



**Auditor of State
Betty Montgomery**

**SALT CREEK TOWNSHIP
WAYNE COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Salt Creek Township
Wayne County
P.O. Box 179
Fredericksburg, Ohio 44627

To the Board of Trustees:

We have audited the accompanying financial statements of Salt Creek Township, Wayne 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.

As discussed in Note 8, the Township has been referred to the Local Government Services Division of the Auditor of State's Office to be evaluated for fiscal watch/emergency status.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 4, 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.

This report is intended solely for the information and use of management and 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

August 4, 2003

**SALT CREEK TOWNSHIP
WAYNE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$13,048	\$175,016	\$188,064
Intergovernmental	56,973	91,186	148,159
Earnings on Investments	501	275	776
Other Revenue	358		358
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	70,880	266,477	337,357
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Current:			
General Government	58,601		58,601
Public Safety	5,525		5,525
Public Works		270,173	270,173
Health	7,612		7,612
Conservation - Recreation	3,500		3,500
Capital Outlay		7,760	7,760
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	75,238	277,933	353,171
	<hr/>	<hr/>	<hr/>
Total Receipts (Under) Disbursements	(4,358)	(11,456)	(15,814)
	<hr/>	<hr/>	<hr/>
Other Financing Receipts:			
Sale of Fixed Assets	8,453		8,453
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	(7,469)	82,107	74,638
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>(\$3,374)</u>	<u>\$70,651</u>	<u>\$67,277</u>
	<hr/>	<hr/>	<hr/>
Reserve for Encumbrances, December 31	<u>\$0</u>	<u>\$190</u>	<u>\$190</u>

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

**SALT CREEK TOWNSHIP
WAYNE 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>	
Cash Receipts:			
Local Taxes	\$12,479	\$170,481	\$182,960
Intergovernmental	40,465	82,545	123,010
Earnings on Investments	1,344	879	2,223
Other Revenue	4,165		4,165
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	58,453	253,905	312,358
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Current:			
General Government	52,985		52,985
Public Safety	15,525		15,525
Public Works		289,759	289,759
Health	7,493		7,493
Conservation - Recreation	3,500		3,500
Capital Outlay		8,929	8,929
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	79,503	298,688	378,191
	<hr/>	<hr/>	<hr/>
Total Receipts (Under) Disbursements	(21,050)	(44,783)	(65,833)
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	13,581	126,890	140,471
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>(\$7,469)</u>	<u>\$82,107</u>	<u>\$74,638</u>

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

**SALT CREEK TOWNSHIP
WAYNE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Salt Creek Township, Wayne 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 general governmental services. The Township contracts with the Village of Fredericksburg to provide fire and emergency protection services to designated residents of the Township.

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

The Township maintains all cash in a checking account.

D. Fund Accounting

The Township uses fund accounting to segregate cash 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:

Gasoline Tax Fund - This fund receives gasoline taxes from the county auditor for maintaining and repairing Township roads.

Road and Bridge Fund - This fund receives property taxes from the county auditor for maintaining and repairing Township roads and bridges.

**SALT CREEK TOWNSHIP
WAYNE 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)

Road District Fund - This fund receives property taxes from the county auditor for maintaining and repairing Township roads and bridges.

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.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>2002</u>	<u>2001</u>
Demand Deposits	\$67,277	\$74,638

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

**SALT CREEK TOWNSHIP
WAYNE COUNTY**

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

2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

Contrary to Ohio Constitution, Article XII, Section 5a, the Township did not allocate interest earnings properly to the Special Revenue Fund required by law rather all interest was posted to the General Fund. The accompanying financial statements have been adjusted to allocate this interest.

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	\$65,311	\$79,333	\$14,022
Special Revenue	260,854	266,477	5,623
Total	\$326,165	\$345,810	\$19,645

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$78,879	\$75,238	\$3,641
Special Revenue	321,924	278,123	43,801
Total	\$400,803	\$353,361	\$47,442

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$62,853	\$58,453	(\$4,400)
Special Revenue	247,677	253,905	6,228
Total	\$310,530	\$312,358	\$1,828

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$89,729	\$79,503	\$10,226
Special Revenue	361,272	298,688	62,584
Total	\$451,001	\$378,191	\$72,810

After posting adjustments for errors identified by the audit (See Note 4) appropriations exceeded the estimated resources within the General Fund.

