

**Sagamore Hills Township
Summit County**

Financial Statements

December 31, 2003 and 2002



**Auditor of State
Betty Montgomery**

Board of Trustees
Sagamore Hills Township

We have reviewed the Independent Auditor's Report of Sagamore Hills Township, Summit County, prepared by Ciuni & Panichi, Inc. for the audit period January 1, 2002 through December 31, 2003. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Sagamore Hills Township is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

June 24, 2004

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Sagamore Hills Township

For The Years Ended December 31, 2003 and 2002

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Independent Auditor's Report

Honorable Mayor and
Members of Council
Sagamore Hills Township

We have audited the accompanying financial statements of the Sagamore Hills Township (the "Township"), as of and for the years ended December 31, 2003 and 2002, as listed in the Table of Contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Sagamore Hills Township as of December 31, 2003 and 2002, 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 19, 2004 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

This report is intended solely for the information and use of the Sagamore Hills Township's other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Ciuni & Panichi, Inc.

Cleveland, Ohio
May 19, 2004

Sagamore Hills Township

Combined Statement of Cash Receipts, Disbursements, and Changes in Fund Cash Balances – All Governmental and Similar Fiduciary Fund Types

For The Year Ended December 31, 2003

	Governmental Fund Types				Fiduciary Fund Type	Total
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	(Memorandum Only)
Cash receipts:						
Local taxes	\$ 393,773	\$ 1,653,592	\$ 183,406	\$ -	\$ -	\$ 2,230,771
Intergovernmental	403,157	342,208	-	-	-	745,365
Charges for services	44,497	51,885	-	-	-	96,382
Licenses, permits, and fees	29,630	-	-	-	-	29,630
Fines, forfeitures, and penalties	5,231	-	-	-	-	5,231
Earnings on investments	55,088	3,535	-	-	-	58,623
Other revenue	<u>22,159</u>	<u>47,989</u>	<u>-</u>	<u>-</u>	<u>1,910</u>	<u>72,058</u>
Total cash receipts	<u>953,535</u>	<u>2,099,209</u>	<u>183,406</u>	<u>-</u>	<u>1,910</u>	<u>3,238,060</u>
Cash disbursements:						
Current:						
General government	384,565	2,647	-	-	-	387,212
Public safety	307,907	1,111,080	-	-	-	1,418,987
Public works	-	567,278	-	-	-	567,278
Health	127,237	-	-	-	-	127,237
Conservation – recreation	2,571	-	-	-	-	2,571
Contract services	8,898	14,357	-	-	-	23,255
Supplies and materials	-	116,034	-	-	-	116,034
Miscellaneous	13,374	3,576	-	-	2,685	22,789
Debt service:						
Redemption of principal	-	-	171,380	-	-	171,380
Interest and fiscal charges	-	-	23,123	-	-	23,123
Capital Outlay	<u>58,139</u>	<u>40,427</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>95,413</u>
Total cash disbursements	<u>902,691</u>	<u>1,855,399</u>	<u>194,503</u>	<u>-</u>	<u>2,685</u>	<u>2,955,279</u>
Total cash receipts over/(under) cash disbursements	<u>50,844</u>	<u>243,810</u>	<u>(11,097)</u>	<u>-</u>	<u>(775)</u>	<u>282,781</u>
Other financing receipts/(disbursements):						
Transfers – In	-	1,250	-	-	-	1,250
Transfers – Out	(1,250)	-	-	-	-	(1,250)
Other sources	<u>6,974</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,975</u>
Total other financing receipts/(disbursements)	<u>57,245</u>	<u>1,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,715</u>
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	56,569	245,060	(11,097)	-	(775)	289,756
Fund cash balances, January 1	<u>2,321,086</u>	<u>1,461,705</u>	<u>172,693</u>	<u>30,001</u>	<u>97,937</u>	<u>4,083,422</u>
Fund cash balances, December 31	\$ <u>2,377,655</u>	\$ <u>1,706,765</u>	\$ <u>161,595</u>	\$ <u>30,001</u>	\$ <u>97,162</u>	\$ <u>4,373,178</u>
Reserve for encumbrances, December 31	\$ <u>55,382</u>	\$ <u>46,149</u>	\$ <u>-</u>	\$ <u>10,000</u>	\$ <u>-</u>	\$ <u>111,531</u>

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

Sagamore Hills Township

Combined Statement of Cash Receipts, Disbursements, and Changes in Fund Cash Balances – All Governmental and Similar Fiduciary Fund Types

