



**Auditor of State
Betty Montgomery**

**LEXINGTON TOWNSHIP
STARK COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
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, 2002.....	3
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.....	4
Notes to the Financial Statements.....	5
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	11
Schedule of Findings.....	13

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Lexington Township
Stark County
14555 Gaskill Drive, NE
Alliance, Ohio 44601

To the Board of Trustees:

We have audited the accompanying financial statements of Lexington Township, Stark County, Ohio, (the Township) as of and for the years ended December 31, 2002 and 2001. 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 the Township as of December 31, 2002 and 2001, 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 June 23, 2003 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.

Lexington Township
Stark County
Independent Accountants' Report
Page 2

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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

June 23, 2003

LEXINGTON TOWNSHIP
STARK 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, 2002**

	Governmental Fund Types				Fiduciary Funds	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects		
Cash Receipts:						
Local Taxes	\$8,076	\$764,736	\$6,625			\$779,437
Intergovernmental	118,042	159,582				277,624
Charges for Services		500				500
Licenses, Permits, and Fees	28,075					28,075
Fines, Forfeitures, and Penalties	15,961					15,961
Earnings on Investments	4,141	242				4,383
Other Revenue	6,810	9,221			\$7,866	23,897
Total Cash Receipts	181,105	934,281	6,625		7,866	1,129,877
Cash Disbursements:						
Current:						
General Government	142,928					142,928
Public Safety	14,769	349,982				364,751
Public Works		362,720				362,720
Health	6,600					6,600
Capital Outlay	31,823	146,086			7,866	185,775
Total Cash Disbursements	196,120	858,788			7,866	1,062,774
Total Receipts Over/(Under) Disbursements	(15,015)	75,493	6,625			67,103
Other Financing Receipts and (Disbursements):						
Sale of Notes		25,000				25,000
Transfers-In				\$50,000		50,000
Transfers-Out		(50,000)				(50,000)
Total Other Financing Receipts/(Disbursements)		(25,000)		50,000		25,000
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(15,015)	50,493	6,625	50,000		92,103
Fund Cash Balances, January 1	168,120	251,169			98,000	517,289
Fund Cash Balances, December 31	\$153,105	\$301,662	\$6,625	\$50,000	\$98,000	\$609,392
Reserve for Encumbrances, December 31	\$289	\$10,338	\$0	\$0	\$0	\$10,627

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

**LEXINGTON TOWNSHIP
STARK 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**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Fiduciary Funds</u>	
Cash Receipts:					
Local Taxes	\$8,610	\$680,445			\$689,055
Intergovernmental	261,453	144,256			405,709
Charges for Services		500			500
Licenses, Permits, and Fees	24,596				24,596
Fines, Forfeitures, and Penalties	11,304				11,304
Earnings on Investments	6,899	675			7,574
Other Revenue	13,922	4,308		\$95,000	113,230
	<u>326,784</u>	<u>830,184</u>		<u>95,000</u>	<u>1,251,968</u>
Total Cash Receipts					
Cash Disbursements:					
Current:					
General Government	149,260				149,260
Public Safety	6,124	307,202			313,326
Public Works		353,415			353,415
Health	6,653				6,653
Capital Outlay	62,865	183,263			246,128
	<u>224,902</u>	<u>843,880</u>			<u>1,068,782</u>
Total Cash Disbursements					
Total Receipts Over/(Under) Disbursements	<u>101,882</u>	<u>(13,696)</u>		<u>95,000</u>	<u>183,186</u>
Other Financing Receipts and (Disbursements):					
Sale of Fixed Assets		12,980			12,980
Transfers-In		6,544			6,544
Transfers-Out			(\$6,544)		(6,544)
		<u>19,524</u>	<u>(6,544)</u>		<u>12,980</u>
Total Other Financing Receipts/(Disbursements)					
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	101,882	5,828	(6,544)	95,000	196,166
Fund Cash Balances, January 1	<u>66,238</u>	<u>245,341</u>	<u>6,544</u>	<u>3,000</u>	<u>321,123</u>
Fund Cash Balances, December 31	<u>\$168,120</u>	<u>\$251,169</u>	<u>\$0</u>	<u>\$98,000</u>	<u>\$517,289</u>
Reserve for Encumbrances, December 31	<u>\$1,320</u>	<u>\$6,311</u>	<u>\$0</u>	<u>\$0</u>	<u>\$7,631</u>

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

**LEXINGTON TOWNSHIP
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Lexington Township, Stark County, Ohio, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides general governmental services, including maintenance and repair of roads and fire protection. The Township contracts with the Stark County Sheriff's Department to provide security of persons and property.

