



**Auditor of State
Betty Montgomery**

UPPER TOWNSHIP
LAWRENCE COUNTY

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**Auditor of State
Betty Montgomery**

Upper Township
Lawrence County
1306 Navajo Trail
Ironton, Ohio 45638

To the Board of Township Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in cursive script that reads "Betty Montgomery".

Betty Montgomery
Auditor of State

December 21, 2005

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Upper Township
Lawrence County
1306 Navajo Trail
Ironton, Ohio 45638)

To the Board of Township Trustees:

We have audited the accompanying financial statements of Upper Township, Lawrence County, Ohio (the Township), as of and for the years ended December 31, 2004 and 2003. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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. The Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Township has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the Township to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. Instead of the combined funds the accompanying financial statements present for 2004 (and 2003), the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2004. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Township has elected not to reformat its statements. Since this Township does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

743 E. State St. / Athens Mall Suite B / Athens, OH 45701
Telephone: (740) 594-3300 (800) 441-1389 Fax: (740) 594-2110
www.auditor.state.oh.us

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the year ended December 31, 2004 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2004, or its changes in financial position for the year then ended.

Also, 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 Upper Township, Lawrence County, as of December 31, 2004 and 2003, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Township to include Management's Discussion and Analysis for the year ended December 31, 2004. The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2005, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Betty Montgomery
Auditor of State

December 21, 2005

**UPPER TOWNSHIP
LAWRENCE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$16,290	\$53,232	\$69,522
Intergovernmental	20,178	87,111	107,289
Earnings on Investments	103	169	272
Other Revenue	4,284		4,284
	<u>40,855</u>	<u>140,512</u>	<u>181,367</u>
Cash Disbursements:			
Current:			
General Government	33,654	483	34,137
Public Safety		31,410	31,410
Public Works	117	39,652	39,769
Debt Service:			
Redemption of Principal		9,486	9,486
Interest and Fiscal Charges		4,215	4,215
Capital Outlay		5,490	5,490
	<u>33,771</u>	<u>90,736</u>	<u>124,507</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>7,084</u>	<u>49,776</u>	<u>56,860</u>
Other Financing Receipts:			
Sale of Fixed Assets		1,000	1,000
	<u>0</u>	<u>1,000</u>	<u>1,000</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	7,084	50,776	57,860
Fund Cash Balances, January 1	<u>1,017</u>	<u>77,634</u>	<u>78,651</u>
Fund Cash Balances, December 31	<u>\$8,101</u>	<u>\$128,410</u>	<u>\$136,511</u>

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

**UPPER TOWNSHIP
LAWRENCE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$17,040	\$56,929	\$73,969
Intergovernmental	17,363	92,321	109,684
Other Revenue	2,782	5,607	8,389
	<u>37,185</u>	<u>154,857</u>	<u>192,042</u>
Total Cash Receipts			
	<u>37,185</u>	<u>154,857</u>	<u>192,042</u>
Cash Disbursements:			
Current:			
General Government	29,492		29,492
Public Safety	289	33,804	34,093
Public Works	1,005	79,451	80,456
Miscellaneous	2,448		2,448
Debt Service:			
Redemption of Principal	2,961	11,965	14,926
Interest and Fiscal Charges		1,880	1,880
Capital Outlay	183	159,139	159,322
	<u>36,378</u>	<u>286,239</u>	<u>322,617</u>
Total Cash Disbursements			
	<u>36,378</u>	<u>286,239</u>	<u>322,617</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>807</u>	<u>(131,382)</u>	<u>(130,575)</u>
Other Financing Receipts/(Disbursements):			
Proceeds from Sale of Public Debt:			
Sale of Notes		112,772	112,772
Advances-In	30,000	26,800	56,800
Advances-Out	(800)	(56,000)	(56,800)
	<u>29,200</u>	<u>83,572</u>	<u>112,772</u>
Total Other Financing Receipts/(Disbursements)			
	<u>29,200</u>	<u>83,572</u>	<u>112,772</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>30,007</u>	<u>(47,810)</u>	<u>(17,803)</u>
Fund Cash Balances, January 1 (Restated - See Note 8)	<u>(28,990)</u>	<u>125,444</u>	<u>96,454</u>
Fund Cash Balances, December 31	<u>\$1,017</u>	<u>\$77,634</u>	<u>\$78,651</u>
Reserve for Encumbrances, December 31	<u>\$117</u>	<u>\$5,030</u>	<u>\$5,147</u>

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

**UPPER TOWNSHIP
LAWRENCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Upper Township, Lawrence County, Ohio (the Township), as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance and fire protection.

