



**Auditor of State  
Betty Montgomery**



**GRANDVIEW TOWNSHIP  
WASHINGTON COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Accountants' Report.....	1
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, 2003.....	3
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.....	4
Notes to the Financial Statements .....	5
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	13
Schedule of Findings.....	15
Schedule of Prior Audit Findings.....	18

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Grandview Township  
Washington County  
P.O. Box 475  
New Matamoras, Ohio 45767

To the Board of Trustees:

We have audited the accompanying financial statements of Grandview Township, Washington County, Ohio (the Township), as of and for the years ended December 31, 2003 and 2002. 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 Grandview Township, Washington County, as of December 31, 2003 and 2002, 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 April 12, 2004, 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 the 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

April 12, 2004

**GRANDVIEW TOWNSHIP  
WASHINGTON 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, 2003**

	<u>Governmental Fund Types</u>				<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Fiduciary Funds</u>	
<b>Cash Receipts:</b>					
Local Taxes	\$ 4,797	\$ 41,392	\$ 2,500	\$	\$ 48,689
Intergovernmental	43,334	236,134			279,468
Earnings on Investments	927			42	969
Other Revenue	6,076	14,530			20,606
<b>Total Cash Receipts</b>	<u>55,134</u>	<u>292,056</u>	<u>2,500</u>	<u>42</u>	<u>349,732</u>
<b>Cash Disbursements:</b>					
Current:					
General Government	61,625				61,625
Public Safety		14,284			14,284
Public Works		172,788			172,788
Health	1,148	9,428			10,576
Debt Service:					
Redemption of Principal		3,967	5,000		8,967
Interest and Fiscal Charges		141	900		1,041
Capital Outlay	31,727	121,699			153,426
<b>Total Cash Disbursements</b>	<u>94,500</u>	<u>322,307</u>	<u>5,900</u>	<u>0</u>	<u>422,707</u>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	<u>(39,366)</u>	<u>(30,251)</u>	<u>(3,400)</u>	<u>42</u>	<u>(72,975)</u>
<b>Other Financing Receipts/(Disbursements):</b>					
Proceeds from Notes	29,377	29,378			58,755
Other Disbursements	(4,684)				(4,684)
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>24,693</u>	<u>29,378</u>	<u>0</u>	<u>0</u>	<u>54,071</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>(14,673)</u>	<u>(873)</u>	<u>(3,400)</u>	<u>42</u>	<u>(18,904)</u>
<b>Fund Cash Balances, January 1</b>	<u>37,649</u>	<u>98,175</u>	<u>663</u>	<u>3,882</u>	<u>140,369</u>
<b>Fund Cash Balances, December 31</b>	<u>\$ 22,976</u>	<u>\$ 97,302</u>	<u>\$ (2,737)</u>	<u>\$ 3,924</u>	<u>\$ 121,465</u>

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

**GRANDVIEW TOWNSHIP  
WASHINGTON 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>				<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Fiduciary Funds</u>	
<b>Cash Receipts:</b>					
Local Taxes	\$ 2,330	\$ 40,956	\$ 5,000	\$	\$ 48,286
Intergovernmental	49,587	156,561			206,148
Licenses, Permits, and Fees		5,350			5,350
Earnings on Investments	1,769			65	1,834
Other Revenue	3,109	2,200			5,309
	<u>56,795</u>	<u>205,067</u>	<u>5,000</u>	<u>65</u>	<u>266,927</u>
<b>Total Cash Receipts</b>					
<b>Cash Disbursements:</b>					
Current:					
General Government	43,833				43,833
Public Safety		17,824			17,824
Public Works		160,790			160,790
Health	2,106	5,250			7,356
Debt Service:					
Redemption of Principal		1,954	5,000		6,954
Interest and Fiscal Charges		100	600		700
Capital Outlay	1,058	1,441			2,499
	<u>46,997</u>	<u>187,359</u>	<u>5,600</u>	<u>0</u>	<u>239,956</u>
<b>Total Cash Disbursements</b>					
Total Cash Receipts Over/(Under) Cash Disbursements	9,798	17,708	(600)	65	26,971
Fund Cash Balances, January 1	27,851	80,467	1,263	3,817	113,398
<b>Fund Cash Balances, December 31</b>	<u>\$ 37,649</u>	<u>\$ 98,175</u>	<u>\$ 663</u>	<u>\$ 3,882</u>	<u>\$ 140,369</u>

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



**GRANDVIEW TOWNSHIP  
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Grandview Township, Washington 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 and a publicly-elected Clerk. The Township provides general governmental services, including road and bridge maintenance (public works), cemetery maintenance (health), and fire protection (public safety). The Township contracts with the Village of New Matamoras to provide fire protection and with Matamoras Emergency Squad, Inc., for 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**

The Township Clerk invests all available funds of the Township in an interest-bearing checking account.

