



**STARR TOWNSHIP
HOCKING COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

STARR TOWNSHIP
HOCKING COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Starr Township
Hocking County
21045 State Route 278
Nelsonville, Ohio 45764

To the Board of Trustees:

We have audited the accompanying financial statements of Starr Township, Hocking 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 generally accepted auditing standards 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 the Township 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 May 1, 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 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

May 1, 2001

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**STARR TOWNSHIP
HOCKING COUNTY**

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

	<u>Governmental Fund Types</u>		Totals
	<u>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only)</u>
Cash Receipts:			
Local Taxes	\$16,793	\$29,988	\$46,781
Intergovernmental	39,841	65,711	105,552
Earnings on Investments	1,525	821	2,346
Other Revenue	199	220	419
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	58,358	96,740	155,098
Cash Disbursements:			
Current:			
General Government	48,872		48,872
Public Safety		14,656	14,656
Public Works	1,384	66,664	68,048
Health	290		290
Debt Service:			
Redemption of Principal		4,425	4,425
Interest and Fiscal Charges		1,541	1,541
Capital Outlay	1,675	27,845	29,520
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	52,221	115,131	167,352
Total Cash Receipts Over/(Under) Cash Disbursements	<hr/>	<hr/>	<hr/>
	6,137	(18,391)	(12,254)
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	6,137	(18,391)	(12,254)
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>
	20,211	49,100	69,311
Fund Cash Balances, December 31	<hr/>	<hr/>	<hr/>
	\$26,348	\$30,709	\$57,057

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

**STARR TOWNSHIP
HOCKING COUNTY**

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

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$18,422	\$28,464	\$46,886
Intergovernmental	26,738	95,697	122,435
Earnings on Investments	1,867	1,005	2,872
Other Revenue	266	6,029	6,295
 Total Cash Receipts	 47,293	 131,195	 178,488
Cash Disbursements:			
Current:			
General Government	51,510		51,510
Public Safety		12,816	12,816
Public Works	381	63,759	64,140
Health	200		200
Debt Service:			
Redemption of Principal		7,755	7,755
Interest and Fiscal Charges		2,610	2,610
Capital Outlay	1,546	53,185	54,731
 Total Cash Disbursements	 53,637	 140,125	 193,762
 Total Cash Receipts Over/(Under) Cash Disbursements	 (6,344)	 (8,930)	 (15,274)
Other Financing Receipts/(Disbursements):			
Sale of Fixed Assets		2,000	2,000
Transfers-In		11,500	11,500
Transfers-Out	(11,500)		(11,500)
 Total Other Financing Receipts/(Disbursements)	 (11,500)	 13,500	 2,000
 Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	 (17,844)	 4,570	 (13,274)
 Fund Cash Balances, January 1	 38,055	 44,530	 82,585
 Fund Cash Balances, December 31	 \$20,211	 \$49,100	 \$69,311

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

**STARR TOWNSHIP
HOCKING COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Starr Township, Hocking 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 and fire protection. The Township contracts with the Starr Township Volunteer Fire Department 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 Special Revenue Funds:

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

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

Fire District Fund - This fund receives property tax money to provide fire protection to the Township.

Permissive Motor Vehicle License Fund - This fund receives permissive motor vehicle license tax money to construct, maintain, and repair Township roads.

**STARR TOWNSHIP
HOCKING COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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.

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 use the encumbrance method of accounting.

A summary of 2000 and 1999 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.

F. 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 AND INVESTMENTS

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

	<u>2000</u>	<u>1999</u>
Demand deposits	<u>\$57,057</u>	<u>\$69,311</u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation

**STARR TOWNSHIP
HOCKING 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	\$47,800	\$58,358	\$10,558
Special Revenue	65,700	96,740	31,040
Total	\$113,500	\$155,098	\$41,598

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$58,900	\$52,221	\$6,679
Special Revenue	99,400	115,131	(15,731)
Total	\$158,300	\$167,352	(\$9,052)

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$46,291	\$47,293	\$1,002
Special Revenue	92,937	144,695	51,758
Total	\$139,228	\$191,988	\$52,760

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$56,400	\$65,137	(\$8,737)
Special Revenue	149,350	140,125	9,225
Total	\$205,750	\$205,262	\$488

Actual expenditures exceeded appropriations in the Gasoline Tax fund for 2000 and in the General and Gasoline Tax Funds for 1999, contrary to Ohio Revised Code.

