



**AMANDA TOWNSHIP
ALLEN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2001-2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

AMANDA TOWNSHIP
ALLEN COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 2001	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Nonexpendable Trust Funds – For the Year Ended December 31, 2001	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 2000	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Nonexpendable Trust Funds – For the Year Ended December 31, 2000	6
Notes to the Financial Statements	7
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	13
Schedule of Findings.....	15
Schedule of Prior Audit Findings.....	21

This page intentionally left blank.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One First National Plaza
130 West Second Street
Suite 2040
Dayton, Ohio 45402
Telephone 937-285-6677
800-443-9274
Facsimile 937-285-6688
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Amanda Township
Allen County
1190 Mills Road
Lima, Ohio 45806

To the Board of Trustees:

We have audited the accompanying financial statements of Amanda Township (the Township) as of and for the years ended December 31, 2001 and December 31, 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 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 accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Township as of December 31, 2001 and December 31, 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 May 28, 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.

Amanda Township
Allen County
Report of Independent Accountants
Page 2

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.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a cursive "Petro".

Jim Petro
Auditor of State

May 28, 2002

**AMANDA TOWNSHIP
ALLEN 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	\$27,326	\$41,332		\$68,658
Intergovernmental	50,203	68,115		118,318
Special Assessments	93			93
Licenses, Permits, and Fees	1,858			1,858
Earnings on Investments	592	536		1,128
Other Revenue	2,004	13,153		15,157
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	82,076	123,136		205,212
Cash Disbursements:				
Current:				
General Government	63,578			63,578
Public Safety		25,897		25,897
Public Works		89,081		89,081
Health	7,181	18,630		25,811
Debt Service:				
Redemption of Principal			5,126	5,126
Interest and Fiscal Charges			2,149	2,149
Capital Outlay		8,000		8,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	70,759	141,608	7,275	219,642
Total Receipts Over/(Under) Disbursements	<hr/>	<hr/>	<hr/>	<hr/>
	11,317	(18,472)	(7,275)	(14,430)
Other Financing Receipts and (Disbursements):				
Sale of Fixed Assets		4,600		4,600
Transfers-In		8,200	7,275	15,475
Transfers-Out	(15,475)			(15,475)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(15,475)	12,800	7,275	4,600
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<hr/>	<hr/>	<hr/>	<hr/>
	(4,158)	(5,672)		(9,830)
Fund Cash Balances, January 1, 2001	<hr/>	<hr/>	<hr/>	<hr/>
	9,646	28,221	658	38,525
Fund Cash Balances, December 31, 2001	<hr/>	<hr/>	<hr/>	<hr/>
	<u>\$5,488</u>	<u>\$22,549</u>	<u>\$658</u>	<u>\$28,695</u>

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

AMANDA TOWNSHIP
ALLEN COUNTY

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

	<u>Fiduciary Fund Type</u>
	<u>Nonexpendable Trust</u>
Operating Cash Receipts:	
Interest	\$169
Operating Cash Disbursements	<u>0</u>
Operating Income	169
Fund Cash Balances, January 1	<u>3,100</u>
Fund Cash Balances, December 31	<u><u>\$3,269</u></u>

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

**AMANDA TOWNSHIP
ALLEN 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>	<u>Capital Projects</u>	
Cash Receipts:					
Local Taxes	\$24,484	\$38,596			\$63,080
Intergovernmental	69,100	67,626		71,768	208,494
Special Assessments	28	50			78
Licenses, Permits, and Fees	1,849				1,849
Earnings on Investments	436	753			1,189
Other Revenue	949	12,777			13,726
Total Cash Receipts	<u>96,846</u>	<u>119,802</u>		<u>71,768</u>	<u>288,416</u>
Cash Disbursements:					
Current:					
General Government	61,451				61,451
Public Safety	3,105	17,054			20,159
Public Works		85,719			85,719
Health	9,474	14,049			23,523
Debt Service:					
Redemption of Principal			4,975		4,975
Interest and Fiscal Charges			2,285		2,285
Capital Outlay	15,771	2,708		71,768	90,247
Total Cash Disbursements	<u>89,801</u>	<u>119,530</u>	<u>7,260</u>	<u>71,768</u>	<u>288,359</u>
Total Receipts Over/(Under) Disbursements	<u>7,045</u>	<u>272</u>	<u>(7,260)</u>		<u>57</u>
Other Financing Receipts and (Disbursements):					
Transfers-In			7,220		7,220
Transfers-Out	(7,220)				(7,220)
Total Other Financing Receipts/(Disbursements)	<u>(7,220)</u>		<u>7,220</u>		
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(175)	272	(40)		57
Fund Cash Balances, January 1,2000	<u>9,821</u>	<u>27,949</u>	<u>698</u>		<u>38,468</u>
Fund Cash Balances, December 31,2000	<u><u>\$9,646</u></u>	<u><u>\$28,221</u></u>	<u><u>\$658</u></u>	<u><u>\$0</u></u>	<u><u>\$38,525</u></u>

