



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

MARION TOWNSHIP
NOBLE COUNTY

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

743 East State Street
Athens Mall Suite B
Athens, Ohio 45701
Telephone 740-594-3300
800-441-1389
Facsimile 740-594-2110
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Marion Township
Noble County
26655 State Route 78
Summerfield, Ohio 43788

To the Board of Trustees:

We have audited the accompanying financial statements of Marion Township, Noble County, Ohio (the Township), as of and for the years ended December 31, 2001 and 2000. 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 described 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 of Marion Township, Noble County, as of December 31, 2001 and 2000, 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 March 4, 2002 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.

Marion Township
Noble County
Report of Independent Accountants
Page 2

This report is intended solely for the information and use of management, Board of Trustees, and 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.

Jim Petro
Auditor of State

March 4, 2002

**MARION TOWNSHIP
NOBLE 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>	<u>Debt Service</u>	
Cash Receipts:				
Local Taxes	\$14,699	\$27,656	\$500	\$42,855
Intergovernmental	8,056	59,559	1,500	69,115
Earnings on Investments	453	264		717
Other Revenue	568	1,622		2,190
	<u>23,776</u>	<u>89,101</u>	<u>2,000</u>	<u>114,877</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
General Government	21,930			21,930
Public Safety		7,776		7,776
Public Works	222	91,309		91,531
Debt Service:				
Redemption of Principal	2,200	13,563	3,786	19,549
Interest and Fiscal Charges		1,646	1,547	3,193
	<u>24,352</u>	<u>114,294</u>	<u>5,333</u>	<u>143,979</u>
Total Cash Disbursements				
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(576)</u>	<u>(25,193)</u>	<u>(3,333)</u>	<u>(29,102)</u>
Other Financing Receipts/(Disbursements):				
Proceeds from Sale of Public Debt:				
Sale of Notes		27,329		27,329
	<u>0</u>	<u>27,329</u>	<u>0</u>	<u>27,329</u>
Total Other Financing Receipts/(Disbursements)				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(576)	2,136	(3,333)	(1,773)
Fund Cash Balances, January 1	<u>2,574</u>	<u>16,824</u>	<u>3,333</u>	<u>22,731</u>
Fund Cash Balances, December 31	<u><u>\$1,998</u></u>	<u><u>\$18,960</u></u>	<u><u>\$0</u></u>	<u><u>\$20,958</u></u>

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

MARION TOWNSHIP
NOBLE COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH
DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES
NONEXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Nonexpendable Trust</u>
Operating Cash Receipts:	
Interest	<u>\$0</u>
Total Operating Cash Receipts	<u>0</u>
Operating Income/(Loss)	<u>0</u>
Fund Cash Balances, January 1	<u>5,800</u>
Fund Cash Balances, December 31	<u><u>\$5,800</u></u>

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

**MARION TOWNSHIP
NOBLE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts:				
Local Taxes	\$14,421	\$21,661	\$6,000	\$42,082
Intergovernmental	7,690	77,097	3,000	87,787
Earnings on Investments	488	550		1,038
Other Revenue	62			62
Total Cash Receipts	<u>22,661</u>	<u>99,308</u>	<u>9,000</u>	<u>130,969</u>
Cash Disbursements:				
Current:				
General Government	26,855	17,705		44,560
Public Safety		6,855		6,855
Public Works		93,803		93,803
Redemption of Principal	2,200	4,645	3,562	10,407
Interest and Fiscal Charges			2,438	2,438
Total Cash Disbursements	<u>29,055</u>	<u>123,008</u>	<u>6,000</u>	<u>158,063</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(6,394)</u>	<u>(23,700)</u>	<u>3,000</u>	<u>(27,094)</u>
Other Financing Receipts/(Disbursements):				
Other Sources	<u>2,364</u>	<u>15,341</u>		<u>17,705</u>
Total Other Financing Receipts/(Disbursements)	<u>2,364</u>	<u>15,341</u>	<u>0</u>	<u>17,705</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(4,030)	(8,359)	3,000	(9,389)
Fund Cash Balances, January 1	<u>6,604</u>	<u>25,183</u>	<u>333</u>	<u>32,120</u>
Fund Cash Balances, December 31	<u>\$2,574</u>	<u>\$16,824</u>	<u>\$3,333</u>	<u>\$22,731</u>

