



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

WARREN TOWNSHIP
WASHINGTON COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Warren Township
Washington County
Route 2, Box 163A
Marietta, Ohio 45750-9696

To the Board of Trustees:

We have audited the accompanying financial statements of Warren Township, Washington County, Ohio (the Township), as of and for the years ended December 31, 2001 and 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 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 Warren Township, Washington County, as of December 31, 2001 and 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 31, 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 audit.

This report is intended solely for the information and use of the audit committee, management, the Board of Trustees and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro".

Jim Petro
Auditor of State

May 31, 2002

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**WARREN TOWNSHIP
WASHINGTON COUNTY**

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

	Governmental Fund Types					Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Fiduciary Funds	
Cash Receipts:						
Local Taxes	\$198,348	\$407,893	\$148,886	\$	\$	\$755,127
Intergovernmental	96,083	184,920		235,236		516,239
Licenses, Permits, and Fees		6,875				6,875
Earnings on Investments	17,079	1,346			30	18,455
Other Revenue	6,253	11,595				17,848
Total Cash Receipts	317,763	612,629	148,886	235,236	30	1,314,544
Cash Disbursements:						
Current:						
General Government	214,642					214,642
Public Safety	4,367	44,524				48,891
Public Works		547,188				547,188
Health	38,746	16,429				55,175
Debt Service:						
Redemption of Principal			101,209			101,209
Interest and Fiscal Charges			18,091			18,091
Capital Outlay		233,955		343,633		577,588
Total Cash Disbursements	257,755	842,096	119,300	343,633	0	1,562,784
Total Cash Receipts Over/(Under) Cash Disbursements	60,008	(229,467)	29,586	(108,397)	30	(248,240)
Other Financing Receipts/(Disbursements):						
Advances-In	93,506	201,506	12,417			307,429
Advances-Out	(115,923)	(191,506)				(307,429)
Total Other Financing Receipts/(Disbursements)	(22,417)	10,000	12,417	0	0	0
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	37,591	(219,467)	42,003	(108,397)	30	(248,240)
Fund Cash Balances, January 1	94,236	409,780	27,044	124,789	1,101	656,950
Fund Cash Balances, December 31	\$131,827	\$190,313	\$69,047	\$16,392	\$1,131	\$408,710

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

**WARREN TOWNSHIP
WASHINGTON COUNTY**

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

	Governmental Fund Types					Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Fiduciary Funds	
Cash Receipts:						
Local Taxes	\$215,942	\$429,613	\$126,746	\$ 450,472	\$	\$772,301
Intergovernmental	47,506	185,910				683,888
Charges for Services	303					303
Licenses, Permits, and Fees		8,400				8,400
Earnings on Investments	20,974	1,030			54	22,058
Other Revenue	990	7,069				8,059
Total Cash Receipts	285,715	632,022	126,746	450,472	54	1,495,009
Cash Disbursements:						
Current:						
General Government	178,300					178,300
Public Safety	130,037	59,548				189,585
Public Works		405,650				405,650
Health	41,610	8,503				50,113
Debt Service:						
Redemption of Principal			337,173			337,173
Interest and Fiscal Charges			25,760			25,760
Capital Outlay		45,186		325,683		370,869
Total Cash Disbursements	349,947	518,887	362,933	325,683	0	1,557,450
Total Cash Receipts Over/(Under) Cash Disbursements	(64,232)	113,135	(236,187)	124,789	54	(62,441)
Other Financing Receipts/(Disbursements):						
Proceeds from Sale of Public Debt:						
Sale of Bonds			230,000			230,000
Sale of Notes	120,000					120,000
Transfers-In			24,000			24,000
Advances-In	32,000	64,000	24,000			120,000
Transfers-Out	(24,000)					(24,000)
Advances-Out	(32,000)	(64,000)	(24,000)			(120,000)
Total Other Financing Receipts/(Disbursements)	96,000	0	254,000	0	0	350,000
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	31,768	113,135	17,813	124,789	54	287,559
Fund Cash Balances, January 1	62,468	296,645	9,231	0	1,047	369,391
Fund Cash Balances, December 31	\$94,236	\$409,780	\$27,044	\$124,789	\$1,101	\$656,950
Reserve for Encumbrances, December 31	\$3,000	\$65,416	\$0	\$0	\$0	\$68,416

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

**WARREN TOWNSHIP
WASHINGTON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Warren Township, Washington 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, and fire protection 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. 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.

