



**Auditor of State  
Betty Montgomery**



**WATERLOO TOWNSHIP  
ATHENS COUNTY**

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## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

Waterloo Township  
Athens County  
3350 Old State Route 56  
New Marshfield, Ohio 45766

To the Board of Trustees:

We have audited the accompanying financial statements of Waterloo Township, Athens County, Ohio (the Township), as of and for the years ended December 31, 2003 and 2002. 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. The Township's financial transactions were processed using the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to conduct the audit of the Township because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code Section 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code Sections 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Waterloo Township, Athens County, as of December 31, 2003 and 2002, 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 July 7, 2004 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.

743 E. State St. / Athens Mall Suite B / Athens, OH 45701  
Telephone: (740) 594-3300 (800) 441-1389 Fax: (740) 594-2110  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

Waterloo Township  
Athens County  
Independent Accountants' Report  
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 Section 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

July 7, 2004

**WATERLOO TOWNSHIP  
ATHENS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Local Taxes	\$ 23,949	\$ 140,331	\$ 164,280
Licenses, Permits, and Fees		6,275	6,275
Intergovernmental	56,397	103,855	160,252
Earnings on Investments	753	607	1,360
Other Revenue		1,730	1,730
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	81,099	252,798	333,897
<b>Cash Disbursements:</b>			
Current:			
General Government	57,247	8,994	66,241
Public Safety		17,217	17,217
Public Works	4,500	154,604	159,104
Health	2,202	26,792	28,994
Debt Service:			
Redemption of Principal	2,760	2,760	5,520
Interest and Fiscal Charges	773	773	1,546
Capital Outlay		76,938	76,938
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	67,482	288,078	355,560
Total Cash Receipts Over/(Under) Cash Disbursements	<hr/>	<hr/>	<hr/>
	13,617	(35,280)	(21,663)
<b>Other Financing Receipts/(Disbursements):</b>			
Proceeds from Sale of Public Debt:			
Sale of Notes		29,962	29,962
Sale of Fixed Assets	4,455		4,455
Other Financing Receipts	57		57
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	4,512	29,962	34,474
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<hr/>	<hr/>	<hr/>
	18,129	(5,318)	12,811
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>
	31,106	177,314	208,420
<b>Fund Cash Balances, December 31</b>	<hr/> <b>\$ 49,235</b>	<hr/> <b>\$ 171,996</b>	<hr/> <b>\$ 221,231</b>

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

**WATERLOO TOWNSHIP  
ATHENS 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>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Local Taxes	\$ 20,024	\$ 137,302	\$ 157,326
Licenses, Permits, and Fees		5,700	5,700
Intergovernmental	56,783	84,587	141,370
Earnings on Investments	1,274	1,158	2,432
Other Revenue		1,717	1,717
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	78,081	230,464	308,545
<b>Cash Disbursements:</b>			
Current:			
General Government	50,551	8,048	58,599
Public Safety		18,560	18,560
Public Works		123,667	123,667
Health	1,082	20,353	21,435
Capital Outlay	29,941	46,048	75,989
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	81,574	216,676	298,250
Total Cash Receipts Over/(Under) Cash Disbursements	<hr/> (3,493)	<hr/> 13,788	<hr/> 10,295
<b>Other Financing Receipts/(Disbursements):</b>			
Proceeds from Sale of Public Debt:			
Sale of Notes	13,800	13,800	27,600
Other Financing Receipts	131		131
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	13,931	13,800	27,731
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<hr/> 10,438	<hr/> 27,588	<hr/> 38,026
Fund Cash Balances, January 1	<hr/> 20,668	<hr/> 149,726	<hr/> 170,394
<b>Fund Cash Balances, December 31</b>	<hr/> <b>\$ 31,106</b>	<hr/> <b>\$ 177,314</b>	<hr/> <b>\$ 208,420</b>

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

**WATERLOO TOWNSHIP  
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Waterloo Township, Athens 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 and a publicly-elected Clerk. The Township provides services that include road and bridge maintenance (public works), cemetery maintenance (health), and fire protection (public safety).

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**

The Township Clerk invests all available funds of the Township in interest-bearing checking and savings accounts.