**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 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 for constructing, maintaining and repairing Township roads.

**GRANDVIEW TOWNSHIP  
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

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

**D. Fund Accounting (Continued)**

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

*Permissive Sales Tax Fund* - This fund receives a portion of the County's permissive sales tax 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 Debt Service Fund:

*General Note Retirement Fund* - This fund receives property tax revenue to pay principal and interest due on the general obligation note.

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

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

*Cemetery Bequest Funds* - The Township has six cemetery bequest funds classified as Nonexpendable Trust Funds. These funds receive interest earned on the principal invested in savings accounts.

**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 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.

A summary of 2003 and 2002 budgetary activity appears in Note 3.

**GRANDVIEW TOWNSHIP  
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

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

**F. Property, Plant and Equipment**

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

**G. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's basis of accounting.

**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:

	2003	2002
Demand deposits	\$ 121,465	\$ 140,369

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2003 and 2002 follows:

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 45,110	\$ 84,511	\$ 39,401
Special Revenue	206,355	321,434	115,079
Debt Service	5,200	2,500	(2,700)
Nonexpendable Trust	0	42	42
Total	\$ 256,665	\$ 408,487	\$ 151,822

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 64,959	\$ 99,184	\$ (34,225)
Special Revenue	229,930	322,307	(92,377)
Debt Service	5,300	5,900	(600)
Nonexpendable Trust	173	0	173
Total	\$ 300,362	\$ 427,391	\$ (127,029)

**GRANDVIEW TOWNSHIP  
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

2002 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 49,174	\$ 56,795	\$ 7,621
Special Revenue	215,440	205,067	(10,373)
Debt Service	5,200	5,000	(200)
Nonexpendable Trust	127	65	(62)
Total	<u>\$ 269,941</u>	<u>\$ 266,927</u>	<u>\$ (3,014)</u>

2002 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 55,684	\$ 46,997	\$ 8,687
Special Revenue	159,403	187,359	(27,956)
Debt Service	5,300	5,600	(300)
Nonexpendable Trust	173	0	173
Total	<u>\$ 220,560</u>	<u>\$ 239,956</u>	<u>\$ (19,396)</u>

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the General Fund by \$34,225, the Road and Bridge Fund by \$55,293, the Cemetery Fund by \$1,928, the Fire Levy Fund by \$85,915, the Federal Emergency Management Agency Fund by \$2,695 and the General Note Retirement Fund by \$600 for the year ended December 31, 2003. Budgetary expenditures exceeded appropriation authority also in the Permissive Sales Tax Fund by \$56,640 and the General Note Retirement Fund by \$300 for the year ended December 31, 2002. Budgetary expenditures exceeded appropriation authority at the legal level of control in several line items with the General Fund, Motor Vehicle License Tax Fund, Gasoline Tax Fund, Road and Bridge Fund, Cemetery Fund, Federal Emergency Management Agency Fund, Fire Levy Fund and General Note Retirement Fund for the years ended December 31, 2003 and 2002.

**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.

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

**GRANDVIEW TOWNSHIP  
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**5. DEBT**

Debt outstanding at December 31, 2003 was as follows:

	Principal	Interest Rate
General Obligation Notes	\$ 10,000	6.00%
Ohio Public Works Commission	4,047	2.00%
Promissory Note	58,755	4.45%
Total	\$ 72,802	

The general obligation notes were issued to finance the acquisition of land for extension of the cemetery grounds. The notes for the land acquisition are collateralized solely by the Township's taxing authority.

The Ohio Public Works Commission Loan was obtained in 1999 to finance Township/County Cooperative road improvements. The loan is being paid with motor vehicle license tax revenues.

The Township issued a promissory note in 2003 for \$58,755 for the purchase of a tractor with attachments. This note is backed by the full faith and credit of the Township.

