



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

SHARON TOWNSHIP
NOBLE COUNTY

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**STATE OF OHIO
OFFICE OF THE AUDITOR**

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REPORT OF INDEPENDENT ACCOUNTANTS

Sharon Township
Noble County
42186 Rich Valley Road
Caldwell, Ohio 43724

To the Board of Trustees:

We have audited the accompanying financial statements of Sharon Township, Noble County, Ohio (the Township), as of and for the years ended December 31, 2001 and 2000. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than 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 Sharon Township, Noble County, as of December 31, 2001 and 2000, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2002, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

A handwritten signature in black ink, appearing to read "Jim Petro".

Jim Petro
Auditor of State

June 17, 2002

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**SHARON TOWNSHIP
NOBLE 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, 2001**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Fiduciary Funds</u>	
Cash Receipts:					
Local Taxes	\$8,470	\$3,105	\$	\$	\$11,575
Intergovernmental	9,332	57,699	4,033		71,064
Earnings on Investments	188	398		37	623
Other Revenue	2,285				2,285
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	20,275	61,202	4,033	37	85,547
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Cash Disbursements:					
Current:					
General Government	12,776				12,776
Public Safety	499				499
Public Works	600	40,827			41,427
Miscellaneous	210				210
Debt Service:					
Redemption of Principal			4,050		4,050
Interest and Fiscal Charges			211		211
Capital Outlay					0
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	14,085	40,827	4,261	0	59,173
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	6,190	20,375	(228)	37	26,374
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Other Financing Receipts and (Disbursements):					
Transfers-In				318	318
Advances-In		35,298			35,298
Transfers-Out	(318)				(318)
Advances-Out		(35,298)			(35,298)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(318)	0	0	318	0
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	5,872	20,375	(228)	355	26,374
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	(685)	16,630	4,098	465	20,508
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Fund Cash Balances, December 31	\$5,187	\$37,005	\$3,870	\$820	\$46,882
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Reserve for Encumbrances, December 31	\$50	\$2,200	\$0	\$0	\$2,250
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The notes to the financial statements are an integral part of this statement.

**SHARON TOWNSHIP
NOBLE 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**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Fiduciary Funds</u>	
Cash Receipts:					
Local Taxes	\$7,757	\$2,826	\$	\$	\$10,583
Intergovernmental	7,395	53,751	8,580		69,726
Earnings on Investments	85	140		34	259
Other Revenue		59			59
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	15,237	56,776	8,580	34	80,627
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Cash Disbursements:					
Current:					
General Government	16,290			1,200	17,490
Public Safety	499				499
Public Works	1,800	50,097			51,897
Health	400				400
Debt Service:					
Redemption of Principal			4,000		4,000
Interest and Fiscal Charges			482		482
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	18,989	50,097	4,482	1,200	74,768
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	(3,752)	6,679	4,098	(1,166)	5,859
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	3,067	9,951	0	1,631	14,649
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	(\$685)	\$16,630	\$4,098	\$465	\$20,508
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Reserve for Encumbrances, December 31	\$70	\$0	\$18	\$0	\$88
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The notes to the financial statements are an integral part of this statement.

**SHARON TOWNSHIP
NOBLE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Sharon Township, Noble 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, and fire protection services. The Township contracts with the Caldwell Volunteer Fire Company, Inc. to provide fire services.

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

B. Basis of Accounting

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

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

C. Fund Accounting

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

1. General Fund

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

2. Special Revenue Funds

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

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

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

3. Debt Service Fund

The debt service fund is used to accumulate resources for the payment of note indebtedness. The Township had the following significant Debt Service Fund:

General Note Retirement Fund - This fund receives gasoline tax money to pay principal and interest on outstanding note debt.

**SHARON TOWNSHIP
NOBLE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

4. Fiduciary Fund (Trust Fund)

These funds are used to account for resources restricted by legally binding trust agreements. The Township had the following Fiduciary Fund:

Cemetery Bequest Nonexpendable Trust Fund – This fund maintains the trust corpus and receives interest income. The income is to be used for perpetual care of certain graves or cemeteries.

D. 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 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. The Township did not encumber all commitments required by Ohio Law.

