



**WHEELING TOWNSHIP
GUERNSEY COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1998-1997



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**WHEELING TOWNSHIP
GUERNSEY COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Wheeling Township
Guernsey County
5383 Guernsey Valley Rd.
Kimbolton, Ohio 43749

To the Board of Trustees:

We have audited the accompanying financial statements of Wheeling Township, Guernsey County, Ohio (the Township), as of and for the years ended December 31, 1998 and 1997. 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 generally accepted auditing standards 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 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 of Wheeling Township, Guernsey County, as of December 31, 1998 and 1997, 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 December 5, 2000 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.

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

December 5, 2000

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**WHEELING TOWNSHIP
GUERNSEY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Local Taxes	\$23,670	\$7,596	\$	\$	\$31,266
Intergovernmental	8,478	53,797	16,322	4,742	83,339
Earnings on Investments	405	1,009			1,414
Other Revenue	6,032	643			6,675
Total Cash Receipts	<u>38,585</u>	<u>63,045</u>	<u>16,322</u>	<u>4,742</u>	<u>122,694</u>
Cash Disbursements:					
Current:					
General Government	36,764	50			36,814
Public Safety		4,227			4,227
Public Works	3,942	42,057		4,742	50,741
Debt Service:					
Redemption of Principal			9,829		9,829
Interest and Fiscal Charges			5,971		5,971
Capital Outlay		96			96
Total Cash Disbursements	<u>40,706</u>	<u>46,430</u>	<u>15,800</u>	<u>4,742</u>	<u>107,678</u>
Total Receipts Over/(Under) Disbursements	<u>(2,121)</u>	<u>16,615</u>	<u>522</u>	<u>0</u>	<u>15,016</u>
Fund Cash Balances, January 1	<u>16,214</u>	<u>48,097</u>	<u>2,327</u>	<u>0</u>	<u>66,638</u>
Fund Cash Balances, December 31	<u>\$14,093</u>	<u>\$64,712</u>	<u>\$2,849</u>	<u>\$0</u>	<u>\$81,654</u>

**WHEELING TOWNSHIP
GUERNSEY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1997**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Local Taxes	\$23,341	\$7,985	\$	\$	\$31,326
Intergovernmental	6,072	47,865	15,800	4,742	74,479
Earnings on Investments	226				226
Other Revenue	1,438	511			1,949
Total Cash Receipts	<u>31,077</u>	<u>56,361</u>	<u>15,800</u>	<u>4,742</u>	<u>107,980</u>
Cash Disbursements:					
Current:					
General Government	32,767				32,767
Public Safety		4,613			4,613
Public Works		40,584		4,742	45,326
Health		50			50
Debt Service:					
Redemption of Principal			9,081		9,081
Interest and Fiscal Charges			6,719		6,719
Total Cash Disbursements	<u>32,767</u>	<u>45,247</u>	<u>15,800</u>	<u>4,742</u>	<u>98,556</u>
Total Receipts Over/(Under) Disbursements	<u>(1,690)</u>	<u>11,114</u>	<u>0</u>	<u>0</u>	<u>9,424</u>
Other Financing Receipts/(Disbursements):					
Transfers-In		50			50
Transfers-Out	(50)				(50)
Total Other Financing Receipts/(Disbursements)	<u>(50)</u>	<u>50</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(1,740)</u>	<u>11,164</u>	<u>0</u>	<u>0</u>	<u>9,424</u>
Fund Cash Balances, January 1	<u>17,954</u>	<u>36,933</u>	<u>2,327</u>	<u>0</u>	<u>57,214</u>
Fund Cash Balances, December 31	<u>\$16,214</u>	<u>\$48,097</u>	<u>\$2,327</u>	<u>\$0</u>	<u>\$66,638</u>

**WHEELING TOWNSHIP
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1998 AND 1997**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Wheeling Township, Guernsey 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 and cemetery maintenance. The Township contracts with the Liberty Community Fire Department to provide fire services and Newcomerstown Emergency Rescue Squad, Inc., to provide ambulance 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.

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

C. 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.

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

Fire Levy Fund - This fund receives property tax money for fire and medical contracted services for the Township.

**WHEELING TOWNSHIP
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1998 AND 1997
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Debt Service Funds

The debt service fund is used to accumulate resources for the payment of a capital lease agreement. The Township had the following significant Debt Service Fund:

General Note Retirement Fund - This fund receives Gasoline Tax and Motor Vehicle License Tax money to pay for the capital lease for road equipment for the Township.

4. Capital Project 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 significant Capital Project Fund:

Issue II Fund - This fund receives State grant money for maintaining Township roads.

The Township did not use a Issue II Fund, Capital Project Fund Type for Issue II monies received from Guernsey County Engineer's office, contrary to Ohio Rev. Code Section 5705.09.

D. 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. Appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus 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 1998 and 1997 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.

