

**CENTER TOWNSHIP
MORGAN COUNTY**

AUDIT REPORT

JANUARY 1, 2008 – DECEMBER 31, 2009

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



Mary Taylor, CPA

Auditor of State

Board of Trustees
Center Township
525 State Route 83
Beverly, Ohio 45715

We have reviewed the *Independent Auditors' Report* of Center Township, Morgan County, prepared by Wolfe, Wilson & Phillips, Inc., for the audit period January 1, 2008 through December 31, 2009. 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. Center Township is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

April 6, 2010

88 E. Broad St. / Fifth Floor / Columbus, OH 43215-3506
Telephone: (614) 466-4514 (800) 282-0370 Fax: (614) 466-4490
www.auditor.state.oh.us

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**CENTER TOWNSHIP
MORGAN COUNTY**

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

INDEPENDENT AUDITORS' REPORT

Center Township
Morgan County
525 State Route 83
Beverly, Ohio 45715

We have audited the accompanying financial statements of Center Township, Morgan County as of and for the years ended December 31, 2009 and 2008. 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 2009 and 2008, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2009 and 2008. 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, 2009 and 2008 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Center Township as of December 31, 2009 and 2008, 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 Center Township, Morgan County, as of December 31, 2009 and 2008, 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 February 12, 2010, on our consideration of Center 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
February 12, 2010

CENTER TOWNSHIP
MORGAN COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Permanent	
Cash Receipts:					
Property and Other Local Taxes	\$ 66,361	\$ 78,141	\$ -	\$ -	\$ 144,502
Licenses, Permits and Fees	-	21,388	-	-	21,388
Intergovernmental	36,696	128,142	137,851	-	302,689
Earnings on Investments	3,847	4,357	-	17	8,221
Miscellaneous	245	5,971	-	-	6,216
Total Cash Receipts	<u>107,149</u>	<u>237,999</u>	<u>137,851</u>	<u>17</u>	<u>483,016</u>
Cash Disbursements:					
Current:					
General Government	90,311	-	-	-	90,311
Public Safety	3,711	-	-	-	3,711
Public Works	-	249,643	-	-	249,643
Health	6,721	1,543	-	-	8,264
Capital Outlay	-	50,400	137,851	-	188,251
Debt Service:					
Redemption of Principal	-	-	-	-	-
Interest and Other Fiscal Charges	-	-	-	-	-
Total Cash Disbursements	<u>100,743</u>	<u>301,586</u>	<u>137,851</u>	<u>-</u>	<u>540,180</u>
Total Cash Receipts Over/(Under) Cash Disbursements	6,406	(63,587)	-	17	(57,164)
Other Financing Receipts:					
Debt Proceeds	-	35,400	-	-	35,400
Total Other Financing Sources	<u>-</u>	<u>35,400</u>	<u>-</u>	<u>-</u>	<u>35,400</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	6,406	(28,187)	-	17	(21,764)
Fund Cash Balances, January 1	<u>35,996</u>	<u>191,029</u>	<u>-</u>	<u>580</u>	<u>227,605</u>
Fund Cash Balances, December 31	<u>\$ 42,402</u>	<u>\$ 162,842</u>	<u>\$ -</u>	<u>\$ 597</u>	<u>\$ 205,841</u>

See notes to financial statements.

CENTER TOWNSHIP
MORGAN 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>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent</u>	
Cash Receipts:					
Property and Other Local Taxes	\$ 64,345	\$ 76,044	\$ -	\$ -	\$ 140,389
Licenses, Permits and Fees	-	1,400	-	-	1,400
Intergovernmental	37,182	154,567	-	-	191,749
Earnings on Investments	4,002	4,480	-	22	8,504
Miscellaneous	6,746	11,131	-	-	17,877
Total Cash Receipts	<u>112,275</u>	<u>247,622</u>	<u>-</u>	<u>22</u>	<u>359,919</u>
Cash Disbursements:					
Current:					
General Government	51,552	-	-	-	51,552
Public Safety	2,701	-	-	-	2,701
Public Works	-	201,704	-	-	201,704
Health	46,351	1,363	-	-	47,714
Capital Outlay	7,255	28,674	-	-	35,929
Debt Service:					
Redemption of Principal	-	-	-	-	-
Interest and Other Fiscal Charges	-	-	-	-	-
Total Cash Disbursements	<u>107,859</u>	<u>231,741</u>	<u>-</u>	<u>-</u>	<u>339,600</u>
Total Cash Receipts Over/(Under) Cash Disbursements	4,416	15,881	-	22	20,319
Other Financing Receipts:					
Other Financing Sources	38	350	-	-	388
Total Other Financing Sources	<u>38</u>	<u>350</u>	<u>-</u>	<u>-</u>	<u>388</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	4,454	16,231	-	22	20,707
Fund Cash Balances, January 1	<u>31,542</u>	<u>174,798</u>	<u>-</u>	<u>558</u>	<u>206,898</u>
Fund Cash Balances, December 31	<u>\$ 35,996</u>	<u>\$ 191,029</u>	<u>\$ -</u>	<u>\$ 580</u>	<u>\$ 227,605</u>

See notes to financial statements.

