

**SHAWNEE TOWNSHIP**

**REGULAR AUDIT**

January 1, 1998 - December 31, 1999



STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

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Board of Trustees  
Shawnee Township  
Allen County  
2530 Fort Amanda Road  
Lima, Ohio 45804-3795

We have reviewed the independent auditor's report of the Shawnee Township, Allen County, prepared by Reichert & Associates, CPA's, for the audit period January 1, 1998 through December 31, 1999. 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. The Shawnee Township is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO  
Auditor of State

August 22, 2000

**SHAWNEE TOWNSHIP  
ALLEN COUNTY**

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# REICHERT & ASSOCIATES, CPA'S

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## **Independent Auditor's Report**

Board of Trustees  
Shawnee Township  
Allen County  
2530 Fort Amanda Road  
Lima, Ohio 45804-3795

We have audited the accompanying financial statements of the Shawnee Township as of and for the years ended December 31, 1999, and 1998. 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 audit in accordance with generally accepted auditing standards 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 basic financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates, if any, made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1-B, the Shawnee Township, prepares its financial statements on the basis of accounting prescribed by or permitted by the Auditor of State, which is similar to the cash receipts and cash disbursement basis which is a basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements present fairly, in all material respects, the combined fund cash balances of the Shawnee Township as of December 31, 1999 and 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1-B.

In accordance with Government Auditing Standards, we have also issued our report dated July 26, 2000 on our consideration of Shawnee Township internal control over financial reporting and our tests of its compliance with laws, regulations, contracts and grants.

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

July 26, 2000  
Findlay, Ohio

**REICHERT & ASSOCIATES, CPA'S**  
Certified Public Accountants

SHAWNEE TOWNSHIP  
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND  
 CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
 For The Year Ended December 31, 1999

	Governmental Fund Types			( Memorandum Only )
	General	Special Revenue	Capital Projects	Total
<b>Cash Receipts:</b>				
Local Taxes	\$192,184	\$2,794,625	\$0	\$2,986,809
Intergovernmental Receipts	386,878	287,598	0	674,476
Charges for Services	0	10,375	0	10,375
Fines and Forfeitures	0	10,938	0	10,938
Interest	124,045	4,458	0	128,503
Licenses, permits, and fees	17,639	0	0	17,639
Other Revenue	21,740	39,895	250	61,885
<b>Total Cash Receipts</b>	<b>742,486</b>	<b>3,147,889</b>	<b>250</b>	<b>3,890,625</b>
<b>Cash Disbursements:</b>				
<b>Current:</b>				
General Government	268,531	0	0	268,531
Public Safety	59,482	2,616,515	0	2,675,997
Public Works	39,640	480,159	0	519,799
Public Health	67,590	0	0	67,590
Capital Outlay	57,704	276,836	4,789	339,329
<b>Total Cash Disbursements</b>	<b>492,947</b>	<b>3,373,510</b>	<b>4,789</b>	<b>3,871,246</b>
<b>Total Cash Receipts Over (Under) Cash Disbursements</b>	<b>249,539</b>	<b>(225,621)</b>	<b>(4,539)</b>	<b>19,379</b>
<b>Other Financing Sources (Uses):</b>				
Transfers-In	0	100,000	0	100,000
Transfers-Out	(100,000)	0	0	(100,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(100,000)</b>	<b>100,000</b>	<b>0</b>	<b>0</b>
<b>Total of Receipts &amp; Other Sources Over (Under) Distributions &amp; Other Uses</b>	<b>149,539</b>	<b>(125,621)</b>	<b>(4,539)</b>	<b>19,379</b>
<b>Fund Cash Balances, January 1, 1999</b>	<b>818,269</b>	<b>2,091,459</b>	<b>4,539</b>	<b>2,914,267</b>
<b>Fund Cash Balances, December 31, 1999</b>	<b>\$967,808</b>	<b>\$1,965,838</b>	<b>\$0</b>	<b>\$2,933,646</b>

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

SHAWNEE TOWNSHIP  
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND  
 CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
 For The Year Ended December 31, 1998