Appropriations exceeded estimated resources in the Motor Vehicle License Tax and Road and Bridge funds in 2000 and in the Motor Vehicle License Tax, Road and Bridge, and Gasoline funds in 1999, contrary to Ohio Revised Code.

The Township expended excess revenue received without increasing appropriations and estimated resources, contrary to Ohio Revised Code.

**STARR TOWNSHIP
HOCKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(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, 2000 was as follows:

	Principal	Interest Rate
Dump Truck Note	13,275	8.50%
Loader/Backhoe Capital Lease	31,761	5.75%
Total	\$45,036	

The Township obtained a note from Bank One, in 1998, for the purchase of a dump truck along with a bed liner and spreader to be used with the dump truck. The original note amount was for \$22,125 to be repaid in five equal payments of \$4,425 plus interest. The note is secured solely by the truck, the truck bed liner and spreader.

The Township entered into a capital lease with Case Credit, in 1999, for the purchase of a loader/backhoe. The original lease amount was for \$43,466 for 6 years, with an annual payments of \$7,465. At the signing of the lease agreement, a grader was traded-in for the Loader/Backhoe with a trade-in allowance of \$16,000. The trade-in allowance extinguished the outstanding loan balance of \$10,161 on the grader and allowed for a down-payment of \$6,466 on the Loader/Backhoe lease agreement. This brought the unpaid lease amount to \$37,597. The lease is secured solely by the loader/backhoe itself. At the end of the lease agreement, the Township has the option to assume ownership of the loader/backhoe at no additional expense.

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

Year ending	Dump Truck Note	Loader/Backhoe Capital Lease
2001	\$5,553	\$7,465
2002	5,177	7,465
2003	4,801	7,465
2004		7,465
2005		7,465
Total	\$15,531	\$37,325

**STARR TOWNSHIP
HOCKING COUNTY**

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

6. RETIREMENT SYSTEMS

The Township's elected officials and employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. 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. 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:

- Commercial Property
- Commercial General Liability
- Commercial Crime
- Commercial Auto
- Commercial Inland Marine
- Public Officials' Liability

The Township also provides health insurance coverage for two of the Trustees through a private carrier.

8. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

9. RELATED PARTY TRANSACTION

A Township Trustee purchased a used Case Loader from the Township on November 30, 1999, for \$2,000, by private sale, as per Ohio Revised Code Section 505.10. The Trustee abstained from the vote authorizing the sale.

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

Starr Township
Hocking County
21045 State Route 278
Nelsonville, Ohio 45764

To the Board of Trustees:

We have audited the accompanying financial statements of Starr Township, Hocking County, Ohio (the Township), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated May 1, 2001. We conducted our audit in accordance with generally accepted auditing standards 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 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 is described in the accompanying Schedule of Findings as items 2000-40737-001 through 2000-40737-004. In addition, we noted a matter of noncompliance that does not require inclusion in this report, that we have reported to management of the Township in a separate letter dated May 1, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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 judgement, 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 item 2000-40737-001 through 2000-40737-004.

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. We believe reportable condition 2000-40737-001 through 2000-40737-004 described above are material weaknesses. 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 the management of the Township in a separate letter dated May 1, 2001.

Starr Township
Hocking 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

May 1, 2001

STARR TOWNSHIP
HOCKING 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 2000-40737-001

Noncompliance Citation

Ohio Rev. Code § 5705.41(D) states that no 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 had been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriated fund free from any previous encumbrances.

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

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

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

The Township incurred all expenditures without certification of the clerk. The Township did not use purchase orders or Then and Now Certificates and therefore, did not follow the encumbrance method of accounting. The Township Clerk monitors fund balances and initiates the majority of the commitments for the Township, as directed by the Township Trustees. However, not certifying the availability of and encumbering funds could lead to obligations being entered into when there is not sufficient funds available to cover the commitment.

We recommend the Township Clerk certify the availability of funds prior to ordering goods or services and encumber the corresponding commitments when the certification is made. In the event the Township Clerk cannot make this certification prior to incurring an obligation, we recommend a Then and Now Certificate be approved and used as listed above.

**STARR TOWNSHIP
HOCKING 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 2000-40737-002

Noncompliance Citation

Ohio Rev. Code § 5705.41(B) states that no subdivision or taxing unit shall expend any money unless it has been properly appropriated.

