



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

WASHINGTON TOWNSHIP
SCIOTO COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Washington Township
Scioto County
520 Calverts Lane
Portsmouth, Ohio 45663

To the Board of Trustees:

We have audited the accompanying financial statements of Washington Township, Scioto 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 of Washington Township, Scioto 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 March 29, 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 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". The signature is stylized with a large, looping initial "J" and a cursive "Petro".

Jim Petro
Auditor of State

March 29, 2002

**WASHINGTON TOWNSHIP
SCIOTO 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>Debt Service</u> | |
| Cash Receipts: | | | | |
| Local Taxes | \$36,463 | \$317,841 | \$46,956 | \$401,260 |
| Intergovernmental | 35,502 | 170,633 | | 206,135 |
| Licenses, Permits, and Fees | 33,907 | | | 33,907 |
| Earnings on Investments | 13,499 | 1,980 | | 15,479 |
| Other Revenue | 964 | 17,078 | | 18,042 |
| | <u>120,335</u> | <u>507,532</u> | <u>46,956</u> | <u>674,823</u> |
| Total Cash Receipts | | | | |
| Cash Disbursements: | | | | |
| Current: | | | | |
| General Government | 90,531 | 35,947 | | 126,478 |
| Public Safety | | 175,321 | | 175,321 |
| Public Works | 6,000 | 373,512 | | 379,512 |
| Health | 19,081 | | | 19,081 |
| Debt Service: | | | | |
| Redemption of Principal | | | 37,850 | 37,850 |
| Interest and Fiscal Charges | | | 3,602 | 3,602 |
| Capital Outlay | 99,000 | | | 99,000 |
| | <u>214,612</u> | <u>584,780</u> | <u>41,452</u> | <u>840,844</u> |
| Total Cash Disbursements | | | | |
| Total Cash Receipts Over/(Under) Cash Disbursements | <u>(94,277)</u> | <u>(77,248)</u> | <u>5,504</u> | <u>(166,021)</u> |
| Other Financing Receipts/(Disbursements): | | | | |
| Proceeds from Sale of Public Debt: | | | | |
| Sale of Notes | 70,000 | | | 70,000 |
| | <u>70,000</u> | | | <u>70,000</u> |
| Total Other Financing Receipts/(Disbursements) | <u>70,000</u> | <u>0</u> | <u>0</u> | <u>70,000</u> |
| Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements | <u>(24,277)</u> | <u>(77,248)</u> | <u>5,504</u> | <u>(96,021)</u> |
| Fund Cash Balances, January 1 | <u>90,757</u> | <u>491,808</u> | <u>2</u> | <u>582,567</u> |
| Fund Cash Balances, December 31 | <u><u>\$66,480</u></u> | <u><u>\$414,560</u></u> | <u><u>\$5,506</u></u> | <u><u>\$486,546</u></u> |

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

**WASHINGTON TOWNSHIP
SCIOTO 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> | | | Totals (Memorandum Only) |
|---|--------------------------------|----------------------------|-------------------------|---|
| | <u>General</u> | <u>Special Revenue</u> | <u>Debt Service</u> | |
| Cash Receipts: | | | | |
| Local Taxes | \$42,234 | \$341,622 | \$21,016 | \$404,872 |
| Intergovernmental | 33,434 | 184,456 | | 217,890 |
| Licenses, Permits, and Fees | 36,317 | | | 36,317 |
| Earnings on Investments | 13,123 | 2,904 | | 16,027 |
| Other Revenue | 224 | 2,894 | | 3,118 |
| | <u>125,332</u> | <u>531,876</u> | <u>21,016</u> | <u>678,224</u> |
| Total Cash Receipts | | | | |
| | <u>125,332</u> | <u>531,876</u> | <u>21,016</u> | <u>678,224</u> |
| Cash Disbursements: | | | | |
| Current: | | | | |
| General Government | 97,374 | 43,348 | | 140,722 |
| Public Safety | | 325,743 | | 325,743 |
| Public Works | 74,080 | 230,519 | | 304,599 |
| Health | 18,037 | | | 18,037 |
| Debt Service: | | | | |
| Redemption of Principal | | | 17,727 | 17,727 |
| Interest and Fiscal Charges | | | 3,287 | 3,287 |
| Capital Outlay | 491 | | | 491 |
| | <u>189,982</u> | <u>599,610</u> | <u>21,014</u> | <u>810,606</u> |
| Total Cash Disbursements | | | | |
| | <u>189,982</u> | <u>599,610</u> | <u>21,014</u> | <u>810,606</u> |
| Total Cash Receipts Over/(Under) Cash Disbursements | <u>(64,650)</u> | <u>(67,734)</u> | <u>2</u> | <u>(132,382)</u> |
| Other Financing Receipts/(Disbursements): | | | | |
| Proceeds from Sale of Public Debt: | | | | |
| Sale of Notes | | 114,283 | | 114,283 |
| | <u>0</u> | <u>114,283</u> | <u>0</u> | <u>114,283</u> |
| Total Other Financing Receipts/(Disbursements) | | | | |
| | <u>0</u> | <u>114,283</u> | <u>0</u> | <u>114,283</u> |
| Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements | <u>(64,650)</u> | <u>46,549</u> | <u>2</u> | <u>(18,099)</u> |
| Fund Cash Balances, January 1 | <u>155,407</u> | <u>445,259</u> | <u>0</u> | <u>600,666</u> |
| Fund Cash Balances, December 31 | <u>\$90,757</u> | <u>\$491,808</u> | <u>\$2</u> | <u>\$582,567</u> |