A summary of 2001 and 2000 budgetary activity appears in Note 3.

E. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

2. EQUITY IN POOLED CASH

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>2001</u>	<u>2000</u>
Demand deposits	<u>\$46,882</u>	<u>\$20,508</u>

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

**SHARON TOWNSHIP
NOBLE COUNTY**

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

3. BUDGETARY ACTIVITY

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

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$18,455	\$20,275	\$1,820
Special Revenue	59,260	61,202	1,942
Debt Service	4,033	4,033	0
Fiduciary	10	355	345
Total	<u>\$81,758</u>	<u>\$85,865</u>	<u>\$4,107</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$15,991	\$14,453	\$1,538
Special Revenue	72,457	43,027	29,430
Debt Service	8,150	4,261	3,889
Fiduciary	424	0	424
Total	<u>\$97,022</u>	<u>\$61,741</u>	<u>\$35,281</u>

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$13,961	\$15,237	\$1,276
Special Revenue	57,151	56,776	(375)
Debt Service	4,033	8,580	4,547
Fiduciary	10	34	24
Total	<u>\$75,155</u>	<u>\$80,627</u>	<u>\$5,472</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$17,701	\$19,059	(\$1,358)
Special Revenue	59,950	50,097	9,853
Debt Service	0	4,500	(4,500)
Fiduciary	2,380	1,200	1,180
Total	<u>\$80,031</u>	<u>\$74,856</u>	<u>\$5,175</u>

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in various funds for the year ended December 31, 2000. In addition, the Township did not encumber all commitments during 2001 and 2000.

**SHARON TOWNSHIP
NOBLE COUNTY**

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

4. PROPERTY TAX

Real property taxes become a lien on January 1 proceeding 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.

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, 2001 was as follows:

	Principal	Interest Rate
General Obligation Notes	\$4,000	5.25%
Total	\$4,000	

The general obligation note was issued to finance the purchase of a new tractor to be used for Township road maintenance. The note is collateralized solely by the Township's taxing authority.

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

	General Obligation Note
Year ending December 31: 2002	\$4,052
Total	\$4,052

6. RETIREMENT SYSTEMS

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2001 and 2000, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for the periods January 1, 2001 through December 31, 2001 and January 1, 2000 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 participant's gross salaries. The Township has paid all contributions required through December 31, 2001.

**SHARON TOWNSHIP
NOBLE COUNTY**

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

7. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

The Township also provides health and life insurance coverage to elected officials through a private carrier.

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

Sharon Township
Noble County
42186 Rich Valley Road
Caldwell, Ohio 43724

To the Board of Trustees:

We have audited the accompanying financial statements of Sharon Township, Noble County, Ohio (the Township), as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated June 17, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2001-41061-001 through 2001-41061-004. We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated June 17, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated June 17, 2002.

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.

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

Jim Petro
Auditor of State

June 17, 2002

**SHARON TOWNSHIP
NOBLE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2001 AND 2000**

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

FINDING NUMBER 2001-41061-001

Noncompliance Citation

Ohio Rev. Code Section 515.01 states the cost of installing and operating any lighting system or any light furnished under contract shall be paid from the general fund of the township treasury.

The majority of the payments for street lighting during 2001 was charged to the Gasoline Tax Fund rather than the General Fund. In total, \$1,452 was expended from the Special Revenue Funds for street lighting that should have been charged to the General Fund.

We recommend that the Township pay all street lighting expense (operating and installation) out of the General Fund. Also, an adjustment for the \$1,452 spent in street lighting was made to the financial statements and the Township's books.

