

**UNION TOWNSHIP  
MUSKINGUM COUNTY**

**AUDIT REPORT**

**JANUARY 1, 2006 – DECEMBER 31, 2007**

**Wolfe, Wilson, & Phillips, Inc.  
37 South Seventh Street  
Zanesville, Ohio 43701**





# Mary Taylor, CPA

Auditor of State

Board of Trustees  
Union Township  
9655 Pidcock Rd  
Zanesville, Ohio 43701

We have reviewed the *Independent Auditors' Report* of Union Township, Muskingum County, prepared by Wolfe, Wilson & Phillips, Inc. 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 Auditors' 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 Auditors' 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. Union Township is responsible for compliance with these laws and regulations.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

July 7, 2008

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**UNION TOWNSHIP  
MUSKINGUM COUNTY**

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**WOLFE, WILSON, & PHILLIPS, INC.**  
**37 SOUTH SEVENTH STREET**  
**ZANESVILLE, OHIO 43701**

**INDEPENDENT AUDITORS' REPORT**

Union Township  
Muskingum County  
P.O. Box 439  
New Concord, Ohio 43762

We have audited the accompanying financial statements of Union Township, Muskingum County 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 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 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. Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, we presume they are material.

Instead of the combined funds the accompanying financial statements present for 2007 and 2006, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2007 and 2006. 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.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above for the years ending 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 Union 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 Union Township, Muskingum County, as of December 31, 2007 and 2006, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

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 a report dated May 21, 2008, on our consideration of Union Township's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. 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.

***Wolfe, Wilson, & Phillips, Inc.***  
Zanesville, Ohio  
May 21, 2008



**UNION TOWNSHIP  
MUSKINGUM COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Permanent Fund	
<b>Cash Receipts:</b>					
Local Taxes	\$ 36,279	\$ 84,452	\$ 31,717	\$ -	\$ 152,448
Intergovernmental	77,413	131,529	-	-	208,942
Earnings on Investments	6,867	235	-	98	7,200
Other Revenue	111	4,701	-	-	4,812
<b>Total Cash Receipts</b>	<u>120,670</u>	<u>220,917</u>	<u>31,717</u>	<u>98</u>	<u>373,402</u>
<b>Cash Disbursements:</b>					
Current:					
General Government	36,722	11,108	-	-	47,830
Public Safety	50	30,646	-	-	30,696
Public Works	80,304	266,680	-	-	346,984
Health	375	-	-	-	375
Capital Outlay	-	1,556	-	-	1,556
Debt Service:					
Redemption of Principal	-	-	16,872	-	16,872
Interest and Other Fiscal Charges	-	-	3,357	-	3,357
<b>Total Cash Disbursements</b>	<u>117,451</u>	<u>309,990</u>	<u>20,229</u>	<u>-</u>	<u>447,670</u>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	3,219	(89,073)	11,488	98	(74,268)
<b>Other Financing Receipts (Disbursements):</b>					
Sale of Notes	-	85,000	-	-	85,000
<b>Total Other Financing Receipts (Disbursements):</b>	<u>-</u>	<u>85,000</u>	<u>-</u>	<u>-</u>	<u>85,000</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements And Other Financing Disbursements</b>	3,219	(4,073)	11,488	98	10,732
<b>Fund Cash Balances, January 1</b>	<u>69,745</u>	<u>72,612</u>	<u>9,740</u>	<u>1,994</u>	<u>154,091</u>
<b>Fund Cash Balances, December 31</b>	<u>\$ 72,964</u>	<u>\$ 68,539</u>	<u>\$ 21,228</u>	<u>\$ 2,092</u>	<u>\$ 164,823</u>

See notes to financial statements.

