



**Auditor of State
Betty Montgomery**

**ADAMS TOWNSHIP
SENECA COUNTY**

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**Auditor of State
Betty Montgomery**

Adams Township
Seneca County
7831 E. Township Road 148
Republic, Ohio 44867-9627

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

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

Betty Montgomery
Auditor of State

August 18, 2005

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Adams Township
Seneca County
7831 E. Township Road 148
Republic, Ohio 44867-9627

To the Board of Trustees:

We have audited the accompanying financial statements of Adams Township, Seneca County, (the Township) as of and for the years ended December 31, 2004 and 2003. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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. The Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Township has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the Township to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. Instead of the combined funds the accompanying financial statements present for 2004 (and 2003), the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2004. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Township has elected not to reformat its statements. Since this Township does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the year ended December 31, 2004 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2004, or its changes in financial position for the year then ended.

Also, 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 Adams Township, Seneca County, as of December 31, 2004 and 2003, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Township to include Management's Discussion and Analysis for the year ended December 31, 2004. The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 18, 2005, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Betty Montgomery
Auditor of State

August 18, 2005

**ADAMS TOWNSHIP
SENECA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$18,763	\$76,173		\$94,936
Intergovernmental	59,569	95,576	\$18,451	173,596
Licenses, Permits, and Fees	1,027	850		1,877
Earnings on Investments	73	65		138
Other Revenue	1,642	1,902		3,544
	<u>81,074</u>	<u>174,566</u>	<u>18,451</u>	<u>274,091</u>
Cash Disbursements:				
Current:				
General Government	50,464			50,464
Public Safety		28,600		28,600
Public Works	1,035	138,926		139,961
Health	4,680	3,221		7,901
Debt Service:				
Redemption of Principal		23,554		23,554
Interest and Fiscal Charges		431		431
Capital Outlay			18,451	18,451
	<u>56,179</u>	<u>194,732</u>	<u>18,451</u>	<u>269,362</u>
Total Receipts Over/(Under) Disbursements	24,895	(20,166)		4,729
Fund Cash Balances, January 1	15,906	44,690		60,596
Fund Cash Balances, December 31	<u>\$40,801</u>	<u>\$24,524</u>		<u>\$65,325</u>
Reserve for Encumbrances, December 31				

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

**ADAMS TOWNSHIP
SENECA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$20,325	\$74,650		\$94,975
Intergovernmental	31,618	76,092	\$19,694	127,404
Licenses, Permits, and Fees	872	2,854		3,726
Earnings on Investments	1,271	73		1,344
Other Revenue	8,153	2,088		10,241
	<u>62,239</u>	<u>155,757</u>	<u>19,694</u>	<u>237,690</u>
Cash Disbursements:				
Current:				
General Government	54,290			54,290
Public Safety		23,600		23,600
Public Works	8,040	153,256		161,296
Health	4,751	8,338		13,089
Debt Service:				
Redemption of Principal		8,700		8,700
Interest and Fiscal Charges		363		363
Capital Outlay	282		19,694	19,976
	<u>67,363</u>	<u>194,257</u>	<u>19,694</u>	<u>281,314</u>
Total Disbursements Over Receipts	<u>(5,124)</u>	<u>(38,500)</u>		<u>(43,624)</u>
Other Financing Receipts:				
Loan Proceeds		30,000		30,000
Excess of Cash Disbursements Over Cash Receipts and Other Financing Receipts	(5,124)	(8,500)		(13,624)
Fund Cash Balances, January 1	21,030	53,190		74,220
Fund Cash Balances, December 31	<u>\$15,906</u>	<u>\$44,690</u>		<u>\$60,596</u>
Reserve for Encumbrances, December 31	<u>\$338</u>	<u>\$7,910</u>		<u>\$8,248</u>

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

**ADAMS TOWNSHIP
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Adams Township, Seneca County, (the Township) as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, and fire protection. The Township contracts with the Green Springs Rural Volunteer Fire Department, Inc. to provide fire 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 the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements. The Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the Auditor of State prescribes or permits.

