



**Auditor of State  
Betty Montgomery**



HOPEWELL TOWNSHIP  
MUSKINGUM COUNTY

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Hopewell Township  
Muskingum County  
1705 County Line Road  
Hopewell, Ohio 43746-9607

To the Board of Trustees:

We have audited the accompanying financial statements of Hopewell Township, Muskingum County, Ohio (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 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 Hopewell Township, Muskingum County, 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 13, 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 audit.

Hopewell Township  
Muskingum 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 § 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 13, 2003

**HOPEWELL TOWNSHIP  
MUSKINGUM 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, 2002**

	<u>Governmental Fund Types</u>			Non- Expendable Trust	Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>		
<b>Cash Receipts:</b>					
Local Taxes	\$34,927	\$97,906	\$16,949	\$	\$149,782
Intergovernmental	39,766	79,183			118,949
Earnings on Investments	612	280		195	1,087
Other Revenue	1,706				1,706
	<u>77,011</u>	<u>177,369</u>	<u>16,949</u>	<u>195</u>	<u>271,524</u>
<b>Total Cash Receipts</b>					
	<u>77,011</u>	<u>177,369</u>	<u>16,949</u>	<u>195</u>	<u>271,524</u>
<b>Cash Disbursements:</b>					
Current:					
General Government	70,874	850			71,724
Public Safety		32,000			32,000
Public Works		129,757			129,757
Health	2,100				2,100
Debt Service:					
Redemption of Principal			14,820		14,820
Interest and Fiscal Charges			2,201		2,201
Capital Outlay		16,900			16,900
	<u>72,974</u>	<u>179,507</u>	<u>17,021</u>	<u>0</u>	<u>269,502</u>
<b>Total Cash Disbursements</b>					
	<u>72,974</u>	<u>179,507</u>	<u>17,021</u>	<u>0</u>	<u>269,502</u>
Total Cash Receipts Over/(Under) Cash Disbursements	4,037	(2,138)	(72)	195	2,022
Fund Cash Balances, January 1	33,775	64,534	79	4,042	102,430
<b>Fund Cash Balances, December 31</b>	<u><u>\$37,812</u></u>	<u><u>\$62,396</u></u>	<u><u>\$7</u></u>	<u><u>\$4,237</u></u>	<u><u>\$104,452</u></u>

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

**HOPEWELL TOWNSHIP  
MUSKINGUM 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>			Non- Expendable Trust	Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>		
<b>Cash Receipts:</b>					
Local Taxes	\$31,920	\$89,471	\$17,872	\$	\$139,263
Intergovernmental	70,033	81,553			151,586
Earnings on Investments	832	393		145	1,370
Other Revenue		500			500
	<u>102,785</u>	<u>171,917</u>	<u>17,872</u>	<u>145</u>	<u>292,719</u>
<b>Cash Disbursements:</b>					
Current:					
General Government	59,838	3,782			63,620
Public Safety		40,000			40,000
Public Works	16,860	125,121			141,981
Health	840			840	1,680
Debt Service:					
Redemption of Principal			19,819		19,819
Interest and Fiscal Charges			3,235		3,235
	<u>77,538</u>	<u>168,903</u>	<u>23,054</u>	<u>840</u>	<u>270,335</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>25,247</u>	<u>3,014</u>	<u>(5,182)</u>	<u>(695)</u>	<u>22,384</u>
<b>Other Financing Receipts/(Disbursements):</b>					
Transfers-In	1,093				1,093
Transfers-Out			(1,093)	0	(1,093)
	<u>1,093</u>	<u>0</u>	<u>(1,093)</u>	<u>0</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	26,340	3,014	(6,275)	(695)	22,384
Fund Cash Balances, January 1	<u>7,435</u>	<u>61,520</u>	<u>6,354</u>	<u>4,737</u>	<u>80,046</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$33,775</u></u>	<u><u>\$64,534</u></u>	<u><u>\$79</u></u>	<u><u>\$4,042</u></u>	<u><u>\$102,430</u></u>

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



**HOPEWELL TOWNSHIP  
MUSKINGUM COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Hopewell Township, Muskingum County (the Township), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the National Trails Volunteer Fire Department to provide fire and emergency medical 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. 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 deposit 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 trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

**HOPEWELL TOWNSHIP  
MUSKINGUM COUNTY**

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

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

*Fire Fund* - This fund receives property tax money for fire protection and emergency management services.

**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 was established to accumulate resources for the payment of debt related to the purchase of Township road equipment.

**4. Fiduciary Funds (Trust Funds)**

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

*Cemetery Bequest Fund* - This fund receives interest from principal that is invested in a certificate of deposit for the upkeep of the Township cemetery.