For The Year Ended December 31, 2002

	Governmental Fund Types				Fiduciary Fund Type	Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
Cash receipts:						
Local taxes	\$ 328,972	\$ 1,443,079	\$ 211,884	\$ -	\$ -	\$ 1,983,935
Intergovernmental	597,293	354,779	-	-	-	952,072
Charges for services	47,622	94,051	-	-	-	141,673
Licenses, permits, and fees	60,662	-	-	-	1,875	62,537
Fines, forfeitures, and penalties	10,337	-	-	-	-	10,337
Earnings on investments	52,732	3,444	-	-	-	56,176
Other revenue	25,336	41,651	-	-	-	66,987
Total cash receipts	<u>1,122,954</u>	<u>1,937,004</u>	<u>211,884</u>	<u>-</u>	<u>1,875</u>	<u>3,273,717</u>
Cash disbursements:						
Current:						
General government	484,769	2,586	-	-	-	487,355
Public safety	276,671	1,061,192	-	-	-	1,337,863
Public works	-	523,672	-	-	-	523,672
Health	122,239	-	-	-	-	122,239
Conservation – recreation	2,484	50,000	-	-	-	52,484
Contract services	8,898	11,528	-	-	-	20,426
Supplies and materials	-	69,018	-	-	-	69,018
Miscellaneous	12,445	1,395	-	-	7,735	21,575
Debt service:						
Redemption of principal	-	-	190,151	-	-	190,151
Interest and fiscal charges	-	-	35,220	-	-	35,220
Capital outlay	64,413	84,986	-	108,934	-	258,333
Total cash disbursements	<u>971,919</u>	<u>1,804,377</u>	<u>225,371</u>	<u>108,934</u>	<u>7,735</u>	<u>3,118,336</u>
Total cash receipts over/(under) cash disbursements	<u>151,035</u>	<u>132,627</u>	<u>(13,487)</u>	<u>(108,934)</u>	<u>(5,860)</u>	<u>155,381</u>
Other financing receipts/(disbursements):						
Transfers – In	-	-	-	10,000	-	10,000
Transfers – Out	(10,000)	-	-	-	-	(10,000)
Advances – In	50,000	50,006	-	108,934	-	208,934
Advances – Out	(158,934)	(50,000)	-	-	-	(208,934)
Other sources	4,390	-	-	-	-	4,390
Total other financing receipts/(disbursements)	<u>(114,544)</u>	<u>6</u>	<u>-</u>	<u>118,934</u>	<u>-</u>	<u>4,396</u>
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	36,491	132,633	(13,487)	10,000	(5,860)	159,777
Fund cash balances, January 1	<u>2,284,595</u>	<u>1,329,072</u>	<u>186,180</u>	<u>20,001</u>	<u>103,797</u>	<u>3,923,645</u>
Fund cash balances, December 31	\$ <u>2,321,086</u>	\$ <u>1,461,705</u>	\$ <u>172,693</u>	\$ <u>30,001</u>	\$ <u>97,937</u>	\$ <u>4,083,422</u>
Reserve for encumbrances, December 31	\$ <u>64,705</u>	\$ <u>17,419</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>82,124</u>

The accompanying notes are an integral part of these financial statements

Sagamore Hills Township

Notes to the Financial Statements

December 31, 2003 and 2002

Note 1: Summary of Significant Accounting Policies

A. Description of the Entity

Sagamore Hills Township, Summit 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 government services, including rubbish removal, road and bridge maintenance, park operations, and police protection. The Township contracts with the Northfield Center Township's Fire Department to provide fire and ambulance services.

The Township's management believes these financial statements present all activities for which the Township is financially accountable.

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

Investments are 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. Certificates of deposit are valued at cost. The investment in STAR Ohio is valued at amounts reported by the State Treasurer. During 2003 and 2002, the Township also invested funds in short-term repurchase agreements through a cash management program offered by a local bank.

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.

Sagamore Hills Township

Notes to the Financial Statements (Continued)

December 31, 2003 and 2002

Note 1: Summary of Significant Accounting Policies (continued)

D. Fund Accounting (continued)

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 has the following significant Special Revenue Funds:
- *Police Special Levy Fund* - This fund receives property tax and intergovernmental revenue money to maintain the police department.
- *Road and Bridge Fund* - This fund receives property tax and intergovernmental revenue money to construct, maintain and repair Township roads and bridges.

3. Debt Service Funds

- The debt service fund is used to accumulate resources for the payment of bond and note indebtedness. The Township has the following Debt Service Fund:
- *General Bond-Note Retirement* - This fund receives property tax money to pay note debt.