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 the 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.

The Township maintained repurchase agreements during the audit period and received interest from an interest bearing checking account. The repurchase agreement is recorded at the bank balance reported on December 31, 2002.

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 taxes from the County Auditor for maintaining and repairing Township roads and bridges.

**LEXINGTON TOWNSHIP
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

Police District Fund - This fund receives funds from a tax levy that was approved by Township residents for contracted police protection.

Fire District Fund - This fund receives funds from a tax levy that was approved by Township residents for contracted fire protection.

3. Debt Service Fund

The debt service fund is used to accumulate resources for the payment of bonds and note indebtedness. The Township had a General Note Retirement Fund which is used to pay debt incurred to purchase land for the road department.

4. Fiduciary Fund (Agency Fund)

Funds for which the Township is acting in an agency capacity are classified as agency funds. The Township has a Fire Demolition Fund, which was established to account for the receipt and disbursement of fire damage bonds.

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 are carried over, and need not be reappropriated. The Township did not encumber all commitments required by Ohio Rev. Code Section 5705.41(D).

A summary of 2002 and 2001 budgetary activity appears in Note 3.

**LEXINGTON TOWNSHIP
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(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.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Un-paid 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 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:

	2002	2001
Demand deposits	\$32,392	\$34,289
Repurchase agreement	577,000	483,000
Total deposits and investments	\$609,392	\$517,289

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

Investments: The Township's financial institution transfers securities to the Township's agent to collateralize repurchase agreements. The securities are not in the Township's name.

Contrary to Ohio Rev. Code Section 135.14, the Township did not establish and file an investment policy with the Auditor of State.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2002 and 2001 follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$131,986	\$181,105	\$49,119
Special Revenue	926,059	959,281	33,222
Debt Service	6,625	6,625	0
Capital Projects	0	50,000	50,000
Agency	0	7,866	7,866
Total	\$1,064,670	\$1,204,877	\$140,207

**LEXINGTON TOWNSHIP
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2002 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$298,520	\$196,409	\$102,111
Special Revenue	1,171,711	919,126	252,585
Debt Service	6,625	0	6,625
Capital Projects	0	0	0
Agency	98,000	7,866	90,134
Total	<u>\$1,574,856</u>	<u>\$1,123,401</u>	<u>\$451,455</u>

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$299,992	\$326,784	\$26,792
Special Revenue	788,730	849,708	60,978
Debt Service	0	0	0
Agency	3,000	95,000	92,000
Total	<u>\$1,091,722</u>	<u>\$1,271,492</u>	<u>\$179,770</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$366,230	\$226,222	\$140,008
Special Revenue	1,040,615	850,191	190,424
Debt Service	6,544	6,544	0
Agency	3,000	0	3,000
Total	<u>\$1,416,389</u>	<u>\$1,082,957</u>	<u>\$333,432</u>

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.

**LEXINGTON TOWNSHIP
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

5. DEBT

Debt outstanding at December 31, 2002 was as follows:

	Principal	Interest Rate
General Obligation Notes	\$25,000	6.50%

The general obligation notes were issued to finance the purchase of a additional land for Township road maintenance department.

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

	General Obligation Notes
Year ending December 31:	
2003	\$6,625
2004	6,300
2005	5,975
2006	5,650
2007	5,325
Total	\$29,875

6. RETIREMENT SYSTEMS

The Township's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS are cost-sharing, multiple-employer plans. 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 2002 and 2001, OPERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 2002.

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 claim, including loss adjustment expenses. 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.

**LEXINGTON TOWNSHIP
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

7. RISK MANAGEMENT (Continued)

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 Coverage

OTARMA retains property risks, including automobile physical damage, up to \$100,000 on any specific loss with an annual aggregate of \$700,000 for 2001 and \$1,250,000 for 2002. The Travelers Indemnity Company reinsures losses exceeding \$10,000 if the annual aggregate is reached and all specific losses exceeding \$100,000. APEEP's Operating Fund and Guarantee Fund pay for losses and loss adjustment expenses should they exceed operating contributions.