**SALT CREEK TOWNSHIP
WAYNE COUNTY**

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

4. NONCOMPLIANCE

Contrary to Ohio Rev. Code Section 5705.10, Tangible Personal Property tax receipts were posted to the General Fund rather than to Special Revenue Road and Bridge Fund and the Special Revenue Road District Fund. After adjustments for these misclassified revenues, the General Fund had deficit balances of \$3,374 and \$7,469, for 2002 and 2001, respectively.

Contrary to Ohio Rev. Code Section 505.371(B), no contract or agreement in writing was made between the Township and the Village of Fredericksburg for a \$10,000 donation that was made from the Township to the Village for fire-fighting equipment and expenses.

5. PROPERTY TAX

Real property taxes become a lien on January 1 proceeding 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.

6. RETIREMENT SYSTEM

The Township's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS 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 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.

**SALT CREEK TOWNSHIP
WAYNE 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>

The Township also provides life and health insurance for all township employees through private carriers.

**SALT CREEK TOWNSHIP
WAYNE COUNTY**

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

8. SUBSEQUENT EVENTS

Fiscal Watch/Emergency Status

The Township has been referred to the Local Government Services Division of the Auditor of State's Office to be evaluated for fiscal watch/emergency status, as described in Chapter 118 of the Ohio Revised Code. This referral was based on the Township's negative General Fund balances of \$3,374 and \$7,469 for 2002 and 2001, respectively. If declared in fiscal watch, the Township will qualify for certain advisory and technical support from the State of Ohio, at no cost to the Township, to assist with restoring financial stability.

If the Township meets the more severe criteria for fiscal emergency status, a seven member Financial Planning and Supervision Commission (Commission), consisting of the Treasurer of State, Director of Budget and Management, and Trustee Chairman and three appointed members, would be established to help restore the Township to financial stability. As part of the fiscal emergency status, the Township would be required to develop a financial plan which would be required to be approved by the Auditor of State and the Commission. The Commission would also monitor the Township's progress in developing an effective financial accounting and reporting system.



Auditor of State Betty Montgomery

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

Salt Creek Township
Wayne County
P.O. Box 179
Fredericksburg, Ohio 44627

To the Board of Trustees:

We have audited the accompanying financial statements of Salt Creek Township, Wayne County, Ohio, (the Township) as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated August 4, 2003, wherein we noted the Township was referred to the Local Government Services of the Auditor of State Office to be evaluated for fiscal watch/emergency status. 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 through 2002-004.

We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated August 4, 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 August 4, 2003.

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Salt Creek Township
Wayne 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

August 4, 2003

**SALT CREEK TOWNSHIP
WAYNE 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

Material Noncompliance

Ohio Rev. Code Section 505.37(B) states that boards of township trustees of any two or more townships, or the legislative authorities of any two or more political subdivisions, or any combination thereof, may, through joint action, unite in the joint purchase, maintenance, use, and operation of fire-fighting equipment, or for any other purpose designated in sections 505.37 to 505.42 of the Revised Code, and may prorate the expense of the joint action on any terms that are mutually agreed upon. **Ohio Rev. Code Section 505.707** states in part a board of township trustees may appropriate from the township general revenue fund moneys not appropriated for any other purpose to an organization that the board determines serves a community purpose and that is exempt from federal taxation under subsection 501(a) and described in subsection 501(c)(3) of the Internal Revenue Code of 1986.