**CENTER TOWNSHIP
MORGAN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Township of Center, Morgan 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, and fire protection. The Township contracts with the M & M Volunteer Fire Department to provide fire protection.

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

The certificate of deposit is valued at cost. All other funds is maintained in an interest-bearing checking 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:

**CENTER TOWNSHIP
MORGAN 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.

Capital Projects Funds

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds).. The Township had the following significant capital project Fund:

Issue II Fund – This fund records Issue II activity passed through the County Engineer’s office for road projects.

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:

Molyneux Trust Fund – This fund receives interest from a certificate of deposit 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.

**CENTER TOWNSHIP
MORGAN 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 carried over, and need not be reappropriated in the subsequent year.

A Summary of 2009 and 2008 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:

	<u>2009</u>	<u>2008</u>
Demand Deposits	\$ 205,341	\$ 227,105
Certificate of Deposit	500	500
	<u>\$ 205,841</u>	<u>\$ 227,605</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.

**CENTER TOWNSHIP
MORGAN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2009 and 2008 was as follows:

2009 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 100,688	\$ 107,149	\$ 6,461
Special Revenue	264,164	273,399	9,235
Capital Projects	137,851	137,851	-
Fiduciary	<u>22</u>	<u>17</u>	<u>(5)</u>
Total	<u>\$ 502,725</u>	<u>\$ 518,416</u>	<u>\$ 15,691</u>

2009 Budgeted vs. Actual Budgetary Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	\$ 136,650	\$ 100,743	\$ 35,907
Special Revenue	455,000	301,586	153,414
Capital Projects	137,851	137,851	-
Fiduciary	<u>100</u>	<u>-</u>	<u>100</u>
Total	<u>\$ 729,601</u>	<u>\$ 540,180</u>	<u>\$ 189,421</u>

2008 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 102,244	\$ 112,313	\$ 10,069
Special Revenue	230,338	247,972	17,634
Capital Projects	59,475	-	(59,475)
Fiduciary	<u>15</u>	<u>22</u>	<u>7</u>
Total	<u>\$ 392,072</u>	<u>\$ 360,307</u>	<u>\$ (31,765)</u>

2008 Budgeted vs. Actual Budgetary Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	\$ 133,750	\$ 107,859	\$ 25,891
Special Revenue	404,437	231,741	172,696
Capital Projects	59,475	-	59,475
Fiduciary	<u>72</u>	<u>-</u>	<u>72</u>
Total	<u>\$ 597,734</u>	<u>\$ 339,600</u>	<u>\$ 258,134</u>

**CENTER TOWNSHIP
MORGAN 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 2009 and 2008, members of PERS contributed 10.0% of their gross salaries, respectively. The Township contributed an amount equal to 14.0% of participants' gross salaries, respectively. The Township has paid all contributions required through December 31, 2009.

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. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administer of OTARMA and provides underwriting, claims, loss control, risk management, and reinsurance services for OTARMA. OTARMA is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

**CENTER TOWNSHIP
MORGAN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS

6. RISK MANAGEMENT(Continued)

Casualty and Property Coverage

APEEP provides OTARMA with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2008, OTARMA retained \$350,000 for casualty claims and \$100,000 for property claims.

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, 2008 and 2007, the latest information available.

	2008	2007
Assets	\$ 40,737,740	\$ 43,210,703
Liabilities	(12,981,818)	(13,357,837)
Retained Earnings	\$ 27,755,922	\$ 29,852,866

At December 31, 2008 and 2007, respectively, liabilities noted above include approximately \$12.1 million and \$12.5 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$10.9 million and \$11.6 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2008 and 2007, 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 \$14,178. This payable includes the subsequent year's contribution due if the Township terminates participation, as described in the last paragraph.

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 three years are as follows:

Contributions to OTARMA	
2009	\$7,089
2008	8,224
2007	8,135

**CENTER TOWNSHIP
MORGAN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS

6. RISK MANAGEMENT(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.

The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The System administers and pays all claims.

7. DEBT

Debt outstanding at December 31, 2009 was as follows:

	Principal	Interest rate
Backhoe Note First National Bank	\$ 35,400	3.70%
Total	\$ 35,400	

A promissory note was issued in the amount of \$35,400 in 2009 for the purchase of a backhoe to be used for maintenance of Township roads. This note is collateralized by the equipment. Payments are made annually.

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

Year Ended December 31	Backhoe
2010	18,992
2011	18,346
Total	\$ 37,338

**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.**

Center Township
Morgan County
525 State Route 83
Beverly, Ohio 45715

We have audited the financial statements of Center Township as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated February 12, 2010, 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 Center 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 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.

A deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and corrected on a timely basis..

Our consideration of internal control over financial reporting was for the limited purposes described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 Center 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*.

We noted certain immaterial instances of noncompliance that we have reported to the management of Center Township in a separate letter dated February 12, 2010.

This report is intended solely for the information and use 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
February 12, 2010



Mary Taylor, CPA
Auditor of State

CENTER TOWNSHIP

MORGAN 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
MAY 6, 2010**