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 the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the Auditor of State prescribes or permits.

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 reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

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

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

Fire Fund 2111 – This fund receives revenue from a tax levy that was approved by the voters. The monies are used to provide fire protection for the Township.

**UPPER TOWNSHIP
LAWRENCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(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. Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. The Township did not encumber all commitments required by Ohio law. Management has included audit adjustments in the accompanying budgetary presentations for material items that should have been encumbered.

A summary of 2004 and 2003 budgetary activity appears in Note 3.

E. Property, Plant, and Equipment

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>2004</u>	<u>2003</u>
Demand deposits	\$136,511	\$78,651

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Township.

**UPPER TOWNSHIP
LAWRENCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2004 and 2003 follows:

2004 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$38,739	\$40,855	\$2,116
Special Revenue	105,114	141,512	36,398
Total	\$143,853	\$182,367	\$38,514

2004 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$70,302	\$33,771	\$36,531
Special Revenue	156,767	90,736	66,031
Debt Service	1,000		1,000
Total	\$228,069	\$124,507	\$103,562

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$38,396	\$67,185	\$28,789
Special Revenue	155,102	294,429	139,327
Capital Projects	30,000		(30,000)
Total	\$223,498	\$361,614	\$138,116

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$42,798	\$37,295	\$5,503
Special Revenue	179,702	347,269	(167,567)
Capital Projects	30,000		30,000
Total	\$252,500	\$384,564	(\$132,064)

The Township did not encumber all commitments required by Ohio law, as noted in Finding Number 2004-007 in the Schedule of Findings.

The Township budgeted in the Debt Service Fund Type in 2004 and in the Capital Projects Fund Type in 2003, however, these funds were not established or utilized during this period so they are not reflected on the financial statements.

**UPPER TOWNSHIP
LAWRENCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopt rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, 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.

5. DEBT

Debt outstanding at December 31, 2004 was as follows:

	Principal	Interest Rate
General Obligation Note	\$100,211	4.00%

The general obligation note was issued in 2003 to fund the purchase of a fire truck. The note is collateralized by the fire truck purchased.

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

	General Obligation Note
Year ending December 31:	
2005	\$13,701
2006	13,701
2007	13,701
2008	13,701
2009	13,701
2010 - 2013	50,239
Total	\$118,744

6. RETIREMENT SYSTEM

The Township's elected officials and employee belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

**UPPER TOWNSHIP
LAWRENCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

6. RETIREMENT SYSTEM (Continued)

The Ohio Revised Code also prescribes contribution rates. For 2004 and 2003, OPERS members contributed 8.5 percent of their gross salaries. The Township contributed an amount equaling 13.55 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2004.

7. RISK MANAGEMENT

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

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

8. PRIOR PERIOD ADJUSTMENT

The Board of Township Trustees purchased a fire truck in 1984 for the use of the Volunteer Fire Department. In the prior period, the payments were made from the General Fund. A restatement of the January 1, 2003 fund balances was made to charge those payments to the Fire Fund in accordance with the tax levy authorized by a vote of the Township on May 8, 1984 as follows:

	<u>General Fund</u>	<u>Special Revenue</u>	
Fund cash balance originally stated, December 31, 2002	(\$52,739)	\$146,035	
Prior Period Adjustment	<u>\$23,749</u>	<u>(\$20,591)</u>	
Restated fund cash balances, January 1, 2003	<u>(\$28,990)</u>	<u>\$125,444</u>	

9. FINANCIAL DIFFICULTIES

As noted in Note 10, advances were not properly approved by the Board of Trustees in 2003. This, in addition to improper posting of Township revenues and expenditures in 2003 and 2004 as noted in Finding Number 2004-009, resulted in multiple adjusting and reclassification entries in all Township funds. At October 31, 2005, fund balances were not sufficient to post all of the proposed adjustments. The General Fund owes the Gasoline Tax Fund \$30,000. The Road and Bridge Fund owes the General Fund \$800, the Fire Fund \$7,000 and the Gasoline Tax Fund \$5,169. At this time, management will closely monitor spending and is petitioning the State Tax Commissioner and the Lawrence County Court of Common Pleas for approval of the transfer of funds to cover the finding for adjustment noted in Finding Number 2004-001.

