

Pickaway Township
Pickaway County, Ohio

Regular Audit

January 1, 2008, through December 31, 2009
Fiscal Years Audited Under GAGAS: 2009 and 2008



Balestra, Harr & Scherer, CPAs, Inc.

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Mary Taylor, CPA

Auditor of State

Board of Trustees
Pickaway Township
6166 Zane Trail Road
Circleville, Ohio 43113

We have reviewed the *Independent Auditor's Report* of Pickaway Township, Pickaway County, prepared by Balestra, Harr & Scherer, CPAs, 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 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. Pickaway Township is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

August 13, 2010

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Pickaway Township
Pickaway County
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Independent Auditor's Report

Board of Trustees
Pickaway Township
6166 Zane Trail Road
Circleville, Ohio 43113

We have audited the accompanying financial statements of Pickaway Township, Pickaway County, (the Township) 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 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.

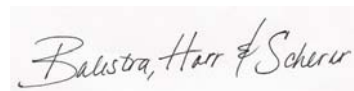
Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Township's larger (i.e., major) funds separately. While the Township does not follow GAAP, generally accepted auditing standards require us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require governments 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, 2009 and 2008 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, 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 Pickaway Township as of December 31, 2009 and 2008, 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 & 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 May 21, 2010, 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.



Balestra, Harr & Scherer, CPAs, Inc.
May 21, 2010

**PICKAWAY TOWNSHIP
PICKAWAY 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**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Permanent</u>	
Cash Receipts:				
Property Taxes	\$ 178,832	\$ 120,261	\$ -	\$ 299,093
Intergovernmental	25,785	121,610	-	147,395
Licenses, Permits, and Fees	3,395	-	-	3,395
Charges for Services	210,270	-	-	210,270
Earnings on Investments	596	395	13	1,004
Miscellaneous	1,104	222	-	1,326
Total Cash Receipts	<u>419,982</u>	<u>242,488</u>	<u>13</u>	<u>662,483</u>
Cash Disbursements:				
Current:				
General Government	147,807	-	-	147,807
Public Safety	159,865	-	-	159,865
Public Works	585	246,519	-	247,104
Health	6,466	-	-	6,466
Capital Outlay	42,377	1,615	-	43,992
Debt Service:				
Redemption of Principal	6,296	24,137	-	30,433
Interest and Fiscal Charges	-	4,286	-	4,286
Total Cash Disbursements	<u>363,396</u>	<u>276,557</u>	<u>-</u>	<u>639,953</u>
Total Cash Receipts Over/(Under) Cash Disbursements	56,586	(34,069)	13	22,530
Other Financing Receipts and (Disbursements):				
Transfers-In	-	13,166	-	13,166
Transfers-Out	(13,166)	-	-	(13,166)
Total Other Financing Receipts/(Disbursements)	<u>(13,166)</u>	<u>13,166</u>	<u>-</u>	<u>-</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	43,420	(20,903)	13	22,530
Fund Cash Balances, January 1	<u>99,518</u>	<u>182,876</u>	<u>1,328</u>	<u>283,722</u>
Fund Cash Balances, December 31	<u>\$ 142,938</u>	<u>\$ 161,973</u>	<u>\$ 1,341</u>	<u>\$ 306,252</u>

