

**AMES TOWNSHIP
ATHENS COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2004 - 2003



**Auditor of State
Betty Montgomery**

Board of Trustees
Ames Township
16171 E. Kasler Creek Road
Amesville, Ohio 45711

We have reviewed the *Independent Accountants' Report* of Ames Township, Athens County, prepared by Perry & Associates for the audit period January 1, 2003 through December 31, 2004. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State's Office (AOS). Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Accountants' Report* on your financial statements. While the 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. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Accountants' Report* also includes an opinion on the financial statements using the regulatory format the AOS permits.

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. Ames 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

October 12, 2005

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**AMES TOWNSHIP
ATHENS COUNTY**

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INDEPENDENT ACCOUNTANTS' REPORT

Ames Township
Athens County
16171 E. Kasler Creek Road
Box 158
Amesville, Ohio 45711

July 20, 2005

To the Board of Trustees:

We have audited the accompanying financial statements of Ames Township, Athens County, Ohio (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. We believe that 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 principles 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 the combined funds the accompanying financial statements present for 2004 (and 2003), the revisions require presenting entity wide statements 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 two preceding paragraphs, the financial statements referred to above 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 Ames Township, Athens County, as of December 31, 2004 and 2003, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

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 July 20, 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 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.

Respectfully submitted,

Perry & Associates
Certified Public Accountants, A.C.

**AMES TOWNSHIP
ATHENS 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>			<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Nonexpendable Trust</u>	
Cash Receipts:					
Property Tax and Other Local Taxes	\$ 15,795	\$ 124,910	\$ 7,874	\$ -	\$ 148,579
Special Assessments			-		-
Intergovernmental Receipts	12,017	163,665	-	-	175,682
Charges for Services		-			-
Fines, Licenses and Permits		-			-
Earnings on Investments	124	371		291	786
Miscellaneous	130	9,408	-	-	9,538
Total Cash Receipts	28,066	298,354	7,874	291	334,585
Cash Disbursements:					
Current:					
Public Safety	-	10,798		-	10,798
Public Health Services	1,283	27,327		-	28,610
Public Works	-	188,251		-	188,251
Capital Outlay	-	5,378		-	5,378
General Government	30,451	2,352		-	32,803
Debt Service					
Principal Payments		5,000	-		5,000
Interest Payments			-		-
Capital Outlay	-	-		-	-
Total Cash Disbursements	31,734	239,106	-	-	270,840
Total Cash Receipts Over/(Under) Cash Disbursements	(3,668)	59,248	7,874	291	63,745
Fund Cash Balances, January 1	16,113	50,507	-	10,300	76,920
Fund Cash Balances, December 31	\$ 12,445	\$ 109,755	\$ 7,874	\$ 10,591	\$ 140,665
Reserve for Encumbrances, December 31	\$ -	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

AMES TOWNSHIP
ATHENS 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, 2003**

	Governmental Fund Types			Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Nonexpendable Trust	
Cash Receipts:					
Property Tax and Other Local Taxes	\$ 44,371	\$ 188,074	\$ 4,311	\$ -	\$ 236,756
Special Assessments			-		-
Intergovernmental Receipts	10,716	89,607	-	-	100,323
Charges for Services		-			-
Fines, Licenses and Permits		-			-
Earnings on Investments	73	218		481	772
Miscellaneous	1,156	4,279	-	-	5,435
Total Cash Receipts	56,316	282,178	4,311	481	343,286
Cash Disbursements:					
Current:					
Public Safety	-	10,724		-	10,724
Public Health Services	-	27,169		481	27,650
Public Works	-	213,016		-	213,016
Capital Outlay	-	-		-	-
General Government	43,366	1,612		-	44,978
Debt Service					
Principal Payments		12,326	7,444		19,770
Interest Payments			3,322		3,322
Capital Outlay	-	-		-	-
Total Cash Disbursements	43,366	264,847	10,766	481	319,460
Total Cash Receipts Over/(Under) Cash Disbursements	12,950	17,331	(6,455)	0	23,826
Other Financing Receipts/(Disbursements):					
Transfers-In	1,564	-		-	1,564
Transfers-Out	-	(1,564)		-	(1,564)
Total Other Financing Receipts/(Disbursements)	1,564	(1,564)	-	-	-
Excess of Cash and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	14,514	15,767	(6,455)	0	23,826
Fund Cash Balances, January 1	1,575	34,740	6,455	10,300	53,070
Fund Cash Balances, December 31	\$ 16,089	\$ 50,507	\$ 0	\$ 10,300	\$ 76,896
Reserve for Encumbrances, December 31	-	-	-	-	-

The accompanying notes are an integral part of these financial statements.

**AMES TOWNSHIP
ATHENS COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Ames Township, Athens 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 roads and bridges maintenance, and cemetery maintenance. The Township contracts with the Ames-Bern Firefighters, Inc. to provide fire protection.

