropriated. Expenditures exceeded appropriations in the Gasoline (\$16,378), Road & Bridge (\$11,349), and Permissive Motor Vehicle License (\$1,760) Funds in 2000.

<b><i>Finding Number</i></b>	<b>2000-411040-007*</b>
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Section 5705.41(D), Revised Code, provides that no subdivision shall make any contract or order any expenditure of money unless the certificate of the fiscal officer is attached. The fiscal officer must certify that the amount required to meet such a commitment has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance. The amounts so certified shall be recorded against the applicable appropriation account.

This Section also provides two “exceptions” to the above requirements:

- Then and Now Certificate - 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 Township 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 such expenditure is otherwise valid.
- If the amount involved is less than one thousand dollars, the fiscal officer may authorize it to be paid without affirmation of the authority.

In all instances tested, the Township Clerk did not issue purchase orders and/or Then and Now Certificates to encumber the Township’s purchase commitments prior to purchase/receipt of goods and/or services. This condition does not provide adequate accountability over the Township’s disbursements. Expenditures may be incurred which either the Board of Trustees or management has not authorized or which the Township cannot afford. Further, without using a purchase order to authorize transactions and document the receipt of goods or services, payments may be made to vendors for goods or services never received or services never rendered. The Township’s cash fund balances could also be affected by not reporting the amount encumbered against each fund balance, and as such, not provide a true unencumbered fund balance.

We recommend that all Township employees be advised that a purchase order with the certificate of the Clerk-Treasurer be obtained prior to making an order involving the expenditure of money. Any request for payment from a vendor without such purchase order should be investigated by management before the payment is made.

<b><i>Finding Number</i></b>	<b>2000-411040-008*</b>
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Although improvement was made from the prior audit period, the conditions noted in findings 2000-411040-001 through 2000-411040-005, also represent weakness in the Township's internal control, as failure to maintain up-to-date transactions and cash balance records, inhibits the Township's ability to monitor financial activity, budgetary compliance, and report on financial activities. We recommend that the Board of Township Trustees consider implementing an electronic data processing system to maintain the Township's financial records. The Auditor of State provides townships access to the Uniform Accounting Network (UAN) System. Besides providing an electronic accounting mechanism, the UAN system provides certain administrative controls which may facilitate the Board's monitoring of the Township's financial activity. Furthermore, the UAN system may also assist the Township in complying with certain applicable provisions of the Revised and Administrative Codes.

If the Township chooses to remain on a manual system, or opts to use a computerized system, the Clerk should be monitored by the Board of Trustees to help assure that all financial information is being kept current and that the records are in accordance with the Administrative Code and the Ohio Revised Code. Monthly reviews by the Trustees, as well as initialing that said reviews were performed, will help assure that the records are being posted, reconciliations are being performed, and all pertinent financial information is being maintained by the Clerk.

\* = Repeated from prior audit.



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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**DORSET TOWNSHIP**

**ASHTABULA 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  
NOVEMBER 20, 2001**