



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

LICKING TOWNSHIP
LICKING 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 Fund Types and Non-Expendable Trust Fund For the Year Ended December 31, 2001	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types and Non-Expendable Trust Fund For the Year Ended December 31, 2000	4
Notes to the Financial Statements	5
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	13
Schedule of Findings.....	15

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REPORT OF INDEPENDENT ACCOUNTANTS

Board of Trustees
Licking Township
Licking County
6737 White Chapel Road
Jacksontown, Ohio 43030

We have audited the accompanying financial statements of Licking Township (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 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 April 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 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

April 12, 2002

**LICKING TOWNSHIP
LICKING COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES AND NON-EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>			<u>Fiduciary Fund Type</u>	Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Non-Expendable Trust</u>	
Cash Receipts:					
Local Taxes	\$71,925	\$269,105	\$8,295	\$0	\$349,325
Intergovernmental	282,395	111,747	0	0	394,142
Charges for Services	0	19,250	0	0	19,250
Licenses, Permits, and Fees	7,257	1,800	0	0	9,057
Earnings on Investments	10,877	1,250	0	546	12,673
Other Receipts	9,129	5,677	0	0	14,806
	<u>381,583</u>	<u>408,829</u>	<u>8,295</u>	<u>546</u>	<u>799,253</u>
Total Cash Receipts					
	<u>381,583</u>	<u>408,829</u>	<u>8,295</u>	<u>546</u>	<u>799,253</u>
Cash Disbursements:					
Current:					
General Government	141,105	0	0	0	141,105
Public Safety	0	63,009	0	0	63,009
Public Works	0	322,270	0	0	322,270
Health	13,001	4,642	0	0	17,643
Debt Service:					
Redemption of Principal	0	101,539	7,290	0	108,829
Interest and Fiscal Charges	0	4,711	1,005	0	5,716
Capital Outlay	6,108	103,936	0	0	110,044
	<u>160,214</u>	<u>600,107</u>	<u>8,295</u>	<u>0</u>	<u>768,616</u>
Total Cash Disbursements					
	<u>160,214</u>	<u>600,107</u>	<u>8,295</u>	<u>0</u>	<u>768,616</u>
Total Receipts Over/(Under) Disbursements	<u>221,369</u>	<u>(191,278)</u>	<u>0</u>	<u>546</u>	<u>30,637</u>
Other Financing Receipts/(Disbursements):					
Transfers-In	0	11,500	0	0	11,500
Transfers-Out	(11,500)	0	0	0	(11,500)
Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements and Other Financing Uses	<u>209,869</u>	<u>(179,778)</u>	<u>0</u>	<u>546</u>	<u>30,637</u>
Fund Cash Balances, January 1, 2001	<u>273,666</u>	<u>268,922</u>	<u>13</u>	<u>11,217</u>	<u>553,818</u>
Fund Cash Balances, December 31, 2001	<u>\$483,535</u>	<u>\$89,144</u>	<u>\$13</u>	<u>\$11,763</u>	<u>\$584,455</u>
Reserve for Encumbrances, December 31, 2001	<u>\$358</u>	<u>\$573</u>	<u>\$0</u>	<u>\$0</u>	<u>\$931</u>