**UPPER TOWNSHIP
LAWRENCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

10. ADVANCES

As noted in Finding 2004-001 in the Schedule of Findings, in fiscal year 2003, advances in the amount of \$148,455 were not properly approved by the Board of Township Trustees. As a result of the lack of statutory authority for making these advances, adjustments were necessary to eliminate these advances.

The advances were as follows:

<u>To</u>	<u>From</u>	<u>Amount</u>
General Fund	Motor Vehicle License Tax Fund	\$8,000
	Gasoline Tax Fund	\$57,700
	Road and Bridge Fund	\$3,500
	Fire Fund 2111	\$22,000
	Fire Fund 2191	\$1,000
Gasoline Tax Fund	General Fund	\$2,100
	Motor Vehicle License Tax Fund	\$1,000
	Road and Bridge Fund	\$600
	Fire Fund 2111	\$2,000
	Fire Fund 2191	\$5,000
Road and Bridge Fund	General Fund	\$1,800
	Fire Fund 2111	\$7,000
Fire Fund 2191	General Fund	\$1,500
	Fire Fund 2111	\$19,000
Fire Fund 2111	General Fund	\$12,255
Debt Service Fund	General Fund	\$4,000

At October 31, 2005, fund balances were not sufficient to post the necessary adjustments to eliminate all of the advances. As a result, unadjusted advances are presented on the 2003 financial statements as advances-in and advances-out.



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Upper Township
Lawrence County
1306 Navajo Trail
Ironton, Ohio 45638

To the Board of Township Trustees:

We have audited the financial statements of Upper Township, Lawrence County, Ohio (the Township), as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated December 21, 2005, wherein we noted the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We also noted that the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting to determine our auditing procedures in order to express our opinion on the financial statements and not to opine 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 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 management's assertions in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings as items 2004-008 and 2004-009.

A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when 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 material weaknesses. We consider reportable conditions number 2004-008 and 2004-009 listed above to be material weaknesses. In a separate letter to the Township's management dated December 21, 2005, we reported other matters involving internal control over financial reporting which we did not deem reportable conditions.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2004-001 through 2004-007. In a separate letter to the Township's management dated December 21, 2005, we reported other matters related to noncompliance we deemed immaterial.

We intend this report solely for the information and use of management and the Board of Township Trustees. It is not intended for anyone other than these specified parties.



Betty Montgomery
Auditor of State

December 21, 2005

**UPPER TOWNSHIP
LAWRENCE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2004 AND 2003**

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

FINDING NUMBER 2004-001

Finding For Adjustment

Ohio Rev. Code § 5705.10 requires all revenue derived from a specific source to be credited to a special fund for the purpose for which the monies were received. Although inter-fund cash advances may be a desirable method of resolving cash flow problems without the necessity of incurring additional interest expense for short-term loans, the intent of this type of cash advance is to require repayment within the current or succeeding year and cash advances are subject to the following requirements, as outlined in Auditor of State Bulletin 97-003:

- Any advance must be clearly labeled as such, and must be distinguished from a transfer;
- In order to advance cash from one fund to another, there must be statutory authority to use the money in the fund advancing the cash (the "creditor" fund) for the same purpose for which the fund receiving the cash (the "debtor" fund) was established;
- The reimbursement from the debtor fund to the creditor fund must not violate any restrictions on use of the money to be used to make the reimbursement; and
- Advances must be approved by a formal resolution of the taxing authority of the subdivision (Township Trustees) which must include both a specific statement that the transaction is an advance of cash and an indication of the money (fund) from which it is expected that repayment will be made.

