



**BUFFALO TOWNSHIP
NOBLE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**BUFFALO TOWNSHIP
NOBLE COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Buffalo Township
Noble County
51746 Old Infirmary Road
Pleasant City, Ohio 43772

To the Board of Trustees:

We have audited the accompanying financial statements of Buffalo Township, Noble County, Ohio, (the Township) as of and for the years ended December 31, 2000 and 1999. 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 discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

The basis of accounting prescribed by the Auditor of State requires the Township to report outstanding encumbrances at year end as budgetary expenditures. The Township did not record encumbrances. Accordingly, budgetary expenditures in Note 3 do not include encumbrances. It was not practical for us to determine the amount of unrecorded encumbrances at year end.

In our opinion, except for the effects of not recording year end outstanding encumbrances as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Buffalo Township, Noble County, as of December 31, 2000 and 1999, 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 December 3, 2001 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.

This report is intended solely for the information and use of management, the Board of Trustees and other officials authorized to receive this report under § 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

December 3, 2001

**BUFFALO 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>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$10,515	\$5,459	\$15,974
Intergovernmental	8,294	61,524	69,818
Earnings on Investments	1,251	519	1,770
Other Revenue	244		244
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	20,304	67,502	87,806
Cash Disbursements:			
Current:			
General Government	18,079		18,079
Public Safety		2,185	2,185
Public Works		62,152	62,152
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	18,079	64,337	82,416
Total Cash Receipts Over/(Under) Cash Disbursements	<hr/>	<hr/>	<hr/>
	2,225	3,165	5,390
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>
	18,551	35,345	53,896
Fund Cash Balances, December 31	<hr/> \$20,776	<hr/> \$38,510	<hr/> \$59,286

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

**BUFFALO 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, 1999**

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
Cash Receipts:			
Local Taxes	\$8,922	\$4,821	\$13,743
Intergovernmental	7,745	68,670	76,415
Earnings on Investments	1,254	748	2,002
Other Revenue	1,289		1,289
 Total Cash Receipts	 19,210	 74,239	 93,449
Cash Disbursements:			
Current:			
General Government	22,014		22,014
Public Safety		2,306	2,306
Public Works		57,754	57,754
Health	517		517
Redemption of Principal		11,180	11,180
Interest and Fiscal Charges		515	515
Capital Outlay	200		200
 Total Cash Disbursements	 22,731	 71,755	 94,486
 Total Cash Receipts Over/(Under) Cash Disbursements	 (3,521)	 2,484	 (1,037)
Other Financing Receipts/(Disbursements):			
Advances-In		1,000	1,000
Advances-Out	(1,000)		(1,000)
 Total Other Financing Receipts/(Disbursements)	 (1,000)	 1,000	 0
 Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	 (4,521)	 3,484	 (1,037)
 Fund Cash Balances, January 1	 23,072	 31,861	 54,933
 Fund Cash Balances, December 31	 \$18,551	 \$35,345	 \$53,896

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

**BUFFALO TOWNSHIP
NOBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Buffalo 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 Belle Valley and the Village of Senecaville to provide fire and ambulance services.

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

B. Basis of Accounting

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

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

C. Cash and Investments

Certificates of deposit are valued at cost.

Investments are reported as assets. 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 Funds:

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

**BUFFALO TOWNSHIP
NOBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

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

Motor Vehicle License Tax Fund - This fund receives motor vehicle money for maintaining and repairing Township roads.

FEMA Fund - This fund receives grants from the federal government for flood related damages and clean-up.

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. The Township did not encumber all commitments required by Ohio law.

A summary of 2000 and 1999 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.

**BUFFALO TOWNSHIP
NOBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Township maintains a cash 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>2000</u>	<u>1999</u>
Demand deposits	\$36,980	\$32,568
Certificates of deposit	<u>22,306</u>	<u>21,328</u>
Total	<u><u>\$59,286</u></u>	<u><u>\$53,896</u></u>

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2000 and December 31, 1999 follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$16,031	\$20,304	\$4,273
Special Revenue	<u>60,912</u>	<u>67,502</u>	<u>6,590</u>
Total	<u><u>\$76,943</u></u>	<u><u>\$87,806</u></u>	<u><u>\$10,863</u></u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$38,923	\$18,079	\$20,844
Special Revenue	<u>90,252</u>	<u>64,337</u>	<u>25,915</u>
Total	<u><u>\$129,175</u></u>	<u><u>\$82,416</u></u>	<u><u>\$46,759</u></u>

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$16,308	\$19,210	\$2,902
Special Revenue	<u>59,478</u>	<u>75,239</u>	<u>15,761</u>
Total	<u><u>\$75,786</u></u>	<u><u>\$94,449</u></u>	<u><u>\$18,663</u></u>

**BUFFALO TOWNSHIP
NOBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$47,329	\$23,731	\$23,598
Special Revenue	82,741	71,755	10,986
Total	\$130,070	\$95,486	\$34,584

Accountability and Compliance:

Contrary to Ohio Rev. Code Section 5705.41(D), prior certification of Township funds was not obtained for expenditures made during 1999 and 2000.

