



**UNION TOWNSHIP  
BELMONT COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**UNION TOWNSHIP  
BELMONT COUNTY**

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## REPORT OF INDEPENDENT ACCOUNTANTS

Union Township  
Belmont County  
67050 Visnic Road  
Belmont, Ohio 43718

To the Board of Trustees:

We have audited the accompanying financial statements of Union Township, Belmont County, Ohio (the Township), as of and for the years ended December 31, 2000 and 1999. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Union Township, Belmont County, as of December 31, 2000 and 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 24, 2001, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of management, the Board of Trustees and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

August 24, 2001

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UNION TOWNSHIP  
BELMONT COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Governmental Fund Types			Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service		
<b>Cash Receipts:</b>					
Taxes	\$15,694	\$102,348	\$24,575	\$	\$142,617
Intergovernmental	103,260	80,475			183,735
Licenses, Permits, and Fees		1,875			1,875
Fines, Forfeitures, and Penalties	5				5
Earnings on Investments	6,936	1,124			8,060
Other Revenue	173	655			828
<b>Total Cash Receipts</b>	<u>126,068</u>	<u>186,477</u>	<u>24,575</u>	<u>0</u>	<u>337,120</u>
<b>Cash Disbursements:</b>					
Current:					
General Government	54,889				54,889
Public Safety	4,908	84,647			89,555
Public Works	48,086	100,614			148,700
Health	19,812	3,334			23,146
Capital Outlay	79				79
Debt Service:					
Note Principal Payment			23,206		23,206
Interest and Fiscal Charges			1,364		1,364
<b>Total Cash Disbursements</b>	<u>127,774</u>	<u>188,595</u>	<u>24,570</u>	<u>0</u>	<u>340,939</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(1,706)</u>	<u>(2,118)</u>	<u>5</u>	<u>0</u>	<u>(3,819)</u>
<b>Other Financing Receipts and Disbursements:</b>					
Transfers-In		50			50
Transfers-Out	(50)				(50)
<b>Total Other Financing Receipts and Disbursements</b>	<u>(50)</u>	<u>50</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(1,756)	(2,068)	5	0	(3,819)
Fund Cash Balances, January 1	105,400	69,291	0	1,938	176,629
<b>Fund Cash Balances, December 31</b>	<u><b>\$103,644</b></u>	<u><b>\$67,223</b></u>	<u><b>\$5</b></u>	<u><b>\$1,938</b></u>	<u><b>\$172,810</b></u>

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

UNION TOWNSHIP  
BELMONT COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects		
<b>Cash Receipts:</b>						
Taxes	\$14,838	\$101,991	\$18,551	\$	\$	\$135,380
Intergovernmental	134,694	79,930		20,143		234,767
Licenses, Permits, and Fees	160	5,097				5,257
Fines, Forfeitures, and Penalties	275					275
Earnings on Investments	3,618	623				4,241
Other Revenue		5,813				5,813
<b>Total Cash Receipts</b>	<b>153,585</b>	<b>193,454</b>	<b>18,551</b>	<b>20,143</b>	<b>0</b>	<b>385,733</b>
<b>Cash Disbursements:</b>						
Current:						
General Government	61,933					61,933
Public Safety	7,526	121,972				129,498
Public Works	41,326	91,293				132,619
Health	3,047	1,793				4,840
Capital Outlay	22,000			20,143		42,143
Debt Service:						
Note Principal Payment			16,682			16,682
Interest and Fiscal Charges			1,869			1,869
<b>Total Cash Disbursements</b>	<b>135,832</b>	<b>215,058</b>	<b>18,551</b>	<b>20,143</b>	<b>0</b>	<b>389,584</b>
Total Cash Receipts Over/(Under) Cash Disbursements	17,753	(21,604)	0	0	0	(3,851)
<b>Other Financing Receipts and Disbursements:</b>						
Proceeds from Sale of Public Debt:						
Proceeds of Notes	22,000					22,000
<b>Total Other Financing Receipts and Disbursements</b>	<b>22,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>22,000</b>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	39,753	(21,604)	0	0	0	18,149
Fund Cash Balances, January 1	65,647	90,895	0	0	1,938	158,480
<b>Fund Cash Balances, December 31</b>	<b>\$105,400</b>	<b>\$69,291</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,938</b>	<b>\$176,629</b>

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



**UNION TOWNSHIP  
BELMONT COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Union Township, Belmont County (the Township), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides general governmental services, including road and bridge maintenance, cemetery maintenance, fire protection, emergency medical services, and police protection (public safety). The Township contracts with the Morristown Volunteer Fire Department, Lafferty Volunteer Fire Department, Flushing Volunteer Fire Department, Bethesda Volunteer Fire Department and Belmont Volunteer Fire Department to provide fire and emergency services. The Township also contracts with the Village of Morristown to provide police 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**

Certificates of deposit are valued at cost.