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

Year Ending December 31:	General Obligation Note	Ohio Public Works Commission	Promissory Note
2004	\$ 5,600	\$ 2,054	\$ 13,366
2005	5,300	2,054	13,366
2006			13,366
2007			13,366
2008			13,366
Total	\$ 10,900	\$ 4,108	\$ 66,830

**6. RETIREMENT SYSTEM**

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. 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 2003 and 2002, members of PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all employer contributions required through December 31, 2003.

**GRANDVIEW TOWNSHIP  
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**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.

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 (the latest information available):

**GRANDVIEW TOWNSHIP  
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**7. RISK MANAGEMENT (Continued)**

**Risk Pool Membership (Continued)**

<u>Casualty Coverage</u>	<u>2002</u>	<u>2001</u>
Assets	\$ 23,757,036	\$ 23,707,776
Liabilities	<u>(9,197,512)</u>	<u>(9,379,003)</u>
Retained Earnings	<u>\$ 14,559,524</u>	<u>\$ 14,328,773</u>
<u>Property Coverage</u>	<u>2002</u>	<u>2001</u>
Assets	\$ 6,596,996	\$ 5,011,131
Liabilities	<u>(1,204,326)</u>	<u>(647,667)</u>
Retained Earnings	<u>\$ 5,392,670</u>	<u>\$ 4,363,464</u>

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**Auditor of State  
Betty Montgomery**

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

Grandview Township  
Washington County  
P.O. Box 475  
New Matamoras, Ohio 45767

To the Board of Trustees:

We have audited the accompanying financial statements of Grandview Township, Washington County, Ohio (the Township), as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated April 12, 2004. 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 2003-001 and 2003-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated April 12, 2004.

**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 April 12, 2004.

Grandview Township  
Washington 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 the 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

April 12, 2004

**GRANDVIEW TOWNSHIP  
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2003 AND 2002**

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

**FINDING NUMBER 2003-001**

**Noncompliance Citation**

Ohio Rev. Code Section 505.84 states, in part, that the Board of Trustees may establish reasonable charges for the use of ambulance or emergency medical services. Charges collected under this Section shall be kept in a separate fund designated as "the ambulance and emergency medical services fund," and shall be appropriated and administered by the Board of Trustees. Such funds shall be used for the payment of the costs of the management, maintenance, and operation of ambulance and emergency medical services in the Township.

The Township contracted with Matamoras Emergency Squad, Inc., to provide ambulance and emergency medical services. The contract was entered into on January 1, 2000, with an expiration date of December 31, 2000, with automatic annual renewals, unless otherwise terminated. In accordance with Paragraph 8 of the contract, the Township was to adopt a resolution setting the rates to be charged for ambulance and emergency medical services. The contract further provided that such resolution shall have been passed prior to the effective date of the contract or the contract shall be void. However, no such resolution could be located. Further, pursuant to Paragraph 6 of the contract, the Matamoras Emergency Squad, Inc., was required to bill and collect for these services, as well as deposit the receipts and report the financial information to the Township on a monthly basis. During 2002 and 2003, the Matamoras Emergency Squad, Inc., billed and collected fees for ambulance and emergency medical services, but did not deposit any fees in the Township's designated depository as provided in the contract. The fees received by Matamoras Emergency Squad, Inc., were deposited into their own accounts. These fees totaled \$13,638 for 2002 and \$23,593 for 2003, as reported by Matamoras Emergency Squad, Inc.

Additionally, we noted the following contractual provisions were not followed by the Matamoras Emergency Squad, Inc.:

- Paragraph 6 states, in part, "the Squad shall provide a monthly report to the Clerk of the Township detailing the number of runs made by the Squad, bills sent, payments received and to whose credit the payment is to be applied. The Squad shall provide such additional information and assistance as the Clerk may from time to time request."
- Paragraph 6A of the agreement states that "there will be a mandatory audit every two years beginning in 2000 by either a Certified Public Accountant or a Registered Accountant, when approved by both the Trustees and Squad."
- Paragraph 6B of the agreement states "the Squad will provide an annual financial report by January 31, for the preceding calendar year."

We recommend the Township require all fees collected by the Matamoras Emergency Squad, Inc., be receipted into the Township's designated depository within three business days of the receipt. We also recommend the Township enforce all provisions of the contractual agreement with Matamoras Emergency Squad, Inc. Further, the Board of Trustees should adopt the appropriate resolution regarding the fees to be charged for these services in order to meet the requirements of the contract.

