

**SHARON TOWNSHIP**

**INDEPENDENT AUDITOR'S REPORT**

FOR THE YEARS ENDED  
DECEMBER 31, 2007 AND DECEMBER 31, 2006

Varney, Fink & Associates, Inc.  
Certified Public Accountants





# Mary Taylor, CPA

Auditor of State

Board of Trustees  
Sharon Township  
1322 Sharon Copley Rd.  
P.O. Box 7  
Sharon Center, Ohio 44274

We have reviewed the *Independent Auditor's Report* of Sharon Township, Medina County, prepared by Varney, Fink & Associates, 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 Auditor'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 Auditor'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. Sharon Township is responsible for compliance with these laws and regulations.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

December 22, 2008

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**SHARON TOWNSHIP, OHIO  
MEDINA COUNTY  
FOR THE YEARS ENDED  
DECEMBER 31, 2007 AND DECEMBER 31, 2006**

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**CERTIFIED PUBLIC ACCOUNTANTS**  
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**Wadsworth, Ohio 44281**  
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**INDEPENDENT AUDITOR'S REPORT**

Sharon Township, Medina County  
P.O. Box 7  
Sharon, OH 44274

To the Board of Trustees:

We have audited the accompanying financial statements of Sharon Township, Medina County, (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 opinions 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 our audit provides a reasonable basis for our opinion.

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

Revisions to GAAP would require the Township to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2007 and 2006. 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 GAAP presentation requirements. The Auditor of State permits, but does not require townships to reformat their statements. The Township has elected not to reformat its statements. Since the 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.

## INDEPENDENT AUDITOR'S REPORT (continued)

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 and reserves for encumbrances of Sharon Township, Medina County, 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.

The aforementioned revision to generally accepted accounting principles also requires the Township to include Management's Discussion and Analysis for the years ended December 31, 2007 and 2006. 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 November 6, 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 express an opinion 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.

*Varney, Fink & Associates*

VARNEY, FINK & ASSOCIATES, INC.  
Certified Public Accountants

November 6, 2008

**Sharon Township, Medina County**  
 Combined Statement of Cash Receipts, Cash Disbursements and Change in Fund Cash  
 Balances - All Governmental Fund Types  
 For the Year Ended December 31, 2007

	Governmental Fund Types			Total (Memorandum Only)
	General	Special Revenue	Permanent Fund	
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$256,026	\$988,842	\$0	\$1,244,868
Licenses, Permits and Fees	12,985	300	0	13,285
Fines and Forfeitures	134	0	0	134
Intergovernmental	217,669	361,935	0	579,604
Special Assessments	0	627	0	627
Interest	91,173	5,303	0	96,476
Other	58,196	167,024	0	225,220
<i>Total Cash Receipts</i>	<u>636,183</u>	<u>1,524,031</u>	<u>0</u>	<u>2,160,214</u>
<b>Cash Disbursements</b>				
Current:				
General Government	309,575	2,136	0	311,711
Public Safety	90,705	539,302	0	630,007
Public Works	0	329,313	0	329,313
Health	8,087	0	0	8,087
Conservation-Recreation	17,395	0	0	17,395
Capital Outlay	58,013	335,407	0	393,420
<i>Total Cash Disbursements</i>	<u>483,775</u>	<u>1,206,158</u>	<u>0</u>	<u>1,689,933</u>
Total Cash Receipts Over Cash Disbursements	<u>152,408</u>	<u>317,873</u>	<u>0</u>	<u>470,281</u>
<b>Other Financing Receipts (Disbursements)</b>				
Sale of Assets	0	22,425	0	22,425
Advances In	400	400	0	800
Advances Out	(400)	(400)	0	(800)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>0</u>	<u>22,425</u>	<u>0</u>	<u>22,425</u>
<i>Excess of Cash Receipts and Other Financing Receipts/ (Disbursements) Over Cash Disbursements</i>	<u>152,408</u>	<u>340,298</u>	<u>0</u>	<u>492,706</u>
<i>Fund Cash Balances January 1</i>	<u>367,913</u>	<u>1,091,053</u>	<u>1,000</u>	<u>1,459,966</u>
<i>Fund Cash Balances December 31</i>	<u>\$520,321</u>	<u>\$1,431,351</u>	<u>\$1,000</u>	<u>\$1,952,672</u>
Reserve for Encumbrances	<u>\$796</u>	<u>\$49,477</u>	<u>\$0</u>	<u>\$50,273</u>

See accompanying notes to the basic financial statements



**Sharon Township, Medina County**  
 Combined Statement of Cash Receipts, Cash Disbursements and Change in Fund Cash  
 Balances - All Governmental Fund Types  
 For the Year Ended December 31, 2006