In fiscal year 2003, advances in the amount of \$148,455 were not properly approved by the Board of Township Trustees. As a result of the lack of statutory authority for making these advances, adjustments were necessary to eliminate these advances. The advances were as follows:

To	From	Amount
General Fund	Motor Vehicle License Tax Fund	\$8,000
	Gasoline Tax Fund	\$57,700
	Road and Bridge Fund	\$3,500
	Fire Fund 2111	\$22,000
	Fire Fund 2191	\$1,000
Gasoline Tax Fund	General Fund	\$2,100
	Motor Vehicle License Tax Fund	\$1,000
	Road and Bridge Fund	\$600
	Fire Fund 2111	\$2,000
	Fire Fund 2191	\$5,000
Road and Bridge Fund	General Fund	\$1,800
	Fire Fund 2111	\$7,000
Fire Fund 2191	General Fund	\$1,500
	Fire Fund 2111	\$19,000
Fire Fund 2111	General Fund	\$12,255
Debt Service Fund	General Fund	\$4,000

In addition, salaries for Township Trustees were not allocated in accordance with the salary resolution adopted by the Board of Township Trustees on August 27, 2001. According to the resolution, Trustees' salaries are to be paid twenty percent from the General Fund, twenty percent from the Road and Bridge Fund and sixty percent from the Gasoline Tax Fund. For 2003 and 2004, Trustees' salaries were paid entirely from the Gasoline Tax Fund. As a result, adjustments were necessary to properly allocate salaries in the amount of \$5,169 to the General Fund and to the Road and Bridge Fund for 2003 and in the amount of \$4,589 to the General Fund and the Road and Bridge Fund for 2004.

**UPPER TOWNSHIP
LAWRENCE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2004 AND 2003
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2004-001 (Continued)

Finding For Adjustment - Ohio Rev. Code § 5705.10 (Continued)

At October 31, 2005, fund balances were not sufficient to post the necessary adjustments to eliminate all of the advances and to reallocate salaries. As a result, a finding for adjustment is hereby issued against the General Fund in the amount of \$30,000 and in favor of the Gasoline Tax Fund. A finding for adjustment is also issued against the Road and Bridge Fund and in favor of the General Fund in the amount of \$800, the Fire Fund 2111 in the amount of \$7000, and the Gasoline Tax Fund in the amount of \$5,169. The unadjusted advances are included on the 2003 financial statements as advances in and advances out.

FINDING NUMBER 2004-002

Finding for Recovery

Ohio Rev. Code §§ 507.09(A)(3) and (D)(5) state that in townships having a budget of more than one hundred thousand dollars, but not more than two hundred fifty thousand dollars, the compensation for 2003 was to be \$8,666 for the Township Clerk, if the Clerk was elected prior to December 8, 2000. Ohio Rev. Code §§ 507.09(A)(4) and (D)(5) state that in townships having a budget of more than two hundred fifty thousand dollars, but not more than five hundred thousand dollars, the compensation for 2003 was to be \$11,143 for the Township Clerk, if the Clerk was elected prior to December 8, 2000.

For 2003, the approved annual budget of Upper Township was \$155,037. The budget increased to \$275,968 on September 5, 2003.

Edward Markins, former Township Clerk, was serving a term as Township Clerk that began on April 1, 2000 and ended on March 31, 2004. The Township's estimated resources for 2003 from the Certificate of Estimated Resources indicated that the appropriate annual salary for the Clerk for the first eight months of 2003 was \$8,666 and for the last four months of 2003 was \$11,143. As a result of the budget increase eight months into 2003, the prorated annual salary for the Clerk should have been \$9,492. Edward Markins received a total salary of \$11,143 in 2003. This resulted in an overpayment of \$1,651.

For 2004, Ohio Rev. Code §§ 507.09(A)(3) and (D)(6) state that in townships having a budget of more than one hundred thousand dollars, but not more than two hundred and fifty thousand dollars, the compensation for the Township Clerk for three months was to be a prorated amount of \$2,245 based on the certificate of estimated resources. Mr. Markins received a total salary of \$2,195 for the first three months in 2004. This resulted in an underpayment of \$50.

The overpayment of \$1,651 in 2003 and the underpayment of \$50 in 2004 resulted in a net overpayment in the amount of \$1,601.

In accordance with the forgoing facts, and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public money illegally expended is hereby issued against Edward Markins, former Township Clerk, and The Personal Service Insurance Co., his bonding company, jointly and severally, in the amount of one thousand six hundred and one dollars (\$1,601) and in favor of the General Fund.