C. Fund Accounting

The Township uses fund accounting to segregate cash that is restricted as to use. The Township classifies its funds into the following types:

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

Road and Bridge Fund - This fund receives property tax money for constructing, maintaining, and repairing Township roads and bridges.

Gasoline Tax Fund - This fund receives gasoline tax money to pay for constructing, maintaining, and repairing Township roads.

**ADAMS TOWNSHIP
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

3. Capital Project Fund

This fund accounts for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Township had the following significant capital project fund:

Issue II Fund - The Township received a grant from the State of Ohio for upkeep of Township roads.

D. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

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 2004 and 2003 budgetary activity appears in Note 3.

E. Property, Plant, and Equipment

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

2. EQUITY IN POOLED CASH

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

	<u>2004</u>	<u>2003</u>
Demand deposits	<u>\$65,325</u>	<u>\$60,596</u>

Deposits are insured by the Federal Depository Insurance Corporation.

**ADAMS TOWNSHIP
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2004 and 2003 follows:

2004 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$130,036	\$81,074	(\$48,962)
Special Revenue	161,474	174,566	13,092
Capital Projects		18,451	18,451
Total	\$291,510	\$274,091	(\$17,419)

2004 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$100,038	\$56,179	\$43,859
Special Revenue	196,510	194,732	1,778
Capital Projects		18,451	(18,451)
Total	\$296,548	\$269,362	\$27,186

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$100,393	\$62,239	(\$38,154)
Special Revenue	147,592	185,757	38,165
Capital Projects	19,694	19,694	
Total	\$267,679	\$267,690	\$11

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$128,450	\$67,701	\$60,749
Special Revenue	183,050	202,167	(19,117)
Capital Projects		19,694	(19,694)
Total	\$311,500	\$289,562	\$21,938

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority for several line items within the General, Gasoline Tax, and Permissive Motor Vehicle License Tax, and Issue II funds for the year ended December 31, 2004, and the Issue II fund for the year ended December 31, 2003.

**ADAMS TOWNSHIP
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

4. PROPERTY TAX

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

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

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

5. DEBT

Debt outstanding at December 31, 2004 was as follows:

	<u>Principal</u>
Ohio Public Works Commission (OPWC)	<u>\$4,250</u>

The Ohio Public Works Commission (OPWC) grant was issued to finance road work with zero percent interest. This is a joint agreement between Adams and Thompson Townships for a road project on Township Road 78.

Amortization of the above debt is scheduled as follows:

<u>Year ending December 31:</u>	<u>OPWC Loan</u>
2005	\$1,063
2006	1,062
2007	1,063
2008	1,062
Total	<u>\$4,250</u>

In addition to the debt described above, during 2003 the Township entered into loan with the Croghan Colonial Bank for the purchase of a new truck. During 2004 the Township paid this loan off.

6. RETIREMENT SYSTEM

The Township's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

**ADAMS TOWNSHIP
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

The Ohio Revised Code also prescribes contribution rates. For 2004 and 2003, OPERS members contributed 8.5 percent of their gross salaries. The Township contributed an amount equaling 13.55 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2004.

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 local governments. 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. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, 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.

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 \$10,000 on any specific loss with an annual aggregate of \$1,250,000 for 2002. There is no aggregate for 2003 and future accident years. Beginning in 2003, OTARMA retains property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsures losses exceeding \$100,000. APEEP's Guarantee Fund pays losses and loss adjustment expenses exceeding 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 township.

**ADAMS TOWNSHIP
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

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>2004</u>	<u>2003</u>
Assets	\$30,687,203	\$27,792,223
Liabilities	(13,640,962)	(11,791,300)
Retained Earnings	<u>\$17,046,241</u>	<u>\$16,000,923</u>

<u>Property Coverage</u>	<u>2004</u>	<u>2003</u>
Assets	\$7,799,073	\$6,791,060
Liabilities	(753,906)	(750,956)
Retained Earnings	<u>\$7,045,167</u>	<u>\$6,040,104</u>



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Adams Township
Seneca County
7831 E. Township Road 148
Republic, Ohio 44867-9627

To the Board of Trustees:

We have audited the financial statements of Adams Township (the Township) as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated August 18, 2005, wherein we noted the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We also noted that the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the Township's management dated August 18, 2005, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed instances of noncompliance we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2004-001 and 2004-002. In a separate letter to the Township's management dated August 18, 2005, we reported other matters related to noncompliance we deemed immaterial.