	Governmental Fund Types				Total (Memorandum Only)
	General	Special Revenue	Capital Projects	Permanent Funds	
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$246,341	\$905,213	\$0	\$0	\$1,151,554
Licenses, Permits and Fees	14,647	1,771	0	0	16,418
Fines and Forfeitures	19	0	0	0	19
Intergovernmental	144,708	211,419	0	0	356,127
Interest	68,276	1,320	0	0	69,596
Other	72,921	119,927	0	0	192,848
<i>Total Cash Receipts</i>	<u>546,912</u>	<u>1,239,650</u>	<u>0</u>	<u>0</u>	<u>1,786,562</u>
<b>Cash Disbursements</b>					
Current:					
General Government	278,528	864	0	0	279,392
Public Safety	80,846	342,304	0	0	423,150
Public Works	0	778,159	56,011	0	834,170
Health	5,203	105	0	0	5,308
Conservation-Recreation	14,262	0	0	0	14,262
Capital Outlay	290,089	496,916	0	0	787,005
<i>Total Cash Disbursements</i>	<u>668,928</u>	<u>1,618,348</u>	<u>56,011</u>	<u>0</u>	<u>2,343,287</u>
Total Cash Receipts (Under) Cash Disbursements	<u>(122,016)</u>	<u>(378,698)</u>	<u>(56,011)</u>	<u>0</u>	<u>(556,725)</u>
<i>Fund Cash Balances January 1</i>	<u>489,929</u>	<u>1,469,751</u>	<u>56,011</u>	<u>1,000</u>	<u>2,016,691</u>
<i>Fund Cash Balances December 31</i>	<u>\$367,913</u>	<u>\$1,091,053</u>	<u>\$0</u>	<u>\$1,000</u>	<u>\$1,459,966</u>
Reserve for Encumbrances	<u>\$26,361</u>	<u>\$179,949</u>	<u>\$0</u>	<u>\$0</u>	<u>\$206,310</u>

See accompanying notes to the basic financial statements

SHARON TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2007 and December 31, 2006

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. Description of the Entity

Sharon Township, Medina County, Ohio (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected, three-member Board of Trustees. The Township also has a publicly elected Fiscal Officer. The Township provides general governmental services, including zoning and road and bridge maintenance along with Fire and EMS services to the residents of the Township.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (ie, when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

The Township's cash and investments include demand deposits, STAROhio, and non-negotiable certificates of deposit which are reported at cost.

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:

**General Fund** - The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

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

SHARON TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2007 and December 31, 2006

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

Road and Bridge Fund – This fund receives property taxes and intergovernmental receipts for constructing, maintaining and repairing Township roads.

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

Fire Levy Fund – This fund receives property taxes and intergovernmental receipts to provide fire protection and EMS services to Township residents.

**Capital Projects Fund** – This fund accounts for receipts restricted to acquiring or constructing major capital projects (except for those financed through enterprise or trust funds).

**Permanent Fund** – This fund is used to account for resources restricted by a legally binding trust agreement that requires the Township to maintain the corpus of the trust.

E. Budgetary Process

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

**Appropriations** - Budgetary expenditures (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.

**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.

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 on the accompanying financial statements.

G. Accumulated Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as a liability under the cash basis of accounting used by the Township.

SHARON TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2007 and December 31, 2006

2. **EQUITY IN POOLED CASH AND INVESTMENTS**

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

	2007	2006
Demand Deposits	\$866,874	\$433,110
Certificate of Deposits	1,000	1,000
Total Deposits	867,874	434,110
Star Ohio	1,084,798	1,025,856
Total Deposits and Investments	\$1,952,672	\$1,459,966

**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, 2007 and December 31, 2006 was as follows:

2007 Budget vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$495,731	\$636,583	\$140,852
Special Revenue	1,252,028	1,546,856	294, 828
Permanent	0	0	0
Total	\$1,747,759	\$2,183,439	\$435,680

2007 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$726,643	\$484,971	\$241,672
Special Revenue	1,833,774	1,256,035	577,739
Permanent	0	0	0
Total	\$2,560,417	\$1,741,006	\$819,411

SHARON TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2007 and December 31, 2006

3. **BUDGETARY ACTIVITY** (continued)

2006 Budget vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$396,142	\$546,912	\$150,770
Special Revenue	1,092,088	1,239,650	147,562
Capital Projects	0	0	0
Permanent	0	0	0
Total	<u>\$1,488,230</u>	<u>\$1,786,562</u>	<u>\$298,332</u>

2006 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$928,998	\$695,289	\$233,709
Special Revenue	2,312,266	1,798,297	513,969
Capital Projects	56,011	56,011	0
Permanent	0	0	0
Total	<u>\$3,297,275</u>	<u>\$2,549,597</u>	<u>\$747,678</u>

4. **PROPERTY TAX**

Real property taxes become a lien on January 1 proceeding the October 1 date for which rates are adopted by the 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 property located within the Township.

