



**Auditor of State  
Betty Montgomery**



TIFFIN TOWNSHIP  
ADAMS COUNTY

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Tiffin Township  
Adams County  
875 Rosselot Road  
West Union, Ohio 45693

To the Board of Trustees:

We have audited the accompanying financial statements of Tiffin Township, Adams 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 and reserves for encumbrances of the Township as of December 31, 2002 and 2001, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 7, 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.

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, 2003

**TIFFIN TOWNSHIP  
ADAMS COUNTY**

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

	Governmental Fund Types					Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Nonexpendable Trust	
<b>Cash Receipts:</b>						
Local Taxes	\$27,260	\$53,000	\$7,605	\$0	\$0	\$87,865
Intergovernmental	73,360	71,196		63,900		208,456
Interest	1,493	210			313	2,016
Other Revenue		5,234				5,234
<b>Total Cash Receipts</b>	<b>102,113</b>	<b>129,640</b>	<b>7,605</b>	<b>63,900</b>	<b>313</b>	<b>303,571</b>
<b>Cash Disbursements:</b>						
Current:						
General Government	85,614					85,614
Public Safety		8,627				8,627
Public Works		70,769				70,769
Health	6,464	22,547			313	29,324
Debt Service:						
Redemption of Principal			6,599			6,599
Interest and Fiscal Charges			871			871
Capital Outlay		2,200		71,051		73,251
<b>Total Cash Disbursements</b>	<b>92,078</b>	<b>104,143</b>	<b>7,470</b>	<b>71,051</b>	<b>313</b>	<b>275,055</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>10,035</b>	<b>25,497</b>	<b>135</b>	<b>(7,151)</b>	<b>0</b>	<b>28,516</b>
<b>Other Financing Receipts and (Disbursements):</b>						
Proceeds of Loan	10,035					10,035
Transfers-In			2,703	7,151		9,854
Advances-In	515	515				1,030
Transfers-Out	(9,854)					(9,854)
Advances-Out	(515)	(515)				(1,030)
Other Sources	536					536
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>717</b>	<b>0</b>	<b>2,703</b>	<b>7,151</b>	<b>0</b>	<b>10,571</b>
<b>Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements</b>	<b>10,752</b>	<b>25,497</b>	<b>2,838</b>	<b>0</b>	<b>0</b>	<b>39,087</b>
<b>Fund Cash Balances, January 1</b>	<b>18,854</b>	<b>14,051</b>	<b>0</b>	<b>0</b>	<b>2,890</b>	<b>35,795</b>
<b>Fund Cash Balances, December 31</b>	<b>\$29,606</b>	<b>\$39,548</b>	<b>\$2,838</b>	<b>\$0</b>	<b>\$2,890</b>	<b>\$74,882</b>
<b>Reserve for Encumbrances, December 31</b>	<b>\$2,022</b>	<b>\$1,859</b>	<b>\$2,703</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,584</b>

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

**TIFFIN TOWNSHIP  
ADAMS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES AND NONEXPENDABLE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>				<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Nonexpendable Trust</u>	
<b>Cash Receipts:</b>					
Local Taxes	\$27,258	\$53,011	\$4,529	\$0	\$84,798
Intergovernmental	45,326	68,063			113,389
Interest	1,360	345		24	1,729
Other Revenue		4,821			4,821
<b>Total Cash Receipts</b>	<u>73,944</u>	<u>126,240</u>	<u>4,529</u>	<u>24</u>	<u>204,737</u>
<b>Cash Disbursements:</b>					
Current:					
General Government	65,043				65,043
Public Safety		8,732			8,732
Public Works		96,618			96,618
Health	4,614	30,520			35,134
Debt Service:					
Redemption of Principal			4,200		4,200
Interest and Fiscal Charges			915		915
<b>Total Cash Disbursements</b>	<u>69,657</u>	<u>135,870</u>	<u>5,115</u>	<u>0</u>	<u>210,642</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>4,287</u>	<u>(9,630)</u>	<u>(586)</u>	<u>24</u>	<u>(5,905)</u>
<b>Other Financing Receipts and (Disbursements):</b>					
Transfers-In		6,223			6,223
Advances-In		508			508
Transfers-Out	(6,199)			(24)	(6,223)
Advances-Out	(508)				(508)
Other Sources	387				387
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>(6,320)</u>	<u>6,731</u>	<u>0</u>	<u>(24)</u>	<u>387</u>
<b>Excess of Cash Receipts and Other Financing Receipts (Under) Cash Disbursements and Other Financing Disbursements</b>	<u>(2,033)</u>	<u>(2,899)</u>	<u>(586)</u>	<u>0</u>	<u>(5,518)</u>
<b>Fund Cash Balances, January 1</b>	<u>20,887</u>	<u>16,950</u>	<u>586</u>	<u>2,890</u>	<u>41,313</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$18,854</b></u>	<u><b>\$14,051</b></u>	<u><b>\$0</b></u>	<u><b>\$2,890</b></u>	<u><b>\$35,795</b></u>
<b>Reserve for Encumbrances, December 31</b>	<u><b>\$4,402</b></u>	<u><b>\$1,478</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$5,880</b></u>