**UPPER TOWNSHIP
LAWRENCE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2004 AND 2003
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2004-003

Finding for Recovery – Repaid Under Audit

Ohio Rev. Code §§ 505.24(A)(3) and (B)(5) state that in townships having a budget of more than one hundred thousand dollars, but not more than two hundred fifty thousand dollars, the compensation for 2003 for trustees elected or appointed after December 8, 2000 was to be thirty-two dollars and fifty cents (\$32.50) per day, not to exceed 200 days per year (annualized at \$6,500). Ohio Rev. Code §§ 505.24(A)(4) and (B)(5) state that in townships having a budget of more than two hundred fifty thousand dollars, but not more than five hundred thousand dollars, the compensation for 2003 for trustees elected or appointed after December 8, 2000 was to be thirty-seven dollars and sixty-two cents (\$37.62) per day, not to exceed 200 days per year (annualized at \$7,524).

For 2003, the approved annual budget of Upper Township was \$155,037. The budget increased to \$275,968 on September 5, 2003.

Robert Ackerman, Trustee, is serving a term as Trustee that began on December 31, 2001 and ends on December 31, 2005. The Township's estimated resources for 2003 from the Certificates of Estimated Resources indicated that the appropriate rate of pay for Trustee Robert Ackerman for the first eight months of 2003 was \$32.50 per day and for the last four months of 2003 was \$37.62 per day. As a result of the budget increase eight months into 2003, the prorated salary for Trustee Robert Ackerman should have been \$6,841. Mr. Ackerman received a total salary of \$7,524 in 2003. This resulted in an overpayment of \$683.

In accordance with the forgoing facts, and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public money illegally expended is hereby issued against Robert Ackerman, Trustee, and Old Republic Surety Company, his bonding company, jointly and severally, in the amount of six hundred eighty-three dollars (\$683) and in favor of the General Fund in the amount of \$137, in favor of the Road and Bridge Fund in the amount of \$137 and in favor of the Gasoline Tax Fund in the amount of \$409. The finding was paid by Robert Ackerman, Township Trustee, on December 19, 2005 on receipt 55-2005 for \$683.

FINDING NUMBER 2004-004

Finding for Recovery – Repaid Under Audit

Ohio Rev. Code §§ 505.24(A)(3) and (B)(5) state that in townships having a budget of more than one hundred thousand dollars, but not more than two hundred fifty thousand dollars, the compensation for 2003 for trustees elected or appointed after December 8, 2000 was to be thirty-two dollars and fifty cents (\$32.50) per day, not to exceed 200 days per year (annualized at \$6,500). Ohio Rev. Code §§ 505.24(A)(4) and (B)(5) state that in townships having a budget of more than two hundred fifty thousand dollars, but not more than five hundred thousand dollars, the compensation for 2003 for trustees elected or appointed after December 8, 2000 was to be thirty-seven dollars and sixty-two cents (\$37.62) per day, not to exceed 200 days per year (annualized at \$7,524).

For 2003, the approved annual budget of Upper Township was \$155,037. The budget increased to \$275,968 on September 5, 2003.

**UPPER TOWNSHIP
LAWRENCE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2004 AND 2003
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2004-004 (Continued)

**Finding for Recovery – Repaid Under Audit - Ohio Rev. Code §§ 505.24(A)(3) and (B)(5)
(Continued)**

Charles H. Rowe, Township Trustee, is serving a term as Trustee that began on January 1, 2002 and ends on December 31, 2005. The Township's estimated resources for 2003 from the Certificates of Estimated Resources indicated that the appropriate rate of pay for Trustee Charles H. Rowe for the first eight months of 2003 was \$32.50 per day and for the last four months of 2003 was \$37.62 per day. As a result of the budget increase eight months into 2003, the prorated salary for Trustee Charles H. Rowe should have been \$6,841. Mr. Rowe received a total salary of \$7,524 in 2003. This resulted in an overpayment of \$683.

In accordance with the forgoing facts, and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public money illegally expended is hereby issued against Charles H. Rowe, Trustee, and State Auto Insurance Company, his bonding company, jointly and severally, in the amount of six hundred eighty-three dollars (\$683) and in favor of the General Fund in the amount of \$137, in favor of the Road and Bridge Fund in the amount of \$137 and in favor of the Gasoline Tax Fund in the amount of \$409. The finding was paid by Charles H. Rowe, Township Trustee, on December 1, 2005 on receipt 52-2005 for \$683.