Special Levy Fire Fund (Operating) - This fund receives property tax money to provide fire protection for the residents of the Township.

Special Levy Fire Fund (Equipment) - This fund receives property tax money for the purchase of equipment for the fire department.

**WARREN TOWNSHIP
WASHINGTON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

3. Debt Service Funds

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

Morris Real Estate Fund – This fund receives property tax money and receives the proceeds from other governmental funds to retire the principal and interest due on bonds.

Fire Station 1 Bond Retirement Fund - This fund receives property tax money and receives the proceeds from other governmental entities to retire the principal and interest due on bonds.

Squad 3/Engine 1 Retirement Fund - This fund receives property tax money and receives the proceeds from other governmental entities to retire the principal and interest due on a lease for a fire truck and ambulance.

4. Capital Project Fund

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Township had the following significant Capital Project Fund:

Issue II Fund - The Township received a grant from the State of Ohio to do road and bridge repairs for a multi-township project. Warren Township was the lead township for the project.

5. Fiduciary Funds (Trust Funds)

These funds are used to account for resources restricted by legally binding trust agreements. The Township had the following significant Fiduciary Fund:

McNary Cemetery Bequest Fund - This fund maintains the trust corpus and receives the interest income earned. The income is to be used for perpetual care of the cemetery.

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. Unencumbered appropriations lapse at year end.

**WARREN TOWNSHIP
WASHINGTON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (Continued)

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over and need not be reappropriated.

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

E. 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.

F. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's basis of accounting.

2. EQUITY IN POOLED CASH

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

	<u>2001</u>	<u>2000</u>
Demand deposits	<u>\$408,710</u>	<u>\$656,950</u>

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation and collateralized by the financial institution's public entity deposit pool.

**WARREN TOWNSHIP
WASHINGTON COUNTY**

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2001 and 2000 follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$298,933	\$317,763	\$18,830
Special Revenue	648,626	612,629	(35,997)
Debt Service	220,459	148,886	(71,573)
Capital Projects	360,841	235,236	(125,605)
Fiduciary	65	30	(35)
Total	\$1,528,924	\$1,314,544	(\$214,380)

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$398,061	\$257,755	\$140,306
Special Revenue	1,080,889	842,096	238,793
Debt Service	164,183	119,300	44,883
Capital Projects	485,630	343,633	141,997
Fiduciary	160	0	160
Total	\$2,128,923	\$1,562,784	\$566,139

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$455,358	\$405,715	(\$49,643)
Special Revenue	667,741	632,022	(35,719)
Debt Service	105,746	380,746	275,000
Capital Projects	766,049	450,472	(315,577)
Fiduciary	56	54	(2)
Total	\$1,994,950	\$1,869,009	(\$125,941)

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$470,291	\$376,947	\$93,344
Special Revenue	912,035	584,303	327,732
Debt Service	121,370	362,933	(241,563)
Capital Projects	500,000	325,683	174,317
Fiduciary	180	0	180
Total	\$2,003,876	\$1,649,866	\$354,010

**WARREN TOWNSHIP
WASHINGTON COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Morris Real Estate Fund by \$118,065 and the Fire Station 1 Bond Retirement Fund by \$134,749 for the year ended December 31, 2000. Also, the Township did not obtain the Clerk's prior certification for some expenditures during 2000 and 2001, contrary to Ohio law.

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Township.

Tangible personal property tax is assessed by the property owners, who must file a list of such property 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:

	<u>Principal</u>	<u>Interest Rate</u>
General Obligation Bond-Real Estate	\$87,400	6.00%
General Obligation Bond-Fire Station	99,000	6.00%
Capital Lease Agreement	<u>83,660</u>	5.31%
Total	<u><u>\$270,060</u></u>	

The General Obligation Bonds were issued in 2000 to finance the purchase of real estate and for the construction and renovation of a fire station. The bond issues were for \$110,000 and \$120,000 respectively. The bonds are collateralized solely by the Township's taxing authority.

The Township entered into a capital lease agreement with Bank One Leasing Corporation in 1998 for the purchase of a new fire truck and ambulance. The lease is collateralized by the fire truck and ambulance.