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 Clerk invests available funds of the Township in an interest-bearing checking account and certificates of deposit. Certificates of deposit are valued at cost. Interest earned is recognized and recorded when received.

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 that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Fund:

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

**AMES TOWNSHIP
ATHENS COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

Road Maintenance – This fund receives property tax money for constructing, maintaining and repairing Township roads and bridges

3. Debt Service Funds

The Debt Service funds are used to accumulate resources for the payment of bonds and note indebtedness. The Township has the following Debt Service Fund:

General Note Retirement – This fund receives tax receipts for the repayment of a building note.

4. Fiduciary Funds (Trust Funds)

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Township to maintain the corpus of the trust, the fund is classified as a non-expendable trust fund. Other trust funds are classified as expendable. The Township had the following significant Nonexpendable Trust Fund:

Cemetery Bequest Fund - This fund receives donated funds that are held in the form of certificates of deposit. The interest from the CDs can be used for maintenance of cemeteries.

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 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.

**AMES TOWNSHIP
ATHENS COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

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.

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

The Township maintains a cash pool used by all funds. 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	\$ 130,365	\$ 66,596
Certificates of deposit	<u>10,300</u>	<u>10,300</u>
Total deposits and investments	<u>\$ 140,665</u>	<u>\$ 76,896</u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation, or collateralized by the financial institution's public entity deposit pool.

**AMES TOWNSHIP
ATHENS 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	30,304	28,066	(2,238)
Special Revenue	287,900	298,354	10,454
Debt Service	12,000	7,874	(4,126)
Non-Expendable Trust	500	291	(209)
Total	<u>330,704</u>	<u>334,585</u>	<u>3,881</u>

2004 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	34,228	31,734	2,494
Special Revenue	323,641	239,106	84,535
Debt Service	12,000	-	12,000
Non-Expendable Trust	500	-	500
Total	<u>370,369</u>	<u>270,840</u>	<u>99,529</u>

2003 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	62,900	57,880	(5,020)
Special Revenue	255,350	282,178	26,828
Debt Service	10,000	4,311	(5,689)
Non-Expendable Trust	900	481	(419)
Total	<u>329,150</u>	<u>344,850</u>	<u>15,700</u>

2003 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	50,883	43,366	7,517
Special Revenue	312,214	266,411	45,803
Debt Service	13,322	10,766	2,556
Non-Expendable Trust	900	481	419
Total	<u>377,319</u>	<u>321,024</u>	<u>56,295</u>

**AMES TOWNSHIP
ATHENS COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

Contrary to Ohio Law, appropriations exceeded estimated resources in the Gasoline Tax, Road and Bridge, Special Levy-Fire, Road District, and Debt Service Funds for 2003 and in the Road and Bridge Fund for the year ending 2004. Also, contrary to Ohio Law, appropriations plus encumbrances exceeded actual revenue plus unencumbered balances in the Motor Vehicle License Tax, Special Levy-Road, Miscellaneous Special Revenue (FEMA), and Debt Service Funds for 2003 and in the Special Levy-Fire, Miscellaneous Special Revenue (FEMA), and Debt Service Funds for the year ending 2004.

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 payment, the first half is due December 31. The second half payment is due the following June 20.

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

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

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

5. DEBT

Debt outstanding at December 31, 2004 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
General Obligation Notes	\$24,085	4.00%
2004 Grader	<u>15,000</u>	1.75
Total	<u>\$39,085</u>	

The general obligation note was issued to finance the construction of a building. The note is collateralized solely by the Township's taxing authority and is to be repaid \$6,456 annually, for 9 years, starting January 2002. The Township is ahead of making scheduled payments.

A 2004 Grader, purchase price of \$20,000, was financed with a \$5,000 down payment and the rest of the proceeds being paid directly to the seller. The Grader, purchased April 16, 2004 is to be repaid \$3,916 annually, for 4 years, starting April 2005. The loan is collateralized solely by the grader and is being retired through the Gasoline Tax Fund.

**AMES TOWNSHIP
ATHENS COUNTY**

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

5. DEBT (Continued)

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

	General	
	Obligation Note	Grader
Year ending December 31:		
2005	\$ 6,456	\$3,916
2006	6,456	3,916
2007	6,456	3,916
2008	4,717	3,252
Total	\$24,085	\$15,000

6. RETIREMENT SYSTEMS

The Township's elected officials and employees belong to the Public Employees Retirement System (OPERS) of Ohio. 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 2004 and 2003, members of PERS 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 employer contributions required through December 31, 2004

	2004	2003
Contributions:		
Township	\$ 8,850	\$10,722
Employees	5,552	6,726
	\$14,402	\$17,448

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.

**AMES TOWNSHIP
ATHENS COUNTY**

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

7. RISK MANAGEMENT (Continued)

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. Townships 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 \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsures losses exceeding \$100,000 up to \$500,000,000 per occurrence. 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.