FINDING NUMBER 2004-005

Finding for Recovery – Repaid Under Audit

Ohio Rev. Code §§ 505.24(A)(3) and (B)(5) 505.24(A)(3) and (B)(5) state that in townships having a budget of more than one hundred thousand dollars, but not more than two hundred fifty thousand dollars, the compensation for 2003 for trustees elected or appointed before December 8, 2000 was to be thirty-two dollars and eight cents (\$32.08) per day, not to exceed 200 days per year (annualized at \$6,416). Ohio Rev. Code §§ 505.24(A)(4) and (B)(5) state that in townships having a budget of more than two hundred fifty thousand dollars, but not more than five hundred thousand dollars, the compensation for 2003 for trustees elected or appointed before December 8, 2000 was to be thirty-seven dollars and fourteen cents (\$37.14) per day, not to exceed 200 days per year (annualized at \$7,428). Jerry L. Rowe, Township Trustee, was serving a term as Township Trustee that began on January 1, 2000 and ended on December 31, 2003

For 2003, the approved annual budget of Upper Township was \$155,037. The budget increased to \$275,968 on September 5, 2003.

As noted above, Jerry L. Rowe, Township Trustee, was serving a term as Township Trustee that began on January 1, 2000 and ended on December 31, 2003, at which time he was re-elected for a new four year term beginning on January 1, 2004. The Township's estimated resources for 2003 from the Certificates of Estimated Resources indicated that the appropriate rate of pay for Trustee Jerry L. Rowe for the first eight months of 2003 was \$32.08 per day and for the last four months of 2003 was \$37.14 per day. As a result of the budget increase eight months into 2003, the prorated salary for Trustee Jerry L. Rowe should have been \$6,753. Mr. Rowe received a total salary of \$7,428 in 2003. This resulted in an overpayment of \$675.

UPPER TOWNSHIP
LAWRENCE COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2004 AND 2003
(Continued)

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

FINDING NUMBER 2004-005 (Continued)

**Finding for Recovery – Repaid Under Audit - Ohio Rev. Code §§ 505.24(A)(3) and (B)(5)
(Continued)**

In accordance with the forgoing facts, and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public money illegally expended is hereby issued against Jerry L. Rowe, Trustee, and State Automobile Mutual Insurance Company, his bonding company, jointly and severally, in the amount of six hundred seventy-five dollars (\$675) and in favor of the General Fund in the amount of \$135, in favor of the Road and Bridge Fund in the amount of \$135 and in favor of the Gasoline Tax Fund in the amount of \$405. The finding was paid by Jerry L. Rowe, Township Trustee, on November 22, 2005 on receipt 49-2005 for \$675.

FINDING NUMBER 2004-006

Noncompliance Citation

Ohio Rev. Code § 505.24 (C) provides that when the board of township trustees adopts a salary method of compensation, the township trustees shall be paid only from the township general fund or from other township funds in proportions as the board may specify by resolution. The salary resolution should proportionally allocate the salary distribution from various funds in the same proportion as the trustees' services bear to the activities supported by such funds, as determined by the Board.

The Board of Township Trustees adopted a resolution on August 27, 2001 authorizing the salaries for the Trustees to be paid twenty percent from the General Fund, twenty percent from the Road and Bridge Fund and sixty percent from the Gasoline Tax Fund. However, the salaries for the Trustees were paid one hundred percent from the Gasoline Tax Fund in 2003 and 2004. The 2003 and 2004 financial statements required adjustments to properly allocate the salaries in accordance with the resolution adopted by the Board of Township Trustees. However, as noted in Finding Number 2004-001, fund balances were not sufficient to post the necessary adjustments to reallocate salaries.

We recommend the Township Clerk allocate salaries for the Township Trustees in accordance with the resolution adopted by the Board of Township Trustees.

FINDING NUMBER 2004-007

Noncompliance Citation

Ohio Rev. Code § 5705.41(D)(1) 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.

The main exceptions to the requirements stated above are provided for in Ohio Rev. Code §§ 5705.41(D)(1) and (D)(3) respectively:

**UPPER TOWNSHIP
LAWRENCE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2004 AND 2003
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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**FINDING NUMBER 2004-007
(Continued)**

Noncompliance Citation Ohio Rev. Code § 5705.41(D)(1) (Continued)

1. 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 the contract or order was made and at the time the certification is completed, appropriated and free of any previous encumbrances, the Board of Township 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 the amount involved is less than \$1,000 (increased to \$3,000 on April 7, 2003), the Township Clerk may authorize payment through a "Then and Now" Certificate without affirmation of the Township Trustees, if such expenditure is otherwise valid. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Township.

