



**Auditor of State
Betty Montgomery**

FLORENCE TOWNSHIP
ERIE COUNTY

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Florence Township
Erie County
11015 Chapel Street, P.O. Box 81
Birmingham, OH 44816-0081

To the Board of Trustees:

We have audited the accompanying financial statements of Florence Township, Erie County, (the Township) as of and for the years ended December 31, 2002 and 2001. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 audits 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 audits provide 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Township as of December 31, 2002 and 2001, 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 21, 2003 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 audits.

Florence Township
Erie County
Independent Accountants' Report
Page 2

This report is intended solely for the information and use of management, the Board, 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

May 21, 2003

**FLORENCE TOWNSHIP
ERIE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

| | <u>Governmental Fund Types</u> | | | Totals (Memorandum Only) |
|--|--------------------------------|----------------------------|-----------------------------|---|
| | <u>General</u> | <u>Special Revenue</u> | <u>Capital Projects</u> | |
| Cash Receipts: | | | | |
| Local Taxes | \$78,059 | \$98,112 | \$38,303 | \$214,474 |
| Intergovernmental | 61,281 | 74,129 | 4,151 | 139,561 |
| Charges for Services | 24,161 | | | 24,161 |
| Licenses, Permits, and Fees | 7,553 | | | 7,553 |
| Earnings on Investments | 2,127 | 560 | | 2,687 |
| Other Revenue | | 4,263 | | 4,263 |
| | <u>173,181</u> | <u>177,064</u> | <u>42,454</u> | <u>392,699</u> |
| Total Cash Receipts | | | | |
| Cash Disbursements: | | | | |
| Current: | | | | |
| General Government | 89,593 | | | 89,593 |
| Public Safety | 6,125 | 25,109 | 17,292 | 48,526 |
| Public Works | 34,083 | 58,039 | | 92,122 |
| Health | 16,259 | | | 16,259 |
| Debt Service: | | | | |
| Redemption of Principal | 17,724 | | 30,694 | 48,418 |
| Interest and Fiscal Charges | 4,786 | | 5,056 | 9,842 |
| Capital Outlay | 90,627 | 64,167 | | 154,794 |
| | <u>259,197</u> | <u>147,315</u> | <u>53,042</u> | <u>459,554</u> |
| Total Cash Disbursements | | | | |
| Total Receipts Over/(Under) Disbursements | <u>(86,016)</u> | <u>29,749</u> | <u>(10,588)</u> | <u>(66,855)</u> |
| Other Financing Receipts and (Disbursements): | | | | |
| Other Sources | 11,189 | | | 11,189 |
| Other Uses | (158) | | | (158) |
| | <u>11,031</u> | | | <u>11,031</u> |
| Total Other Financing Receipts/(Disbursements) | | | | |
| Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements | (74,985) | 29,749 | (10,588) | (55,824) |
| Fund Cash Balances, January 1 | <u>178,480</u> | <u>44,701</u> | <u>14,814</u> | <u>237,995</u> |
| Fund Cash Balances, December 31 | <u>\$103,495</u> | <u>\$74,450</u> | <u>\$4,226</u> | <u>\$182,171</u> |
| Reserve for Encumbrances, December 31 | <u><u>\$3,500</u></u> | | | <u><u>\$3,500</u></u> |

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

**FLORENCE TOWNSHIP
ERIE 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>Capital Projects</u> | |
| Cash Receipts: | | | | |
| Local Taxes | \$76,285 | \$96,084 | \$37,588 | \$209,957 |
| Intergovernmental | 69,142 | 68,953 | 4,101 | 142,196 |
| Charges for Services | 22,050 | | | 22,050 |
| Licenses, Permits, and Fees | 6,792 | | | 6,792 |
| Earnings on Investments | 12,439 | 615 | | 13,054 |
| Other Revenue | 3,075 | 2,850 | | 5,925 |
| | <u>189,783</u> | <u>168,502</u> | <u>41,689</u> | <u>399,974</u> |
| Total Cash Receipts | | | | |
| Cash Disbursements: | | | | |
| Current: | | | | |
| General Government | 92,685 | | 5,553 | 98,238 |
| Public Safety | 18,434 | 15,170 | 661 | 34,265 |
| Public Works | 46,949 | 65,096 | | 112,045 |
| Health | 12,414 | 1,441 | | 13,855 |
| Debt Service: | | | | |
| Redemption of Principal | | | 29,030 | 29,030 |
| Interest and Fiscal Charges | | | 6,720 | 6,720 |
| Capital Outlay | 243,356 | 88,651 | 15,000 | 347,007 |
| | <u>413,838</u> | <u>170,358</u> | <u>56,964</u> | <u>641,160</u> |
| Total Cash Disbursements | | | | |
| Total Receipts Over/(Under) Disbursements | <u>(224,055)</u> | <u>(1,856)</u> | <u>(15,275)</u> | <u>(241,186)</u> |
| Other Financing Receipts and (Disbursements): | | | | |
| Proceeds from Sale of Public Debt: | | | | |
| Other Proceeds from Sale of Public Debt | 100,000 | | | 100,000 |
| Other Sources | 10,558 | | | 10,558 |
| | <u>110,558</u> | | | <u>110,558</u> |
| Total Other Financing Receipts/(Disbursements) | | | | |
| Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements | <u>(113,497)</u> | <u>(1,856)</u> | <u>(15,275)</u> | <u>(130,628)</u> |
| Fund Cash Balances, January 1 | <u>291,977</u> | <u>46,557</u> | <u>30,089</u> | <u>368,623</u> |
| Fund Cash Balances, December 31 | <u><u>\$178,480</u></u> | <u><u>\$44,701</u></u> | <u><u>\$14,814</u></u> | <u><u>\$237,995</u></u> |
| Reserve for Encumbrances, December 31 | <u><u>\$80,397</u></u> | | | <u><u>\$80,397</u></u> |

