



**Mary Taylor, CPA**  
Auditor of State



**AUBURN TOWNSHIP  
TUSCARAWAS COUNTY**

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Mary Taylor, CPA  
Auditor of State

Auburn Township  
Tuscarawas County  
2603 Boltz Orchard Road SW  
Sugarcreek, Ohio 44681

To the Board of 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 an 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 adverse 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.

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**Mary Taylor, CPA**  
Auditor of State

June 29, 2009

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Auburn Township  
Tuscarawas County  
2603 Boltz Orchard Road SW  
Sugarcreek, Ohio 44681

To the Board of Trustees:

We have audited the accompanying financial statements of Auburn Township, Tuscarawas County, Ohio, (the Township) as of and for the years ended December 31, 2008 and 2007. 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. 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.

Instead of the combined funds the accompanying financial statements present, GAAP require 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 requires 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, 2008 and 2007 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, 2008 and 2007, 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 Auburn Township, Tuscarawas County, Ohio, as of December 31, 2008 and 2007, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

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 June 29, 2009, 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.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

**Mary Taylor, CPA**  
Auditor of State

June 29, 2009



**AUBURN TOWNSHIP  
TUSCARAWAS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Property and Other Local Taxes	\$26,672	\$70,592	\$97,264
Licenses, Permits, and Fees	100	300	400
Intergovernmental	39,057	108,198	147,255
Earnings on Investments	912	1,264	2,176
Miscellaneous		100,683	100,683
		<u>100,683</u>	<u>100,683</u>
 Total Cash Receipts	 <u>66,741</u>	 <u>281,037</u>	 <u>347,778</u>
<b>Cash Disbursements:</b>			
Current:			
General Government	45,994		45,994
Public Safety	3,723	26,511	30,234
Public Works	15,287	250,070	265,357
Health	6,403	4,652	11,055
Debt Service:			
Redemption of Principal	2,000	38,000	40,000
	<u>2,000</u>	<u>38,000</u>	<u>40,000</u>
 Total Cash Disbursements	 <u>73,407</u>	 <u>319,233</u>	 <u>392,640</u>
 Total Cash Receipts Under Cash Disbursements	 <u>(6,666)</u>	 <u>(38,196)</u>	 <u>(44,862)</u>
<b>Other Financing Receipts :</b>			
Other Financing Sources	20	0	20
	<u>20</u>	<u>0</u>	<u>20</u>
 Total Other Financing Receipts	 <u>20</u>	 <u>0</u>	 <u>20</u>
 Excess of Cash Receipts and Other Financing Receipts (Under) Cash Disbursements	 <u>(6,646)</u>	 <u>(38,196)</u>	 <u>(44,842)</u>
 Fund Cash Balances, January 1	 <u>12,888</u>	 <u>91,831</u>	 <u>104,719</u>
 <b>Fund Cash Balances, December 31</b>	 <b><u>\$6,242</u></b>	 <b><u>\$53,635</u></b>	 <b><u>\$59,877</u></b>

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

**AUBURN TOWNSHIP  
TUSCARAWAS 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**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Property and Other Local Taxes	\$25,625	\$71,268	\$96,893
Licenses, Permits, and Fees		600	600
Intergovernmental	54,500	106,330	160,830
Earnings on Investments	2,114	3,784	5,898
Miscellaneous		561	561
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	82,239	182,543	264,782
<b>Cash Disbursements:</b>			
Current:			
General Government	46,547		46,547
Public Safety	3,646	26,241	29,887
Public Works	2,106	114,378	116,484
Health	6,543	2,573	9,116
Capital Outlay		909	
Debt Service:			
Principal	13,182	18,729	
Interest		1,271	1,271
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	72,024	164,101	203,305
Total Cash Receipts Over Cash Disbursements	<hr/>	<hr/>	<hr/>
	10,215	18,442	28,657
<b>Other Financing Receipts:</b>			
Other Financing Sources	84	600	684
	<hr/>	<hr/>	<hr/>
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements	10,299	19,042	29,341
Fund Cash Balances, January 1	2,589	72,789	75,378
	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, December 31</b>	<b><u>\$12,888</u></b>	<b><u>\$91,831</u></b>	<b><u>\$104,719</u></b>

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

**AUBURN TOWNSHIP  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007**

**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 Auburn Township, Tuscarawas 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, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the Village of Sugarcreek to provide fire services and Swiss Valley Ambulance to provide ambulance services.