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

**PICKAWAY TOWNSHIP
PICKAWAY 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>			<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Permanent</u>	
Cash Receipts:				
Property Taxes	\$ 192,144	\$ 121,716	\$ -	\$ 313,860
Intergovernmental	50,206	129,132	-	179,338
Charges for Services	137,400	-	-	137,400
Fines, Licenses, and Permits	4,945	-	-	4,945
Earnings on Investments	1,214	573	27	1,814
Miscellaneous	1,775	-	-	1,775
Total Cash Receipts	<u>387,684</u>	<u>251,421</u>	<u>27</u>	<u>639,132</u>
Cash Disbursements:				
Current:				
General Government	140,636	-	-	140,636
Public Safety	157,159	-	-	157,159
Public Works	595	295,241	-	295,836
Health	6,215	-	-	6,215
Capital Outlay	61,604	455	-	62,059
Debt Service:				
Redemption of Principal	525	23,303	-	23,828
Interest and Fiscal Charges	-	5,120	-	5,120
Total Cash Disbursements	<u>366,734</u>	<u>324,119</u>	<u>-</u>	<u>690,853</u>
Total Cash Receipts Over/(Under) Cash Disbursements	20,950	(72,698)	27	(51,721)
Other Financing Receipts and (Disbursements):				
Proceeds from Sale of Public Debt:				
Sale of Notes	12,591	-	-	12,591
Total Other Financing Receipts/(Disbursements)	<u>12,591</u>	<u>-</u>	<u>-</u>	<u>12,591</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	33,541	(72,698)	27	(39,130)
Fund Cash Balances, January 1	<u>65,977</u>	<u>255,574</u>	<u>1,301</u>	<u>322,852</u>
Fund Cash Balances, December 31	<u>\$ 99,518</u>	<u>\$ 182,876</u>	<u>\$ 1,328</u>	<u>\$ 283,722</u>

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

Pickaway Township
Pickaway County, Ohio
Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Pickaway Township, (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 provides general road and bridge services, including road and bridge maintenance (public works), cemetery maintenance, and fire protection and emergency services.

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

B. Basis of Accounting

These financial statements follow the 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 when earned, and disbursements are recognized when paid rather than when a liability is incurred.

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

C. Fund Accounting

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

1. General Fund

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

2. 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 money to pay for constructing, maintaining, and repairing Township roads.

Road and Bridge Fund – This fund receives local tax money for constructing, maintaining and repairing Township roads and bridges.

3. Permanent Funds

These funds account for assets held under a trust agreement that are legally restricted to the extent that only earnings, not principal, are available to support the Township's programs. The Township had the following significant permanent fund.

Cemetery Endowment Fund – This fund receives interest earned on the nonexpendable corpus from a trust agreement. These earnings are used for the general maintenance and upkeep of the Township's cemetery

Pickaway Township
 Pickaway County, Ohio
 Notes to the Financial Statement
 For the Years Ended December 31, 2009 and 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process

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

1. Appropriations

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

2. Estimated Resources

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

3. Encumbrances

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

A summary of 2009 and 2008 budgetary activity appears in Note 6.

E. 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.

F. Cash and Investments

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sale of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

Certificates of deposit are valued at cost.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Township maintains a cash and investments 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:

	2009	2008
Demand deposits	\$ 305,252	\$ 282,722
Certificates of deposit	1,000	1,000
Total deposits and investments	\$ 306,252	\$ 283,722

Deposits: Deposits are either insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution for its public deposits.

Pickaway Township
 Pickaway County, Ohio
 Notes to the Financial Statement
 For the Years Ended December 31, 2009 and 2008

3. RETIREMENT SYSTEMS

The Township's elected officials and employees belong to the Public Employees Retirement System (OPERS) of Ohio. 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.

The Ohio Revised Code also prescribes contributions rates. For 2009 and 2005, OPERS members contributed 10.0 percent, of their gross salaries and the Township contributed an amount equaling 14.0 percent, of participants' gross salaries. The Township has paid all contributions required through December 31, 2009.

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding 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 payment, the first half is due December 31. The second half payment is due the following June 20.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

5. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risk:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

Settled claims have not exceeded any aforementioned commercial coverage in any of the past three years. There has been no significant change in coverage from the prior year.

6. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2009 and 2008 follows:

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 303,082	\$ 419,982	\$ 116,900
Special Revenue	244,850	255,654	10,804
Permanent	0	13	13
Total	\$ 547,932	\$ 675,649	\$ 127,717

Pickaway Township
 Pickaway County, Ohio
 Notes to the Financial Statement
 For the Years Ended December 31, 2009 and 2008

6. BUDGETARY ACTIVITY (Continued)

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 404,521	\$ 376,562	\$ 27,959
Special Revenue	426,133	276,557	149,576
Permanent	-	-	-
Total	\$ 830,654	\$ 653,119	\$ 177,535

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 364,984	\$ 400,275	\$ 35,291
Special Revenue	201,422	251,421	49,999
Permanent	0	27	27
Total	\$ 566,406	\$ 651,723	\$ 85,317

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 350,811	\$ 366,734	\$ (15,923)
Special Revenue	455,405	324,119	131,286
Permanent	-	-	-
Total	\$ 806,216	\$ 690,853	\$ 115,363

7. DEBT

Debt outstanding at December 31, 2009 was as follows:

	12/31/2009 Balance	Interest Rate
Ohio Public Works Commission	\$ 90,341	0%
Kingston Nation Bank	62,884	5.25%
MBI Solutions Inc.	5,770	0.00%
Total	\$ 158,995	

The Township issued an Ohio Public Works Commission (OPWC) note in 2007 to finance the replacement of a Township Road, to be repaid from the Gasoline Tax Fund over a five year period. Also in 2007 the Township issued a note with the Kingston Nation Bank to cover the local portion required by OPWC for the replacement of a Township Road, to be repaid from the Gasoline Tax Fund over a twenty year period. In 2008, the Township received a loan in the amount of \$12,591 from MBI Solutions Inc. for two new laptop computers for the fire department. This loan is to be repaid from the General Fund over a 24 month period.

Pickaway Township
 Pickaway County, Ohio
 Notes to the Financial Statement
 For the Years Ended December 31, 2009 and 2008

7. DEBT (CONTINUED)

Amortization of the above debt, including interest of \$6,899, is scheduled as follows:

Year ending December 31:	Kingston National Bank	OPWC	MBI Solutions
2010	\$ 23,261	\$ 5,162	\$ 5,770
2011	23,261	5,162	-
2012	23,261	5,162	-
2013	-	5,162	-
2014	-	5,162	-
2015-2019	-	25,810	-
2020-2024	-	25,810	-
2025-2027	-	12,911	-
	\$ 69,783	\$ 90,341	\$ 5,770

8. COMPLIANCE

Contrary to Ohio Revised Code Section 5705.41(B), the Township’s budgetary basis expenditures exceeded appropriations at the object level, for some objects, in the General Fund in 2008.

Contrary to Ohio Revised Code Section 5705.36(A)(4), the Township did not obtain a reduced amended certificate when it was apparent that actual resources were going to fall below the current level of appropriations. In 2008, a reduced amended certificate should have been obtained for the Motor Vehicle License Tax Fund. In 2009, a reduced amended certificate should have been obtained for the Motor Vehicle License Tax, Gasoline Tax and Permissive Motor Vehicle License Funds.

Contrary to Ohio Administrative Code Section 117-2-02A, the Township failed to maintain internal controls over financial record keeping and reporting causing an inaccurate reflection of the receipts and disbursements for 2009 and 2008.

9. CONTINGENT LIABILITY

Amounts received from grantor agencies are subject to audit and adjustment by the grantor. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.



**Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards***

Board of Trustees
Pickaway Township
6166 Zane Trail Road
Circleville, Ohio 43113

We have audited the financial statements of Pickaway Township, Pickaway County, (the Township) as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated May 21, 2010, wherein we noted the Township followed accounting practices the Auditor of State prescribes or permits 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 the purpose of expressing our opinions on the financial statements, but not for the purpose of opining 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies, or material weaknesses. However, as described in the accompanying schedule of findings and responses, we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. 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 timely corrected. We consider finding 2009-001, described in the accompanying schedule of findings and responses to be a material weakness.

We also noted certain internal control deficiencies not requiring inclusion in this report that we reported to the Township's management in a separate letter dated May 21, 2010.

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 statements 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 instances of noncompliance or other matters that we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings and responses as items 2009-001 through 2009-003.

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 May 21, 2010.

The Township's responses 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.