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

**AMANDA TOWNSHIP
ALLEN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
NONEXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Fiduciary Fund Type
	Nonexpendable Trust
Operating Cash Receipts:	\$0
Operating Cash Disbursements:	
Current:	
Other Objects	50
Operating (Loss)	(50)
Fund Cash Balances, January 1	3,150
Fund Cash Balances, December 31	\$3,100

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

**AMANDA TOWNSHIP
ALLEN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Amanda Township, Allen 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 road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the Elida Community Fire Company and the Spencerville Invincible Fire Company to provide fire services and Elida Community Fire Company and the Spencerville Ambulance Service to provide 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

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts.

Certificates of deposit are valued at cost. Money market mutual funds (including STAR Ohio) are recorded at share values reported by the mutual fund.

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:

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

**AMANDA TOWNSHIP
ALLEN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

3. Debt Service Fund

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 Funds:

Debt Service Fund – This fund receives fund transfers and accounts for the payment of the Land Mortgage and the Dump Truck loan.

4. Capital Project Fund

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Township had the following significant capital project fund:

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

5. Fiduciary Funds (Trust Funds)

These funds are used to account for resources restricted by legally binding trust agreements and funds for which the Township is acting in an agency capacity. The Township had the following significant fiduciary fund:

Maurer Cemetery Bequest Fund – This fund is a Nonexpendable Trust Fund to provide for the decoration of specific graves.

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.

**AMANDA TOWNSHIP
ALLEN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 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.

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:

	2001	2000
Demand deposits	\$28,515	\$38,186
Certificates of deposit	3,100	3,100
Total deposits	31,615	41,286
STAR Ohio	349	339
Total investments	349	339
Total deposits and investments	\$31,964	\$41,625

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

Investments: Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

3. BUDGETARY ACTIVITY

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

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$78,510	\$82,076	\$3,566
Special Revenue	126,204	135,936	9,732
Debt Service	14,712	7,275	(7,437)
Capital Projects	7,270	0	(7,270)
Fiduciary	0	169	169
Total	\$226,696	\$225,456	(\$1,240)

**AMANDA TOWNSHIP
ALLEN COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$90,624	\$86,234	\$4,390
Special Revenue	160,677	141,608	19,069
Debt Service	22,639	7,275	15,364
Fiduciary	3,100	0	3,100
Total	<u>\$277,040</u>	<u>\$235,117</u>	<u>\$41,923</u>

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$122,699	\$96,846	(\$25,853)
Special Revenue	113,415	119,802	6,387
Debt Service	8,843	7,220	(1,623)
Capital Projects	80,000	71,768	(8,232)
Fiduciary	0	0	0
Total	<u>\$324,957</u>	<u>\$295,636</u>	<u>(\$29,321)</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$105,849	\$97,021	\$8,828
Special Revenue	138,864	119,530	19,334
Debt Service	9,518	7,260	2,258
Capital Projects	80,000	71,768	8,232
Fiduciary	100	50	50
Total	<u>\$334,331</u>	<u>\$295,629</u>	<u>\$38,702</u>

4. 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.

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.

**AMANDA TOWNSHIP
ALLEN COUNTY**

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

5. DEBT

Debt outstanding at December 31, 2001 was as follows:

	Principal	Interest Rate
Land Mortgage	\$9,932	variable
Dump Truck Loan	27,077	5%
Total	\$37,009	

The Land Mortgage is for land adjacent to the township hall. It was issued in 1997 and is payable in semi-annual payments. Interest is variable and changes on September first of every year. During 2001, the interest rate was 4%. The interest cannot change more than 2% each year and the maximum percentage is 10.95%.

The Dump Truck Loan was originally issued in 1996 for the purchase of a new dump truck, payable in semi-annual installments resulting in a five year maturity. During 1998, the township refinanced this note for \$38,676, with a new term of semi-annual payments of \$2,471 and a new maturity date of March 27, 2008.