**UNION TOWNSHIP  
MUSKINGUM COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Permanent Fund	
<b>Cash Receipts:</b>					
Local Taxes	\$ 31,908	\$ 92,024	\$ 18,714	\$ -	\$ 142,646
Intergovernmental	51,360	119,928	-	-	171,288
Earnings on Investments	5,649	170	-	94	5,913
Other Revenue	180	3,120	-	-	3,300
<b>Total Cash Receipts</b>	<u>89,097</u>	<u>215,242</u>	<u>18,714</u>	<u>94</u>	<u>323,147</u>
<b>Cash Disbursements:</b>					
Current:					
General Government	30,060	10,712	-	-	40,772
Public Safety	50	30,541	-	-	30,591
Public Works	9,084	211,411	-	-	220,495
Health	866	-	-	-	866
Capital Outlay	-	-	-	-	-
Debt Service:					
Redemption of Principal	-	-	16,872	-	16,872
Interest and Other Fiscal Charges	-	-	4,306	-	4,306
<b>Total Cash Disbursements</b>	<u>40,060</u>	<u>252,664</u>	<u>21,178</u>	<u>-</u>	<u>313,902</u>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	49,037	(37,422)	(2,464)	94	9,245
<b>Other Financing Receipts (Disbursements):</b>					
Sale of Notes	-	-	-	-	-
<b>Total Other Financing Receipts (Disbursements):</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements And Other Financing Disbursements</b>	49,037	(37,422)	(2,464)	94	9,245
<b>Fund Cash Balances, January 1</b>	<u>20,708</u>	<u>110,034</u>	<u>12,204</u>	<u>1,900</u>	<u>144,846</u>
<b>Fund Cash Balances, December 31</b>	<u>\$ 69,745</u>	<u>\$ 72,612</u>	<u>\$ 9,740</u>	<u>\$ 1,994</u>	<u>\$ 154,091</u>

See notes to financial statements.

**UNION TOWNSHIP  
MUSKINGUM COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Township of Union, Muskingum County, is a body politic and corporate 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 Fiscal Officer. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the Village of New Concord to provide fire protection and emergency medical services.

The Township participates in the Ohio Township Association Risk Management Authority public entity risk pool. Note 6 to the financial statements provides additional information for this entity. This organization is:

Public Entity Risk Pool:

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio local governments. 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 exceeding the member's deductible

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 cash 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 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**

All cash is maintained in an interest-bearing checking account and savings account.

**D. Fund Accounting**

The Township uses fund accounting to segregate cash that is restricted as to use. The Township classifies its funds into the following types:

**UNION TOWNSHIP  
MUSKINGUM COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS**

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

**D. Fund Accounting (Continued)**

**General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

**Special Revenue Funds**

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

**Gasoline Tax Fund** – This fund receives gasoline tax receipts for constructing, maintaining and repairing Township roads and bridges.

**Road and Bridge Fund** – This fund receives property tax money for the construction, repair and maintenance of Township roads.

**Debt Service Funds**

The Debt Service Fund is used to accumulate resources for the payments of bonds and note indebtedness.. The Township had the following significant Debt Service Fund:

**General Bond (Note) Retirement Fund** – This fund receives property tax monies and is used to account for activity related to the retirement of notes issued for the purchase of road equipment.

**Fiduciary Funds (Permanent Fund)**

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

**Cemetery Bequest Fund** – This fund receives interest to pay for the cost of maintain the Township’s cemetery.

**E. Budgetary Process**

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

**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.

**UNION TOWNSHIP  
MUSKINGUM COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS**

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

**E. Budgetary Process (Continued)**

**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.

**Encumbrances**

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year-end are canceled, and reappropriated in the subsequent year.

A Summary of 2007 and 2006 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in 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. The carrying amount of cash at December 31 was as follows:

	2007	2006
Demand Deposits	<u>\$ 164,823</u>	<u>\$ 154,091</u>

**Deposits:**

Deposits are either 1) insured by the Federal Depository Insurance Corporation or 2) collateralized by the financial institution's public entity deposit pool.

**UNION TOWNSHIP  
MUSKINGUM COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2007 and 2006 was as follows:

**2007 Budgeted vs. Actual Receipts**

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 104,478	\$ 120,670	\$ 16,192
Special Revenue	289,748	305,917	16,169
Debt Service	31,717	31,717	-
Fiduciary	<u>135</u>	<u>98</u>	<u>(37)</u>
Total	<u>\$ 426,078</u>	<u>\$ 458,402</u>	<u>\$ 32,324</u>

**2007 Budgeted vs. Actual Budgetary Expenditures**

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	\$ 174,223	\$ 117,451	\$ 56,772
Special Revenue	362,360	309,990	52,370
Debt Service	41,457	20,229	21,228
Fiduciary	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 578,040</u>	<u>\$ 447,670</u>	<u>\$ 130,370</u>

**2006 Budgeted vs. Actual Receipts**

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 85,300	\$ 89,097	\$ 3,797
Special Revenue	203,602	215,242	11,640
Debt Service	18,714	18,714	-
Fiduciary	<u>135</u>	<u>94</u>	<u>(41)</u>
Total	<u>\$ 307,751</u>	<u>\$ 323,147</u>	<u>\$ 15,396</u>

**2006 Budgeted vs. Actual Budgetary Expenditures**

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	\$ 106,008	\$ 40,060	\$ 65,948
Special Revenue	313,636	252,664	60,972
Debt Service	30,918	21,178	9,740
Fiduciary	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 450,562</u>	<u>\$ 313,902</u>	<u>\$ 136,660</u>

**UNION TOWNSHIP  
MUSKINGUM COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS**

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 proceeding 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 payments, 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 June 30.