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

**LICKING TOWNSHIP
LICKING COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES AND NON-EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>			<u>Fiduciary Fund Type</u>	Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Non-Expendable Trust</u>	
Cash Receipts:					
Local Taxes	\$71,100	\$252,798	\$8,802	\$0	\$332,700
Intergovernmental	189,269	102,577	0	0	291,846
Charges for Services	0	6,575	0	0	6,575
Licenses, Permits, and Fees	11,022	650	0	0	11,672
Earnings on Investments	11,358	1,340	0	529	13,227
Other Receipts	5,435	10,262	0	0	15,697
Total Cash Receipts	<u>288,184</u>	<u>374,202</u>	<u>8,802</u>	<u>529</u>	<u>671,717</u>
Cash Disbursements:					
Current:					
General Government	146,607	140	0	0	146,747
Public Safety	232	66,310	0	0	66,542
Public Works	0	201,009	0	0	201,009
Health	14,913	4,200	0	0	19,113
Debt Service:					
Redemption of Principal	0	58,847	7,290	0	66,137
Interest and Fiscal Charges	0	7,102	1,499	0	8,601
Capital Outlay	28,827	5,001	0	0	33,828
Total Cash Disbursements	<u>190,579</u>	<u>342,609</u>	<u>8,789</u>	<u>0</u>	<u>541,977</u>
Total Receipts Over Disbursements	<u>97,605</u>	<u>31,593</u>	<u>13</u>	<u>529</u>	<u>129,740</u>
Fund Cash Balances, January 1, 2000	<u>176,061</u>	<u>237,329</u>	<u>0</u>	<u>10,688</u>	<u>424,078</u>
Fund Cash Balances, December 31, 2000	<u>\$273,666</u>	<u>\$268,922</u>	<u>\$13</u>	<u>\$11,217</u>	<u>\$553,818</u>
Reserve for Encumbrances, December 31, 2000	<u>\$358</u>	<u>\$573</u>	<u>\$0</u>	<u>\$0</u>	<u>\$931</u>

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

**LICKING TOWNSHIP
LICKING COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Licking Township, Licking 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'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.

Certificates of deposit are valued at cost.

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.

**LICKING TOWNSHIP
LICKING 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)

Fire Fund - This fund receives property tax money for the protection of Township persons and property.

3. Debt Service Fund

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

Note Retirement Fund – This fund is used to accumulate resources for the payment of a township building construction note.

4. Fiduciary Fund (Non-Expendable 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 Trust Fund – This fund receives interest money for maintaining cemetery plots specified by the trust benefactor.

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 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 carried over, and need not be re-appropriated. The Township did not encumber all commitments required by Ohio law.

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

**LICKING TOWNSHIP
LICKING 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 investment 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	\$574,955	\$544,318
Certificates of deposit	9,500	9,500
Total deposits	584,455	553,818

Deposits: Deposits are either insured by the Federal Depository Insurance Corporation or 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	\$236,570	\$381,583	\$145,013
Special Revenue	394,725	420,329	25,604
Debt Service	0	8,295	8,295
Total	\$631,295	\$810,207	\$178,912

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$501,846	\$172,072	\$329,774
Special Revenue	663,147	600,680	62,467
Debt Service	8,390	8,295	95
Total	\$1,173,383	\$781,047	\$392,336

**LICKING TOWNSHIP
LICKING 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	\$235,070	\$288,184	\$53,114
Special Revenue	374,310	374,202	(108)
Debt Service	0	8,802	8,802
Total	<u>\$609,380</u>	<u>\$671,188</u>	<u>\$61,808</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$404,156	\$190,937	\$213,219
Special Revenue	610,014	343,182	266,832
Debt Service	9,600	8,789	811
Total	<u>\$1,023,770</u>	<u>\$542,908</u>	<u>\$480,862</u>

Contrary to Ohio law, the appropriation authority exceeded the estimated resources in the Debt Service Fund by \$8,390 for the year ended December 31, 2001 and by \$9,600 for the year ended December 31, 2000.

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.

**LICKING TOWNSHIP
LICKING COUNTY**

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

5. DEBT

Debt outstanding at December 31, 2001 was as follows:

	Principal	Interest Rate
Equipment Storage Note	\$7,290	6.80%
New Holland Backhoe Lease	3,407	0.00%
Emergency One Pumper Lease	10,000	4.94%
Total	\$20,697	

The Equipment Storage Notes were issued to pay for the construction of the Township equipment storage building, used to house Township property and equipment.

The Township entered into a lease to obtain a backhoe for the Township needs.

In 1999, Township entered into a lease/purchase agreement with Emergency One Inc., for an emergency pumper fire truck. Per the term, of the lease, ownership of the truck will transfer to the Township after five years. However, the Township, has the option to cancel the lease. The Township has paid this lease obligation early and will assume ownership in 2002.

