



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

HOAGLIN TOWNSHIP
VAN WERT COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Hoaglin Township
Van Wert County
16487 Galvin Road
Van Wert, OH 45891

To the Board of Trustees:

We have audited the accompanying financial statements of Hoaglin Township (the Township), Van Wert County, 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 audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

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 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 May 3, 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, and contracts. 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.

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 3, 2002

**HOAGLIN TOWNSHIP
VAN WERT 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>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$5,597	\$34,822		\$40,419
Intergovernmental	34,724	72,949		107,673
Licenses, Permits, and Fees		1,700		1,700
Earnings on Investments	518	762		1,280
Other Revenue	1,682	550		2,232
				<hr/>
Total Cash Receipts	42,521	110,783		53,304
				<hr/>
Cash Disbursements:				
Current:				
General Government	40,890			40,890
Public Safety		18,455		18,455
Public Works	189	73,320		73,509
Health	7,681	2,556		10,237
Debt Service:				
Redemption of Principal		5,346		5,346
Interest and Fiscal Charges		623		623
Capital Outlay		15,421	49,205	64,626
				<hr/>
Total Cash Disbursements	48,760	115,721	49,205	213,686
				<hr/>
Total Receipts (Under) Disbursements	(6,239)	(4,938)	(49,205)	(60,382)
				<hr/>
Other Financing Receipts and (Disbursements):				
Proceeds from Sale of Public Debt:				
Sale of Bonds			50,000	50,000
				<hr/>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(6,239)	(4,938)	795	(10,382)
				<hr/>
Fund Cash Balances, January 1	23,937	72,841	0	96,778
				<hr/>
Fund Cash Balances, December 31	\$17,698	\$67,903	\$795	\$86,396

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

**HOAGLIN TOWNSHIP
VAN WERT COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE - NON-EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2001**

	Fiduciary Fund Type
	Nonexpendable Trust
Operating Cash Receipts:	\$0
Operating Cash Disbursements:	0
Net Receipts Over/(Under) Disbursements	0
Fund Cash Balance, January 1	500
Fund Cash Balance, December 31	\$500

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

**HOAGLIN TOWNSHIP
VAN WERT 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>	
Cash Receipts:			
Local Taxes	\$5,344	\$33,469	\$38,813
Intergovernmental	50,412	71,538	121,950
Licenses, Permits, and Fees		2,000	2,000
Earnings on Investments	470	657	1,127
Other Revenue	2,097	365	2,462
Total Cash Receipts	<u>58,323</u>	<u>108,029</u>	<u>166,352</u>
Cash Disbursements:			
Current:			
General Government	39,876		39,876
Public Safety		9,142	9,142
Public Works		68,813	68,813
Health	9,043	3,032	12,075
Total Cash Disbursements	<u>48,919</u>	<u>80,987</u>	<u>129,906</u>
Total Receipts Over Disbursements	9,404	27,042	36,446
Other Financing Receipts and (Disbursements):			
Other Sources	4		4
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	9,408	27,042	36,450
Fund Cash Balances, January 1	14,529	45,799	60,328
Fund Cash Balances, December 31	<u>\$23,937</u>	<u>\$72,841</u>	<u>\$96,778</u>
Reserve for Encumbrances, December 31	<u>\$22</u>	<u>\$12</u>	<u>\$34</u>

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

**HOAGLIN TOWNSHIP
VAN WERT COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE - NON-EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Fiduciary Fund Type
	Nonexpendable Trust
Operating Cash Receipts:	\$0
Operating Cash Disbursements:	0
Net Receipts Over/(Under) Disbursements	0
Fund Cash Balance, January 1	500
Fund Cash Balance, December 31	\$500

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

**HOAGLIN TOWNSHIP
VAN WERT COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Hoaglin Township, Van Wert 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 City of Van Wert, the Village of Grover Hill, the Village of Middle Point, and the Village of Scott to provide fire services and the Village of Grover Hill and the Village of Scott 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. 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 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.

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

HOAGLIN TOWNSHIP
VAN WERT COUNTY

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

1.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. 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:

Miscellaneous Capital Project Fund - The Township issued a \$50,000 Equipment Acquisition Bond for the purpose of purchasing a single axle dump truck chassis.