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

**WASHINGTON TOWNSHIP
SCIOTO COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Washington Township, Scioto 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 and a publicly elected Clerk. The Township provides general governmental services, including road and bridge maintenance (public works), emergency management services (health), and fire protection (public safety).

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 included in fund cash balances. 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.

Certificate of deposit is 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 money to pay for constructing, maintaining and repairing Township roads.

**WASHINGTON TOWNSHIP
SCIOTO 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)

Special Levy Fire Fund - This fund receives special levy funds for the purpose of providing fire protection.

Special Levy Road Fund - This fund receives special levy funds for the purpose of providing additional construction and repair of roads and bridges.

3. Debt Service Fund

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

General Note Retirement Fund - This fund receives Real Estate tax money to pay principal and interest on outstanding note debt.

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. Appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash balances 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.

A summary of 2001 and 2000 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.

**WASHINGTON TOWNSHIP
SCIOTO COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. 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 AND INVESTMENTS

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>2001</u> | <u>2000</u> |
|-------------------------|------------------|------------------|
| Demand deposits | \$481,546 | \$577,567 |
| Certificates of deposit | <u>5,000</u> | <u>5,000</u> |
| Total deposits | <u>\$486,546</u> | <u>\$582,567</u> |

Deposits: Deposits are either (1) insured by the Federal Deposit 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 2000 was as follows:

| 2001 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|--------------------|------------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$190,335 | \$190,335 | \$0 |
| Special Revenue | 507,532 | 507,532 | 0 |
| Debt Service | <u>46,956</u> | <u>46,956</u> | <u>0</u> |
| Total | <u>\$744,823</u> | <u>\$744,823</u> | <u>\$0</u> |

| 2001 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|------------------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$281,093 | \$214,612 | \$66,481 |
| Special Revenue | 999,340 | 584,780 | 414,560 |
| Debt Service | <u>46,957</u> | <u>41,452</u> | <u>5,505</u> |
| Total | <u>\$1,327,390</u> | <u>\$840,844</u> | <u>\$486,546</u> |

**WASHINGTON TOWNSHIP
SCIOTO 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 | \$125,332 | \$125,332 | \$0 |
| Special Revenue | 646,159 | 646,159 | 0 |
| Debt Service | 21,016 | 21,016 | 0 |
| Total | \$792,507 | \$792,507 | \$0 |

| 2000 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|-----------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$280,739 | \$189,982 | \$90,757 |
| Special Revenue | 1,340,383 | 599,610 | 740,773 |
| Debt Service | 21,016 | 21,014 | 2 |
| Total | \$1,642,138 | \$810,606 | \$831,532 |

Contrary to Ohio law, certain liabilities, contracts, and open purchase commitments were not certified by the Clerk prior to the obligation. In addition, total appropriations from certain funds exceeded the total estimated revenue, 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.

**WASHINGTON TOWNSHIP
SCIOTO 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 |
|--------------------------|-----------|------------------|
| Fire Truck Loan | \$58,705 | 5.69% |
| Building Demolition Loan | \$70,000 | 5.57% |
| Total | \$128,705 | |

The fire truck loan was issued to finance the purchase of a new fire truck to be used for Township fire protection. The note is collateralized by the fire truck. The building demolition loan was issued to finance the demolition of an old high school on Township property. The loan is collateralized by the value of the land.