2. Blanket Certificate – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. (Prior to September 26, 2003, blanket certificates were limited to \$5,000 and three months.) The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. Super Blanket Certificate – The Township may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

Funds were not certified as available prior to purchase commitment being made for 91% of the transactions tested in 2003 and 38% of the transactions tested in 2004. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Township's funds exceeding budgetary spending limitations, we recommend that the Township Clerk certify that the funds are or will be available prior to obligation by the Township. When prior certification is not possible, "then and now" certification should be used.

We recommend the Township certify purchases to which Section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language Section 5705.41(D) requires to authorize disbursements. The Township Clerk should sign the certification at the time the Township incurs a commitment, and only when the requirements of Section 5705.41(D) are satisfied. The Township Clerk should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

**UPPER TOWNSHIP
LAWRENCE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2004 AND 2003
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2004-008

Material Weakness

When designing the public office's system of internal control and the specific control activities, management should consider the following:

- Ensuring that all transactions are properly authorized in accordance with management's policies.
- Ensuring that accounting records are properly designed.
- Ensuring adequate security of assets and records.
- Planning for adequate segregation of duties or compensating controls.
- Verifying the existence and valuation of assets and liabilities and periodically reconciling them to the accounting records.
- Performing the analytical procedures to determine the reasonableness of financial data.
- Ensuring the collection and compilation of the data needed for the timely preparation of financial statements.

In 2003, the Township Clerk reconciled the book balance to the bank balance; however, these reconciliations were not accurate. The reconciliations contained numerous "other adjusting factors" without cause for the adjustment. In 2004, the new Township Clerk reconciled the book balance to the bank balance and had other adjusting factors noted that were the result of prior years' unreconciled activity. The amount of other adjusting factors remained consistent throughout 2004 and the Auditor of State performed a proof of cash which involved taking the prior audit book balance and reconciling the Township account to determine where errors have occurred. We noted the following:

- Receipts in the amount of \$2,199.38 were posted twice in 2003.
- Receipts in the amount of \$4,806.81 were entered in the system in 2003 for which no actual revenues were received.
- Receipts in the amount of \$651 were not posted to the books in 2003.
- Interest revenue was not posted to the books in 2003.
- Bank errors and corrections were not posted to the books in 2003 (\$415.25) and 2004 (\$44.73).
- Disbursement checks in the amount of \$2,448.06 were unrecorded in 2003.
- Some checks were coded as voided in 2003 when in fact they cleared the bank.

In 2003 the Township Clerk posted an "other adjusting factors" amount into the system to appear to be in balance with the bank. However, the Township was never in balance with the bank during the audit period. This, in addition to the items noted in Finding Number 2004-001 and 2004-007, resulted in several errors going undetected and incorrect fund balances. The audited financial statements have been adjusted to correct the posting errors. The corrections have also been posted to the Township's books.

We recommend the Township Clerk perform monthly reconciliations using only actual outstanding checks and deposits in transit and investigate discrepancies. The "other adjusting factors" portion of the bank reconciliation should not normally be needed. If there are "other adjusting factors", the Township Clerk should maintain supporting documentation.

UPPER TOWNSHIP
LAWRENCE COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2004 AND 2003
(Continued)

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

FINDING NUMBER 2004-009

Material Weakness

All local public offices should maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements. This includes posting Township revenues and expenditures to the proper fund and account codes.

In 2003 and 2004, taxes and rollback and homestead were not posted in accordance with the tax settlement sheets received from the County Auditor. In 2003, rollback and homestead in the amount of \$8,310 and personal property taxes in the amount of \$949 were posted entirely to the General Fund.

Other immaterial reclassifications between line items within the same funds were as follows: In 2003, trailer taxes in the amount of \$151 and public utility deregulation revenue in the amount of \$332 were posted as other revenue instead of taxes and intergovernmental revenue respectively; and in 2004, trailer taxes in the amount of \$171 were posted as intergovernmental revenue while revenue assistance in the amount of \$330 and local government revenues in the amount of \$1,020 were posted as taxes.

Also in 2004, a Motor Vehicle License receipt in the amount of \$292 was posted to the Gasoline Tax Fund while a Township gas receipt in the amount of \$3,128 was posted to the General Fund.