**D. Fund Accounting**

The Township uses fund accounting to segregate cash that is 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:

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

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

**UNION TOWNSHIP  
BELMONT COUNTY**

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

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

**D. Fund Accounting (Continued)**

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

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

Fire Levy Funds - These funds receive property tax money to provide fire services to residents of the Township.

Emergency Medical Service Funds - These funds receive property tax money to provide ambulance services to residents of the Township.

**3. Debt Service Funds**

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 Fund:

Note Retirement Fund - This fund receives property tax money to be used for principal and interest payments on outstanding note debt.

**4. Capital Project Funds**

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 proceeds of Ohio Public Works Commission grant monies through Belmont County to be used for the paving of Township roads.

**5. Fiduciary Funds (Trust Funds)**

These funds are used to account for resources restricted by legally binding trust agreements. The Township has a Cemetery Bequest Fund. No activity occurred within this fund during the period January 1, 1999 through December 31, 2000.

**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.

**UNION TOWNSHIP  
BELMONT COUNTY**

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

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

**E. Budgetary Process (Continued)**

**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. Unpaid Vacation and Sick Leave**

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Township.

**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:

	<u>2000</u>	<u>1999</u>
Demand deposits	\$169,810	\$173,629
Certificates of deposit	<u>3,000</u>	<u>3,000</u>
Total deposits	<u><u>\$172,810</u></u>	<u><u>\$176,629</u></u>

**Deposits:** Deposits are either (1) insured by the Federal Deposit Insurance Corporation, or (2) collateralized by securities specifically pledged by the financial institution to the Township.

**UNION TOWNSHIP  
BELMONT COUNTY**

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

**3. BUDGETARY ACTIVITY**

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

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$91,757	\$126,068	\$34,311
Special Revenue	175,663	186,527	10,864
Debt Service	24,575	24,575	0
Total	<u>\$291,995</u>	<u>\$337,170</u>	<u>\$45,175</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$145,540	\$127,824	\$17,716
Special Revenue	263,142	188,595	74,547
Debt Service	27,923	24,570	3,353
Fiduciary	438	0	438
Total	<u>\$437,043</u>	<u>\$340,989</u>	<u>\$96,054</u>

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$83,953	\$175,585	\$91,632
Special Revenue	176,484	193,454	16,970
Debt Service	18,549	18,551	2
Capital Projects	0	20,143	20,143
Total	<u>\$278,986</u>	<u>\$407,733</u>	<u>\$128,747</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$142,441	\$135,832	\$6,609
Special Revenue	252,920	215,058	37,862
Debt Service	12,633	18,551	(5,918)
Capital Projects	0	20,143	(20,143)
Fiduciary	438	0	438
Total	<u>\$408,432</u>	<u>\$389,584</u>	<u>\$18,848</u>

**UNION TOWNSHIP  
BELMONT COUNTY**

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

**3. BUDGETARY ACTIVITY (Continued)**

At December 31, 2000, the Township had appropriations which exceeded estimated resources in the Gasoline Tax, Road and Bridge, Fire Levy, and Note Retirement Funds.

At December 31, 1999, the Township had expenditures which exceeded appropriations in the Emergency Medical Service #2, Note Retirement, and Issue II Funds.

**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.

**5. DEBT**

Debt outstanding at December 31, 2000, was as follows:

	Principal	Interest Rate
General Obligation Notes	\$5,743	6%

The general obligation notes were issued to finance the purchase of a backhoe to be used for Township road maintenance. The notes are collateralized solely by the Township's taxing authority.

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

Year ending December 31:	General Obligation Notes
2001	\$5,916
Total	\$5,916

**UNION TOWNSHIP  
BELMONT COUNTY**

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

**6. RETIREMENT SYSTEMS**

Township employees, as well as the Trustees and Clerk, 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 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries through June 30, 2000. For the period July 1, 2000 through December 31, 2000, PERS temporarily reduced the employer's contribution rate to 8.13% of participants' gross salaries. The Township has paid all contributions required through December 31, 2000.

**7. RISK MANAGEMENT**

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Public officials' liability
- Vehicles
- Errors and omissions

The Township also provides health insurance coverage to full-time employees through a private carrier.



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

Union Township  
Belmont County  
67050 Visnic Road  
Belmont, Ohio 43718

To the Board of Trustees:

We have audited the accompanying financial statements of Union Township, Belmont County, Ohio (the Township), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated August 24, 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, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards*, which are described in the accompanying Schedule of Findings as items 2000-41007-001 through 2000-41007-003. We also noted a certain immaterial instance of noncompliance that we have reported to management of the Township in a separate letter dated August 24, 2001.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Township's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings as items 2000-41007-004 and 2000-41007-005.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated August 24, 2001.