The Township participates in a jointly governed organization. Note 8 to the financial statements provides additional information for this entity. This organization is:

Jointly Governed Organization:

The Tuscarawas County Regional Planning Commission makes studies, maps, plans, recommendations and reports concerning the physical, environmental, social, economical and governmental characteristics, functions and services of the county.

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

**B. Accounting Basis**

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 values certificates of deposit at cost. The Township had no investments during 2008 and 2007.

**AUBURN TOWNSHIP  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**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:

**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 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 money for constructing, maintaining, and repairing Township roads and bridges.

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

**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, 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) 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. The Township did not encumber all funds required by law.

A summary of 2008 and 2007 budgetary activity appears in Note 3.

**AUBURN TOWNSHIP  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**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.

**2. Equity in Pooled Cash**

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:

	2008	2007
Demand deposits	\$22,764	\$104,719
Certificates of deposit	37,113	0
Total deposits	\$59,877	\$104,719

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

**3. Budgetary Activity**

Budgetary activity for the years ended December 31, 2008 and 2007 follows:

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$69,249	\$66,761	(\$2,488)
Special Revenue	171,000	281,037	110,037
Total	\$240,249	\$347,798	\$107,549

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$84,386	\$73,407	\$10,979
Special Revenue	348,582	319,233	29,349
Total	\$432,968	\$392,640	\$40,328

**AUBURN TOWNSHIP  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(Continued)**

**3. Budgetary Activity (Continued)**

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$82,861	\$82,323	(\$538)
Special Revenue	156,000	183,143	27,143
Total	\$238,861	\$265,466	\$26,605

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$87,699	\$72,024	\$15,675
Special Revenue	226,541	164,101	62,440
Total	\$314,240	\$236,125	\$78,115

Contrary to Ohio Rev. Code Section 5705.41(D), 32% in 2008 and 76% in 2007 of the expenditures tested, were not properly certified.

**4. Property Tax**

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.

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.

**AUBURN TOWNSHIP  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(Continued)**

**5. Debt**

Debt outstanding at December 31, 2008 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
General Obligation Note	\$60,000	5.47%

The general obligation note was issued to finance the purchase of a John Deere tractor. The note is collateralized solely by the Township's taxing authority.

The note, including principal and interest totaling \$64,376, will be paid in full in 2009.

**6. Retirement System**

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

The Ohio Revised Code also prescribes contribution rates. For 2008 and 2007, OPERS members contributed 10% and 9.5%, respectively, of their gross salaries and the Township contributed an amount equaling 14% and 13.85%, respectively, of participants' gross salaries. The Township has paid all contributions required through December 31, 2008.

**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. Jointly Governed Organizations**

The Township is associated with the Tuscarawas County Regional Planning Commission, (the Commission) as a Jointly Governed Organization. The Commission is a statutorily created political subdivision of the State. The Commission is jointly governed among Tuscarawas County municipalities and townships. Each member's control over the operation of the Commission is limited to its representation on the board. The Commission makes studies, maps, plans, recommendations and reports concerning the physical, environmental, social, economical and governmental characteristics, functions and services of the county. The Township contributed \$119 in both 2008 and 2007 to the Regional Planning Commission.

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# Mary Taylor, CPA

Auditor of State

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

Auburn Township  
Tuscarawas County  
2603 Boltz Orchard Road SW  
Sugarcreek, Ohio 44681

To the Board of Trustees:

We have audited the financial statements of Auburn Township, Tuscarawas County, Ohio, (the Township) as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated June 29, 2009, 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 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 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.

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 certain deficiencies in internal control over financial reporting that we consider significant deficiencies.

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 deficiencies described in the accompanying Schedule of Findings to be significant deficiencies in internal control over financial reporting: Finding Numbers 2008-002 and 2008-003.