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

MARION TOWNSHIP
NOBLE COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH
DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES
NONEXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Nonexpendable Trust</u>
Operating Cash Receipts:	
Donations	<u>\$2,000</u>
Total Operating Cash Receipts	<u>2,000</u>
Operating Income/(Loss)	<u>2,000</u>
Fund Cash Balances, January 1	<u>3,800</u>
Fund Cash Balances, December 31	<u><u>\$5,800</u></u>

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

**MARION TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Marion Township, Noble 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, including road and bridge maintenance and cemetery maintenance. The Township contracts with the Village of Summerfield Volunteer Fire Department 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 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

Certificates of deposit are valued at cost.

Investments are included in 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.

D. Fund Accounting

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

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

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

Gasoline Tax Fund - This fund receives gasoline tax money to construct, maintain and repair Township roads.

**MARION TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. Debt Service Funds

The debt service fund is used to accumulate resources for the payment of bonds and note indebtedness. The Township had the following significant Debt Service Fund:

Equipment Loan Fund - This fund was established to service the debt incurred from the purchase of a Ford tractor.

4. Fiduciary Funds (Trust and Agency Funds)

These funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Township to maintain a corpus of the trust, the fund is classified as a nonexpendable trust fund. The Township has established a Cemetery Bequest Fund to account for non-expendable trust monies received by the Township, in which the interest is to be used for general maintenance of the cemetery.

The Township did not properly post revenues derived from a specific source to a special fund, contrary to Ohio Rev. Code Section 5705.10.

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. Appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus 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 canceled, and reappropriated in the subsequent year. The Township did not encumber all commitments required by Ohio law.

A summary of 2001 and 2000 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.

**MARION TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>2001</u>	<u>2000</u>
Demand deposits	\$21,363	\$23,136
Certificates of deposit	5,395	5,395
Total deposits and investments	\$26,758	\$28,531

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation

3. RESTATEMENT OF FUND BALANCES

Certain adjustments have resulted in fund balance restatements for fiscal year 2000. The beginning fund balance in the Equipment Loan Fund, Capital Projects fund type has been decreased by \$333 to a restated amount of \$0. Accordingly, the Equipment Loan Fund, Debt Service fund type has been increased by \$333 to a restated amount of \$333. This decrease is due to findings for adjustment issued in the prior audit that were not correctly adjusted.

4. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2001 and 2000 follow:

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$18,831	\$23,776	\$4,945
Special Revenue	74,617	116,430	41,813
Capital Projects	1,000	0	(1,000)
Debt Service	0	2,000	2,000
Total	\$94,448	\$142,206	\$47,758

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$21,940	\$24,352	(\$2,412)
Special Revenue	92,223	114,294	(22,071)
Capital Projects	3,083	0	3,083
Debt Service	0	5,333	(5,333)
Nonexpendable Trust	1,280	0	1,280
Total	\$118,526	\$143,979	(\$25,453)

**MARION TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

4. BUDGETARY ACTIVITY (Continued)

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$21,065	\$25,025	\$3,960
Special Revenue	65,568	114,649	49,081
Capital Projects	6,000	0	(6,000)
Debt Service	0	9,000	9,000
Nonexpendable Trust	0	2,000	2,000
Total	\$92,633	\$150,674	\$58,041

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$27,681	\$29,055	(\$1,374)
Special Revenue	91,136	123,008	(31,872)
Capital Projects	6,004	0	6,004
Debt Service	0	6,000	(6,000)
Nonexpendable Trust	3,800	0	3,800
Total	\$128,621	\$158,063	(\$29,442)

The Township had expenditures exceeding appropriations in the General, Motor Vehicle License Tax, Gas Tax, Road and Bridge, Fire, Federal Emergency Management Assistance, and Equipment Loan Funds during 2000 and in the General, Road and Bridge, Fire, and Equipment Loan Funds during 2001, contrary to Ohio Rev. Code Section 5705.41(B).

Prior certification of Township funds was not obtained for any expenditures made during 2000 or 2001, contrary to Ohio Rev. Code Section 5705.41(D).

5. PROPERTY TAX

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

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.