Actual expenditures exceeded appropriations at December 31, 2000, as follows:

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
Gasoline Tax	\$40,000	\$69,334	(\$29,334)

Actual expenditures exceeded appropriations at December 31, 1999, as follows:

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$56,400	\$65,137	(\$8,737)
Gasoline Tax	\$87,350	\$99,790	(\$12,440)

We recommend the Township Clerk deny payments when disbursements would exceed appropriations at the legal level of control. The Township Clerk should inquire whether the Board of Trustees wish to permit the payments by amending appropriations. The Board of Trustees can increase total appropriations only to the extent of estimated resources. Such amendments or supplemental appropriations should be handled in the same manner as the original appropriations measure and the Board of Trustees approval should be documented in the minutes record.

FINDING NUMBER 2000-40737-003

Noncompliance Citation

Ohio Rev. Code § 5705.39 provides that appropriations from each fund shall not exceed the estimated resources available for expenditure as certified by the County Budget Commission.

Appropriations exceeded estimated resources at December 31, 2000, as follows:

Fund Type	Estimated Resources	Appropriation Authority	Variance
Motor Vehicle License Tax	\$16,312	\$19,300	(\$2,988)
Road & Bridge	\$19,319	\$24,900	(\$5,581)

**STARR TOWNSHIP
HOCKING 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 2000-40737-003 (Continued)

Appropriations exceeded estimated resources at December 31, 1999, as follows:

Fund Type	Estimated Resources	Appropriation Authority	Variance
Motor Vehicle License Tax	\$21,036	\$23,150	(\$2,114)
Gasoline Tax	\$77,652	\$87,350	(\$9,698)
Road & Bridge	\$22,447	\$25,650	(\$3,203)

This could allow the Township to expend more resources than available causing a deficit balance.

We recommend the Township implement procedures to ensure that appropriations are within available estimated resources

FINDING NUMBER 2000-40737-004

Noncompliance Citation

Ohio Rev. Code § 5705.36 states that all subdivisions are allowed to request increased amended certificates of estimated resources and reduced amended certificates upon determination by the fiscal officer that revenue to be collected will be greater or less than the amount in the official certificate of estimated resources. An increased amended certificate must be obtained from the budget commission if the legislative authority intends to appropriate and expend the excess revenue. A reduced amended certificate must be obtained if the amount of the deficiency will reduce available resources below the current level of appropriation. The total appropriations made during a fiscal year from any fund must not exceed the amount contained in the certificate of estimated resources or the amended certificate of estimated resources which was certified prior to making the appropriation or supplemental appropriation.

The Township had actual receipts that exceeded estimated receipts in the majority of the funds in 2000 and 1999. The Township did not increase their amended certificate of estimated resources nor their appropriations measure during 2000 and 1999. However, as indicated in the following table, for the Gasoline Tax Fund in 2000 and 1999 and the Road and Bridge Fund in 1999, the Township did expend part of the excess revenue, in the following funds, thereby requiring an amended certificate per Ohio Rev. Code.

Fund	2000 Estimated Resources	2000 Actual Resources	2000 Appropriation Authority	2000 Budgetary Expenditures
Gasoline Tax	\$58,400	\$84,180	\$40,000	\$69,334

Fund	1999 Estimated Resources	1999 Actual Resources	1999 Appropriation Authority	1999 Budgetary Expenditures
Gasoline Tax	\$77,652	\$123,790	\$87,350	\$99,790
Road and Bridge	\$22,447	\$27,322	\$25,650	\$22,703

**STARR TOWNSHIP
HOCKING COUNTY**

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

<p>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (CONTINUED)</p>

FINDING NUMBER 2000-40737-004 (Continued)

This lack of fully utilizing the budgetary process, established by Ohio Revised Code, could allow deficit spending to occur.

We recommend the Township obtain amended certificates of estimated resources when it becomes apparent the Township is going to receive more or less than what was estimated. We also recommend the Township officials monitor the effect of the increase/decrease in estimated resources in relation to their appropriations and make amendments as needed. The Township should establish control procedures to assure that at no time should expenditures exceed appropriations, appropriations exceed estimated resources and the changes during the year do not effect the budgetary figures in a manner that could allow deficit spending to occur.

STARR TOWNSHIP
HOCKING COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2000 AND 1999

Finding Number	Finding Summary	Fully Corrected?	Not Corrected; Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
1998-40737-001	A material noncompliance citation was issued under Ohio Rev. Code Section 5705.41(D) for not utilizing the encumbrance method of accounting and for failing to obtain prior certification of available funds.	No	Not Corrected: This issue is repeated in the current Schedule of Findings as item 2000-40737-001.



STATE OF OHIO
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JIM PETRO, AUDITOR OF STATE

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STARR TOWNSHIP

HOCKING 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 14, 2001**