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



**TIFFIN TOWNSHIP  
ADAMS COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Tiffin Township, Adams County, Ohio (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 cemetery maintenance. The Township contracts with the Village of West Union to provide fire protection and ambulance 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 Deposits**

The Township maintains a cash deposit pool used by all funds. All Township funds are maintained in an interest-bearing checking account and a certificate of deposit with a local financial institution. Interest income is distributed to Township funds based upon the Ohio Constitution.

**D. Fund Accounting**

The Township uses fund accounting to segregate cash deposits 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:

Motor Vehicle License Fund

This fund receives motor vehicle license tax money to pay for constructing, maintaining and repairing Township roads and bridges.

**TIFFIN TOWNSHIP  
ADAMS COUNTY**

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

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

Gasoline Tax Fund

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

Cemetery Fund

This fund receives tax money and fees from the sale of lots for the purpose of maintaining, grooming, and operating of Township cemeteries.

**3. Debt Service Funds**

The Debt Service Fund is used to accumulate resources for the payments of Township note indebtedness.

**4. Capital Projects Funds**

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

Ohio Public Works Commission Fund

This fund received a grant from the Ohio Public Works Commission for a Township road improvement project.

Miscellaneous Capital Projects Fund

This fund received Community Development Block Grant funds from the Adams County Commissioners for a Township road improvement project.

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

These funds are used to account for resources restricted by legally binding trust agreements. The Township has a nonexpendable trust fund that receives interest from cemetery bequests to be used for cemetery care. The trust requires the Township to maintain the corpus of the trust.

**E. Budgetary Process**

The Ohio Revised Code requires that each fund be budgeted annually.

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

**TIFFIN TOWNSHIP  
ADAMS COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 carried over and need not be reappropriated. The Township did not encumber all commitments required by Ohio law; however, the budgetary presentations have been adjusted to include material items that should have been encumbered.

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 DEPOSITS**

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

	2002	2001
Demand deposits	\$71,992	\$32,905
Certificates of deposit	2,890	2,890
Total deposits	\$74,882	\$35,795

Deposits are insured by the Federal Depository Insurance Corporation.

**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	\$101,699	\$112,684	\$10,985
Special Revenue	129,898	129,640	(258)
Debt Service	7,605	10,308	2,703
Capital Projects	71,051	71,051	0
Nonexpendable Trust	0	313	313
Total	\$310,253	\$323,996	\$13,743

**TIFFIN TOWNSHIP  
ADAMS 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	\$91,409	\$103,954	(\$12,545)
Special Revenue	142,659	106,002	36,657
Debt Service	4,767	10,173	(5,406)
Capital Projects	0	71,051	(71,051)
Nonexpendable Trust	0	313	(313)
Total	<u>\$238,835</u>	<u>\$291,493</u>	<u>(\$52,658)</u>

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$69,131	\$74,331	\$5,200
Special Revenue	132,623	132,463	(160)
Debt Service	4,529	4,529	0
Nonexpendable Trust	0	24	24
Total	<u>\$206,283</u>	<u>\$211,347</u>	<u>\$5,064</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$87,134	\$80,258	\$6,876
Special Revenue	157,716	137,348	20,368
Debt Service	5,115	5,115	0
Nonexpendable Trust	0	24	(24)
Total	<u>\$249,965</u>	<u>\$222,745</u>	<u>\$27,220</u>

Expenditures exceeded appropriations in the General, Fire, Miscellaneous Debt Service, OPWC, Miscellaneous Capital Projects, and the Nonexpendable Trust Funds in 2002 and in the Fire and Nonexpendable Trust Funds in 2001, 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.

**TIFFIN TOWNSHIP  
ADAMS COUNTY**

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

**4. PROPERTY TAX (Continued)**

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

**5. DEBT**

Debt outstanding at December 31, 2002 was as follows:

	Principal	Interest Rate
Bank Note for Tractor Purchase	\$3,900	7.00%
Bank Note for Truck Purchase	7,628	6.10%
Total	\$11,528	

The bank notes for a tractor purchase and a truck purchase were issued in 1999 and 2002, respectively. The notes are collateralized by the equipment purchased.