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

	Land Mortgage	Dump Truck Loan	Total
Year ending December 31:			
2002	\$2,270	\$4,943	\$7,213
2003	2,270	4,943	7,213
2004	2,270	4,943	7,213
2005	2,270	4,943	7,213
2006	2,270	4,943	7,213
2007 - 2011		7,414	7,414
Total	\$11,350	\$32,129	\$43,479

6. RETIREMENT SYSTEMS

The Township's elected officials and other employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is cost-sharing, multiple-employer plans. These plans provide 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, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. 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.

**AMANDA TOWNSHIP
ALLEN COUNTY**

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

7. RISK MANAGEMENT

Risk Pool Membership

The Township belongs to the Ohio Government Risk Management Plan (the "Plan"), an unincorporated non-profit association with over 600 governmental entity members providing a formalized, jointly administered self-insurance risk management program and other administrative services.

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is deemed a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the member's deductible.

The Plan uses conventional insurance coverages and reinsures these coverages 100%, rather than using a risk pool of member funds to pay individual and collective losses. Therefore, the individual members are only responsible for their self-retention (deductible) amounts which vary from member to member.



**STATE OF OHIO
OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

One First National Plaza
130 West Second Street
Suite 2040
Dayton, Ohio 45402
Telephone 937-285-6677
800-443-9274
Facsimile 937-285-6688
www.auditor.state.oh.us

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

Amanda Township
Allen County
1190 Mills Road
Lima, Ohio 45806

To the Board of Trustees:

We have audited the financial statements of Amanda Township (the Township), as of and for the years ended December 31, 2001 and December 31, 2000, and have issued our report thereon dated May 28, 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 2001-40202-001 to 2001-40202-007. We also noted certain immaterial instances of noncompliance that we have reported to management of Township in a separate letter dated May 28, 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. 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 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we 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 May 28, 2002.

Amanda Township
Allen County
Report of Independent Accountants on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

This report is intended solely 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.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large loop at the end.

Jim Petro
Auditor of State

May 28, 2002

**AMANDA TOWNSHIP
ALLEN 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 2001-40202-001

Finding for Recovery

Ohio Rev. Code Sections 505.24 (A) and (B) outline the compensation for township trustees on the basis of the budget. OAG Opinion 99-015 states for the purposes of calculating the authorized compensation of the township trustees and the township clerk pursuant to R.C. 505.24 and R.C. 507.09, the term "budget" refers to the total amount of resources available to the township pursuant to the official certificate of estimated resources or amendments to the certificate. Auditor of State Bulletin 99-008 provided additional clarification and stated when determining what the township's budget is, the amount of the official certificate of estimated resources or any amended certificates should be used and noted that the date of the certificate, as dated by the County Auditor, is the date that should be used in determining when any increases due to increased budgets are effective.

June 22, 2001, the Township amended the official certificate of estimated resources from \$247,642 to \$253,242, which moved the compensation of the officials to an increased salary bracket. The actual compensation paid was adjusted to increase the elected official's salaries to this new salary range for the entire year of 2001 rather than being compensated at the increased rate for the remainder of 2001 and resulted in an overpayment of compensation as follows:

Budget Level	Monthly Salary Allowed	Period Effective based upon budget	Total Salary Allowed
100,001 to 250,000	\$519	1/1/01 to 6/21/01	\$2,958.30
250,001 to 500,000	601	6/22/01 to 12/31/01	3,786.30
Total Salary Allowed			6,744.60
Actual Salary Paid			7,212.00
Total overpaid			\$467.40

In accordance with the forgoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money illegally expended is hereby issued against John Whiting, Trustee and his bonding company Ohio Government Risk Management Plan, jointly and severally, in the amount of \$467.40 in favor of the General Fund.

On June 6, 2002, a repayment schedule was agreed upon to repay the overcompensation in 6 equal monthly payments through payroll deduction beginning July, 2002.

FINDING NUMBER 2001-40202-002

Finding for Recovery

Ohio Rev. Code Sections 505.24 (A) and (B) outline the compensation for township trustees on the basis of the budget. OAG Opinion 99-015 states for the purposes of calculating the authorized compensation of the township trustees and the township clerk pursuant to R.C. 505.24 and R.C. 507.09, the term "budget" refers to the total amount of resources available to the township pursuant to the official certificate of estimated resources or amendments to the certificate. Auditor of State Bulletin 99-008 provided additional clarification and stated when determining what the township's budget is, the amount of the official certificate of estimated resources or any amended certificates should be used and noted that the date of the certificate, as dated by the County Auditor, is the date that should be used in determining when any increases due to increased budgets are effective.