**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 that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

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

**WATERLOO TOWNSHIP  
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

**2. Special Revenue Funds (Continued)**

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

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

**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 cancelled, and reappropriated in the subsequent year. The Township did not encumber all commitments required by Ohio law.

A summary of 2003 and 2002 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**

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.

**WATERLOO TOWNSHIP  
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**2. EQUITY IN POOLED CASH**

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

	2003	2002
Demand deposits	\$ 121,141	\$ 108,222
Savings account	100,090	100,198
Total deposits	\$ 221,231	\$ 208,420

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2003 and 2002 follows:

2003 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 61,294	\$ 85,611	\$ 24,317
Special Revenue	260,471	282,760	22,289
Total	\$ 321,765	\$ 368,371	\$ 46,606

2003 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 0	\$ 67,482	\$ (67,482)
Special Revenue	0	288,078	(288,078)
Total	\$ 0	\$ 355,560	\$ (355,560)

2002 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 92,062	\$ 92,012	\$ (50)
Special Revenue	213,100	244,264	31,164
Total	\$ 305,162	\$ 336,276	\$ 31,114

2002 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 94,455	\$ 81,574	\$ 12,881
Special Revenue	362,826	216,676	146,150
Total	\$ 457,281	\$ 298,250	\$ 159,031

**WATERLOO TOWNSHIP  
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

Permanent appropriations for all funds for the year ended December 31, 2003 were not adopted, contrary to Ohio law. Consequently, budgetary expenditures exceeded appropriation authority for all funds for the year ended December 31, 2003, also contrary to Ohio law.

**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, 2003 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Tractor General Obligation Bond	\$ 22,080	5.60%
Truck Note	29,962	5.20%
	<u>\$ 52,042</u>	

The general obligation bond was issued to finance the purchase of a tractor for Township cemetery and road maintenance. The full faith and credit of the Township is pledged to repay this debt.

The truck note is for a 2004 Ford F450 truck. The note was collateralized by the equipment purchased and the Township's taxing authority for repayment.

**WATERLOO TOWNSHIP  
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**5. DEBT (Continued)**

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

Year Ending December 31:	Tractor General Obligation Bond	Truck Note
2004	\$ 6,757	\$ 6,959
2005	6,447	6,959
2006	6,138	6,959
2007	5,829	6,959
2008	6,958	6,958
	\$ 25,171	\$ 34,794

**6. RETIREMENT SYSTEM**

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2003 and 2002, members of PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all employer contributions required through December 31, 2003.

**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 coverage 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 Coverage

OTARMA retains casualty risks up to \$250,000 per claim, including loss adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, 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.

**WATERLOO TOWNSHIP  
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**7. RISK MANAGEMENT (Continued)**

**Risk Pool Membership (Continued)**

Property Coverage

OTARMA retains property risks, including automobile physical damage, up to \$100,000 on any specific loss with an annual aggregate of \$1,250,000 for 2002. There is no aggregate for 2003 and future accident years. Beginning in 2003, OTARMA retains property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsures losses exceeding \$100,000 APEEP's Guarantee Fund pays for losses and loss adjustment expenses should they exceed operating contributions.

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.

Financial Position

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

<u>Casualty Coverage</u>	<u>2003</u>	<u>2002</u>
Assets	\$ 27,792,223	\$ 23,757,036
Liabilities	<u>(11,791,300)</u>	<u>(9,197,512)</u>
Retained Earnings	<u>\$ 16,000,923</u>	<u>\$ 14,559,524</u>
<u>Property Coverage</u>	<u>2003</u>	<u>2002</u>
Assets	\$ 6,791,060	\$ 6,596,996
Liabilities	<u>(750,956)</u>	<u>(1,204,326)</u>
Retained Earnings	<u>\$ 6,040,104</u>	<u>\$ 5,392,670</u>



**Auditor of State  
Betty Montgomery**

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

Waterloo Township  
Athens County  
3350 Old State Route 56  
New Marshfield, Ohio 45766

To the Board of Trustees:

We have audited the financial statements of Waterloo Township, Athens County, Ohio (the Township), as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated July 7, 2004, wherein we noted that the Township's financial transactions were processed using the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to conduct the audit of the Township because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. 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 we must report under *Government Auditing Standards*, which are described in the accompanying Schedule of Findings as items 2003-001 to 2003-003. We also noted certain immaterial instances of noncompliance that we have reported to the Township's management in a separate letter dated July 7, 2004.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Township's internal control over financial reporting 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 the Township's management in a separate letter dated July 7, 2004.