**WHEELING TOWNSHIP
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1998 AND 1997
(Continued)**

2. EQUITY IN POOLED CASH

The Township maintains a cash 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>1998</u>	<u>1997</u>
Total demand deposits	<u>\$81,654</u>	<u>\$66,638</u>

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation up to \$100,000.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1998 and December 31, 1997 follows:

1998 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$29,794	\$38,585	\$8,791
Special Revenue	54,606	63,045	8,439
Debt Service	15,800	16,322	522
Capital Projects	0	4,742	4,742
Total	\$100,200	\$122,694	\$22,494

1998 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$54,185	\$40,706	\$13,479
Special Revenue	95,260	46,430	48,830
Debt Service	16,388	15,800	588
Capital Projects	0	4,742	(4,742)
Total	\$165,833	\$107,678	\$58,155

**WHEELING TOWNSHIP
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1998 AND 1997
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

1997 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$28,044	\$31,077	\$3,033
Special Revenue	52,796	56,411	3,615
Debt Service	15,800	15,800	0
Capital Projects	0	4,742	4,742
Total	\$96,640	\$108,030	\$11,390

1997 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$43,046	\$32,817	\$10,229
Special Revenue	84,936	45,247	39,689
Debt Service	15,800	15,800	0
Capital Projects	0	4,742	(4,742)
Total	\$143,782	\$98,606	\$45,176

The Township did not consistently obtain Clerk's prior certification for disbursements during 1998 and 1997, contrary to Ohio Rev. Code Section 5705.41(D). The Township made disbursements during the first month in 1998 and 1997 without passing a permanent or temporary appropriation measure, contrary to Ohio Rev. Code Section 5705.38. During 1998 and 1997, the Township did not obtain an amended certificate of estimated resources for the Issue II revenue, contrary to Ohio Rev. Code Section 5705.36. The Township made expenditures in excess of appropriations during 1998 and 1997 in the Issue II Fund, Capital Project Fund type, contrary to Ohio Rev. Code Section 5705.41 (B).

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.

**WHEELING TOWNSHIP
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1998 AND 1997
(Continued)**

5. DEBT

Debt outstanding at December 31, 1998 was as follows:

	Principal	Interest Rate
Capital Lease	\$62,700	8%
Total	\$62,700	

The capital lease is for various road equipment for the Township and is held by Banc One Leasing Corporation.

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

Year ending December 31:	Capital Lease
1999	\$15,800
2000	15,800
2001	15,800
2002	15,800
2003	15,800
Total	\$79,000

6. RETIREMENT SYSTEMS

Employees, as well as the Clerk and Trustees, 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 1998 and 1997, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 1998.

7. RISK MANAGEMENT

The Township is a member of the Ohio Government Risk Management Plan (the Plan). The Plan assumes the risk of loss up to the limits of the Township's policy minus any deductibles. The following risks are covered by the Plan:

- General liability and casualty
- Public official's liability
- Vehicle
- Property

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

Wheeling Township
Guernsey County
5383 Guernsey Valley Rd.
Kimbolton, Ohio 43749

To the Board of Trustees:

We have audited the financial statements of Wheeling Township, Guernsey County, Ohio (the Township), as of and for the years ended December 31, 1998 and 1997, and have issued our report thereon dated December 5, 2000. We conducted our audit in accordance with generally accepted auditing standards 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 item 1998-41030-001, 1998-41030-002, 1998-41030-003, 1998-41030-004, 1998-41030-005, 1998-41030-006 and 1998-41030-007. We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated December 5, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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 a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. 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 the 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 1998-41030-008.

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 do not believe the reportable condition described above is a material weakness. We also 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 December 5, 2000.

This report is intended for the information and use of the 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

December 5, 2000

**WHEELING TOWNSHIP
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 1998 AND 1997**

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

FINDING NUMBER 1998-41030-001

Finding for Recovery

Ohio Rev. Code Section 505.24 states that a Township Trustee shall be entitled to annual compensation of \$5,200 (for terms of office beginning prior to May 8, 1996) when the Township budget is between \$100,000 and \$250,000.

Calvin Lafferty was appointed on April 11, 1996 by the Guernsey County Probate Judge. For calendar year 1998, Calvin Lafferty was paid \$5,700.

Compensation paid in 1998	\$5,700
Compensation entitled to per Ohio Revised Code	<u>5,200</u>
Amount of overpayment	<u>\$ 500</u>

In accordance with Ohio Revised Code Section 117.28, a finding for recovery is hereby issued against Calvin Lafferty, Trustee for Wheeling Township, Guernsey County, and his surety the Ohio Government Risk Management Plan, jointly and severally, in the amount of five hundred dollars.

FINDING NUMBER 1998-41030-002

Noncompliance Citation

Ohio Rev. Code Section 5705.41 (D) (1) states that no orders or 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 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 encumbrances.

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

- A. Then and Now Certificate - This exception provides that, if the fiscal officer can certify that both at the time 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 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.

- B. 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.