	Governmental Fund Types			( Memorandum Only )
	General	Special Revenue	Capital Projects	Total
<b>Cash Receipts:</b>				
Local Taxes	\$195,549	\$2,812,080	\$0	\$3,007,629
Intergovernmental Receipts	353,520	313,591	1,352	668,463
Charges for Services	0	31,521	0	31,521
Fines and Forfeitures	0	11,983	0	11,983
Interest	119,471	2,958	0	122,429
Licenses, permits, and fees	9,687	0	0	9,687
Other Revenue	19,032	120,950	250	140,232
<b>Total Cash Receipts</b>	<b>697,259</b>	<b>3,293,083</b>	<b>1,602</b>	<b>3,991,944</b>
<b>Cash Disbursements:</b>				
<b>Current:</b>				
General Government	278,790	0	0	278,790
Public Safety	67,269	2,560,739	0	2,628,008
Public Works	170,296	287,041	0	457,337
Public Health	61,909	0	0	61,909
Capital Outlay	16,019	142,330	22,507	180,856
<b>Total Cash Disbursements</b>	<b>594,283</b>	<b>2,990,110</b>	<b>22,507</b>	<b>3,606,900</b>
<b>Total Cash Receipts Over (Under) Cash Disbursements</b>	<b>102,976</b>	<b>302,973</b>	<b>(20,905)</b>	<b>385,044</b>
<b>Other Financing Sources (Uses):</b>				
Transfers-In	0	100,000	0	100,000
Transfers-Out	(100,000)	0	0	(100,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(100,000)</b>	<b>100,000</b>	<b>0</b>	<b>0</b>
<b>Total of Receipts &amp; Other Sources Over (Under) Distributions &amp; Other Uses</b>	<b>2,976</b>	<b>402,973</b>	<b>(20,905)</b>	<b>385,044</b>
Fund Cash Balances, January 1, 1998	815,293	1,688,486	25,444	2,529,223
Fund Cash Balances, December 31, 1998	<u>\$818,269</u>	<u>\$2,091,459</u>	<u>\$4,539</u>	<u>\$2,914,267</u>

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

**SHAWNEE TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 1999 and 1998**

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**NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. DESCRIPTION OF THE ENTITY**

The Shawnee Township, Allen County, Ohio, (the Township) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by three publicly-elected trustees. The Township provides general governmental 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**

The Township has no investments.

**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:

Governmental Funds

General Fund: The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

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

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

**SHAWNEE TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 1999 and 1998**

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**D. FUND ACCOUNTING (Continued)**

Road & Bridge Fund - This fund receives property taxes for the purposes of maintaining roads and bridges.

Police District Fund - This fund receives property taxes for the purposes of maintaining the police department.

Fire District Fund - This fund receives property taxes for the purpose of maintaining the fire department.

Capital Projects Fund:

Police Equipment Fund - This fund receives donations for the purpose of purchasing police equipment needed by the Township

**E. BUDGETARY PROCESS**

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

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 Township's 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.

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.

Encumbrances:

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when commitments are made.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

**F. PROPERTY, PLANT, AND EQUIPMENT**

Acquisitions of property, plant and equipment are recorded as disbursements (capital outlays) when paid. These items are not reflected as assets in the financial statements.



**SHAWNEE TOWNSHIP  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Years Ended December 31, 1999 and 1998**

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**G. UNPAID VACATION AND SICK 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 liabilities under the cash basis of accounting used by the Township.

**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 at December 31 follows:

	<u>1999</u>	<u>1998</u>
Demand deposits	<u>\$2,933,646</u>	<u>\$2,914,267</u>

The Township's deposits are insured by the Federal Depository Insurance Corporation and collateralized by the financial institution's public deposit pool.