4. Capital Projects Funds

- 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 has the following Capital Projects Fund:
- *Capital Equipment* - This fund receives monies used for major capital equipment purchases.

5. Fiduciary Fund (Trust Fund)

- This fund is used to account for resources restricted by legally binding trust agreements and funds for which the Township is acting in an agency capacity. The Township has the following Fiduciary Fund:
- *Expendable Trust Fund* - This fund is used to account for faithful performance cash deposit bonds paid by contractors.

Sagamore Hills Township

Notes to the Financial Statements (Continued)

December 31, 2003 and 2002

Note 1: Summary of Significant Accounting Policies (continued)

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 level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve the annual appropriation measure 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.

A summary of 2003 and 2002 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

G. Accumulated Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as a liabilities under the Township's basis of accounting.

Sagamore Hills Township

Notes to the Financial Statements (Continued)

December 31, 2003 and 2002

Note 2: Equity in Pooled Cash and Investments

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

	<u>2003</u>	<u>2002</u>
Demand deposits	\$ (224,787)	\$ (69,441)
Certificates of deposit	<u>1,200,000</u>	<u>1,200,000</u>
Total deposits	<u>975,213</u>	<u>1,130,559</u>
STAR Ohio	500,000	500,000
Repurchase agreement	<u>2,897,965</u>	<u>2,452,863</u>
Total investments	<u>3,397,965</u>	<u>2,952,863</u>
Total deposits and investments	\$ <u>4,373,178</u>	\$ <u>4,083,422</u>

Deposits - Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

Investments - The Township's agent holds securities collateralizing repurchase agreements. The securities are not in the Township's name.

Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

Note 3: Budgetary Activity

Budgetary activity for the years ended December 31, 2003 and 2001 follows:

Fund Type	<u>2003 Budgeted vs. Actual Receipts</u>		
	<u>Budgeted</u> <u>Receipts</u>	<u>Actual</u> <u>Receipts</u>	<u>Variance</u>
General	\$ 941,743	\$ 960,509	\$ 18,766
Special revenue	2,249,271	2,100,459	(148,812)
Debt service	217,997	183,406	(34,591)
Expendable trust	-	<u>1,910</u>	<u>1,910</u>
Total	\$ <u>3,409,011</u>	\$ <u>3,246,284</u>	\$ <u>(162,727)</u>

Sagamore Hills Township

Notes to the Financial Statements (Continued)

December 31, 2003 and 2002

Note 3: Budgetary Activity (continued)

Fund Type	2003 Budgeted vs. Actual Budgetary Basis Expenditures		
	Appropriation	Budgetary	Variance
	Authority	Expenditures	
General	\$ 3,010,167	\$ 959,323	\$ 2,050,844
Special revenue	3,215,779	1,901,548	1,314,231
Debt service	220,000	194,503	25,497
Capital projects	25,000	10,000	15,000
Expendable trust	70,500	2,685	67,815
Total	\$ 6,541,446	\$ 3,068,059	\$ 3,473,387

Fund Type	2002 Budgeted vs. Actual Receipts		
	Budgeted	Actual	Variance
	Receipts	Receipts	
General	\$ 1,569,255	\$ 1,177,344	\$ (391,911)
Special revenue	2,068,106	1,987,010	(81,096)
Debt service	255,747	211,884	(43,863)
Capital projects	148,000	118,934	(29,066)
Expendable trust	11,050	1,875	(9,175)
Total	\$ 4,052,158	\$ 3,497,047	\$ (555,111)

Fund Type	2002 Budgeted vs. Actual Budgetary Basis Expenditures		
	Appropriation	Budgetary	Variance
	Authority	Expenditures	
General	\$ 2,882,909	\$ 1,205,558	\$ 1,677,351
Special revenue	3,046,731	1,871,796	1,174,935
Debt service	225,747	225,371	376
Capital projects	168,001	108,934	59,067
Expendable trust	105,657	7,735	97,922
Total	\$ 6,429,045	\$ 3,419,394	\$ 3,009,651

Note 4: Property Tax

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the 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 payments 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.

Sagamore Hills Township

Notes to the Financial Statements (Continued)

December 31, 2003 and 2002

Note 4: Property Tax (continued)

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

Note 5: Debt

Debt outstanding at December 31, 2003 consisted of the following:

	<u>Principal</u>	<u>Interest Rate</u>
2000 Land Acquisition Note	\$ <u>182,233</u>	6.49%

The general obligation notes were issued to finance the purchase of land. The notes are collateralized solely by the Township's taxing authority.