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

| Year ending December 31: | Fire Truck Loan | Building Demolition Loan |
|-----------------------------|--------------------|--------------------------------|
| 2002 | \$41,452 | \$11,002 |
| 2003 | 20,726 | 11,002 |
| 2004 | 0 | 11,002 |
| 2005 | 0 | 11,002 |
| 2006 | 0 | 11,002 |
| 2007-2009 | 0 | 33,007 |
| Total | \$62,178 | \$88,017 |

6. RETIREMENT SYSTEMS

The Township's elected 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.

**WASHINGTON TOWNSHIP
SCIOTO COUNTY**

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

7. RISK MANAGEMENT POOL

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, 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.

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, 2000 and 1999 (the latest years 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> |



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**

Washington Township
Scioto County
520 Calverts Lane
Portsmouth, Ohio 45663

To the Board of Trustees:

We have audited the accompanying financial statements of Washington Township, Scioto County, Ohio (the Township), as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated March 29, 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 2001-40773-001 and 2001-40773-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated March 29, 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 one other 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 March 29, 2002.

Washington Township
Scioto 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 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, looping initial "J" and a long horizontal stroke extending to the right.

Jim Petro
Auditor of State

March 29, 2002

**WASHINGTON TOWNSHIP
SCIOTO 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 2001-40773-001

Noncompliance Citation

Ohio Rev. Code § 5705.41(D) states that no subdivision or taxing unit shall make any contract or order any expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the same has been lawfully appropriated for such purpose 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 requirements:

1. Then and Now Certificate - This exception provides that, if the fiscal officer can certify that both at the time that 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 previous 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.
2. If the amount involved is less than one thousand dollars, the fiscal officer may authorize it to be paid without the affirmation of the Board of Trustees.

Certain liabilities, contracts, and open purchase commitments were not certified by the Township Clerk prior to the obligation. There was no documentation that a "Then and Now" Certificate was used and subsequently approved by the Board of Trustees within the aforementioned 30-day time period. In 2000, forty-seven percent of expenditure transactions tested were not properly certified. In 2001, thirty-three percent of expenditure transactions tested were not properly certified.

We recommend the Township Clerk certify the availability of funds prior to making purchase commitments. Where prior certification is not practicable, we encourage the Township Clerk to utilize "Then and Now" certificates or blanket certificates.

**WASHINGTON TOWNSHIP
SCIOTO COUNTY**

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

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

FINDING NUMBER 2001-40773-002

Noncompliance Citation

Ohio Rev. Code Section 5705.39 states that total appropriations from each fund should not exceed the total estimated resources.

At January 1, 2000, appropriations exceeded estimated resources in the General Fund by \$14,778 (5.6%), the Motor Vehicle License Tax Fund by \$15,806 (29.5%), the Gasoline Tax Fund by \$29,772 (16.4%), the Road & Bridge Fund by \$7,738 (2.8%), the Fire Fund by \$141,391 (95.9%), the Ambulance Fund by \$19,472 (17.4%), the Road Fund by \$7,968 (3.5%), the Police Fund by \$2,452 (7%), the State Grant Fund by \$8,000 (100%), and the Misc. Special Revenue Fund by \$14,165 (22.8%).

At December 31, 2000, appropriations exceeded estimated resources in the Motor Vehicle License Tax Fund by \$31,611 (83.7%), the Gasoline Tax Fund by \$59,545 (39.1%), the Road & Bridge Fund by \$15,477 (5.9%), the Fire Fund by \$54,216 (23.1%), the Ambulance Fund by \$38,944.78 (42%), the Road Fund by \$15,937 (7.3%), the Police Fund by \$4,905 (14.9%), and the Misc. Special Revenue Fund by \$28,329 (58.9%).

At January 1, 2001, appropriations exceeded estimated resources in the General Fund by \$92,810 (49.3%).

We recommend that the Township Clerk and Board of Trustees monitor the budgetary amounts through monthly reports showing budgetary amounts and actual amounts to prevent such violations from occurring. We further recommend that appropriations not exceed estimated revenue.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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WASHINGTON TOWNSHIP

SCIOTO 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
JUNE 6, 2002**