**NOTE 3 -- BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 1998 and 1999 follows:

**1998 Budgeted vs. Actual Receipts**

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 387,200	\$ 697,259	\$ 310,059
Special Revenue	3,117,800	3,393,083	275,283
Capital Projects	<u>175,000</u>	<u>1,602</u>	<u>(173,398)</u>
Total	<u>\$ 3,680,000</u>	<u>\$ 4,091,944</u>	<u>\$ 411,944</u>

**SHAWNEE TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 1999 and 1998**

**1998 Budgeted vs. Actual Budgetary Expenditures**

<b><u>Fund Type</u></b>	<b><u>Authority</u></b>	<b><u>Appropriation Expenditures</u></b>	<b><u>Budgetary Variance</u></b>
General	\$ 1,202,000	\$ 694,283	\$ 507,717
Special Revenue	4,801,465	2,990,110	1,811,355
Capital Projects	<u>200,000</u>	<u>22,507</u>	<u>177,493</u>
Total	<u>\$ 6,203,465</u>	<u>\$ 3,706,900</u>	<u>\$ 2,496,565</u>

**1999 Budgeted vs. Actual Receipts**

<b><u>Fund Type</u></b>	<b><u>Budgeted Receipts</u></b>	<b><u>Actual Receipts</u></b>	<b><u>Variance</u></b>
General	\$ 333,799	\$ 742,486	\$ 408,687
Special Revenue	3,136,800	3,247,889	111,089
Capital Projects	<u>0</u>	<u>250</u>	<u>250</u>
Total	<u>\$ 3,470,599</u>	<u>\$ 3,990,625</u>	<u>\$ 520,026</u>

**1999 Budgeted vs. Actual Budgetary Expenditures**

<b><u>Appropriation Fund Type</u></b>	<b><u>Budgetary Authority</u></b>	<b><u>Expenditures</u></b>	<b><u>Variance</u></b>
General	\$ 1,023,500	\$ 592,947	\$ 430,553
Special Revenue	5,217,365	3,373,510	1,843,855
Capital Projects	<u>4,500</u>	<u>4,789</u>	<u>(289)</u>
Total	<u>\$ 3,470,599</u>	<u>\$ 3,990,625</u>	<u>\$ 520,026</u>

**NOTE 4 – COMPLIANCE**

The Township does not maintain its accounting system as prescribed by section 117-3 of the Ohio Administrative Code.

**SHAWNEE TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 1999 and 1998**

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**NOTE 4 -- COMPLIANCE (CONTINUED)**

The Township does not certify the availability of funds prior to the commitment being incurred, as required by the Ohio Revised Code §5705.41(D).

**NOTE 5 -- 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 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.

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.

**NOTE 6 -- RETIREMENT SYSTEMS**

The Township's firemen belong to the Police and Firemen's Disability and Pension Funds (PFDPF). Police and other full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost-sharing multiple-employer plans. These plans provides retirement benefits, including post-retirement health care, 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 1999 and 1998, members of PFDPF contributed 10% of their wages to the PFDPF. The Township contributed an amount equal to 24% of their wages. PERS police members contributed 9% and other PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 16.7% for police and 13.55% for all other members of participants' gross salaries. The Township has paid all contributions required through December 31, 1999.

**NOTE 7 -- RISK MANAGEMENT**

The Township has obtained commercial insurance for the following risk:

- Commercial General Liability
- Commercial Automobile Liability
- Professional Liability
- Public Officials Liability
- Law Enforcement Liability

**SHAWNEE TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 1999 and 1998**

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**NOTE 7 -- RISK MANAGEMENT (Continued)**

- Inland Marine Coverage
- Excess Liability
- Commercial Property Liability
- Umbrella Coverage

The Township also provides health, dental and life insurance to officials and employees.

**NOTE 8 -- CONTINGENT LIABILITIES**

Amounts received from grantor agencies are subject to audit and adjustment by grantor, principally the federal government. 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.

The Township's attorney and management are aware of no litigation.

# REICHERT & ASSOCIATES, CPA'S

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## **Report of Independent Accountants on Compliance and on Internal Control Required by Government Auditing Standards**

Board of Trustees  
Shawnee Township  
Allen County  
2530 Fort Amanda Road  
Lima, Ohio 45807

We have audited the financial statements of the Shawnee Township as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated July 26, 2000. We conducted our audits in accordance with generally accepted auditing standards 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 audits 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 1999-001 through 1999-005. We also noted certain immaterial instances of noncompliance that we have reported to the management of the Township in a separate letter dated July 26, 2000.