**MARION TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

6. DEBT

Debt outstanding at December 31, 2001 was as follows:

	Principal	Interest Rate
Tractor Note	\$47,955	7%
Tax Refund Payable	6,845	
Total	\$54,800	

The tractor notes were issued for the purchase of a new tractor to be used for Township road maintenance. During 2001, the Township took out an additional \$27,500 loan and consolidated this loan with the outstanding balance of a previous tractor loan. The notes are collateralized solely by the Township's taxing authority and are being retired through the Equipment Loan Fund. The tax refund is a long term obligation for a repayment of taxes to Texas Eastern Transmission Corporation, a public utility company, for tax years 1991 through 1996. The repayment of taxes will be made from township funds receiving personal property taxes through deductions from tax settlements by the Noble County Auditor.

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

Year ending December 31:	Tractor Note	Tax Refund Payable	Totals
2002	\$25,794	\$6,845	\$32,639
2003	25,572	0	25,572
Total	\$51,366	\$6,845	\$58,211

7. RETIREMENT SYSTEMS

The Township's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS 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 2001 and 2000, members of PERS contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries, through June 30, 2000 and for 2001. PERS temporarily reduced the employer contribution rate to 8.13%, effective July 1, 2000 through December 31, 2000. The Township has paid all contributions required through December 31, 2001.

8. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

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

The Township also provides health insurance and dental and vision coverage to elected officials through a private carrier.

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OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

743 East State Street
Athens Mall Suite B
Athens, Ohio 45701
Telephone 740-594-3300
800-441-1389
Facsimile 740-594-2110
www.auditor.state.oh.us

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

Marion Township
Noble County
26655 State Route 78
Summerfield, Ohio 43788

To the Board of Trustees:

We have audited the accompanying financial statements of Marion Township, Noble County, Ohio (the Township), as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated March 4, 2002. 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 2001-41061-002 through 2001-41061-004. We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated March 4, 2002.

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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the Township's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying Schedule of Findings as item 2001-41061-001.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe item 2001-41061-001 to be a material weaknesses.

Marion Township
Noble County
Report of Independent Accountants on Compliance and on Internal Control Required by
Government Auditing Standards
Page 2

This report is intended 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.

Jim Petro
Auditor of State

March 4, 2002

MARION TOWNSHIP
NOBLE COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2001 AND 2000

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

FINDING NUMBER 2001-41061-001

Reportable Condition - Posting of Receipts and Disbursements

The Township Clerk did not consistently post receipts and disbursements to the proper receipt and appropriation line accounts.

As a result, there were numerous adjustments and reclassifications to the financial statements presented by the Township.

We recommend the Township Clerk follow the accounting codes prescribed in the Uniform Accounting Network Accounting Manual for Townships, Appendix C. These adjustments and reclassifications have been made to the financial statements.

FINDING NUMBER 2001-41061-002

Noncompliance Citations

Ohio Revised Code § 5705.41 (B) states, in part, that no subdivision or taxing unit is to expend money unless it has been appropriated.

The Township did not approve their permanent appropriation measure until February 11, 2001 for calendar year 2001. The Township expended \$3,921 in January 2001, without having a temporary or permanent appropriation measure in effect. In addition, the Township's legal level of control is at the object level. We noted the following funds which had actual expenditures which exceeded appropriations at the legal level of control at December 31:

2001

<u>Fund</u>	<u>Appropriations</u>	<u>Disbursements</u>	<u>Variance</u>
<u>General</u>			
PERS	\$1,000	\$1,262	(\$262)
Medical	\$4,000	\$4,511	(\$511)
Treasurer Fees	\$500	\$1,251	(\$751)
Other	\$1,328	\$1,561	(\$233)
<u>Gasoline Tax</u>			
PERS	\$2,000	\$2,958	(\$958)
Operating Supplies	\$9,847	\$11,236	(\$1,389)
<u>Road & Bridge</u>			
Other	\$6,104	\$34,903	(\$28,799)
<u>Equipment Loan</u>			
Debt Service	\$0	\$5,333	(\$5,333)

**MARION TOWNSHIP
NOBLE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2001 AND 2000
(Continued)**

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

FINDING NUMBER 2001-41061-002 (Continued)

Noncompliance Citations (Continued)