**WHEELING TOWNSHIP
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 1998 AND 1997
(Continued)**

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

FINDING NUMBER 1998-41030-002 (Continued)

Ohio Rev. Code Section 5705.41 (D) (1) (Continued)

74% of the vouchers selected for testing in 1998 and 61% of the vouchers selected for testing in 1997 were not certified by the Clerk at the time the contract or order was made. These commitments were not subsequently resolved to be paid by the Trustees within the aforementioned 30 day time period.

We recommend, where possible, the Township Clerk certify the availability of funds prior to the cash expenditure being made. Where prior certification is not feasible, we encourage the Clerk to utilize then and now certificates or blanket certificates.

FINDING NUMBER 1998-41030-003

Noncompliance Citation

Ohio Rev. Code Section 5705.10 requires, in part, that all revenue derived from a special levy is to be credited to a special fund for the purpose for which the levy was made. Also, all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose is to be paid into a special fund for such purpose.

The Township improperly posted various revenue sources to the wrong funds during the audit period.

The Township has made the adjustments and these adjustments are reflected in the financial statements.

FINDING NUMBER 1998-41030-004

Noncompliance Citation

Ohio Rev. Code Section 5705.09 requires that each subdivision shall establish a special fund for each class of revenues derived from a source other than the general property tax, which the law requires to be used for a particular purpose.

The Township did not establish a Capital Projects fund to account for the Issue II money received by the Township from the Guernsey County Engineer in 1998 and 1997.

We recommend the Township place all Issue II receipts received from the State or Guernsey County into a separate Capital Projects Fund type and post all related expenditures to this fund. This adjustment is reflected in the financial statements.

**WHEELING TOWNSHIP
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 1998 AND 1997
(Continued)**

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

FINDING NUMBER 1998-41030-005

Noncompliance Citation

Ohio Rev. Code Section 5705.38 requires that on or about the first day of each fiscal year, an appropriation measure is to be passed. If the taxing authority wants to postpone the passage of the annual appropriation measure until an amended certificate is received from the County Budget Commission based upon the actual year end balances, it may pass a temporary appropriation measure for meeting the ordinary expenses until April 1.

The Township did not pass the annual appropriation measures until February 6, 1997, for 1997 and January 28, 1998, for 1998. The Township made expenditures before the appropriation measure was passed by the legislative authority in 1997 and 1998.

We recommend the Township pass an the annual appropriation measure when the Amended Certificate is received from the Budget Commission or pass a temporary measure in order to pay expenses until the permanent appropriation measure is passed.

FINDING NUMBER 1998-41030-006

Noncompliance Citation

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 preceding year. This section also states in part that an increased amended certificate of estimated resources must be obtained from the Budget Commission if the legislative authority intends to appropriate and expend revenue in excess of the original amendment of estimated resources.

The Township received revenues from the Guernsey County engineer in the form of Issue II monies during 1998 and 1997. The Township did not obtain an Amended Certificate for these monies in order to have the legislative authority pass an appropriation measure. Also, for 1997 and 1998, the Clerk did not certify the amounts available for expenditures with the County Auditor until January 22 of each year.

In order to increase appropriations, we recommend the Township obtain an Amended Certificate each time the Township receives revenue from a new source or the revenue amount exceeds the amount on the preceding Amended Certificate. Also, the Township should certify the Amounts Available for Expenditure as soon as possible with the County Auditor.

**WHEELING TOWNSHIP
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 1998 AND 1997
(Continued)**

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

FINDING NUMBER 1998-41030-007

Noncompliance Citation

Ohio Rev. Code Section 5705.41(B) prohibits a subdivision from making an expenditure unless it has been properly appropriated.

During 1998 and 1997, the Township made expenditures from the Issue II Fund, Capital Projects Fund type without appropriations being approved first by the legislative authority.

The Clerk should deny any payments until the legislative authority has passed the appropriations.

FINDING NUMBER 1998-41030-008

Reportable Condition - Monitoring Financial Activity

The Clerk was required to perform all accounting functions, which did not provide for an adequate segregation of duties. The Board of Trustees did not ask for, or receive, any financial reports from the Clerk. The Trustees did review the bills at each monthly meeting and make a motion to pay bills.

As a result, various posting errors occurred and monthly bank to book reconciliations went unprepared or prepared with unidentifiable reconciling items. Although these unidentifiable reconciling items were not significant, it allowed the bank to book reconciliation to be incorrect over the course of the audit. Also, the Board of Trustees were making financial decisions based on incorrect fund balance amounts.

We recommend the Board of Trustees have the Clerk prepare monthly for their review, the monthly bank reconciliation, fund status report, a budget-to-actual fund report and the monthly check register report. The Trustees should review these reports and make document in the monthly minutes their approval of these reports. In addition, the Trustees should periodically review the accounting records to ensure they are posted up to date.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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WHEELING TOWNSHIP

GUERNSEY 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
JANUARY 16, 2001**