



**COITSVILLE TOWNSHIP
MAHONING COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

COITSVILLE TOWNSHIP
MAHONING COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Coitsville Township
Mahoning County
3711 McCartney Road
Lowellville, Ohio 44436

To the Board of Trustees:

We have audited the accompanying financial statements of Coitsville Township, Mahoning County (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 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, 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 5, 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 and contracts. 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 5, 2001

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**COITSVILLE TOWNSHIP
MAHONING 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>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$56,301	\$219,826		\$276,127
Intergovernmental	54,499	191,947	\$10,257	256,703
Licenses, Permits, and Fees	10,937			10,937
Fines, Forfeitures, and Penalties	373	43,266		43,639
Earnings on Investments	4,040			4,040
Other Revenue	12,261	43,015		55,276
	<u>138,411</u>	<u>498,054</u>	<u>10,257</u>	<u>646,722</u>
Total Cash Receipts				
	<u>138,411</u>	<u>498,054</u>	<u>10,257</u>	<u>646,722</u>
Cash Disbursements:				
Current:				
General Government	128,552	39,053		167,605
Public Safety		341,472		341,472
Public Works	5,208	56,847		62,055
Debt Service:				
Redemption of Principal		18,056		18,056
Interest and Fiscal Charges		1,084		1,084
Capital Outlay		207,180	10,257	217,437
	<u>133,760</u>	<u>663,692</u>	<u>10,257</u>	<u>807,709</u>
Total Cash Disbursements				
	<u>133,760</u>	<u>663,692</u>	<u>10,257</u>	<u>807,709</u>
Total Receipts Over/(Under) Disbursements	<u>4,651</u>	<u>(165,638)</u>		<u>(160,987)</u>
Other Financing Receipts/(Disbursements):				
Proceeds from Sale of Public Debt:				
Sale of Notes		176,000		176,000
Advances-In	49,300	60,000		109,300
Advances-Out	(60,000)	(49,300)		(109,300)
	<u>(10,700)</u>	<u>186,700</u>		<u>176,000</u>
Total Other Financing Receipts/(Disbursements)				
	<u>(10,700)</u>	<u>186,700</u>		<u>176,000</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(6,049)	21,062		15,013
Fund Cash Balances, January 1	38,065	93,819		131,884
Fund Cash Balances, December 31	<u><u>\$32,016</u></u>	<u><u>\$114,881</u></u>		<u><u>\$146,897</u></u>

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

**COITSVILLE TOWNSHIP
MAHONING 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	\$47,667	\$221,885	\$269,552
Intergovernmental	57,751	125,686	183,437
Licenses, Permits, and Fees	13,908	6,471	20,379
Fines, Forfeitures, and Penalties	930	65,514	66,444
Earnings on Investments	2,619		2,619
Other Revenue	5,293	10,341	15,634
 Total Cash Receipts	 128,168	 429,897	 558,065
Cash Disbursements:			
Current:			
General Government	101,027	54,997	156,024
Public Safety		320,355	320,355
Public Works	19,141	57,478	76,619
Debt Service:			
Redemption of Principal		7,000	7,000
Interest and Fiscal Charges		1,456	1,456
Capital Outlay		10,590	10,590
 Total Cash Disbursements	 120,168	 451,876	 572,044
 Total Receipts Over/(Under) Disbursements	 8,000	 (21,979)	 (13,979)
Other Financing Receipts/(Disbursements):			
Advances-In	25,000	91,000	116,000
Advances-Out	(66,000)	(50,000)	(116,000)
 Total Other Financing Receipts/(Disbursements)	 (41,000)	 41,000	
 Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	 (33,000)	 19,021	 (13,979)
 Fund Cash Balances, January 1	 71,065	 74,798	 145,863
 Fund Cash Balances, December 31	 \$38,065	 \$93,819	 \$131,884

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

**COITSVILLE TOWNSHIP
MAHONING COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Coitsville Township, Mahoning 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 and police and fire protection.

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

B. Basis of Accounting

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

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

C. Cash and Investments

Cash includes amounts in demand deposits. The investment in repurchase agreements are valued at cost.

Investments are included in fund cash balances. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

D. Fund Accounting

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

1. General Fund

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

2. Special Revenue Fund

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

Police District Fund - This fund's receipts are generated from a restricted Township tax levy and are only to be utilized to assist in providing police protection for the residents of the Township.

**COITSVILLE TOWNSHIP
MAHONING COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Capital Projects 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 Projects Fund:

Issue II Fund - The Township received a grant from the State of Ohio for phase I of a stormwater management program.

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year. The Township did not encumber all commitments required by Ohio law.

A summary of 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.

G. Accumulated Leave

The Township entitles its full-time employees to earn vacation and sick leave time. Unpaid leave is not reflected as a liability under the Township's basis of accounting.