4. Fiduciary Fund (Trust Fund)

This fund is used to account for resources restricted by legally binding trust agreements. The Township had the following significant fiduciary fund:

Cemetery Bequest Fund – This is a non-expendable trust that maintained amounts donated in perpetuity.

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.

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 2001 are canceled, and reappropriated in the subsequent year. Encumbrances outstanding at year end 2000 are carried over, and need not be reappropriated. The Township did not encumber all commitments required by Ohio law.

A summary of 2001 and 2000 budgetary activity appears in Note 3.

**HOAGLIN TOWNSHIP
VAN WERT COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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:

	\$86,896	\$97,278
Demand deposits		

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, 2001 and December 31, 2000 follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$48,891	\$42,521	(\$6,370)
Special Revenue	119,790	110,783	(9,007)
Capital Projects	50,000	50,000	0
Fiduciary	0	0	0
Total	\$218,681	\$203,304	(\$15,377)

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Actual Expenditures	Variance
General	\$73,578	\$48,760	\$24,818
Special Revenue	191,248	115,721	75,527
Capital Projects	0	49,205	(49,205)
Fiduciary	0	0	0
Total	\$264,826	\$213,686	\$51,140

**HOAGLIN TOWNSHIP
VAN WERT COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$47,268	\$58,327	\$11,059
Special Revenue	108,857	108,029	(828)
Fiduciary	0	0	0
Total	\$156,125	\$166,356	\$10,231

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Actual Expenditures	Variance
General	\$61,141	\$48,941	\$12,200
Special Revenue	154,656	80,999	73,657
Fiduciary	0	0	0
Total	\$215,797	\$129,940	\$85,857

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Miscellaneous Capital Project fund by \$49,205 for the year ended December 31, 2001.

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. DEBT

Debt outstanding at December 31, 2001 was as follows:

	Principal	Interest Rate
\$50,000 Equipment Acquisition Bond	\$44,654	4.95%
Total	\$44,654	

The equipment acquisition bond was issued to finance the purchase of a new dump to be used for Township road maintenance.

**HOAGLIN TOWNSHIP
VAN WERT COUNTY**

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

5. DEBT (Continued)

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

	Equipment Acquisition Bond
Year ending December 31:	
2001	\$16,415
2002	17,908
2003	13,431
Total	\$47,754

6. RETIREMENT SYSTEMS

The Township's elected officials 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. or 2001 and 2000, PERS members contributed 8.5% of their wages. The Township contributed an amount equal to 13.55% of PERS participants' gross salaries through June 30, 2000 and for 2001. For the period commencing July 1, 2000 to December 31, 2000, PERS temporarily reduced employer contributions to 8.13%. The Township has paid all contributions required through December 31, 2001.

7. RISK MANAGEMENT

Risk Pool Membership

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty insurance 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 Insurance

OTARMA retains casualty risks up to \$250,000 per claim. 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, from the General Reinsurance Corporation.

If losses exhaust OTARMA's retained earnings, APEEP covers OTARMA losses up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

Property Insurance

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

HOAGLIN TOWNSHIP
VAN WERT COUNTY

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

7. RISK MANAGEMENT (Continued)

automobile physical damage subject to an annual stop loss. When the stop loss is reached in any year, The Travelers Indemnity Company provides coverage in excess of \$10,000.

The aforementioned casualty and property reinsurance agreements do not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

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

<u>Casualty Coverage</u>	<u>2000</u>	<u>1999</u>
Assets	\$22,684,383	\$18,172,222
Liabilities	<u>8,924,977</u>	<u>5,947,013</u>
Retained earnings	<u>\$13,759,406</u>	<u>\$12,225,209</u>
<u>Property Coverage</u>	<u>2000</u>	<u>1999</u>
Assets	\$4,156,784	\$3,544,437
Liabilities	<u>497,831</u>	<u>674,752</u>
Retained earnings	<u>\$3,658,953</u>	<u>\$2,869,685</u>



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

Hoaglin Township
Van Wert County
16487 Galvin Road
Van Wert, OH 45891

To the Board of Trustees:

We have audited the accompanying financial statements of Hoaglin Township, Van Wert County (the Township) as of and for the years ended December 31, 2001 and December 31, 2000, and have issued our report thereon dated May 3, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2001-40281-001 through 2001-40281-004. We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated May 3, 2002.