**GRANDVIEW TOWNSHIP  
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2003-002 (Continued)**

**FINDING NUMBER 2003-002**

**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.

We found actual expenditures exceeded appropriations at the fund level at December 31, 2003, in the following funds:

<u>Fund</u>	<u>Appropriation Authority</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	\$64,959	\$99,184	(\$34,225)
Road and Bridge	\$28,021	\$83,314	(\$55,293)
Cemetery	\$7,500	\$9,428	(\$1,928)
Fire Levy	\$10,479	\$96,394	(\$85,915)
FEMA	\$0	\$2,695	(\$2,695)
General Note Retirement	\$5,300	\$5,900	(\$600)

We found actual expenditures exceeded appropriations at the legal level of control at December 31, 2003, in the following funds:

<u>Fund</u>	<u>Appropriation Authority</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General-Health Insurance	\$8,000	\$13,516	(\$5,516)
General-Property Insurance	\$1,500	\$4,778	(\$3,278)
General-Legal Counsel	\$400	\$1,148	(\$748)
General-Garbage	\$500	\$778	(\$278)
General-Equipment Purchases and Replacements	\$500	\$31,727	(\$31,227)
General-Other Expenses	\$600	\$970	(\$370)
Motor Vehicle License Tax-Material	\$3,000	\$5,861	(\$2,861)
Gasoline Tax-Medical/Hospitalization	\$0	\$4,639	(\$4,639)
Road and Bridge-Supplies	\$2,500	\$30,281	(\$27,781)
Road and Bridge-Tools and Equipment	\$1,000	\$29,560	(\$28,560)
Road and Bridge-Other Expenses	\$950	\$7,633	(\$6,683)
Cemetery-Contracts	\$4,000	\$5,200	(\$1,200)
Cemetery-Other Expenses	\$1,500	\$4,228	(\$2,728)
FEMA-Other Expenses	\$0.00	\$2,695.00	(\$2,695.00)
Fire-Contracts	\$10,479.00	\$96,394.00	(\$85,915.00)
General Note Retirement-Interest	\$300.00	\$900.00	(\$600.00)

**GRANDVIEW TOWNSHIP  
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2003-002 (Continued)**

**Noncompliance Citation (Continued)**

**Ohio Rev. Code Section 5705.41(B) (Continued)**

We found actual expenditures exceeded appropriations at the fund level at December 31, 2002, in the following funds:

Fund	Appropriation Authority	Actual Expenditures	Variance
Permissive Sales Tax	\$ 21,490	\$ 78,130	\$ (56,640)
General Note Retirement	5,300	5,600	(300)

We found actual expenditures exceeded appropriations at the legal level of control at December 31, 2002, in the following funds:

Fund	Appropriation Authority	Actual Expenditures	Variance
General-Auditor's and Treasurer's Fees	\$600	\$2,154	(\$1,554)
General-Salaries	\$700	\$1,005	(\$305)
General-Garbage	\$500	\$855	(\$355)
General-Supplies	\$500	\$868	(\$368)
Motor Vehicle License Tax-Material	\$2,500	\$3,569	(\$1,069)
Gasoline Tax-Supplies	\$9,000	\$10,598	(\$1,598)
Cemetery-Contracts	\$4,000	\$5,250	(\$1,250)
Permissive Sales Tax-Supplies	\$21,490	\$78,130	(\$56,640)
General Note Retirement-Interest	\$300	\$600	(\$300)

This could result in the Township spending more money than is available to spend.

We recommend the Township monitor its appropriations and expenditures to ensure that expenditures do not exceed appropriations at the fund and legal level of control during and at the end of the year.

**GRANDVIEW TOWNSHIP  
WASHINGTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2003 AND 2002**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2001-41084-001	A material noncompliance citation of Ohio Rev. Code Section 505.84 was issued for the Township's contract provider to deposit all required fees collected into the Township's designated depository and for not following provisions outlined in the contract with the contractual provider for emergency services.	No	Not Corrected:  This issue is repeated in the current audit as Finding 2003-001.



**Auditor of State  
Betty Montgomery**

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**GRANDVIEW TOWNSHIP**

**WASHINGTON 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 22, 2004**