

PAINT TOWNSHIP  
ROSS COUNTY, OHIO

Audited Financial Statements

For the Years Ended December 31, 2007 and 2006





# Mary Taylor, CPA

Auditor of State

Board of Trustees  
Paint Township  
12237 State Route 41 South  
Greenfield, Ohio 45123

We have reviewed the *Independent Accountant's Report* of Paint Township, Ross County, prepared by Van Krevel and Company, CPA's, for the audit period January 1, 2006 through December 31, 2007. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Accountant's Report* on your financial statements. While the Auditor of State 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. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Accountant's Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Paint Township is responsible for compliance with these laws and regulations.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

September 4, 2008

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Paint Township  
Ross County, Ohio

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INDEPENDENT ACCOUNTANT'S REPORT

Paint Township
Ross County, Ohio
12237 State Route 41 South
Greenfield, Ohio 45123

To the Board of Trustees:

We have audited the accompanying financial statements of Paint Township, Ross County, Ohio, (the Township) ,as of and for the years ended December 31, 2007 and 2006. 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 audits.

We conducted our audits 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 audits 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. We believe our audits provide 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.

Instead of the combined funds the accompanying financial statements present, GAAP requires presenting entity wide statements and also presenting the Township's larger (i.e. major) funds separately. While the Township does not follow GAAP, generally accepted auditing standards require us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require, townships to reformat their statements. The Township has elected not to follow GAAP statement formatting requirements. 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.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2007 and 2006, 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, 2007 and 2006, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Paint Township, Ross County, Ohio as of December 31, 2007 and 2006, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

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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 March 26, 2008, 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 audits.

A handwritten signature in cursive script that reads "Van Krevel & Company".

Van Krevel & Company  
Dublin, Ohio

March 26, 2008



Paint Township  
 Ross County, Ohio  
 Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances  
 All Governmental Fund Types  
 For the Year Ended December 31, 2007

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Property Tax and Other Local Taxes	\$ 11,430	\$ 36,596	\$ -	\$ 48,026
Charges for Services	-	-	-	-
Licenses, Permits, and Fees	-	-	-	-
Intergovernmental Receipts	49,030	104,312	5,420	158,762
Earnings on Investments	2,471	1,139	-	3,610
Miscellaneous	34	-	-	34
Total Cash Receipts	<u>62,965</u>	<u>142,047</u>	<u>5,420</u>	<u>210,432</u>
<b>Cash Disbursements:</b>				
Current:				
General Government	54,642	-	-	54,642
Public Safety	300	18,020	-	18,320
Public Works	-	111,446	-	111,446
Health	-	-	-	-
Capital Outlay	1,985	42,284	-	44,269
Total Cash Disbursements	<u>56,927</u>	<u>171,750</u>	<u>-</u>	<u>228,677</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>6,038</u>	<u>(29,703)</u>	<u>5,420</u>	<u>(18,245)</u>
Fund Cash Balances, January 1	<u>25,115</u>	<u>132,763</u>	<u>-</u>	<u>157,878</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$ 31,153</u></b>	<b><u>\$ 103,060</u></b>	<b><u>\$ 5,420</u></b>	<b><u>\$ 139,633</u></b>

Paint Township  
 Ross County, Ohio  
 Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances  
 All Governmental Fund Types  
 For the Year Ended December 31, 2006

	<u>Governmental Fund Types</u>		<b>Totals</b>
	<u>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only)</u>
<b>Cash Receipts:</b>			
Property Tax and Other Local Taxes	\$ 10,990	\$ 34,873	\$ 45,863
Charges for Services	-	-	-
Licenses, Permits, and Fees	-	-	-
Intergovernmental Receipts	48,646	96,553	145,199
Earnings on Investments	2,641	1,206	3,847
Miscellaneous	7	24	31
Total Cash Receipts	<u>62,284</u>	<u>132,656</u>	<u>194,940</u>
<b>Cash Disbursements:</b>			
Current:			
General Government	55,899	-	55,899
Public Safety	300	16,654	16,954
Public Works	-	70,882	70,882
Capital Outlay	1,794	28,960	30,754
Total Cash Disbursements	<u>57,993</u>	<u>116,496</u>	<u>174,489</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>4,291</u>	<u>16,160</u>	<u>20,451</u>
Fund Cash Balances, January 1	<u>20,824</u>	<u>116,603</u>	<u>137,427</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$ 25,115</u></b>	<b><u>\$ 132,763</u></b>	<b><u>\$ 157,878</u></b>

Paint Township  
Ross County, Ohio

Notes to the Financial Statements  
December 31, 2007 and 2006

**NOTE 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 the Paint Township, Ross County, (the Township), as a body corporate and politic. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides road and bridge maintenance. The Township contracts with the City of Greenfield to provide fire services and with Greenfield Area Life Squad to provide ambulance services.