Tangible personal property tax is assessed to 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.

SHARON TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2007 and December 31, 2006

5. **RETIREMENT SYSTEMS**

The Township's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2007 and 2006, OPERS members contributed 9.5% and 9.0%, respectively, of their wages. The Township contributed an amount equal to 13.85% and 13.70%, respectively, of participants' gross salaries. 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 pay judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Trustees  
Sharon Township  
PO Box 7  
Sharon Center, Ohio

We have audited the financial statements of Sharon Township, Medina County (the Township) as of and for the years ended December 31, 2007 and December 31, 2006, and have issued our report thereon dated November 6, 2008, wherein we noted the Township followed accounting practices the Auditor of State prescribes rather than the 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 the Township's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we do not express an opinion 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 to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of 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 accounting practices the Auditor of State prescribes 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. We consider the deficiency described in the accompanying schedule of findings as item 2007-01 to be a significant deficiency in internal control over financial reporting.

**Sharon Township  
Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements performed in  
Accordance with *Government Auditing Standards***  
Page 2

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 purpose described in the first paragraph of the section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider item 2007-01 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and 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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompany Schedule of Findings and Responses as item 2007-02.

We noted certain matters that we reported to management of the Township in a separate letter dated November 6, 2008.

The Township's response to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. We did not audit the Township's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management and Board of Trustees, and is not intended to be and should not be used by anyone other than those specified parties.

*Varney, Fink & Associates*

VARNEY, FINK & ASSOCIATES, INC.  
Certified Public Accountants

November 6, 2008



SHARON TOWNSHIP  
MEDINA COUNTY  
SCHEDULE OF AUDIT FINDINGS AND RESPONSES  
DECEMBER 31, 2007 AND DECEMBER 31, 2006

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

*Finding 2007-01* **SIGNIFICANT DEFICIENCY/MATERIAL WEAKNESS**

Financial Statement Adjustments – sound financial reporting is the responsibility of the fiscal officer of the Township and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

The Township made an audit adjustment to the December 31, 2007 financial statements to correct transfers out. Federal Emergency Management Agency (FEMA) monies totaling \$158,212 were receipted in the FEMA Special Revenue Fund and then shown as being transferred to the Road and Bridge Special Revenue Fund and the Fire Special Levy Special Revenue Fund where expenditures were originally recorded. The Road and Bridge, and Fire Special Levy Special Revenue Funds recorded other cash receipts rather than a transfer in. Since a transfer was not authorized by resolution or ordinance an adjustment was made to reclassify the transfer out to Public Safety expenditure (\$137,844), and Public Works expenditure (\$20,368).

The Township also made audit adjustments for incorrectly recorded property tax receipts in both 2007 and 2006. In 2007, property tax receipts of \$30,492 for the Road and Bridge Fund and \$27,914 for the Fire Levy Fund were recorded in the General Fund. In 2006, \$29,277 was recorded in the Road and Bridge Fund that should have been recorded in the Fire Levy Fund.

The fiscal officer should review the financial statements and ensure that similar errors are not reported on the financial statements in the future.

Corrective Action:      Contact Person – Kimberly Bolas Miller, Trustee

The proper procedure for the FEMA Funds was reviewed with the Fiscal Officer and will be followed for future FEMA funds. Fund adjustments will be made to correct the incorrect receipt. In the future, all receipts will be verified by fund before year end closing.

SHARON TOWNSHIP  
 MEDINA COUNTY  
 SCHEDULE OF AUDIT FINDINGS AND RESPONSES  
 DECEMBER 31, 2007 AND DECEMBER 31, 2006

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

*Finding 2007-02*

Ohio Revised Code Section 5705.39 provides in part that total appropriations from each fund shall not exceed the total estimated resources.

During our budgetary testing it was noted that total appropriations exceeded estimated resources in the following funds for the year ended December 31, 2006:

	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Variance</u>
General	\$878,254	\$921,184	(\$42,930)

Corrective Action:      Contact Person – Kimberly Bolas Miller, Trustee

The Fiscal Officer will verify that the amount shall not set permanent appropriations until the certificate from the Medina County Auditor is received. Temporary appropriations are used until the auditor certifies the official certificate.



**Mary Taylor, CPA**  
Auditor of State

**SHARON TOWNSHIP**

**MEDINA 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  
JANUARY 6, 2009**