Contrary to Ohio Rev. Code Section 5705.10, expenditures were made from the Road and Bridge Fund where a sufficient fund balance did not exist, resulting in a negative fund balance.

4. PROPERTY TAX

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

The Township's employees, as well as elected officials, 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.

**BUFFALO TOWNSHIP
NOBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

5. RETIREMENT SYSTEMS (Continued)

Contribution rates are also prescribed by the Ohio Revised Code. PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 10.84% and 13.55% for 2000 and 1999, respectively of participants' gross salaries. The Township has paid all contributions required through December 31, 2000.

6. 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 life insurance coverage to all Township employees through a private carrier.

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

Buffalo Township
Noble County
51746 Old Infirmary Road
Pleasant City, Ohio 43772

To the Board of Trustees:

We have audited the accompanying financial statements of Buffalo Township, Noble County, Ohio (the Township), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated December 3, 2001, wherein we noted the Township did not record encumbrances in its budgetary presentation. 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 2000-41061-001 through 2000-41061-006. We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated December 3, 2001.

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 what we considered 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 conditions are described in the accompanying Schedule of Findings as items 2000-41061-001 through 2000-41061-003, 2000-41061-005, and 2000-41061-007.

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, of the reportable conditions described above, we consider items 2000-41061-005 and 2000-41061-007 to be material weaknesses. 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 December 3, 2001.

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

December 3, 2001

**BUFFALO TOWNSHIP
NOBLE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2000 AND 1999**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER	2000-41061-001
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Finding For Adjustment and Reportable Condition

Ohio Rev. Code § 5735.27(A)(5) provides the authorized uses for gasoline tax money.

During September 2000, the Clerk posted her monthly salary of \$675.00 to the Gasoline Tax Fund. For all other months during 1999 and 2000, the Clerk's net salary was paid from the General Fund. However, amounts withheld from the Clerk's salary for retirement, federal taxes and medicare, as well as the Township's portion of Medicare, were paid from the Gasoline Tax Fund, rather than from the General Fund. The Clerk's withholdings and the Township's portion of Medicare paid from the Gasoline Tax Fund totaled \$3,849 during 1999 and 2000. As the Clerk's duties were of a general administrative nature, the entire Clerk's salary, as well as any withholdings and fringe benefits, should be paid from the General Fund. Ohio Rev. Code § 5735.27(A)(5) does not authorize the use of gasoline tax money for the payment of the Clerk's salary and fringe benefits.

In accordance with the foregoing facts, a finding for adjustment is hereby issued against the General Fund in the amount of \$4,524, in favor of the Gasoline Tax Fund. The Clerk has posted this adjustment to her records, and this adjustment is reflected in the accompanying financial statements.

FINDING NUMBER	2000-41061-002
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Finding For Adjustment and Reportable Condition

Ohio Rev. Code § 505.24 requires Trustee's salaries to be paid from the General Fund or from other Township funds in such proportions as the Board specifies by resolution. The resolution should allocate the salaries based on the types of services provided by the Trustees.

During both 2000 and 1999, the salaries of the Trustees were charged entirely to the Gasoline Tax Fund. A resolution had not been adopted by the Board specifying how Trustee salaries would be allocated. However, activities of an administrative nature, such as attendance at monthly Board of Trustee meetings, should be charged to the General Fund. On August 24, 2001, the Board of Trustees adopted a retroactive resolution authorizing 3% of each Trustee's salary to be charged to the General Fund for 1999 and 2000.

In accordance with the foregoing facts, a finding for adjustment is hereby issued against the General Fund, in favor of the Gasoline Tax Fund, in the amounts of \$572 and \$588, during 1999 and 2000, respectively. The adjustment, representing 3% of each Trustee's salary and fringe benefits, has been agreed to by management of the Township and is reflected in the accompanying financial statements.

**BUFFALO TOWNSHIP
NOBLE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2000 AND 1999
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER	2000-41061-003
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Finding for Adjustment and Reportable Condition

Ohio Rev. Code § 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.

During the audit period, the Clerk recorded several receipts to incorrect funds as well as incorrect classifications. Among those receipts posted incorrectly were property taxes, motor vehicle license and gasoline excise taxes, interest revenue and other miscellaneous revenue.