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 internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies 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 deficiencies described above are material weaknesses.

We also noted certain internal control matters that we reported to the Township's management in a separate letter dated June 29, 2009.

#### **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 an instance of noncompliance or other matter we must report under *Government Auditing Standards* which is described in the accompanying Schedule of Findings as item 2008-001.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated June 29, 2009.

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.



**Mary Taylor, CPA**  
Auditor of State

June 29, 2009

**AUBURN TOWNSHIP  
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2008 AND 2007**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2008-001**

**Noncompliance Citation**

**Ohio Rev. Code Section 5705.41(D)** 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. This certificate need be signed only by the subdivision's fiscal officer. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. **"Then and Now" Certificate** – If the Fiscal Officer can certify that both at the time that the contract or order was made ("then"), and at the time that the Fiscal Officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Township can authorize the drawing of a warrant for the payment of the amount due. The Township has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 may be paid by the Fiscal Officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the 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. 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.

Of the expenditures tested, 32% in 2008 and 76% in 2007 were not certified by the Fiscal Officer prior to incurring the commitment. It was also found that neither of the three exceptions above were utilized for the items found to be in noncompliance.

**FINDING NUMBER 2008-001 (Continued)**

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 Fiscal Officer certify the funds are or will be available prior to the 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 5705.41(D) requires to authorize disbursements. The Township Fiscal Officer should sign the certification at the time the Township incurs a commitment, and only when the requirements of 5705.41(D) are satisfied. The Township Fiscal Officer should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation. It was noted that the Fiscal Office began using "Then and Now's" in March 2008 which accounted for the reduction percentage of the non-compliance.

**FINDING NUMBER 2008-002**

**Significant Deficiency**

**Monthly Financial Report Monitoring**

The Fiscal Officer did not prepare monthly financial reports for the Trustees to review and approve. The Trustees did not formally review or approve any financial information on a monthly basis.

This lack of monitoring does not allow the Trustees to be up to date on the financial activity of the Township and restricts their monitoring abilities over the Fiscal Officer and the Township's finances. Unrecognized errors resulting in misstatements of the Township's records could occur and not be timely detected as a result of not monitoring the bank reconciliations and monthly reports.

The Trustees should request monthly financial reports and formally recognize in the minutes the acceptance of monthly reports they receive from the Fiscal Officer. Reports should include, but not be limited to, the monthly cash reconciliation, budget to actual statements, and receipt/expenditure/fund balance reports. These reports should reflect all activity of the Township. This will increase the Trustees' awareness of all finance related activity and facilitate their decision making process.

### **FINDING NUMBER 2008-003**

#### **Significant Deficiency**

##### **Bank Reconciliations and Outstanding Check List**

The Fiscal Officer does not reconcile the bank balances to the Township's cash book fund balances monthly. The bank reconciliation was only performed for December 2008 and 2007. Additionally, a monthly outstanding check list for the 2008 and 2007 year end reconciliation was not prepared. This could result in incomplete or inaccurate financial statements.

The Fiscal Officer should perform an all inclusive monthly bank reconciliation. This bank reconciliation should clearly present the bank balances and each reconciling item that reduces or increases the bank balances to the Township's cashbook. A detailed monthly outstanding checklist should be prepared documenting the check numbers and amounts. In addition, the bank reconciliations should be presented to the Trustees for review and approval. This will help strengthen the Township's internal controls over the bank reconciliation process and ensure errors or omissions are detected timely.

**Officials' Response:** The client has elected not to respond to the above findings.

**AUBURN TOWNSHIP  
TUSCARAWAS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2008 AND 2007**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2006-001	Ohio Rev. Code 5705.41 (D), Failure to certify funds.	No	Not Corrected. See Finding Number 2008-001.
2006-002	Monthly Financial Report Monitoring	No	Not Corrected. See Finding Number 2008-002
2006-003	Bank Reconciliation	No	Not Corrected. See Finding Number 2008-003



Mary Taylor, CPA  
Auditor of State

**AUBURN TOWNSHIP**

**TUSCARAWAS 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  
AUGUST 25, 2009**