**COITSVILLE TOWNSHIP
MAHONING COUNTY**

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

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>2000</u>	<u>1999</u>
Demand deposits	(\$30,440)	(\$21,122)
Total deposits	<u>(30,440)</u>	<u>(21,122)</u>
Repurchase Agreements	177,337	153,006
Total investments	<u>177,337</u>	<u>153,006</u>
Total deposits and investments	<u><u>\$146,897</u></u>	<u><u>\$131,884</u></u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

Investments: The Township's agent holds securities collateralizing repurchase agreements. The securities are not in the Township's name.

3. BUDGETARY ACTIVITY

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

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$221,635	\$138,411	(\$83,224)
Special Revenue	665,262	674,054	\$8,792
Capital Projects	<u> </u>	<u>10,257</u>	<u>10,257</u>
Total	<u><u>\$886,897</u></u>	<u><u>\$822,722</u></u>	<u><u>(\$64,175)</u></u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$188,448	\$133,760	\$54,688
Special Revenue	693,305	663,692	29,613
Capital Projects	<u> </u>	<u>10,257</u>	<u>(10,257)</u>
Total	<u><u>\$881,753</u></u>	<u><u>\$807,709</u></u>	<u><u>\$74,044</u></u>

**COITSVILLE TOWNSHIP
MAHONING COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$187,854	\$128,168	(\$59,686)
Special Revenue	552,966	429,897	(123,069)
Total	\$740,820	\$558,065	(\$182,755)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$90,000	\$120,168	(\$30,168)
Special Revenue	216,000	451,876	(235,876)
Total	\$306,000	\$572,044	(\$266,044)

The Township had disbursements and encumbrances exceed appropriations and prior year carryover encumbrances in the General and Police District Funds for the period ending December 31, 1999 contrary to Ohio Revised Code Section 5705.41 (B). In addition, the Township was in violation of Ohio Revised Code Section 5705.41 (D). Prior certification was not presented for several expenditures. Furthermore, several purchase orders did not reflect the signature of the Clerk/Treasurer, which validates the Certificate. Lastly, the Township improperly posted fine monies received from Campbell Municipal Court in fiscal years 1999 and 2000 into the General Fund which should have been divided among the General Fund, Police District Fund and the Drug Law Enforcement Fund contrary to Ohio Revised Code Section 5705.10.

4. PROPERTY TAX

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

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

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

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

**COITSVILLE TOWNSHIP
MAHONING COUNTY**

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

5. DEBT

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
Fire Truck Loan	\$176,000	5.94%
Dump Truck Loan	13,629	5.16%
Police Cruiser Lease/Purchase Agreement	25,411	8.05%
Total	\$215,040	

The Township issued a \$176,000 general obligation note in 2000 for the purpose of purchasing a fire truck for the fire department. The terms of this note require ten annual payments plus applicable fiscal charges for the period 2001 through 2011. The Bank holds a security interest in the fire truck until the debt obligation has been satisfied.

The Township issued a \$42,000 general obligation note in 1996 for the purpose of purchasing a dump truck for the street department, and will be in anticipation of the collection of taxes to be received for that purpose until maturity. The terms of this note require six equal annual payments plus applicable fiscal charges for the period 1997 through 2002. The full faith, credit and revenue of the Township are irrevocably pledged for the prompt payment of the principal and interest on this Note.

The Police Cruiser Lease/Purchase Agreement was entered into in 2000 to acquire two police cruisers with an initial purchase price of \$42,739. The Township will pay annual lease payments of \$10,685, including interest for a period of four years, with an option to purchase the police cruisers during this period by paying the remaining balance.

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

Year ending December 31:	Fire Truck Loan	Dump Truck Loan	Police Cruiser Lease/Purchase Agreement
2001	\$23,945	\$7,722	\$10,685
2002	23,945	7,361	10,685
2003	23,945		10,685
2004	23,945		
2005	23,945		
Subsequent	119,725		
Total	\$239,450	\$15,083	\$32,055

**COITSVILLE TOWNSHIP
MAHONING COUNTY**

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

6. RETIREMENT SYSTEMS

The Township's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, members of PERS, except full-time police officers, contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries through June 30, 2000. Full-time police officers contributed 9.0% of their gross salaries. The Township contributed an amount equal to 16.7% of these members gross salaries. PERS temporarily reduced the employer contribution rate to 8.13% and 14.7% for full-time police officers, both effective July 1, 2000. The Township has paid all contributions required through December 31, 2000.

7. RISK MANAGEMENT

Risk Pool Membership

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty insurance for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Insurance

OTARMA retains casualty risks up to \$250,000 per claim. Claims exceeding \$250,000 are reinsured with APEEP up to \$1,750,000 per claim and \$5,000,000 in the aggregate per year. Governments can elect additional coverage, from \$2,000,000 to \$10,000,000, from the General Reinsurance Corporation.

If losses exhaust OTARMA's retained earnings, APEEP covers OTARMA losses up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

Property Insurance

OTARMA retains property risks including automobile physical damage up to \$100,000 on any specific loss. The Travelers Indemnity Company reinsures specific losses exceeding \$100,000. The Travelers Indemnity Company also provides aggregate excess coverage for property including automobile physical damage subject to an annual stop loss. When the stop loss is reached in any year, The Travelers Indemnity Company provides coverage in excess of \$10,000.