### **Internal Control Over Financial Reporting**

In planning and performing our audits, 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 a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. 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 judgment, 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 1999-006.

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 over financial reporting that might be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness. We also 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 July 26, 2000.

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

July 26, 2000  
Findlay, Ohio

**REICHERT & ASSOCIATES, CPA's**  
Certified Public Accountants

**SHAWNEE TOWNSHIP  
ALLEN COUNTY, OHIO**

SCHEDULE OF FINDINGS  
DECEMBER 31, 1999 AND 1998

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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<b>Finding Number</b>	1999-001
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**Noncompliance**

Ohio Administrative Code §117-3-07 states , a “Township Voucher” is a written order by the board of township trustees directing the clerk to draw a warrant in payment of a lawful obligation of the township. The completed voucher is the basis for the preparation of the warrant. A township voucher shall be in the form as listed in the administrative code and include a copy of the purchase order and invoices.

The Township vouchers did not include the fund/function account distribution and purchase orders and invoices were not always attached to the vouchers. This could result in incorrect postings, duplicate and improper payments.

We recommend that all vouchers include the information listed above and the Trustees review the vouchers to ensure they are complete.

<b>Finding Number</b>	1999-002
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**Noncompliance**

Ohio Administrative Code §117-3-09 (A) states that Townships shall maintain a receipts ledger which contains a separate receipts account for each receipts account employed by the Township.

OAC Section 117-3-09 (B) states each Township shall post to each receipts account the estimated amount of money anticipated to be received into the account as specified by the County Budget Commission in its official estimate of balances and receipts set forth in the Certificate of Estimated Resources.

The Township does not maintain a receipts ledger. It has a general ledger, by fund and not account, indicating the debits and credits for that month.

We recommend that Township maintain a receipts ledger including the items listed above.

<b>Finding Number</b>	1999-003
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Ohio Administrative Code §117-3-08 (A) states that Townships shall record expenditures and receipts of Township money in a cash journal. (B) states that at the beginning of each fiscal year, the balance in each fund shall be entered in the “Balance” column under the proper fund heading and the total of such balances entered in the “balance column under the heading “cash”. The receipt of all moneys shall be entered in chronological order in the “credit” column of the proper fund and in the debit column of cash. A receipt as prescribed in rule 117-3-10 of the administrative code shall be issued to each person from whom money is received, and the receipt number entered in the cash journal in numerical order. The warrant amount of each warrant issued in payment of an obligation shall be entered in the cash journal in the debit column of the proper fund and in the credit column under heading cash. (C) At the close of each month, all “debit” and “credit” columns shall be ruled off on the same line, totaled, and the totals for the month entered. The year to-date totals shall be entered on the next line and the columns again ruled off. The difference between the month’s debits and credits shall be added to or subtracted from the previous month’s debits and credits and the new balances entered in the proper column. (E) The date, receipt number, warrant number purchase order number and other required information shall be entered in the appropriate column or space provided on the form prescribed in paragraph (F) of this rule.

The Township does not record expenditures and receipts in a cash journal they record it in a general ledger which is maintained by fund, by month. The general did not include the check number or in all cases a receipt number by transaction.

We recommend the Township maintain a cash journal including the items listed above.

<b>Finding Number</b>	1999-004
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**Noncompliance**

Ohio Administrative Code §117-3-11 (A) states that Townships shall maintain an appropriations ledger which shall contain a separate appropriations account for each appropriation account, as prescribe in rule 117-3-04 of the Administrative Code, employed by the township. A separate sheet shall be used in the ledger for each account. The name of the fund and account and the code prescribed for that account, shall be entered on the ledger sheet (B) Each township shall post to each appropriation account an amount equal to the amount appropriated for that account in the annual appropriation resolution(s). (C) Each expenditure or encumbrance charged against an appropriation account shall be posted and subtracted from the appropriated balance.

The Township does not maintain an appropriations ledger.

We recommend the Township maintain the required appropriations ledger.