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 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 judgment, 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. The reportable condition is described in the accompanying schedule of findings as item 2001-40281-005.

Hoaglin Township
Van Wert County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

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 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 May 3, 2002

This report is intended 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, sweeping initial "J" and a long horizontal stroke extending to the right.

Jim Petro
Auditor of State

May 3, 2002

HOAGLIN TOWNSHIP
VAN WERT 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 2001-40281-001

Noncompliance Citation

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

The expenditures exceeded the appropriations in the Miscellaneous Capital Projects Fund by \$49,205 during 2001. According to the UAN system, the expenditures were within the appropriations, however the amount posted to the system did not agree to the amount approved by the Trustees and thus could not legally be considered appropriations.

The Township should make certain that only the appropriations approved by the Trustees are recorded in the UAN budgetary system. Furthermore, the Township should periodically compare budgeted amounts to actual expenditures.

FINDING NUMBER 2001-40281-002

Noncompliance Citation

Ohio Rev. Code Section 5705.41(D) states 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. Further, contracts and orders for expenditures lacking prior certificate should be considered null and void. If no certificate is issued at the time the contract or order is entered into, the fiscal officer may later certify that there were funds properly appropriated and in the treasury or in the process of collection and such funds are free from previous encumbrance both at the time the contract or order was entered into and at the time of payment. After certifying this, the fiscal officer may proceed to pay for such order or contract. If the amount involved is over \$1,000, the taxing authority must approve of such payment within 30 days of the date of the fiscal officer's certification.

Twenty percent of the number of transactions tested were not properly certified during the audit period. These transactions were in the amount of \$72,161.08 or 53.14% of the dollar amount of expenditures tested. In addition, there was no evidence of subsequent certification (then and now certification) by the fiscal officer and authorization by the board of trustees.

The Township should review Ohio Rev. Code Section 5705.41(D) and implement procedures for certification of funds. The Township should obtain the required certification prior to obligating Township funds when practicable. The exceptions should be used when prior certification is not practicable.

FINDING NUMBER 2001-40281-003

Noncompliance Citation

Ohio Rev. Code Section 505.60(B) indicates that if the board procures any insurance policies under this Section, the board shall provide uniform coverage under these policies for township officers from the funds or budgets from which the officers are compensated for services.

During 2001 and 2000, the Township Clerk's compensation was paid from the General fund but the Clerk's insurance benefits were paid by the General Fund and the Road and Bridge Fund. The following represents the insurance costs paid by the Road and Bridge Fund which require adjustment to the General Fund based upon allocation of salaries. The accompanying financial statements reflect the required adjustment and the adjustment have been posted to the records of the Township.

2000 Insurance costs	\$1,394.26
2001 Insurance costs	<u>2,398.47</u>
Grand Total	<u>\$3,792.73</u>

The Township should make certain that the insurance costs are allocated to funds proportional to compensation.

FINDING NUMBER 2001-40281-004

Noncompliance Citation

Ohio Rev. Code Section 5705.10 states 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. The Township received \$2,013.73 in Homestead and Rollback revenue of which \$1,042.09 was to be distributed to the Road and Bridge Fund and \$682.17 was to be distributed to the Fire Fund. However, the revenue was posted to the General Fund rather than distributed to both the Road and Bridge and Fire Funds.

Thus a finding for adjustment is required against the General Fund for \$1,724.26 in favor of the Road and Bridge Fund for \$1,042.09 and the Fire Fund for \$682.17. The accompanying financial statements reflect the required adjustments and the adjustment have been posted to the records of the Township.

FINDING NUMBER 2001-40281-005

Reportable Condition

Budgetary

The Township did not accurately maintain the budget information posted to the expenditure journal. The appropriations posted to the expenditure journal were greater than the appropriations from the "Township's Annual Appropriation Resolution" plus any supplemental appropriations by \$50,000 in 2001. The Trustees did not approve the aforementioned \$50,000 supplemental appropriation and thus it was not an authorized appropriation. This could increase the likelihood that management could fail to maintain an adequate control of the budget.

The appropriations on the expenditure journal should agree to the annual appropriation resolution plus any supplemental appropriations approved by the Trustees during the year. This will provide accurate budget information for the Trustees to manage the Township.



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OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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HOAGLIN TOWNSHIP

VAN WERT 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
MAY 21, 2002**