**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.

**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.

**HOPEWELL TOWNSHIP  
MUSKINGUM COUNTY**

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

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

**E. Budgetary Process (Continued)**

**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 properly encumber all commitments as required by Ohio law.

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.

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

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

	<u>2002</u>	<u>2001</u>
Demand deposits	\$100,581	\$98,559
Certificates of deposits	3,871	3,871
Total deposits	<u>\$104,452</u>	<u>\$102,430</u>

**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, 2002 and 2001 follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$61,550	\$77,011	\$15,461
Special Revenue	164,309	177,369	13,060
Debt Service	16,949	16,949	0
Non Expendable Trust	150	195	45
Total	<u>\$242,958</u>	<u>\$271,524</u>	<u>\$28,566</u>

**HOPEWELL TOWNSHIP  
MUSKINGUM COUNTY**

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

**3. BUDGETARY ACTIVITY (Continued)**

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$88,334	\$72,974	\$15,360
Special Revenue	228,841	179,507	49,334
Debt Service	17,028	17,021	7
Total	\$334,203	\$269,502	\$64,701

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$97,023	\$103,878	\$6,855
Special Revenue	160,505	171,917	11,412
Debt Service	17,872	17,872	0
Non Expendable Trust	200	145	(55)
Total	\$275,600	\$293,812	\$18,212

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$61,522	\$77,538	(\$16,016)
Special Revenue	221,987	168,903	53,084
Debt Service	24,227	24,147	80
Non Expendable Trust	4,936	840	4,096
Total	\$312,672	\$271,428	\$41,244

**Accountability and Compliance**

During 2001, expenditures exceeded appropriations in the General Fund by \$16,016, contrary to Ohio law. Although total fund budgetary expenditures did not exceed appropriations during 2002, the General Fund and Road and Bridge Fund expenditures exceeded appropriations at the legal level of control for certain accounts, also contrary to Ohio law.

Amendments to the Township's appropriations were neither formally approved by the Board of Trustees, nor certified to the County Auditor, contrary to Ohio law.

Prior certification of Township funds was not obtained for some expenditures made during 2002 and 2001, contrary to Ohio law.

**HOPEWELL TOWNSHIP  
MUSKINGUM COUNTY**

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

**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.

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:

	<u>Principal</u>	<u>Interest Rate</u>
General Obligation Notes - 1998	\$10,820	5.40%
General Obligation Notes - 1996	12,000	6.50%
Total	<u>\$22,820</u>	

The 1998 general obligation notes were issued to finance the purchase of a grader to be used for Township road maintenance. The notes are collateralized solely by the Township's taxing authority. The notes are being repaid in annual installments of \$10,820 plus interest.

The 1996 general obligation notes were issued to finance the purchase of a highway garage to be used for housing and storing machinery and tools owned by the Township. The notes are collateralized solely by the Township's taxing authority. The notes are being repaid in annual installments of \$4,000 plus interest.

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

	<u>General Obligation Notes</u>
Year ending December 31:	
2003	\$16,184
2004	4,520
2005	4,260
Total	<u>\$24,964</u>

**HOPEWELL TOWNSHIP  
MUSKINGUM COUNTY**

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

**6. RETIREMENT SYSTEMS**

The Township's 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 2002 and 2001, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for 2002 and 2001. 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 non-profit association with over 600 governmental entity members providing a formalized, jointly administered self-insurance risk management program and other administrative services.

Pursuant to Section 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 judgements, settlements and other expenses resulting from covered claims that exceeded the member's deductible.

The Plan uses conventional insurance coverages and reinsures these coverages 100%, 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.

The following risks are covered by the Plan:

- Comprehensive property and general liability;
- Wrongful Acts
- Automobile
- Bond
- Inland Marine
- Electronic Data Processing

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



**Auditor of State  
Betty Montgomery**

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

Hopewell Township  
Muskingum County  
1705 County Line Road  
Hopewell, Ohio 43746-9607

To the Board of Trustees:

We have audited the accompanying financial statements of Hopewell Township, Muskingum County, Ohio (the Township), as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated May 13, 2003. 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 2002-41060-001 through 2002-41060-003.

**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 May 13, 2003.

Hopewell Township  
Muskingum 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 13, 2003



**HOPEWELL TOWNSHIP  
MUSKINGUM 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 2002-41060-001**

**Noncompliance Citation**

Ohio Rev. Code § 5705.40 states, in part, that a subdivision may amend or supplement their appropriation measure provided the entity complies with the same provisions of the law as are used in making the original appropriation.