During the November 12, 2001 trustee meeting, the Board of Trustees approved a \$10,000 donation to the Village of Fredericksburg Fire Department to help finance the Fire Department's operating expenses. Contrary to the above code sections and advice given by the County Prosecutor in a letter dated May 15, 2003, there was no contract or agreement in writing between Salt Creek Township and the Village of Fredericksburg for the purchase of real property, the purchase of fire-fighting equipment and/or any other purpose designated in sections 505.37 to 505.42 of the Revised Code. The Township should enter into a written contract or agreement specifically identifying the type of joint action for the purchase, maintenance, use, and operation of fire-fighting equipment or for any other purpose designated in sections 505.37 to 505.42 of the Revised Code. All joint purchases should be in writing and title should be taken in the name of the township, either singularly or jointly, if the purchase is with another political subdivision of the State of Ohio. In addition, the donation to the Village is not in compliance with Ohio Revised Code 505.707 since the Village is not a 501(c)(3) organization.

We recommend the Township consult its legal counsel prior to executing transactions that are significant in amount and/or are a type the Township does not have experience with.

FINDING NUMBER 2002-002

Material Noncompliance

Ohio Rev. Code Section 5705.10 states in part, that money paid into any fund shall be used only for the purposes for which such fund is established. All revenue derived from a special levy is to be credited to a special fund for the purpose for which the levy was made.

NONCOMPLIANCE CITATIONS (Continued)

FINDING NUMBER 2002-002 (Continued)

Material Noncompliance (Continued)

From 1998 through 2001, the Clerk posted Tangible Personal Property Tax monies to the General Fund, rather than the Special Revenue Road and Bridge Fund and the Special Revenue Road District Fund. As a result, revenues were overstated in the General Fund by \$20,157 and understated in the respective Special Revenue Funds by \$20,157 by the following amounts:

Special Revenue Funds:	2001	2000/1999	1998	Total Adjustment
Road and Bridge Fund	\$2,519	\$6,978	\$833	\$10,330
Road District Fund	4,343	4,048	1,436	9,827
Total	\$6,862	\$11,026	\$2,269	\$20,157

After adjustments for these misclassified revenues, the General Fund had deficit balances of \$3,374 and \$7,469, for 2002 and 2001, respectively.

Negative cash fund balances are an indication that revenues from other sources were used to pay the obligations of another fund and for purposes other than specified. The Clerk should properly post all revenues as required by the Ohio Rev. Code Section 5705.10.

FINDING NUMBER 2002-003

Material Noncompliance

Ohio Constitution, Article XII, Section 5a states that interest earned on money derived from a motor vehicle license or fuel tax must follow the principal.

During 2002 and 2001, the Clerk did not properly allocate interest earnings to the Special Revenue Motor Vehicle License Tax, Special Revenue Gasoline Tax and the Special Revenue Permissive Motor Vehicle License Tax Funds. The financial statements have been adjusted by the following amounts:

Special Revenue Funds:	2002	2001	Total
Motor Vehicle License Tax Fund	\$13	\$104	\$117
Gasoline Tax Fund	202	625	827
Permissive Motor Vehicle License Tax Fund	60	150	210
Total	\$275	\$879	\$1,154

FINDING NUMBER 2002-004

Material Noncompliance

Ohio Rev. Code Section 5705.41(D) requires 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 purposes 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 two “exceptions” to the above requirements:

1. Then and Now Certificates - 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 of Trustees may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution or ordinance within 30 days from the receipt of such certificate.
2. If the amount involved is less than \$1,000 (which was increased to \$3,000 as of April 7, 2003), the Clerk may authorize payment through a “Then and Now” Certificate without affirmation of the Board of Trustees.

For 2002 and 2001, 28 out of 60 expenditures tested (46%) were not certified by the Township prior to incurring the obligation. It was also found that neither of the two exceptions above was utilized for the items found to be in noncompliance. The Township should certify the availability of funds prior to incurring the obligation for expenditures. The Township should also implement the use of “Then and Now” Certificates and Blanket Certificates as further permitted by Ohio Rev. Code Section 5705.41.

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**Auditor of State
Betty Montgomery**

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SALT CREEK TOWNSHIP

WAYNE 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
NOVEMBER 25, 2003**