We intend this report solely for the information and use of the audit committee, management, and the Board of Trustees. It is not intended for anyone other than these specified parties.



Betty Montgomery
Auditor of State

August 18, 2005

**ADAMS TOWNSHIP
SENECA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2004 AND 2003**

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

FINDING NUMBER 2004-001

Finding for Recovery

On November 7, 2000, the citizens of Adams Township (the Township) passed a tax levy in accordance with Ohio Revised Code § 5705.19(l), for the purpose of fire protection, including providing and maintaining fire apparatus, appliances, buildings or sites therefore, and for payment of firemen or fire fighting companies. The Township had a special Fire District fund established for the revenues derived from this tax levy as required by Ohio Revised Code § 5705.09. The Green Springs Rural Volunteer Fire Department, Inc. (the Fire Department) is contracted to provide fire services to the Township.

On June 30, 2003 and May 24, 2004, the Township Board of Trustees passed motions to donate \$5,000 and \$10,000, respectively, to the Fire Department. The donations were paid by the Township on July 14, 2003 and June 12, 2004 from the Township's Fire District fund. Ohio Attorney General Opinion 83-069 states in the syllabus that "a board of township trustees may not use funds derived from a levy adopted under Ohio Revised Code § 5705.19(l) to simply donate a fire station, fire equipment or apparatus, or maintenance services to a private volunteer fire company, but the board may contract with a private volunteer fire company for the provision of fire equipment, real estate, or services to the township upon any terms and conditions which the board, in the reasonable exercise of its discretion, deems appropriate." Therefore, the Board of Trustees did not have proper legal authority to make a donation to the Fire Department.

In accordance with the foregoing facts, and pursuant the Ohio Revised Code § 117.28, a Finding for Recovery for public monies illegal expended is hereby issued against the Green Springs Rural Volunteer Fire Department, Inc. in the amount of fifteen thousand dollars and zero cents (\$15,000) and in favor of the Adams Township Fire District fund. Furthermore, we recommend the Township expend the fire tax levy monies in accordance with the aforementioned sections of Ohio Revised Code and the Township's contract with the Green Springs Rural Volunteer Fire Department, Inc.

FINDING NUMBER 2004-002

Noncompliance Citation

Ohio Revised Code § 5705.41(B) states that no subdivision shall make any expenditure of money unless it has been lawfully appropriated.

The Board of Trustees established appropriations at the object level during 2004. As of December 31, 2004 the following funds had expenditures in excess of appropriations:

**FINDING NUMBER 2004-002
 (Continued)**

<u>Legal level of control</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General fund			
General government			
Other insurance	\$10,000	\$10,545	(\$545)
Gasoline Tax fund			
Public works			
Salaries - Trustees	3,500	3,889	(389)
Contracts	25,928	41,274	(15,346)
Permissive Motor Vehicle License Tax fund			
Public works			
Workers compensation	1,291	1,515	(225)
Issue II fund			
Public works			
Contracts		18,451	(18,451)

The Board of Trustees established appropriations at the fund level during 2003. As of December 31, 2003 the following funds had expenditures in excess of appropriations:

<u>Legal level of control</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
Issue II fund		\$19,694	(\$19,694)

The failure to limit spending to only those amounts approved by the Board of Trustees could allow expenditures to exceed available resources and create deficit fund balances. Actual revenues were sufficient to allow the Township to obtain an increased amended certificate from the Budget Commission and make supplemental appropriations. We recommend, if sufficient resources exist, the Clerk request the Board of Trustees to amend appropriations prior to expenditures exceeding appropriations.

**ADAMS TOWNSHIP
SENECA COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2004 AND 2003**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2002-001	Revised Code § 5705.41(D), failure to encumber funds	Yes	
2002-002	Revised Code § 5705.38, failure to adopt an appropriation resolution for 2002	Yes	



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

**ADAMS TOWNSHIP
SENECA 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 27, 2005**