743 E. State St. / Athens Mall Suite B / Athens, OH 45701  
Telephone: (740) 594-3300 (800) 441-1389 Fax: (740) 594-2110  
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Waterloo Township  
Athens 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

July 7, 2004

**WATERLOO TOWNSHIP  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
DECMEBER 31, 2003 AND 2002**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2003-001**

**Noncompliance Citation**

Ohio Rev. Code Section 5705.38 states that on or about the first day of each fiscal year, an appropriation measure is to be passed. If the taxing authority wants to postpone the passage of the annual appropriation measure until an amended certificate is received from the County Budget Commission based upon the actual year end balances, it may pass a temporary appropriation measure for meeting ordinary expenses until April 1.

The Board of Trustees adopted a temporary appropriation measure for 2003, but no formal document was found or filed with the County Auditor to provide an amount for these temporary appropriations. Furthermore, an annual appropriations measure was not adopted by the Board of Trustees for 2003, and no documentation of such annual measure was found in the Township's records or on file with the County Auditor. This was caused by an oversight of both the Clerk and Board of Trustees.

We recommend the Board of Trustees formally adopt an annual appropriations resolution and file the document with the County Auditor. If the Board of Trustees wish to postpone the passage of the annual appropriations resolution until an amended certificate of estimated resources is received from the County Budget Commission, then a temporary appropriations resolution may be adopted for the period January 1 through March 31.

**FINDING NUMBER 2003-002**

**Noncompliance Citation**

Ohio Rev. Code Section 5705.41(B) states that no subdivision or taxing unit is to expend money unless it has been properly appropriated.

Expenditures exceeded appropriations in all funds for the year ended December 31, 2003, as a consequence of the failure to adopt an annual appropriations measure as noted in Finding 2003-001.

The Township Clerk should not certify the availability of funds and should deny payment requests exceeding appropriations. The Township Clerk may request the Board of Trustees to approve increased expenditure levels by increasing appropriations and amending estimated resources, if necessary.

**FINDING NUMBER 2003-003**

**Noncompliance Citation**

Ohio Rev. Code Section 5705.41(D) states no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract 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 encumbrances.

**WATERLOO TOWNSHIP  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
DECMEBER 31, 2003 AND 2002  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2003-003 (Continued)**

**Noncompliance Citation (Continued)**

**Ohio Rev. Code Section 5705.41(D) (Continued)**

The following exceptions to this basic requirement are provided by statute:

Then and Now Certificate: This exception provides that, if the fiscal officer can certify that both at the time that the contract or order was made and at the time that he is completing his certification, sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing authority (Board of Trustees) can authorize the drawing of a warrant. The taxing authority has 30 days from the receipt of such certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing district.

Amounts of less than \$100 for counties, or less than \$1,000 (\$3,000 after April 7, 2003) for other political subdivisions, may be paid by the fiscal officer without such affirmation of the taxing authority upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority.

Forty-two percent (42%) of the expenditures tested in 2003 and thirty-six percent (36%) of the expenditures tested in 2002 did not have the prior certification of the Township Clerk and neither of the above exceptions had been met.

We recommend the Township's employees and officials obtain the prior certification of the Township Clerk prior to a commitment being incurred.

**WATERLOO TOWNSHIP  
ATHENS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2003 AND 2002**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain:</i></b>
2001-40705-001	A material non-compliance citation was issued under Ohio Rev. Code Section 5705.41(D) for not properly certifying the availability of funds.	No	Not Corrected:  This item is repeated in the current audit Schedule of Findings as finding number 2003-003.





**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**WATERLOO TOWNSHIP**

**ATHENS 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  
AUGUST 31, 2004**