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>2002</u>	<u>2001</u>
Assets	\$23,757,036	\$23,703,776
Liabilities	<u>(9,197,512)</u>	<u>(9,379,003)</u>
Retained earnings	<u>\$14,559,524</u>	<u>\$14,324,773</u>
<u>Property Coverage</u>	<u>2002</u>	<u>2001</u>
Assets	\$6,596,996	\$5,011,131
Liabilities	<u>(1,204,326)</u>	<u>(647,667)</u>
Retained earnings	<u>\$5,392,670</u>	<u>\$4,363,464</u>

8. JOINTLY GOVERNED ORGANIZATION

The Township participates in the Stark Council of Governments (the "Council"), which is a statutorily created political subdivision of the State. The Council is jointly governed among Stark County, municipalities and township which consists of 38 members.

The Township appoints a representative and has a membership share based on the percentage of contractual financial contributions to the total funding. Each participant is entitled to vote its percentage share. The board exercises total authority over the operation of the Council including budgeting, appropriating, contracting and designating management. Continued existence of the Council is not dependent on the Township's continued participation. The Council does not provide specific financial benefits or impose specific financial burdens on the Township. The Township did not make any contributions during the year and does not have an equity interest in the Council. Financial statements of the Council can be obtained from the Stark Council of Governments, Canton, Ohio.



**Auditor of State
Betty Montgomery**

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

Lexington Township
Stark County
14555 Gaskill Drive N.E.
Alliance, Ohio 44601

To the Board of Trustees:

We have audited the accompanying financial statements of Lexington Township, Stark County, Ohio, (the Township) as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated June 23, 2003. 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 2002-001 and 2002-002.

We also noted an immaterial instance of noncompliance that we have reported to management of the Township in a separate letter dated June 23, 2003.

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 June 23, 2003.

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Lexington Township
Stark County
Independent Accountants' Report 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

June 23, 2003

**LEXINGTON TOWNSHIP
STARK COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2002 AND 2001**

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

Finding Number	2002-001
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Ohio Rev. Code Section 135.14 requires a subdivision have a written investment policy approved by the Treasurer and governing body and filed with the Auditor of State prior to making any investments. If a written investment policy is not filed with the Auditor of State, the treasurer or governing board is permitted to invest only in interim deposits, STAR Ohio or no-load money market mutual funds. A subdivision whose average annual portfolio of investments is \$100,000 or less is not required to file an investment policy, provided the treasurer or governing board certifies to the Auditor of State that the treasurer or governing board will comply and is in compliance with the provisions of Ohio Rev. Code Sections 135.01 to 135.21.

Although an investment policy exemption was filed with the Auditor of State in September 1996, stating the Township would comply and is in compliance with the provisions of Ohio Rev. Code Sections 135.01 to 135.21, the Township subsequently modified its average annual portfolio of investments greater than \$100,000. At December 31, 2002 and 2001, the Township invested \$577,000 and \$483,000, respectively in overnight repurchase agreements without a written investment policy approved by the Clerk and Board of Trustees as required by this Section. Investments in repurchase agreements also existed throughout both years. Unless one of the exceptions noted above is met, the Clerk and Board of Trustees should approve a written investment policy and it should be filed with the Auditor of State. The Township should also receive acknowledgement that its financial institutions have read the investment policy, as further required by Ohio Rev. Code Chapter 135.

The Township is in the process of filing the written investment policy.

Finding Number	2002-002
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Ohio Rev. Code Section 5705.41(D) states in part, 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 certificate shall be null and void and no warrant shall be issued in payment of any amount due thereon.

This section also provides for two "exceptions" to the above requirements:

- a) Then and Now Certificates - If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that both at the time that the contract or order was made and at the time of the certification, sufficient funds were available or in the process of collection, to the credit of a proper fund, properly 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.
- b) If the amount involved is less than \$1,000 (which was increased to \$3,000 as of April 7, 2003), the Clerk may authorize it to be paid without the affirmation of the Board upon completion of the "Then and Now" Certificate, provided that the expenditure is otherwise lawful.

**Noncompliance Citations
(Continued)**

Finding Number	2002-002 (Continued)
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During 2002 and 2001, 25% and 18% of the expenditures tested, respectively, were not certified by the Clerk prior to incurring the obligation. It was also found that neither of the two exceptions above were utilized for the items found to be in non-compliance. As a result of the above, the Township could inadvertently over expend certain appropriations. The Township should certify the availability of funds prior to incurring the obligation for expenditures. The Township should implement the use of so-called "Then and Now" Certificates and Blanket Certificates as further permitted by Ohio Rev. Code Section 5705.41.



**Auditor of State
Betty Montgomery**

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LEXINGTON TOWNSHIP

STARK 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
SEPTEMBER 23, 2003**