Union Township  
Belmont 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

August 24, 2001



**UNION TOWNSHIP  
BELMONT 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 2000-41007-001**

**Finding for Adjustment**

Ohio Rev. Code Section 5705.10 states that all revenue derived from a specific source shall be credited to a special fund for the purpose for which monies were received.

In 2000, the Clerk recorded Gasoline Tax monies into the General Fund in the amount of \$1,507, which should of have been receipted into the Gasoline Tax Fund.

In 2000, the Clerk recorded Motor Vehicle License Tax monies into the General Fund in the amount of \$398, which should of have been receipted into the Motor Vehicle License Tax Fund.

In 2000, the Clerk recorded Homestead and Rollback Tax monies into the General Fund in the amount of \$6,915, which should of have been receipted into the Road and Bridge, Fire District, Emergency Medical Services #1, Emergency Medical Services #2, and the Fire District #2 Funds in the amounts of \$2,304, \$898, \$986, \$494, and \$2,233, respectively.

These adjustments are reflected in the accompanying 2000 financial statements.

**FINDING NUMBER 2000-41007-002**

**Noncompliance Citation**

Ohio Rev. Code Section 5705.41 (B) states no subdivision or taxing unit shall make any expenditure of money unless it has been appropriated.

The following funds had expenditures which exceeded appropriations at December 31, 1999:

Fund	Appropriations	Budgetary Expenditures	Overexpenditure
Emergency Medical Services #2 Fund	\$9,600	\$10,658	(\$1,058)
Note Retirement Fund	12,633	18,551	(5,918)
Issue II Fund	0	20,143	(20,143)

1999 Issue II Fund expenditures exceeded appropriations due to an audit adjustment required to reflect Issue II monies paid on behalf of the Township by Belmont County.

Township management should monitor available appropriations, and should deny payments that exceed appropriations. If available resources exist to make the payment, management should request the Board of Trustees to consider amending appropriations.

**UNION TOWNSHIP  
BELMONT COUNTY**

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

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2000-41007-003**

**Noncompliance Citation**

Ohio Rev. Code Section 5705.39 prohibits a political subdivision or taxing unit from making a fund appropriation in excess of the estimated revenue available for expenditure from the fund as certified by the budget commission on the official certificate of estimated resources.

The following funds had appropriations which exceeded estimated resources at December 31, 2000:

Fund	Appropriations	Estimated Resources	Overappropriated
Gasoline Tax Fund	\$63,300	\$60,000	(\$3,300)
Road and Bridge Fund	65,000	36,398	(28,602)
Fire Levy Fund	33,342	20,897	(12,445)
Note Retirement Fund	27,923	24,575	(3,348)

We recommend the Township compare appropriations to estimated revenue for each fund when the annual appropriation resolution is adopted and when supplemental amendments are passed to ensure amounts appropriated do not exceed estimated resources.

**FINDING NUMBER 2000-41007-004**

**Reportable Condition - Proper Accounting for On-Behalf-Of Payments**

Auditor of State Bulletin 2000-08 provides guidelines for the proper accounting of payments where the local government enters into an on-behalf-of program agreement with another local government or the State (or the federal government, if applicable), whereby the local government or its residents are the beneficiaries under the agreement, the cash value benefit of the program received under the agreement should be recorded as memorandum receipts and disbursements in the year on-behalf-of disbursements are made.

The Township was the beneficiary of Issue II monies through Belmont County amounting to \$20,143 in 1999 which were paid directly to the vendor by Belmont County. Audit adjustments agreed to by the client were required to properly present receipts and expenditures within the Township's financial statements.

We recommend the Clerk review Auditor of State Bulletin 2000-08 and develop procedures to ensure proper accounting treatment of on-behalf-payments by recording all activity applicable to the Township within its ledgers.

**UNION TOWNSHIP  
BELMONT COUNTY**

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

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

**FINDING NUMBER 2000-41007-005**

**Reportable Condition - Posting of Debt**

In 1999, the Township issued a note for the purchase of a backhoe in the amount of \$22,000. The Clerk did not record the proceeds of notes or payment for the backhoe when the debt was issued; however, the accompanying 1999 financial statements were adjusted to reflect the note proceeds and purchase of the backhoe.

We recommend the Clerk record all debt transactions to the appropriate ledgers as they occur. The issuance of new debt should be recorded as "proceeds of notes" and the expenditure should be recorded as "capital outlay".





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**UNION TOWNSHIP**

**BELMONT 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  
SEPTEMBER 18, 2001**