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

**5. RETIREMENT SYSTEMS**

The Township's Trustees, Clerk and other employees of the Township belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post-retirement health care, 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 2007 and 2006, members of PERS contributed 9.5% and 9.0% of their gross salaries, respectively. The Township contributed an amount equal to 13.85% and 13.70% of participants' gross salaries, respectively. The Township has paid all contributions required through December 31, 2007.

**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 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

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.

**UNION TOWNSHIP  
MUSKINGUM COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS**

**6. RISK MANAGEMENT(Continued)**

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, The Travelers Indemnity Company 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.

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.

Casualty Coverage	2006	2005
Assets	\$ 32,031,312	\$ 30,485,638
Liabilities	(11,443,952)	(12,344,576)
Retained Earnings	<u>\$ 20,587,360</u>	<u>\$ 18,141,062</u>
Property Coverage	2006	2005
Assets	\$ 10,010,963	\$ 9,177,796
Liabilities	(676,709)	(1,450,031)
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 \$11,714. This payable includes the subsequent year's contribution due if the Township terminates participation, as described in the last paragraph.



**UNION TOWNSHIP  
MUSKINGUM COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS**

**6. RISK MANAGEMENT (Continued)**

Based on discussion with OTARMA, the expected rates OTARMA charges 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 annual 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 two years are as follows:

Contributions to OTARMA	
2005	\$5,779
2006	5,182
2007	5,857

**7. DEBT**

Debt outstanding at December 31, 2007 was as follows:

	Principal	Interest rate
G.O. Note – Equipment	\$ 8,723	5.71%
G.O. Note – Tractor	40,750	4.75%
G.O. Bond – Road Equipment	85,000	5.11%
Total	\$ 134,473	

The G.O. Note – Equipment were issued to finance the purchase of a new road grader to be used for Township road maintenance. The notes are collateralized solely by the Township’s taxing authority.

The G.O. Note – Tractor were issued to finance the purchase of a new tractor and mower to be used for Township road maintenance. The notes are collateralized solely by the Township’s taxing authority.

The G.O. Bond – Road Equipment were issued to finance the purchase of a new dump truck to be used for Township road maintenance. The notes are collateralized solely by the Township’s taxing authority.

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

Year Ended December 31	G.O. Note Equipment	G.O. Note Tractor	G.O. Bond Equipment
2008	\$ 9,227	\$ 10,086	\$ 12,017
2009	-	9,699	12,017
2010	-	9,311	12,017
2011	-	8,924	12,017
2012	-	8,537	12,017
2012-2017	-	-	48,071
Total	\$ 9,227	\$ 46,557	\$ 108,156

**WOLFE, WILSON, & PHILLIPS, INC.  
37 SOUTH SEVENTH STREET  
ZANESVILLE, OHIO 43701**

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

Union Township  
Muskingum County  
P.O. Box 439  
New Concord, Ohio 43762

We have audited the financial statements of Union Township as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated May 21, 2008, 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 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Union 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 to 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.

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 a misstatement of the Township's financial statements that is more than inconsequential will not be prevented or detected by the Township's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Township's internal control.

Our consideration of internal control over financial reporting was for the limited purposes described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Union Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standard*. However, we noted certain immaterial instances of noncompliance that we have reported to management in a separate letter dated May 21, 2008.

This report is intended for the information of the Township's management, fiscal officer, and Auditor of State, and is not intended to be and should not be used by anyone other than these specified parties.

***Wolfe, Wilson, & Phillips, Inc.***  
Zanesville, Ohio  
May 21, 2008

**UNION TOWNSHIP  
MUSKINGUM COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
YEARS ENDED DECEMBER 31, 2007 AND 2006**

Finding Number	Finding Summary	Fully Corrected	Not Corrected, Partially Corrected Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b>Explain:</b>
2005-01	ORC 5705.41(D) Prior certification of availability not done	No	Partially Corrected; Percentage is less. Put in Management letter for 2007.



**Mary Taylor, CPA**  
Auditor of State

**UNION TOWNSHIP**

**MUSKINGUM 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  
JULY 17, 2008**