The aforementioned casualty and property reinsurance agreements do not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

**COITSVILLE TOWNSHIP
MAHONING COUNTY**

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

7. RISK MANAGEMENT (Continued)

Financial Position

OTARMA's financial statements (audited by other accountants) conform with accounting principles generally accepted in the United States of America, and reported the following assets, liabilities and retained earnings at December 31:

<u>Casualty Coverage</u>	<u>2000</u>	<u>1999</u>
Assets	\$22,684,383	\$18,172,222
Liabilities	<u>8,924,977</u>	<u>5,947,013</u>
Retained earnings	<u>\$13,759,406</u>	<u>\$12,225,209</u>
<u>Property Coverage</u>	<u>2000</u>	<u>1999</u>
Assets	\$4,156,784	\$3,544,437
Liabilities	<u>497,831</u>	<u>674,752</u>
Retained earnings	<u>\$3,658,953</u>	<u>\$2,869,685</u>

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STATE OF OHIO
OFFICE OF THE AUDITOR

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

Coitsville Township
Mahoning County
3711 McCartney Road
Lowellville, Ohio 44436

To the Board of Trustees:

We have audited the financial statements of Coitsville Township, Mahoning County, Ohio (the Township) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated December 5, 2001. 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 and contracts, 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 2000-41150-001 through 2000-41150-003. We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated December 5, 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. 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 December 5, 2001.

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

This report is intended for the information and use of management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

December 5, 2001

**COITSVILLE TOWNSHIP
MAHONING COUNTY**

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

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

FINDING NUMBER 2000-41150-001

Noncompliance Citation

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 credit of an appropriate fund free from any previous encumbrance. The amount so certified shall be recorded against the applicable appropriation account.

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 encumbrances, the Township may authorize the issuance of a warrant in payment of the amount due upon such contract or 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 than one thousand dollars the fiscal officer issues a certificate, but may authorize it to be paid without the affirmation of the Trustees.

For 1999 and 2000, the obligation date preceded the certification date in 72% of the expenditures tested to determine the Township's compliance with this provision, and there was no evidence of a "then and now" certificate being used. In addition, 100% of the disbursements for the year 1999 lacked a signature by the Clerk/Treasurer on their corresponding purchase order certifying that funds were available. These transactions should have been certified at the time of obligation or after obligation using one of the exceptions provided.

Incurring obligations prior to the fiscal officer's certification of the availability of funds for such obligations, could result in the Township expending more than was appropriated and/or available.

We recommend that the Board of Trustees create a control policy and/or procedures to ensure that purchases are certified and properly encumbered by the Clerk prior to incurring the obligation or entering into a contract involving the expenditure of the Township's money as per the requirements set forth in Ohio Revised Code Section 5705.41 (D).

We also reported this matter in our audit of the 1997 and 1998 financial statements.

Ohio Revised Code §5705.41(B) prohibits a subdivision from making an expenditure unless it has been properly appropriated.

**FINDING NUMBER 2000-41150-002
 (Continued)**

Disbursements and encumbrances exceeded appropriations and prior year carryover encumbrances in the following funds for 1999:

	<u>Disbursements & Encumbrances</u>	<u>Appropriations & Prior Year Carryover Encumbrances</u>	<u>Variance</u>
General	\$175,168	\$90,000	\$85,168
Police District	263,916	100,000	163,916

Management should monitor the Township's budgetary activity throughout the year to ensure that disbursements do not exceed appropriations and prior year carryover encumbrances. Such appropriations should also be amended to reflect the increased activities of each fund. This will help to ensure monies are properly appropriated and available for disbursement.

FINDING NUMBER 2000-41150-003

Noncompliance Citation

Ohio Revised Code §5705.10 provides that all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose.

The Township improperly posted the following fine monies received from Campbell Municipal Court:

2000

<u>Fund</u>	<u>Amount Recorded</u>	<u>Proper Amount</u>	<u>Variance</u>
General	\$45,188	\$3,646	\$41,542
Police District	17,873	52,373	(34,500)
Drug Law Enforcement	1,725	8,767	(7,042)

1999

General	55,054	3,622	51,432
Police District	0	52,840	(52,840)
Drug Law Enforcement	13,507	12,100	1,407

This situation results in improper presentation of the Township's financial statements.

The Township should record monies into their proper fund which the law requires to be used for a particular purpose, and money paid into any such fund shall be used only for the purpose for which said fund is established to ensure proper presentation of the Township's financial statements.

The Township has made adjustments to correct these variances and those adjustments are reflected in the financial statements.

**COITSVILLE TOWNSHIP
MAHONING COUNTY**

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

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
1998-41150-001	Expenditures not for Proper Public Purpose	Yes	
1998-41150-002	Expenditures not for Proper Public Purpose	Yes	
1998-41150-003	Ohio Rev. Code § 5705.41(D)	No	Not corrected: The Township continued to have a significant amount of transactions which were not properly certified and/or the obligation date preceded the purchase order date.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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COITSVILLE TOWNSHIP

MAHONING 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
JANUARY 03, 2002**