<b>Finding Number</b>	1999-005
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**Noncompliance**

Ohio Revised Code §5705.41 (D) states that no subdivision shall make any contract or order any expenditure of money unless the certificate of the fiscal officer is attached. The fiscal officer must certify that the amount required to meet such a commitment has been lawfully appropriated and is in the treasury or in the process of collection to the appropriate fund free from any previous encumbrance. Further, contracts and orders lacking prior certification shall be considered null and void.

This section also provides two exceptions to the above requirements:

- A. Then and Now Certificate - If no certificate is furnished as required, upon receipt of the fiscal officer’s certificate that a sufficient sum was both at the time of the contract or order and at the time of the certificate appropriated and free of any previous encumbrance, the Trustees may authorize the issuance of a warrant in payment of the amount due upon such contract of order by resolution within 30 days from the receipt of such certificate, if such expenditure is otherwise valid.
- B. If the amount involved is less that \$1,000, the fiscal officer may authorize it to be paid without the affirmation of the Trustees, if such expenditure is otherwise valid.

The Township Clerk does not certify expenditures prior to the commitment being incurred.

Prior certification is not only required by Ohio law but is a key control in the disbursement process to assure that purchase commitments receive prior approval, and to help reduce the possibility of Township funds being over expended or exceeding budgetary spending limitations as set by the Trustees.

To improve controls over disbursements, it is recommended that all Township disbursements receive prior certification of the Clerk and that the Trustees periodically review the expenditures made to ensure they are within the appropriations adopted by the Trustees, certified by the Clerk and recorded against appropriations.

<b>Finding Number</b>	1999-06
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**Reportable Condition**

Financial Monitoring

The Trustees do not receive monthly budget vs. actual reports for revenues and expenditures, they do not review monthly bank reconciliations and the Township Clerk was not consistent in posting similar expenditures to the same line item from one year to the next.

Trustees reviews of the financial activity of the Township is an effective monitoring control in the effort to detect and deter errors and irregularities. Inconsistency in posting expenditures can result in misleading financial information being presented to the Trustees and general public.

To strengthen controls it is recommended that the Trustees review and approve monthly budget vs. actual reports and bank reconciliations and that the Clerk review the administrative code requirements for posting expenditures to ensure they are posted to the proper account. The Trustees should also review the annual efficiencies in both financial accountings and reporting if the Trustees would consider investing in additional training for the Clerk.

**SHAWNEE TOWNSHIP  
ALLEN COUNTY, OHIO**

<b>STATUS OF PRIOR AUDIT'S FINDINGS, CITATIONS, AND RECOMMENDATIONS</b>
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<u><b>FINDINGS</b></u>	<u><b>Status</b></u>	<u><b>Explanation if not fully implemented</b></u>
Public money due but not collected on cost of insurance for Karen Mayer (\$1,791.98) Ohio Revised Code §117.28	Not Corrected	Township will try to collect the funds due to them.
Public money due but not collected on insurance co-pays and deductibles Ohio Revised Code §117.28	Corrected	State Attorney General agreed to drop finding.
<u><b>CITATIONS</b></u>		
Township Voucher Ohio Revised Code §117-3-07	Not Corrected	Township has implemented UAN system for fiscal 2000.
Maintained Cash Journal Ohio Revised Code §117-3-08	Not Corrected	Township has implemented UAN system for fiscal 2000.
Maintained Receipts Ledger Ohio Revised Code §117-3-09	Not Corrected	Township has implemented UAN system for fiscal 2000.
Maintained Appropriation Ledger Ohio Revised Code §117-3-11	Not Corrected	Township has implemented UAN system for fiscal 2000.
Certificate of Fiscal Officer Ohio Revised Code §5705.41D	Not Corrected	Township has implemented UAN system for fiscal 2000.
Year 2000 Compliance	Corrected	
<u><b>REPORTABLE CONDITION</b></u>		
Financial Monitoring	Not Corrected	Township has implemented UAN system for fiscal 2000.



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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Facsimile 614-466-4490

**SHAWNEE TOWNSHIP**

**ALLEN 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 26, 2000**