The Township's management believes these financial statements present all activities for which the Township is financially accountable.

**B Basis of Accounting**

These financial statements follow the accounting basis 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 Cash and Investments**

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report.

**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 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 those from private-purpose trusts or capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

*Road and Bridge Fund* – This fund receives property tax monies to pay for constructing, maintaining, and repairing Township roads and bridges.

*Gasoline Tax Fund* – This fund receives gasoline tax monies to pay for constructing, maintaining and repairing Township roads.

Paint Township  
Ross County, Ohio

Notes to the Financial Statements  
December 31, 2007 and 2006

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

2 Special Revenue Funds (continued)

*Special Levy Fund* – This fund receives property tax monies to pay for contracting fire and ambulance services for the citizens of the Township.

3 Capital Projects Funds

These funds account for receipts restricted to acquiring or constructing major capital projects. The Township had the following significant Capital Projects Fund:

*FEMA Fund* – This fund is used to record monies received from FEMA for flood damage.

**E Budgetary Process**

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

1 Appropriations

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

2 Estimated Resources

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

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 the 2007 and 2006 budgetary activity appears in Note 3.

**F 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.

Paint Township  
Ross County, Ohio

Notes to Financial Statements  
December 31, 2007 and 2006

**NOTE 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 and investments at December 31 was as follows:

	<u>2007</u>	<u>2006</u>
Demand Deposits	\$111,150	\$130,794
Total Deposits	<u>111,150</u>	<u>130,794</u>
STAR Ohio	<u>28,483</u>	<u>27,084</u>
Total Investments	<u>28,483</u>	<u>27,084</u>
Total Deposits and Investments	<u>\$139,633</u>	<u>\$157,878</u>

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

**Investments:** Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

**NOTE 3 BUDGETARY ACTIVITY**

Budgetary activity for the year ending December 31, 2007, follows:

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 55,818	\$ 62,965	\$ 7,147
Special Revenue	119,117	142,047	22,930
Capital Projects	-	5,420	5,420
Totals	<u>\$ 174,935</u>	<u>\$ 210,432</u>	<u>\$ 35,497</u>

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 66,834	\$ 56,927	\$ 9,907
Special Revenue	130,639	171,750	(41,111)
Capital Projects	-	-	-
Totals	<u>\$ 197,473</u>	<u>\$ 228,677</u>	<u>\$ (31,204)</u>

Paint Township  
Ross County, Ohio

Notes to Financial Statements  
December 31, 2007 and 2006

**NOTE 3 BUDGETARY ACTIVITY** (continued)

Budgetary activity for the year ending December 31, 2006, follows:

2006 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 53,870	\$ 62,284	\$ 8,414
Special Revenue	90,126	132,656	42,530
Totals	\$ 143,996	\$ 194,940	\$ 50,944

2006 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 63,780	\$ 57,993	\$ 5,787
Special Revenue	117,220	116,496	724
Totals	\$ 181,000	\$ 174,489	\$ 6,511

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Gasoline Tax fund by \$42,147 and the Road and Bridge fund by \$5,897 for the year ended December 31, 2007 due to amendments not certified by the County Budget Commission. Budgetary expenditures exceeded appropriation authority in the Gasoline Tax fund by \$10,864 for the year ended December 31, 2006, due to amendments not certified by the County Budget Commission.

**NOTE 4 PROPERTY TAXES**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax 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.

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.

Public utilities are also taxed on personal and real property located within the Township.

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

Paint Township  
Ross County, Ohio

Notes to Financial Statements  
December 31, 2007 and 2006

**NOTE 5 RETIREMENT SYSTEM**

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

The Ohio Revised Code also prescribes contribution rates. For 2007 and 2006, OPERS members contributed 9.5% and 9.0%, respectively, of their gross salaries. The Township contributed an amount equal to 13.85% and 13.7% of participants' gross salaries for 2007 and 2006, respectively. The Township has paid all contributions required through December 31, 2007.

**NOTE 6 RISK MANAGEMENT**

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

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 townships pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Coverage

For an occurrence prior to January 1, 2006 OTARMA retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year. For an occurrence on or subsequent to January 1, 2006, the Pool retains casualty risk up to \$350,000 per occurrence, including loss adjustment expenses. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year. Governments can elect up to \$10,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with OTARMA.

If losses exhaust OTARMA's retained earnings, APEEP provides *excess of funds available* coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000 (for claims prior to January 1, 2006) or \$3,000,000 (for claims on or after January 1, 2006) as noted above.