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

	Bank Note for Tractor Purchase	Bank Note for Truck Purchase	Total
Year ending December 31:			
2003	\$4,173	\$5,406	\$9,579
2004	0	2,703	\$2,703
Total	\$4,173	\$8,109	\$12,282

**6. RETIREMENT SYSTEM**

The Township's officials and employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. The 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. PERS members contribute 8.5% of their gross salaries. The Township contributes an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 2002.

**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.

**TIFFIN TOWNSHIP  
ADAMS COUNTY**

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

**7. RISK MANAGEMENT (Continued)**

Casualty Coverage

OTARMA retains casualty risks up to \$250,000 per claim, including loss adjustment expenses. Claims exceeding \$250,000 are reinsured with APEEP 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.

Property Coverage

OTARMA retains property risks, including automobile physical damage, up to \$10,000 on any specific loss with an annual aggregate of \$700,000 for 2001 and \$1,250,000 for 2002. The Travelers Indemnity Company reinsures losses exceeding \$10,000 if the annual aggregate is reached and all specific losses exceeding \$100,000. APEEP's Operating Fund and Guarantee Fund pay 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>2002</u>	<u>2001</u>
Assets	\$23,757,036	\$23,703,776
Liabilities	(9,197,512)	(9,379,003)
Retained earnings	<u>\$14,559,524</u>	<u>\$14,324,773</u>

<u>Property Coverage</u>	<u>2002</u>	<u>2001</u>
Assets	\$6,596,996	\$5,011,131
Liabilities	(1,204,326)	(647,667)
Retained earnings	<u>\$5,392,670</u>	<u>\$4,363,464</u>



## **Auditor of State Betty Montgomery**

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

Tiffin Township  
Adams County  
875 Rosselot Road  
West Union, Ohio 45693

To the Board of Trustees:

We have audited the accompanying financial statements of Tiffin Township, Adams County, Ohio (the Township), as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated July 7, 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 2002-001 and 2002-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated July 7, 2003.

#### **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 2002-001 and 2002-002.

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 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 a certain matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Township in a separate letter dated July 7, 2003.

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, 2003



**TIFFIN TOWNSHIP  
ADAMS COUNTY**

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

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

**FINDING NUMBER 2002-001**

**Noncompliance Citation/Reportable Condition**

Ohio Rev. Code, Section 5705.41(D), requires 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 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 Township Clerk. 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 for two exceptions to the above requirements:

- A. Then and Now Certificates - If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was, both at the time of the contract or order and at the time of the certificate, appropriated and free of any previous encumbrances, the 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.
- B. If the amount involved is less than \$1,000 dollars, the Township Clerk may authorize payment through a Then and Now Certificate without affirmation of the Board of Trustees, if such expenditure is otherwise valid.

Where a continuing contract is to be performed in whole or in part in an ensuing fiscal year, only the amount required to meet those amounts in the fiscal year in which the contract is made need be certified.

Contrary to the above requirement, the availability of funds was not certified in advance for 16% of transactions tested and then and now certifications were not done for these transactions. Additionally, unencumbered purchase commitments existed at December 31, 2002 and 2001. Failure to certify the availability of funds and encumber appropriations can result in overspending funds and negative cash balances. Therefore, we recommend the Township obtain approved purchase orders, which contain the Clerk's certification that the amount required to meet the obligation has been lawfully appropriated and authorized, prior to making a commitment.

**FINDING NUMBER 2002-002**

**Noncompliance Citation/Reportable Condition**

Ohio Rev. Code, Section 5705.41(B), prohibits expenditures in excess of appropriations. Expenditures exceeded appropriations, as follows:

<b>Date</b>	<b>Fund</b>	<b>Appropriations</b>	<b>Expenditures</b>	<b>Variance</b>
December 31, 2002	General	\$ 91,409	\$ 103,954	\$ (12,545)
	Fire	8,375	8,627	(252)
	Misc. Debt Service	-	5,405	(5,405)
	OPWC	-	35,843	(35,843)
	Misc. Capital Projects	-	35,208	(35,208)
	Nonexpendable Trust	-	313	(313)
December 31, 2001	Fire	8,300	8,732	(432)
	Nonexpendable Trust	-	24	(24)

The Clerk should deny payment requests exceeding appropriations. The Clerk may request Council to approve increased expenditure levels by increasing appropriations and amending estimated resources, if necessary.

**TIFFIN TOWNSHIP  
ADAMS 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>
2000-40401-001	Failure to properly certify funds in advance as available for expenditure, contrary to Ohio Rev. Code, Section 5705.41(D).	No	See finding 2002-001.
2000-40401-002	Disbursements exceeded appropriations, contrary to Ohio Rev. Code, Section 5705.41(B).	No	See finding 2002-002.





**Auditor of State  
Betty Montgomery**

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Facsimile 614-466-4490

**TIFFIN TOWNSHIP**

**ADAMS 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 7, 2003**