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

**WARREN TOWNSHIP
WASHINGTON COUNTY**

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

5. DEBT (Continued)

	GO Bond-Real Estate	GO Bond-Fire Station	Capital Lease
Year ending December 31:			
2002	\$34,283	\$45,605	\$88,139
2003	16,050	15,274	
2004	15,994	15,266	
2005	15,896	15,216	
2006	15,856	15,224	
2007	2,968	6,784	
Total	\$101,047	\$113,369	\$88,139

6. RETIREMENT SYSTEMS

The Township's officials and 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.

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 coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Coverage

OTARMA retains casualty risks up to \$250,000 per occurrence. Claims exceeding \$250,000 are reinsured with APEEP up to \$1,750,000 per claim and \$5,000,000 in the aggregate per year. Governments can elect additional coverage, from \$2,000,000 to \$10,000,000, which the General Reinsurance Corporation will reinsure.

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.

**WARREN TOWNSHIP
WASHINGTON COUNTY**

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

7. RISK MANAGEMENT (Continued)

Property Coverage

OTARMA retains property risks including automobile physical damage up to \$100,000 on any specific loss. The Travelers Indemnity Company reinsures specific losses exceeding \$100,000. The Travelers Indemnity Company also provides aggregate excess coverage for property including automobile physical damage subject to an annual stop loss. When the stop loss is reached in any year, The Travelers Indemnity Company provides coverage in excess of \$10,000.

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

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and report the following assets, liabilities and retained earnings at December 31, 2001 and 2000 (the latest years available):

<u>Casualty Coverage</u>	<u>2001</u>	<u>2000</u>
Assets	\$23,703,776	\$22,684,383
Liabilities	<u>9,379,003</u>	<u>8,924,977</u>
Retained earnings	<u>\$14,324,773</u>	<u>\$13,759,406</u>

<u>Property Coverage</u>	<u>2001</u>	<u>2000</u>
Assets	\$5,011,131	\$4,156,784
Liabilities	<u>647,667</u>	<u>497,831</u>
Retained earnings	<u>\$4,363,464</u>	<u>\$3,658,953</u>

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**STATE OF OHIO
OFFICE OF THE AUDITOR**

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

Warren Township
Washington County
Route 2, Box 163A
Marietta, Ohio 45750-9696

To the Board of Trustees:

We have audited the accompanying financial statements of Warren Township, Washington County, Ohio (the Township), as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated May 31, 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, 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 items 2001-41084-001 through 2001-41084-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated May 31, 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. 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 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 31, 2002.

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

This report is intended for the information and use of the audit committee, 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 fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

May 31, 2002

**WARREN TOWNSHIP
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2001 AND 2000**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2001-41084-001

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 the certification is being completed, 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 \$1,000 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.

Twenty-eight percent of the transactions tested did not include prior certification of the Clerk. In addition, there was no evidence of a "Then and Now" certificate being used by the Clerk.

We recommend the Township obtain the Clerk's prior certification for all disbursements. In cases where prior certification is not practicable, the use of a "then and now" certificate should be considered.

FINDING NUMBER 2001-41084-002

Noncompliance Citation

Ohio Rev. Code Section 5705.41(B) states that no subdivision or taxing authority may expend money unless it has been appropriated.

The following funds had expenditures which exceeded approved appropriations during 2000:

Fund	Approved Appropriations	Expenditures	Variance
Morris Real Estate	\$21,981	\$140,046	(\$118,065)
Fire Station 1 Bond Retirement	0	134,749	(134,749)

**WARREN TOWNSHIP
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2001 AND 2000
(Continued)**

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

FINDING NUMBER 2001-41084-002 (Continued)

We recommend the Board of Trustees and Clerk compare expenditures to appropriations on a monthly basis. If appropriations in addition to those already adopted will be needed, then the Board should take the necessary steps to adopt additional appropriations, if possible, to prevent expenditures from exceeding appropriations. The appropriate procedure to adopt additional appropriations is to get Board approval and then County Budget Commissions approval by receiving a certificate that appropriations do not exceed the estimated resources. The Clerk and Trustees should not make any expenditure until appropriations are available.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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WARREN TOWNSHIP

WASHINGTON COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 11, 2002**