June 22, 2001, the Township amended the official certificate of estimated resources from \$247,642 to \$253,242, which moved the compensation of the officials to an increased salary bracket. The actual compensation paid was adjusted to increase the elected official's salaries to this new salary range for the entire year of 2001 rather than being compensated at the increased rate for the remainder of 2001 and resulted in an overpayment of compensation as follows:

Budget Level	Monthly Salary Allowed	Period Effective based upon budget	Total Salary Allowed
100,001 to 250,000	\$519	1/1/01 to 6/21/01	\$2,958.30
250,001 to 500,000	601	6/22/01 to 12/31/01	<u>3,786.30</u>
Total Salary Allowed			6,744.60
Actual Salary Paid			<u>7,212.00</u>
Total overpaid			<u>\$467.40</u>

In accordance with the forgoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money illegally expended is hereby issued against Robert Barnt, Trustee and his bonding company Ohio Government Risk Management Plan, jointly and severally, in the amount of \$467.40 in favor of the General Fund.

On June 6, 2002, a repayment schedule was agreed upon to repay the overcompensation in 6 equal monthly payments through payroll deduction beginning July, 2002.

FINDING NUMBER 2001-40202-003

Finding for Recovery

Ohio Rev. Code Sections 505.24 (A) and (B) outline the compensation for township trustees on the basis of the budget. OAG Opinion 99-015 states for the purposes of calculating the authorized compensation of the township trustees and the township clerk pursuant to R.C. 505.24 and R.C. 507.09, the term "budget" refers to the total amount of resources available to the township pursuant to the official certificate of estimated resources or amendments to the certificate. Auditor of State Bulletin 99-008 provided additional clarification and stated when determining what the township's budget is, the amount of the official certificate of estimated resources or any amended certificates should be used and noted that the date of the certificate, as dated by the County Auditor, is the date that should be used in determining when any increases due to increased budgets are effective.

June 22, 2001, the Township amended the official certificate of estimated resources from \$247,642 to \$253,242, which moved the compensation of the officials to an increased salary bracket. The actual compensation paid was adjusted to increase the elected official's salaries to this new salary range for the entire year of 2001 rather than being compensated at the increased rate for the remainder of 2001 and resulted in an overpayment of compensation as follows:

Budget Level	Monthly Salary Allowed	Period Effective based upon budget	Total Salary Allowed
100,001 to 250,000	\$519	1/1/01 to 6/21/01	\$2,958.30
250,001 to 500,000	601	6/22/01 to 12/31/01	<u>3,786.30</u>
Total Salary Allowed			6,744.60
Actual Salary Paid			<u>7,212.00</u>
Total overpaid			<u>\$467.40</u>

In accordance with the forgoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money illegally expended is hereby issued against David Hays, Trustee and his bonding company Ohio Government Risk Management Plan, jointly and severally, in the amount of \$467.40 in favor of the General Fund.

On June 6, 2002, a repayment schedule was agreed upon to repay the overcompensation in 6 equal monthly payments through payroll deduction beginning July, 2002.

FINDING NUMBER 2001-40202-004

Finding for Recovery

Ohio Rev. Code Sections 507.09 (A) and (D) outline the compensation for the clerk of the township on the basis on the budget. OAG Opinion 99-015 states for the purposes of calculating the authorized compensation of the township trustees and the township clerk pursuant to R.C. 505.24 and R.C. 507.09, the term "budget" refers to the total amount of resources available to the township pursuant to the official certificate of estimated resources or amendments to the certificate. Auditor of State Bulletin 99-008 provided additional clarification and stated when determining what the township's budget is, the amount of the official certificate of estimated resources or any amended certificates should be used and noted that the date of the certificate, as dated by the County Auditor, is the date that should be used in determining when any increases due to increased budgets are effective.