Ohio Revised Code § 5705.41 (B) (Continued)

2000

<u>Fund</u>	<u>Appropriations</u>	<u>Disbursements</u>	<u>Variance</u>
<u>General</u>			
Salary-Clerk	\$7,100	\$7,889	(\$789)
Medical	\$5,000	\$6,448	(\$1,448)
Treasurer Fees	\$500	\$1,688	(\$1,188)
Other	\$3,000	\$3,764	(\$764)
<u>Gasoline Tax</u>			
PERS	\$2,000	\$2,617	(\$617)
Other	\$20,000	\$31,244	(\$11,244)
<u>MVL</u>			
Other	\$5,430	\$10,054	(\$4,624)
<u>Equipment Loan</u>			
Debt Service	\$0	\$6,000	(\$6,000)

We recommend the Township Clerk review the appropriation ledger periodically to ensure that expenditures do not exceed appropriations at the legal level of control.

FINDING NUMBER 2001-41061-003

Noncompliance Citation

Ohio Revised Code § 5705.41 (D) states, in part, that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the obligation or, in the case of a continuing contract to be performed in whole or in part in an ensuing fiscal year, the amount required to meet the obligation in the fiscal year in which the contract is made, has been lawfully appropriated for such purpose and is in the treasury or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance. This certificate need be signed only by the subdivision's fiscal officer. This section provides two "exceptions" to the above requirements:

**MARION TOWNSHIP
NOBLE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2001 AND 2000
(Continued)**

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

FINDING NUMBER 2001-41061-003 (Continued)

Noncompliance Citation (Continued)

Ohio Revised Code § 5705.41 (D) (Continued)

- A. Then and Now Certificate - If no certificate is furnished as required, upon receipt by the taxing authority of the subdivision or taxing unit of a certificate of the fiscal officer stating that there was at the time of the making of such contract or order and at the time of execution of such certificate a sufficient sum appropriated for the purchase of such contract and in the treasury or process of collection to the credit of an appropriate fund free from any previous encumbrances, such taxing authority may authorize the drawing of a warrant in payment of amounts due upon such contract, but such resolution or ordinance shall be passed within thirty days from the receipt of such certificate.
- B. If the amount is less than one thousand dollars, the fiscal officer may authorize it to be paid without the affirmation of the Board of Trustees, if such expenditure is otherwise valid.

The Township did not obtain the Township Clerk's prior certification for any of the transactions we tested, nor was there evidence of a "Then and Now" certificate being used by the Township Clerk.

We recommend the Township obtain the Township Clerk's prior certification for all disbursements.

FINDING NUMBER 2001-41061-004

Noncompliance Citation

Ohio Rev. Code Section 5705.10 states that all revenue derived from a specific source shall be credited to a special fund for the purpose for which the monies were received.

Property tax revenue earmarked for the Equipment Note Fund, a Debt Service Fund type, for principal and interest payments on a bank loan were not posted to the Equipment Loan Fund. In addition, state & local highway distribution monies were earmarked by the County Auditor for the Equipment Loan Fund but were posted to other Special Revenue funds.

We recommend the Township Clerk post restricted revenues into the special funds. These amounts have been adjusted to the financial statements and the Township Clerk's records.

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**MARION TOWNSHIP
NOBLE COUNTY
DECEMBER 31, 2001 AND 2000**

SCHEDULE OF PRIOR AUDIT FINDINGS

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
1999-41061-001	Ohio Rev. Code Section 5705.10, placing property tax money into Road & Bridge Fund instead of Equipment Note Fund	No	Not Corrected. Citation repeated in the Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>
1999-41061-002	Ohio Rev. Code Section 5705.10, placing homestead & rollback money into Permissive MVL Fund instead of Fire Levy Fund	Yes	Finding No Longer Valid
1999-41061-003	Ohio Rev. Code Section 5705.10, Township paid debt from Road & Bridge Fund and Gasoline Tax Fund	Yes	Finding No Longer Valid
1999-41061-004	No prior certification of Clerk for 72% of transactions tested	No	Not Corrected. Citation repeated in the Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>
1999-41061-005	Numerous receipts and disbursements not posted accurately	No	Not Corrected. Recommendation repeated in the Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

MARION TOWNSHIP

NOBLE 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
MAY 9, 2002**