Financial Position OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and report the following assets, liabilities and retained earnings at December 31:

Casualty Coverage	2004	2003
Assets	\$ 30,687,203	\$ 27,792,223
Liabilities	(13,640,962)	(11,791,300)
Retained Earnings	\$ 17,046,241	\$ 16,000,923
Property Coverage	2004	2003
Assets	\$ 7,799,073	\$ 6,791,060
Liabilities	(753,906)	(750,956)
Retained Earnings	\$ 7,045,167	\$ 6,040,104

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

Ames Township
Athens County
16171 E. Kasler Creek Road
Box 158
Amesville, Ohio 45711

To the Board of Trustees:

We have audited the accompanying financial statements of Ames Township, Athens County, Ohio (the Township), as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated July 20, 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 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 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 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 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grants, 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 such 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 2004-001 through 2004-002.

This report is intended solely for the information and use of management and the Board of Trustees. It is not intended for anyone other than these specified parties.

Respectfully Submitted,

Perry & Associates
Certified Public Accountants, A.C.

**AMES TOWNSHIP
ATHENS 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

Noncompliance Citation

Ohio Rev. Code Section 5705.36 allows all subdivisions to request reduced amended certificates upon the determination by the fiscal officer that revenue to be collected will be less than the amount in the official certificate of estimated resources. A reduced amended certificate must be obtained when actual receipts plus January 1 unencumbered cash will be less than amounts appropriated.

The Township had total appropriations (current appropriations plus prior year outstanding encumbrances), that exceeded the available resources (actual receipts plus beginning unencumbered fund balance), at December 31, 2003, as follows:

<u>Fund</u>	<u>Total Appropriations</u>	<u>Actual Revenue Plus Unencumbered Cash</u>	<u>Variance</u>
Motor Vehicle License Tax	\$13,650	\$13,111	(\$539)
Special Levy – Road	96,301	89,518	(6,783)
Misc. Special Revenue (FEMA)	50,000	47,195	(2,805)
Debt Service	13,322	10,766	(2,566)

The Township had total appropriations (current appropriations plus prior year outstanding encumbrances), that exceeded the available resources (actual receipts plus beginning unencumbered fund balance), at December 31, 2004, as follows:

<u>Fund</u>	<u>Total Appropriations</u>	<u>Actual Revenue Plus Unencumbered Cash</u>	<u>Variance</u>
Special Levy – Fire	11,927	11,615	(312)
Misc. Special Revenue (FEMA)	91,000	72,899	(18,101)
Debt Service	12,000	7,874	(4,126)

RECOMMENDATION

We recommend the Township monitor estimated and actual revenues for all funds on a regular basis. In the situation where budgeted revenue exceeds actual revenue and appropriations exceed actual revenue, a reduced amended certificate must be obtained and appropriations adjusted accordingly.

RESPONSE

The Township clerk states that it is hard to estimate when a reduced amended certificate will be needed and also when to file for the reduced amended certificate.

**AMES TOWNSHIP
ATHENS 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 2004-002

Noncompliance Citation

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

At December 2003, total appropriations exceeded estimated resources in the following funds:

<u>Fund</u>	<u>Estimated Resources</u>	<u>Total Appropriations</u>	<u>Variance</u>
Gasoline Tax	\$ 54,375	\$ 66,575	(12,200)
Road and Bridge	22,616	32,700	(10,084)
Fire Levy	9,842	10,275	(433)
Road District	52,500	96,301	(43,801)
Debt Service Funds	6,456	13,322	(6,866)

At December 2004, total appropriations exceeded estimated resources in the following funds:

<u>Fund</u>	<u>Estimated Resources</u>	<u>Total Appropriations</u>	<u>Variance</u>
Road and Bridge	\$ 36,996	\$ 52,742	(15,776)

RECOMMENDATION

We recommend the Township Clerk monitor estimated resources versus appropriations to ensure that appropriated amounts are within the amount of estimated resources.

RESPONSE

The Township Clerk does monitor estimated resources but, in the last two fiscal years the Township has received money from FEMA for flood damage repairs. The money is transferred from the FEMA special fund into the other special funds as needed and these are considered intrafund transfers. The estimated resources for the Special Fund, in the aggregate, do not exceed appropriations.

**AMES TOWNSHIP
ATHENS COUNTY**

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

Finding Number 2002-001

ORC 5705.36 – failure to request reduced amended certificates.

Fully Corrected : NO

Finding is repeated at 2004-001

Finding Number 2002-002

ORC 5705.39 – total appropriations exceeded estimated resources

Fully Corrected: NO

Finding is repeated at 2004-002



**Auditor of State
Betty Montgomery**

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Facsimile 614-466-4490

AMES TOWNSHIP

ATHENS 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 10, 2005**