In accordance with the foregoing facts, a finding for adjustment is hereby issued against the General, Gasoline Tax, Road and Bridge, and Fire District Funds, in favor of the Motor Vehicle License Tax and Permissive Motor Vehicle License Tax Funds as shown below. This adjustment has been agreed to by management of the Township and is reflected in the accompanying financial statements.

General Fund	\$(8)
Motor Vehicle License Tax Fund	\$520
Gasoline Tax Fund	\$(57)
Road and Bridge Fund	\$(247)
Fire District Fund	\$(317)
Permissive Motor Vehicle License Tax Fund	\$109

We recommend the Clerk utilize the Township chart of accounts to assist in posting receipt and expenditure transactions to the proper funds and accounts.

FINDING NUMBER	2000-41061-004
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Noncompliance Citation

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

During 1999, \$15,241 was expended prior to appropriations being adopted and certified to the County Auditor. On March 29, 1999, appropriations were certified to the County Auditor for 1999. During 2000, \$13,133 was expended prior to appropriations being adopted and certified to the County Auditor. On March 27, 2000, appropriations were certified to the County Auditor for 2000.

We recommend the Board adopt appropriations on or about the first day of each year and certify them to the County Auditor. Expenditures should not be made until appropriations are adopted and filed with the County Auditor.

**BUFFALO TOWNSHIP
NOBLE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2000 AND 1999
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER	2000-41061-005
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Noncompliance Citation and Material Weakness

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:

- 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.

During 1999 and 2000, the fiscal officer's certification was not obtained for expenditures made. The Township did not utilize the two exceptions noted above. This could result in purchase commitments being incurred for which the Township does not have adequate funds.

We recommend the fiscal officer's certification be obtained prior to purchase commitments being incurred.

FINDING NUMBER	2000-41061-006
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Noncompliance Citation

Ohio Revised Code § 5705.10 states, in part, that money that is paid into a fund must be used only for the purposes for which such fund has been established. As a result, a negative fund balance indicates that money from one fund was used to cover the expenses of another fund.

During testing of budgetary compliance, we noted negative fund balances in the Road and Bridge Fund at December 31, 1999 and 2000 of \$4,629 and \$4,573, respectively.

We recommend the Township expend monies only when adequate balances are available. When cash flow problems arise, the Township should consider the use of cash advances from other funds.

**BUFFALO TOWNSHIP
NOBLE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2000 AND 1999
(Continued)**

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

FINDING NUMBER	2000-41061-007
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Material Weakness

Receipts and expenditures should be classified in accordance with the Township's chart of accounts. In addition, receipts and expenditures as reported on the Township's annual financial reports should be supported by the activity recorded in the Township's receipts and appropriations ledgers.

In certain instances, receipts and disbursements were posted to the incorrect accounts concerning intergovernmental receipts, interest, property tax receipts, debt, and cash disbursements in general. As a result, numerous reclassifications were necessary to properly report receipts and expenditures on the annual financial reports for 1999 and 2000. These reclassifications have been agreed to by management of the Township and are reflected in the financial statements.

We recommend the Clerk utilize the Township chart of accounts to assist in posting receipt and expenditure transactions to the proper accounts.

**BUFFALO TOWNSHIP
NOBLE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2000 AND 1999**

<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;
1998-41061-001	Ohio Rev. Code Section 5705.41(D) - Failure to Obtain Prior Certification	No	Not corrected. Repeated - See Finding 2000-41061-005.
1998-41061-002	Ohio Rev. Code Section 5705.41(B) - Expenditures exceeded Appropriations	No	Not corrected. Repeated - See Finding 2000-41061-004.
1998-41061-003	Ohio Rev. Code Section 5705.10 - Finding for Adjustment	Yes	Adjustment was posted to Township records. However, additional Findings for Adjustment were issued for the current audit - See Findings 2000-41061-001 through 2000-41061-003.
1998-41061-004	Ohio Rev. Code Section 5705.10 - Finding for Adjustment	Yes	Adjustment was posted to Township records. However, additional Findings for Adjustment were issued for the current audit - See Findings 2000-41061-001 through 2000-41061-003.
1998-41061-005	Ohio Rev. Code Section 5705.10 - Finding for Adjustment	Yes	Adjustment was posted to Township records. However, additional Findings for Adjustment were issued for the current audit - See Findings 2000-41061-001 through 2000-41061-003.
1998-41061-006	Material Weakness - Receipt and Expenditure Misclassifications	No	Not corrected. Repeated - See Finding 2000-41061-007.



STATE OF OHIO
OFFICE OF THE AUDITOR

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BUFFALO 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
DECEMBER 27, 2001**