The Township Clerk posted multiple appropriation amendments throughout the audit period. However, these amendments were not approved by the Board of Trustees in the minutes, nor were they certified to the County Auditor. The following compares approved appropriations to those posted to the accounting system:

Fiscal Year	Fund	Appropriations Posted to the Accounting System	Approved Appropriations	Approved Appropriations over/(under) Appropriations Posted
2002	1000-110-230	\$38,200	\$24,000	(\$14,200)
2002	1000-110-345	350	200	(150)
2002	1000-110-599	3,350	3,500	150
2002	1000-330-360	6	7,106	7,100
2002	1000-330-420	7	7,107	7,100
2002	2031-330-381	5,500	8,000	2,500
2002	2031-330-420	27,592	22,192	(5,400)
2002	2031-760-750	5,750	8,650	2,900
2001	1000-110-211	6,500	5,500	(1,000)
2001	1000-110-213	900	600	(300)
2001	1000-110-221	34,002	32,002	(2,000)
2001	1000-110-230	1,610	1,000	(610)
2001	1000-110-312	3,500	2,500	(1,000)
2001	1000-110-410	800	200	(600)
2001	1000-110-599	3,000	100	(2,900)
2001	1000-330-160	12,000	0	(12,000)
2001	1000-330-360	10,500	500	(10,000)
2001	1000-330-420	10,000	0	(10,000)

We recommend Township management review budgetary procedures for amending appropriations, document the Board approval of all appropriations amendments in the Board minutes, and file all appropriation amendments with the County Auditor in order to receive confirmation from the County Auditor that appropriations do not exceed estimated resources. The Clerk should post these amendments only after the required approvals have been obtained. The accompanying budgetary presentation includes only appropriations approved by the Board.

**HOPEWELL TOWNSHIP  
MUSKINGUM COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

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

**FINDING NUMBER 2002-41060-002**

**Noncompliance Citation**

Ohio Rev. Code § 5705.41(B) prohibits a subdivision or taxing authority from expending money unless it has been appropriated.

During the year ended December 31, 2001, the General Fund expenditures exceeded appropriations by \$16,016. Additionally, although total fund budgetary expenditures did not exceed appropriations during 2002, the General Fund and Road and Bridge Fund expenditures exceeded appropriations at the legal level of control for certain accounts within these funds. The practice of allowing expenditures to exceed appropriations could result in negative fund balances for the Township.

We recommend the Board of Trustees and Clerk compare expenditures to appropriations on a monthly basis. If appropriations in addition to those already adopted will be needed, the Board should take the necessary steps to adopt additional appropriations, if possible, to prevent expenditures from exceeding appropriations or reduce spending. The Clerk should deny requests for payment when appropriations are not available.

**FINDING NUMBER 2002-41060-003**

**Noncompliance Citation**

Ohio Rev. Code § 5705.41 (D) states that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision (Township Clerk) that the amount required to meet the obligation 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. This certificate need be signed only by the fiscal officer. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon. This section also provides two "exceptions" to the above requirements:

- A. Then and Now Certificate – If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that, both at the time the contract or order was made and at the time he is completing his certification, a sufficient sum was appropriated and free of any previous encumbrances, the taxing authority (Township Board of Trustees) may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate, if such expenditure is otherwise valid.
- B. If the amount involved is less than one thousand dollars (which was increased to \$3,000 on April 7, 2003), the fiscal officer may authorize it to be paid without affirmation of the taxing authority, upon completion of the then and now certificate, provided the expenditure is otherwise lawful.

The Clerk's prior certification was not obtained for 30% of the expenditures tested and the aforementioned exceptions were not followed. The lack of properly encumbering expenditures could lead to purchase commitments being made for which the Township does not have adequate funds.

**HOPEWELL TOWNSHIP  
MUSKINGUM COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

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

**FINDING NUMBER 2002-41060-003 (Continued)**

**Noncompliance Citation (Continued)**

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

We recommend Township personnel obtain proper certification from the Clerk prior to incurring any obligations on behalf of the Township. The Clerk should deny requests for payment when appropriations are not available.

**HOPEWELL TOWNSHIP  
MUSKINGUM 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; <b><i>Explain:</i></b>
2000-41060-001	Revised Code 5705.41 (D), prior certification of expenditures	No	Not Corrected – Will be repeated in the current audit as Finding Number 2002-41060-003
2000-41060-002	Revised Code 5705.40, amending appropriations	No	Not Corrected – Will be repeated in the current audit as Finding Number 2002-41060-001



**Auditor of State  
Betty Montgomery**

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**HOPEWELL TOWNSHIP**

**MUSKINGUM 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 3, 2003**