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

**FLORENCE TOWNSHIP
ERIE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Florence Township, Erie 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 government services, including road and bridge maintenance, cemetery maintenance, 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

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.

Certificates of deposits are valued at cost

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 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.

**FLORENCE TOWNSHIP
ERIE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

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

Special Fire Levy Fund - This fund receives property tax money for providing fire protection.

3. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Township had the following significant capital project fund:

Special Fire Levy Equipment Fund - This fund receives property tax money for providing fire protection.

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. Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered 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 carried over, and need not be reappropriated.

A summary of 2002 and 2001 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.

**FLORENCE TOWNSHIP
ERIE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's basis of accounting.

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:

| | 2002 | 2001 |
|-------------------------|-----------|-----------|
| Demand deposits | \$182,171 | \$7,995 |
| Certificates of deposit | | 230,000 |
| Total deposits | \$182,171 | \$237,995 |

Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2002 and 2001 follows:

2002 Budgeted vs. Actual Receipts

| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
|------------------|----------------------|--------------------|----------|
| General | \$182,773 | \$184,370 | \$1,597 |
| Special Revenue | 160,890 | 177,064 | 16,174 |
| Capital Projects | 46,643 | 42,454 | (4,189) |
| Total | \$390,306 | \$403,888 | \$13,582 |

2002 Budgeted vs. Actual Budgetary Basis Expenditures

| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
|------------------|----------------------------|---------------------------|-----------|
| General | \$306,507 | \$262,855 | \$43,652 |
| Special Revenue | 205,591 | 147,315 | 58,276 |
| Capital Projects | 61,457 | 53,042 | 8,415 |
| Total | \$573,555 | \$463,212 | \$110,343 |

2001 Budgeted vs. Actual Receipts

| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
|------------------|----------------------|--------------------|----------|
| General | \$299,589 | \$300,341 | \$752 |
| Special Revenue | 157,048 | 168,502 | 11,454 |
| Capital Projects | 37,046 | 41,689 | 4,643 |
| Total | \$493,683 | \$510,532 | \$16,849 |

**FLORENCE TOWNSHIP
ERIE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

| 2001 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|----------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$509,066 | \$494,235 | \$14,831 |
| Special Revenue | 224,248 | 170,358 | 53,890 |
| Capital Projects | 67,135 | 56,964 | 10,171 |
| Total | \$800,449 | \$721,557 | \$78,892 |

Contrary to Ohio law, appropriations exceeded estimated resources in the Motor Vehicle License Tax, Gasoline Tax, and Road and Bridge funds by \$3,400, 10,643, and 6,600, respectively, for the year ended December 31, 2001.

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.

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. DEBT

Debt outstanding at December 31, 2002 was as follows:

| | Principal | Interest Rate |
|------------------------|-----------|---------------|
| Fire Rescue Truck Loan | \$66,485 | 5.65% |
| Fire Hall Loan | 82,276 | 4.00% |
| Total | \$148,761 | |

The fire rescue truck loan was issued to finance the purchase of a new fire truck tanker and was dated January 12, 2000 in the amount of \$154,972. The note will be paid in semiannual installments of \$17,875 including interest.

The \$100,000 fire hall loan was obtained to finance the construction of a new fire hall and was dated September 5, 2001 in the amount of \$100,000. The loan will be paid in semiannual installments of \$11,255.

**FLORENCE TOWNSHIP
ERIE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

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

| Year ending December 31: | Rescue Truck Loan | Fire Hall Loan |
|--------------------------|----------------------|----------------|
| 2003 | \$35,750 | \$22,510 |
| 2004 | 35,750 | 22,510 |
| 2005 | | 22,510 |
| 2006 | | 22,510 |
| Total | \$71,500 | \$90,040 |

6. RETIREMENT SYSTEMS

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

Contribution rates are also prescribed by the Ohio Revised Code. OPERS members contributed 8.5 percent of their gross salaries. The Township contributed an amount equal to 13.55 percent of participants' gross salaries for 2001 and 2002, respectively. The Township has paid all contributions required through December 31, 2002.