June 22, 2001, the Township amended the official certificate of estimated resources from \$247,642 to \$253,242, which moved the compensation of the officials to an increased salary bracket. The actual compensation paid was adjusted to increase the elected official's salaries to this new salary range for the entire year of 2001 rather than being compensated at the increased rate for the remainder of 2001 and resulted in an overpayment of compensation as follows:

Budget Level	Monthly Salary Allowed	Period Effective based upon budget	Total Salary Allowed
100,001 to 250,000	\$701.17	1/1/01 to 6/21/01	\$,3,996.65
250,001 to 500,000	901.50	6/22/01 to 12/31/01	<u>5,679.45</u>
Total Salary Allowed			9,676.10
Actual Salary Paid			<u>10,818.00</u>
Total overpaid			<u><u>\$1,141.90</u></u>

In accordance with the forgoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money illegally expended is hereby issued against Jennifer Schwartz, Clerk and her bonding company Ohio Government Risk Management Plan, jointly and severally, in the amount of \$1,141.90 in favor of the General Fund.

On June 6, 2002, a repayment schedule was agreed upon to repay the overcompensation in 6 equal monthly payments through payroll deduction beginning July, 2002.

FINDING NUMBER 2001-40202-005

Noncompliance Citation

Ohio Rev. Code Section 5705.10 requires all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose is to be paid into a special fund for such purpose. The Motor Vehicle License Tax Fund was established to account for the Township's share of monies levied under Ohio Rev. Code Sections 4504.15 and 4504.16 by the County or for monies levied under Ohio Rev. Code Section 4504.18 by the Township.

During 2001, \$1050.54 of Motor Vehicle License revenues and in 2000, \$268.10 of the Motor Vehicle License revenues was credited to the General fund rather than the Motor Vehicle License Tax Fund. The Township has agreed to and posted the adjustment and the adjustment is reflected in the accompanying financial statements.

The Township should monitor the receipt and expenditure of monies into various funds and refer to the Township chart of accounts when there is a question of appropriate fund or account coding.

FINDING NUMBER 2001-40202-006

Noncompliance Citation

Ohio Rev. Code Section 5549.21 states except as otherwise provided in sections 505.08, 505.101 and 5513.01 of the Revised Code, all purchases of materials, machinery, and tools shall, where the amount involved exceeds fifteen thousand dollars, be made from the lowest responsible bidder after advertisement, as provided in section 5575.01 of the Revised Code. Where the purchase price of the other machinery, equipment, or tools alone exceeds fifteen thousand dollars, the board may give notice to the competitive bidders of its willingness to accept offers for the purchase of the old machinery, equipment, or tools, and such offers shall be subtracted from the selling price of the other equipment, as bid, in determining the lowest responsible bidder. Notice of the willingness of the board to accept offers for the purchase of the old machinery, equipment, or tools shall be made as a part of the advertisement for bids.

The Township purchased a truck during 2000 for \$17,480 (\$14,680 after trade-in), which was not advertised for bid as required.

The Township needs to consider the purchase price of the equipment alone when determining if competitive bidding procedures are required to be followed. The trade in other equipment can be considered in the determination of the lowest bidder.

FINDING NUMBER 2001-40202-007

Noncompliance Citation

Ohio Rev. Code Section 5705.41(D) states that no subdivision shall make 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 of an appropriated fund free from any previous encumbrance. Further, contracts and order for expenditures lacking prior certification should be considered null and void. If no certificate is issued at the time the contract or order is entered into, the fiscal officer may later certify that there were funds properly appropriated and in the treasury or in the process of collection and such funds are free from previous encumbrance both at the time the contract or order was entered into and at the time of payment. After certifying this, the fiscal officer may proceed to pay for such order or contract. If the amount involved is over \$1,000, the taxing authority must approve of such payment within 30 days of the date of the fiscal officer's certification.

In twenty nine percent of the transactions tested, the date of the invoice preceded the date of the purchase order or blanket certificate date. These transactions represented \$65,438 or 38% of the expenditures tested. There was evidence that the Board of Trustees approved the expenditure by formal resolution within thirty days, however, there was no evidence of subsequent certification (then and now certification) by the fiscal officer and authorization by the board of trustees.

The Township should review Ohio Rev. Code Section 5705.41(D) and implement procedures for certification of funds. The Township should obtain the required certification prior to obligating Township funds when practicable. The exceptions should be used when prior certification is not practicable.

**AMANDA TOWNSHIP
ALLEN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FISCAL YEAR END**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
99-1	5705.39 Appropriations Exceeded Estimated Resources	No, partially	Comment is repeated in the management letter.
99-2	5705.41(B)	No, partially	Comment is repeated in the management letter.



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

AMANDA 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
JULY 25, 2002**