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



Balestra, Harr & Scherer, CPAs, Inc.
May 21, 2010

**PICKAWAY TOWNSHIP
PICKAWAY COUNTY**

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

FINDING NUMBER 2009-001

Material Weakness/Non-compliance, Ohio Administrative Code Section 117-2-02A directs all public offices to maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, and analyze, classify, record and report its transactions, maintain accountability for the related assets, and prepare financial statements required by t Rule 117-2-03 of the OAC. OAC Section 117-2-02D allows the records to be maintained manually or in a computerized format and requires the following: 1) Cash journal with the amount, date, receipts number, check number , account code and any other information necessary to properly classify the transaction; 2) Receipts ledger to assemble and classify receipts into separate accounts for each type of receipt of each fund consisting of the amount, date, name of the payer, purpose, receipt number rand other information necessary to record the transaction on this ledger, and; 3) Appropriation ledger to assemble and classify disbursements into separate accounts for, at a minimum, each account listed in the appropriations resolution The amount, date, fund, check number, purchase order number, encumbrance amount, unencumbered balance, amount of disbursements, uncommitted balance of appropriations and any other information required may be inter in the appropriate columns

Several receipt and disbursement transactions were incorrectly posted to the proper fund and/or account in both 2009 and 2008. This did not allow the Fiscal Officer to accurately reflect the financial transactions for the Township.

The fact that the posting errors resulted in reclassification and adjusting entries indicates a significant deficiency in the internal controls over financial record keeping and reporting that resulted in the inaccurate reflection of the receipts and disbursements of the Township for 2009 and 2008.

We recommend the Fiscal Officer review the requirements of OAC Section 117-2-02 and the description of the accounts in the UAN Manual and the Township Handbook to maintain the receipt ledger in the manner prescribed therein.

Client Response: The Fiscal Officer will review the UAN chart of accounts and take steps to correct the posting errors in the future.

FINDING NUMBER 2009-002

Material Non-Compliance

Ohio Revised Code Section 5705.36(A)(4) requires obtaining a reduced amended certificate if the amount of the deficiency will reduce available resources below the current level of appropriation.

Upon comparison of appropriations to available resources (defined as unencumbered beginning balance plus estimated receipts), the auditor noted 2009 appropriations were in excess of available resources in the Motor Vehicle License Tax Fund by \$12,369, the Gasoline Tax Fund by \$3,620, and the Permissive Motor Vehicle License Fund by \$11,349. In 2008, appropriations were in excess of available resources in the Motor Vehicle License Tax Fund by \$888.

The Township should implement monitoring procedures to ensure compliance with 5705.36(A)(4). Establishment of procedures for monitoring the compliance with this requirement helps to ensure that monies are not expended in excess of allowable limits.

Client Response: The Township will implement procedures to monitor actual resources and secure reduced amended certificates and corresponding reductions in appropriations when required.

**PICKAWAY TOWNSHIP
PICKAWAY COUNTY**

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

FINDING NUMBER 2009-003

Material Non-Compliance

Ohio Revised Code section 5705.41(B) states no subdivision or taxing unit is to expend money unless it has been appropriated.

Upon comparison of appropriations to expenditures, we noted expenditures exceeded appropriations at the legal level of control in the General Fund for 2008.

The Township should implement monitoring procedures to ensure appropriations are properly filed with the County Auditor and expenditures do not exceed appropriations at the legal level of control.

Client Response:

The Township will implement procedures to monitor expenditures and appropriations to help assure that expenditures do not exceed appropriations.

**PICKAWAY TOWNSHIP
PICKAWAY COUNTY
DECEMBER 31, 2009 AND 2008**

SCHEDULE OF PRIOR AUDIT FINDINGS

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2007-001	ORC Section 5705.38 Annual appropriation measure	Yes	
2007-002	ORC Section 5705.41(B) Disbursements exceeding appropriations.	No	Reissued as 2009-003
2007-003	Material Weakness – maintenance of sufficient accounting records	No	Reissued as 2009-001



Mary Taylor, CPA
Auditor of State

PICKAWAY TOWNSHIP

PICKAWAY 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 26, 2010**