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

	Equipment Storage Note	New Holland Backhoe Lease	Emergency One Pumper Lease
Year ending December 31: 2002	\$7,793	\$3,407	\$10,494

6. RETIREMENT SYSTEM

The Township's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2001 and 2000, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13% effective July 1, 2000 through December 31, 2000. The Township has paid all contributions required through December 31, 2001.

**LICKING TOWNSHIP
LICKING COUNTY**

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

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 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 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:

<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>

**LICKING TOWNSHIP
LICKING COUNTY**

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

8. RELATED PARTY TRANSACTION

A Township Trustee has a nephew who owns Linn Concrete, from which the Township acquired concrete. The Township paid \$10,250 to Linn Concrete for materials during 2001 and 2000 fiscal years.

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

Board of Trustees
Licking Township
Licking County
6737 White Chapel Road
Jacksontown, Oh 43030

We have audited the accompanying financial statements of Licking Township (the Township) as of and for the years ended December 31, 2001 and December 31, 2000, and have issued our report thereon dated April 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2001-40645-001 through 2001-40645-003.

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 April 12, 2002.

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

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

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

JIM PETRO
Auditor of State

April 12, 2002

LICKING TOWNSHIP
LICKING 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 2001-40645-001

Ohio Revised Code § 5705.41(D), states no orders or contracts involving the expenditure of money is to be made unless there is attached thereto a certificate of the fiscal officer certifying 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. Every such contract made without such a certificate shall be null and void and no warrant shall be issued in payment of any amount due thereon.

This section also provides two "exceptions" to the above requirement:

1. 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 Board 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.
2. If the amount involved is less than \$1,000, the fiscal officer may authorize it to be paid without the affirmation of the Board, if such expenditure is otherwise valid.

The Clerk may use blanket certificates. For blanket certificates, one blanket certificate may be issued for each line item appropriation and must not exceed \$5,000 and should not exceed three months. For super blanket certificates, more than one certificate can be outstanding per line item appropriation, can exceed three months and can be for any amount. These blanket certificates should be canceled at the end of each fiscal year.

Thirty-nine percent of transactions tested were not certified by the fiscal officer at the time the commitment was incurred and neither of the exceptions provided for were used. To improve controls over disbursements, we recommend that all Township disbursements receive prior certification of the fiscal officer that the funds are or will be available. When prior certification is not possible, then and now certification should be utilized.

FINDING NUMBER 2001-40645-002

Ohio Rev. Code Section 5705.39 requires that total appropriations from each fund not exceed total estimated fund resources from each fund. This section also requires the Township to obtain a County Auditor's certificate that total appropriations from each fund do not exceed the total official estimate or amended official estimate when amending appropriations.

FINDING NUMBER 2001-40645-002 (Continued)

At December 31, 2001, total appropriations exceeded total estimated resources as follows:

<u>Fund</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Variance</u>
Note Retirement Fund	\$0	\$8,390	(\$8,390)

At December 31, 2000, total appropriations exceeded total estimated resources as follows:

<u>Fund</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Variance</u>
Note Retirement Fund	\$0	\$9,600	(\$9,600)

The Clerk should monitor appropriations versus estimated resources to assure appropriations are within total estimated resources. In addition, the Clerk should obtain the required certificate from the County Auditor when amending appropriations and estimated resources.

FINDING NUMBER 2001-40645-003

Ohio Rev. Code Section 5705.40 states any appropriation measure may be amended or supplemented as long as the entity complies with the same provisions of the law as are used in making the original appropriation. However, no appropriation may be reduced below an amount sufficient to cover all unliquidated and outstanding contracts or obligations against them. Transfers may be made by resolution or ordinance from one appropriation item to another. Subject to certain limitations, the annual appropriation measure may contain an appropriation for contingencies.

During 2001, the Clerk amended appropriations but the Board of Trustees did not approve the amendments. Also, the Clerk did not send the amended appropriations to the County Budget Commission for approval.

The Clerk should obtain approval from the Board of Trustees for all appropriation amendments and send the appropriation amendments to the County Budget Commission for approval.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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LICKING TOWNSHIP

LICKING 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**