FINDING NUMBER 2001-41061-002

Noncompliance Citation

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

During 2000, the expenditures exceeded appropriations in the following funds and accounts:

Fund/Account	Appropriations	Expenditures	Variance
General Fund – Auditing Services	\$1,327	1,822	(495)
General Fund – UAN Fees	0	396	(396)
General Fund – County Auditor & Treasurer Fees	270	391	(121)
General Fund – Travel & Meeting Expense	982	1,114	(132)
General Fund – Advertising	(50)	38	(88)
General Fund – Other	(631)	821	(1,452)
General Fund – Contracted Services	0	400	(400)
Gasoline Tax Fund – Medical/Hospitalization	(4,091)	13,507	(17,598)
Gasoline Tax Fund – Repairs & Maintenance	(534)	354	(888)
Road & Bridge Fund – County Auditor & Treasurer Fees	0	115	(115)
Road & Bridge Fund – Election Expense	0	60	(60)
Road & Bridge Fund – Other	299	1,400	(1,101)
Debt Service – Principal	0	4,000	(4,000)
Debt Service – Interest	0	482	(482)

**SHARON TOWNSHIP
NOBLE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2001 AND 2000
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2001-41061-002 (Continued)

Noncompliance Citation - Ohio Rev. Code Section 5705.41(B) (Continued)

Appropriations were entered into the UAN system to assure that expenditures did not exceed appropriations. However, not all appropriations were legislatively approved.

We recommend the Clerk properly post appropriation amounts approved by the Board of Trustees from the Annual Appropriation Resolution and all legislatively approved supplemental appropriations. The Clerk and Trustees should review reports periodically containing appropriated amounts and actual expenditures to determine whether additional supplemental appropriations are necessary.

FINDING NUMBER 2001-41061-003

Noncompliance Citation

Ohio Rev. Code Section 5705.41(D)(1) states that 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.

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

- A. Then and Now Certificate - This exception provides that, if the fiscal officer can certify that both at the time the contract or order was made and at the time that she is completing her certification, sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any encumbrance, the taxing authority 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.
- B. Amounts of less than \$1,000 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-seven percent of the transactions tested for 2000 and fifty-three percent of the transactions tested for 2001 did not include prior certification of the Clerk. In addition, there was no evidence of a "Then and Now" certificate being used by the Clerk.

We recommend the Township obtain the Clerk's prior certification for all disbursements.

FINDING NUMBER 2001-41061-004

Finding for Recovery

Ohio Rev. Code Section 507.09 states that a Township clerk shall be entitled to annual compensation of \$5,000 (for terms of office beginning prior to May 8, 1996) when the Township's budget is between \$50,001 and \$100,000. Barbara Reed, former Clerk of Sharon Township, was elected Clerk for the term April 1, 1996 through March 31, 2000. For three months of calendar year 2000, Ms. Reed was paid \$1,750, which corresponds to a budget between \$100,001 and \$250,000 (\$7,000 annually).

SHARON TOWNSHIP
NOBLE COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2001 AND 2000
(Continued)

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

FINDING NUMBER 2001-41061-004 (Continued)

Finding for Recovery - Ohio Rev. Code Section 507.09 (Continued)

However, the Township's budget for 2000, as certified by the County Budget Commission, was between \$50,001 and \$100,000. Therefore, Ms. Reed should have been paid \$1,250 for the first three months of 2000. A recap of the overpayment is as follows:

Salary paid - January through March 2000	\$1,750
Salary authorized - January through March 2000	<u>\$1,250</u>
Overpayment - January through March 2000	<u>\$ 500</u>

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money illegally expended is hereby issued against Barbara Reed, former Clerk, and her surety company, Titan Indemnity Company, jointly and severally, and in favor of Sharon Township, Noble County, in the amount of five hundred dollars.

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**SHARON TOWNSHIP
NOBLE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2001 AND 2000**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
1999-41061-001	Ohio Rev. Code Section 5705.10 states that money paid into any fund shall be used only for the purposes for which such fund has been established.	No	Partially Corrected; A negative fund balance existed in the General Fund during 2000 per audit adjustments proposed during the prior period audit and the current audit period. There is no longer a negative fund balance in the Motor Vehicle License Tax Fund.
1999-41061-002	Ohio Rev. Code Section 5705.41(B) requires no subdivision or taxing authority to expend money unless it has been properly appropriated.	No	Not Corrected; Repeated in GAGAS letter as Finding 2001-41061-002.
1999-41061-003	Ohio Rev. Code Section 5705.41(D)(1) states that no subdivision or taxing unit shall make any contract or order any expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the same has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.	No	Not Corrected; Repeated in GAGAS letter as Finding 2001-41061-003.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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SHARON TOWNSHIP

NOBLE COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 5, 2002**