Improper posting of Township revenues and expenditures could result in material misstatement of the financial statements. Adjusting and reclassification entries were required in all Township funds in 2003 and 2004 to properly classify revenues and expenditures. Due to the items mentioned in Finding # 2004-008 plus improper posting of revenues and expenditures, the following increases/(decreases) were necessary to properly state the Township's financial statements:

2003

- General Fund (\$83,495.99)
- Motor Vehicle License Tax Fund \$10,280.48
- Gasoline Tax Fund \$49,637.42
- Road & Bridge Fund (\$13,778.72)
- Fire Fund 2111 \$43,076.18
- Fire Fund 2191 (\$13,442.01)
- Debt Service Fund (999.88)

2004

- General Fund (\$6,406.22)
- Motor Vehicle License Tax Fund \$292.09
- Gasoline Tax Fund \$22,123.31
- Road & Bridge Fund (\$5,137.83)
- Fire Fund 2111 (\$10,173.73)
- Fire Fund 2191 (\$652.89)

All of the adjustments were posted to the financial statements and to the Township's books except for those noted in Finding Number 2004-001.

We recommend the Township Clerk exercise due care to post revenues to the proper fund and revenue classification codes.

**UPPER TOWNSHIP
LAWRENCE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2004 AND 2003**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain
2002-001	Revised Code § 505.24(B), Trustee Robert Ackerman overpaid. Finding issued in the amount of \$529.44.	No	The finding for 2002 was repaid. Overpayment in current audit reissued as finding 2004-003 which was repaid under audit.
2002-002	Revised Code § 505.24(B), Trustee Charles Rowe overpaid. Finding issued in the amount of \$529.44.	No	The finding for 2002 was repaid. Overpayment in current audit reissued as finding 2004-004 which was repaid under audit.
2002-003	Revised Code § 505.24(B), Trustee Jerry Rowe overpaid. Finding issued in the amount of \$529.44.	No	The finding for 2002 was repaid. Overpayment in current audit reissued as finding 2004-005 which was repaid under audit.
2002-004	Revised Code § 507.09(D) Clerk Edward Markins overpaid. Finding issued in the amount of \$715.20.	No	The finding for 2002 was repaid. Overpayment in current audit reissued as finding 2004-002.
2002-005	Revised Code § 5705.10, advances not properly approved by the Board of Township Trustees.	Partially Corrected	Not corrected for 2003. Corrected in 2004. Reissued as finding 2004-001.
2002-006	Revised Code § 5705.39, appropriations exceeded estimated resources.	Yes	
2002-007	Revised Code § 5705.10, negative cash fund balances.	Yes	
2002-008	Revised Code § 5705.41(B), expenditures exceeded appropriations.	Partially Corrected	Multiple revenue and expenditure reclassifications and adjustments were posted to the financial statements that resulted in budgetary expenditures exceeding appropriations in 2003 in the Special Revenue fund. Corrected in 2004. Finding not reissued.

**UPPER TOWNSHIP
LAWRENCE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2004 AND 2003
(Continued)**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2002-009	Revised Code § 5705.41(D), failure to properly encumber.	No	Not corrected. Reissued as finding 2004-007.
2002-010	The Clerk did not accurately reconcile the book balance to the bank balance each month.	Partially Corrected	Not Corrected in 2003. In 2004, the new Township Clerk was able to reconcile to a consistent other adjusting factors amount. Reissued as finding 2004-008.
2002-011	The Clerk did not file budgetary documents with the County Auditor on a timely basis. The Clerk did not present the Board of Township Trustees with budgetary reports for review.	Partially Corrected	Not corrected in 2003 but fully corrected in 2004. Not reissued.
2002-012	The Clerk did not provide the Board of Township Trustees with financial reports from the UAN system.	Partially Corrected	Not corrected in 2003 but fully corrected in 2004. Not reissued.
2002-013	The Clerk did not deposit timely.	Partially Corrected	Not corrected in 2003 but fully corrected in 2004. Not reissued.
2002-014	The Clerk and Board of Township Trustees did not monitor estimated versus actual receipts.	Partially Corrected	Not corrected in 2003 but fully corrected in 2004. Not reissued.



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

**UPPER TOWNSHIP
LAWRENCE 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
FEBRUARY 9, 2006**