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

	<u>2000 Land Acquisition Note</u>
December 31, 2004	\$ <u>194,503</u>

Note 6: Retirement Systems

The Township's Police Officers belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Public Employees Retirement System (PERS) of Ohio. OP&F and PERS are costsharing, multiple-employer plans. These plans provide 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 2003 and 2002, members of OP&F participants contributed 10% of their wages. The Township contributed an amount equal to 24% of their wages to OP&F. PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for 2003 and 2002. The Township has paid all contributions required through December 31, 2003.

Sagamore Hills Township

Notes to the Financial Statements (Continued)

December 31, 2003 and 2002

Note 7: Risk Management

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

The Township also provides health, dental, and vision coverage to full-time employees through a commercial insurance provider.

Note 8: Jointly Governed Organizations

The North Hills Water District (the District) is a jointly governed organization established to provide for the construction and maintenance of water transmission lines to residents of Northfield Center Township and Sagamore Hills Township. The seven member board consists of three members appointed by each Township with one member appointed alternately by the Townships. The District's Board exercises total control over District operations, including budgeting, appropriating, contracting and hiring personnel. All of the District's revenues are derived from property taxes assessed on the property of Township residents. The City of Cleveland provides water service to Township residents and bills them for the water service. Financial information can be obtained by writing to the North Hills Water District, 253 West Aurora Road, Northfield Center, Ohio 44067.

The Summit Council of Governments (Council) is a statutorily created political subdivision of Ohio. The Council is jointly governed among municipalities and townships located in Summit County. Each members' control over the operation of the Council is limited to its representation on the Board which consists of 27 members. The Board exercises total control over Council operations.

The Summit County Regional Planning Commission (Commission) is a statutorily created political subdivision of Ohio. The Commission is jointly governed among municipalities and townships located in Summit County. Each member's control over the operation of the Commission is limited to its representation on the Board which consists of 48 members. The Board exercises total control over Commission operations.

Note 9: Contingent Liabilities

Amounts received from grantor agencies are subject to audit and adjustment by the grantor. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

**Report On Compliance and On Internal Control Over
Financial Reporting Based On an Audit of Financial Statements
Performed In Accordance With *Government Auditing Standards***

Members of the Board of Trustees
Sagamore Hills Township, Ohio

We have audited the financial statements of the Township of Sagamore Hills, Ohio (the “Township”) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated May 19, 2004. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 02-01 and 03-01. We also noted a certain immaterial instance of noncompliance that we have reported to Management of the Township in a separate letter dated May 19, 2004.

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 19, 2004.

Members of the Board of Trustees
Sagamore Hills Township, Ohio

This report is intended solely for the information and use of the Township Council, Township Management, and the Auditor of State's Office and is not intended to be and should not be used by anyone other than these specified parties.

Cini & Panichi, Inc.

Cleveland, Ohio
May 19, 2004

Sagamore Hills Township

Schedule of Findings

For the Years Ended December 31, 2003 and 2002

1. Summary of Auditor's Results

Type of Financial Statement Opinion	Unqualified
Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
Was there any material reported noncompliance at the financial statement level (GAGAS)?	Yes

2. Findings Related To The Financial Statements Required To Be Reported In Accordance With GAGAS

02-01	<p>Per ORC Section 5705.39 the total appropriation from each fund should not exceed the total estimated revenue. No appropriation measure is to become effective until the County Auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.</p> <p>In 2002, the Nature Works Special Revenue Fund had appropriations that were greater than the Certificate of Estimated Resources by \$50,000.</p>
03-01	<p>Per ORC Section 5705.39 the total appropriation from each fund should not exceed the total estimated revenue. No appropriation measure is to become effective until the County Auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.</p> <p>In 2003, the Park Levy – Greenspace and DARE Program Special Revenue Funds had appropriations that were greater than the Certificate of Estimated Resources by \$155,914 and \$700 respectively.</p>

3. Other Findings

None.

Sagamore Hills Township

Schedule of Prior Audit Findings

For the Years Ended December 31, 2003 and 2002

No prior audit findings noted.

Response to Findings Associated With
 Audit Conducted In Accordance With
Government Auditing Standards
 For The Year Ended December 31, 2003 and 2002

Finding Number	Planned Correction Action	Anticipated Completion Date	Responsible Contact Person
02-01	The Township will monitor appropriations to ensure that they do not exceed estimated resources.	N/A	Laura Angelici Township Clerk
03-01	The Township will monitor appropriations to ensure that they do not exceed estimated resources.	N/A	Laura Angelici Township Clerk



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
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Telephone 614-466-4514
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SAGAMORE HILLS TOWNSHIP

SUMMIT 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 8, 2004**