Property Coverage

Through 2004, OTARMA retained property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsured losses exceeding \$100,000 up to \$500 million per occurrence.

Beginning in 2005, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable value. If the stop loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2006 was \$1,901,127.

Paint Township  
Ross County, Ohio

Notes to Financial Statements  
December 31, 2007 and 2006

**NOTE 6 RISK MANAGEMENT** (continued)

Property Coverage (continued)

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 township.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

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, 2006 and 2005 (the latest information available):

<u>Casualty Coverage</u>	<u>2006</u>	<u>2005</u>
Assets	\$32,031,312	\$30,485,638
Liabilities	<u>(11,443,952)</u>	<u>(12,344,576)</u>
Retained earnings	<u>\$20,587,360</u>	<u>\$18,141,062</u>
<u>Property Coverage</u>	<u>2006</u>	<u>2005</u>
Assets	\$10,010,963	\$9,177,796
Liabilities	<u>(676,709)</u>	<u>(1,406,031)</u>
Retained earnings	<u>\$ 9,334,254</u>	<u>\$7,771,765</u>

At December 31, 2006 and 2005, respectively, casualty coverage liabilities noted above include approximately \$10.8 million and \$11.6 million of estimated incurred claims payable. The Casualty Coverage assets and retained earnings above also include approximately \$10.8 million and \$11.6 million of unpaid claims to be billed to approximately 958 member governments in the future, as of December 31, 2006 and 2005, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township's share of these unpaid claims collectible in future years is approximately \$6,968. This payable includes the subsequent year's contribution due if the Township terminates participation, as described in the last paragraph below.

Based on discussions with OTARMA the expected rates charged by OTARMA to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership. The Townships contributions to OTARMA for the past three years are as follows:

<u>Year</u>	<u>Contribution</u>
2007	\$ 2,987
2006	3,220
2005	3,208



Paint Township  
Ross County, Ohio

Notes to Financial Statements  
December 31, 2007 and 2006

**NOTE 6 RISK MANAGEMENT** (continued)

Financial Position (continued)

After completing one year of membership, members may withdraw on each anniversary of the date they joined OTARMA provided they give written notice to OTARMA 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's budgetary contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

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

Paint Township  
Ross County, Ohio  
12237 State Route 41 South  
Greenfield, Ohio 45123

To the Board of Trustees:

We have audited the financial statements of Paint Township, Ross County, Ohio (the Township) as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated March 26, 2008, wherein we noted that the Township prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America We conducted our audits 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 audits, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not opine on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Township's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider the following deficiency in the accompanying Schedule of Findings to be a significant deficiency in internal control over financial reporting: 2007-001.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Township's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We believe none of the significant deficiency described above is a material weakness.

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Paint Township  
Ross County, Ohio  
Independent Accountant's Report on Internal Control over  
Financial Reporting and on Compliance with Other Matters  
Required by *Government Auditing Standards*

### **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 audits and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of management and the Board of Trustees. We intend it for no one other than these specified parties.



Van Krevel & Company  
Dublin, Ohio

March 26, 2008

Paint Township  
Ross County, Ohio

Schedule of Audit Findings  
December 31, 2007 and 2006

**Findings Related to the Financial Statements  
Required to be Reported in Accordance with GAGAS**

**Finding Number 2007-001**

**Significant Deficiency**

**Posting Estimated Revenues and Appropriations**

The Township did not have a control procedure in place to ensure that estimated revenues and appropriations, as authorized by the Board of Trustees and approved by the County Budget Commission, were reconciled to the estimated revenues posted to the accounting system. This resulted in incorrect amounts posted to the accounting system. Adjustments were made to the budgetary activity reported in Note 3 to the financial statements in order to accurately present estimated receipts and appropriations as Certified by the County Budget Commission.

During 2007, budgetary expenditures exceeded appropriation authority in the Gasoline Tax fund by \$42,147 and the Road and Bridge fund by \$5,897 due to amendments not certified by the County Budget Commission.

During 2006, budgetary expenditures exceeded appropriation authority in the Gasoline Tax fund by \$10,864 due to amendments not certified by the County Budget Commission.

As a result, information available to the Township officials to monitor year-to-date total comparison of budgeted amounts versus actual amounts was not accurate.

We recommend the Township periodically reconcile estimated revenues and appropriations as authorized by the Board of Trustees and approved by the County Budget Commission to estimated revenues and appropriations posted to the accounting system.

**Officials Response:** We did not receive a response from officials to this finding.



**Mary Taylor, CPA**  
Auditor of State

**PAINT TOWNSHIP**

**ROSS 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  
SEPTEMBER 18, 2008**