7. RISK MANAGEMENT

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

Pursuant to § 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 percent, 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.

8. CONTINGENT LIABILITIES

The Township is defendant in several lawsuits. Although the outcome of these suits is not presently determinable, management believes that the resolution of these matters will not materially adversely affect the Township's financial condition.

Amounts received from grantor agencies are subject to audit and adjustment by the grantor. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

**FLORENCE TOWNSHIP
ERIE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

9. COMPLIANCE

The Township did not follow competitive bidding procedures as required by Ohio law.



**Auditor of State
Betty Montgomery**

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

Florence Township
Erie County
11015 Chapel Street, P.O. Box 81
Birmingham, OH 44816-0081

To the Board of Trustees:

We have audited the accompanying financial statements of Florence Township, Erie County, (the Township) as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated May 21, 2003. We conducted our audits 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 Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2002-001 and 2002-002. We also noted a certain immaterial instance of noncompliance that we have reported to management of the Township in a separate letter dated May 21, 2003.

Internal Control over Financial Reporting

In planning and performing our audits, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. 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 21, 2003.

Florence Township
Erie County
Independent Accountants' Report 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

May 21, 2003

**FLORENCE TOWNSHIP
ERIE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2002 AND 2001**

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

FINDING NUMBER 2002-001

Noncompliance Citation

Ohio Revised Code § 5705.39 states that the total appropriations from each fund should not exceed the total estimated revenue. Our test of budgetary compliance at December 31, 2001 indicated the following funds had appropriations in excess of estimated resources:

| <u>Fund</u> | <u>Excess of Appropriations vs. Estimated Resources</u> |
|-----------------|---|
| MVL | \$3,400 |
| Gas Tax | 10,643 |
| Road and Bridge | 6,600 |

This is a result of a June amendment to the Certificate of Estimated Resources in the effected funds. However, the Township failed to make the corresponding reductions to appropriations. The failure to carry out all aspects of a budgetary amendment could lead to negative fund balances, ultimately resulting in deficit spending.

FINDING NUMBER 2002-002

Noncompliance Citation

Ohio Revised Code § 5575.01 states that in the maintenance and repair of roads the board of township trustees may proceed either by contract or force account. When the board proceeds by contract the contract shall, if the amount involved exceeds fifteen thousand dollars, be let by the board to the lowest responsible bidder after advertisement for bids once, not later than two weeks prior to the date fixed for the letting of such contract, in a newspaper published in the county and of general circulation within the township, but if there is no such paper published in the county, then in one having general circulation in the township. If the amount involved is fifteen thousand dollars or less the contract may be let without competitive bidding. Such contract shall be performed under the supervision of a member of the board or the township road superintendent.

The provisions of Ohio Revised Code § 5575.01 allow for two exceptions to the bidding requirements set forth within this section:

1. After adopting by a unanimous vote a resolution declaring a real and present emergency in connection with the administration of township services or the execution of duties assigned by law to any officer of a township, the board of township trustees may, by resolution, enter into a contract, without bidding or advertising, for the purchase of services, materials, equipment, or supplies needed to meet the emergency if the estimated cost of the contract is less than fifty thousand dollars.

FINDING NUMBER 2002-002
(Continued)

2. The board of township trustees of any township may, by resolution, enter into a contract without advertising or bidding, for the purchase or sale of materials, equipment, or supplies from or to any department, agency, or political subdivision of the state, or for the purchase of supplies, services, materials, and equipment with a regional planning commission.

During fiscal year 2002 the Township contracted with Precision Paving to perform maintenance and repairs of Township roads. The Township paid \$24,745 for the services of Precision Paving. Based on inquiry with Clerk-Treasurer, this work had been performed by the County in past years. The Florence Township trustees chose not to contract with the County for this work to be performed and consequently opted not to follow competitive bidding procedures by hiring a local company to perform the work.

The failure to competitively bid road maintenance and repair projects as required by Ohio Revised Code § 5575.01 could result in the Township not obtaining the best price possible. Also, the Township may be susceptible to potential litigation from vendors that were not given the opportunity to submit bids to the Township. We recommend the Board follow competitive bidding requirements when required to do so.

**FLORENCE TOWNSHIP
ERIE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2002 and 2001**

| Finding Number | Finding Summary | Fully Corrected? | Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i> |
|----------------|---|------------------|--|
| 2000-40522-001 | Revised Code § 5549.21 failure to follow competitive bidding procedures on the purchase of materials, machinery and tools to be used in constructing, maintaining and repairing roads and culverts, where the amount involved exceeds \$15,000. | No | We issued another citation this audit as item number 2002-001 regarding bidding; however, it was against another section of the Revised Code for not bidding a road project. |



**Auditor of State
Betty Montgomery**

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FLORENCE TOWNSHIP

ERIE 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
JUNE 24, 2003**