



Mary Taylor, CPA
Auditor of State

ROSS TOWNSHIP
BUTLER COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Cover Letter	1
Independent Accountants' Report.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2009.....	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2008.....	6
Notes to the Financial Statements	7
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	15
Schedule of Prior Audit Findings.....	17

This page intentionally left blank.



Mary Taylor, CPA
Auditor of State

Ross Township
Butler County
3133 Hamilton
Hamilton, Ohio 45013

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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

July 22, 2010

This page intentionally left blank.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Ross Township
Butler County
3133 Hamilton-Cleves Road
Hamilton, Ohio 45013

To the Board of Trustees:

We have audited the accompanying financial statements of Ross Township, Butler County, Ohio (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. The Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. 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, 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 and reserves for encumbrances of Ross Township, Butler County, Ohio, 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 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 July 22, 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.



Mary Taylor, CPA
Auditor of State

July 22, 2010

**ROSS TOWNSHIP
BUTLER 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>Debt Service</u>	
Cash Receipts:				
Property and Other Local Taxes	\$173,665	\$1,018,112	\$0	\$1,191,777
Charges for Services		144,419		144,419
Licenses, Permits, and Fees	26,478	851		27,329
Fines and Forfeitures	11,872	7,856		19,728
Intergovernmental	408,642	360,036		768,678
Earnings on Investments	61,843	57		61,900
Miscellaneous	7,305	68,697		76,002
Total Cash Receipts	<u>689,805</u>	<u>1,600,028</u>	<u>0</u>	<u>2,289,833</u>
Cash Disbursements:				
Current:				
General Government	221,987	214		222,201
Public Safety	20,969	1,074,357		1,095,326
Public Works	5,520	456,534		462,054
Health	5,988			5,988
Conservation - Recreation	2,560			2,560
Capital Outlay		154,731		154,731
Debt Service:				
Redemption of Principal			125,000	125,000
Interest and Other Fiscal Charges			45,173	45,173
Total Cash Disbursements	<u>257,024</u>	<u>1,685,836</u>	<u>170,173</u>	<u>2,113,033</u>
Total Receipts Over/(Under) Disbursements	<u>432,781</u>	<u>(85,808)</u>	<u>(170,173)</u>	<u>176,800</u>
Other Financing Receipts / (Disbursements):				
Transfers-In		223,780	162,957	386,737
Transfers-Out	(386,737)			(386,737)
Advances-In	176,970	52,820		229,790
Advances-Out	(52,820)	(141,970)	(35,000)	(229,790)
Total Other Financing Receipts / (Disbursements)	<u>(262,587)</u>	<u>134,630</u>	<u>127,957</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over / (Under) Cash Disbursements and Other Financing Disbursements	<u>170,194</u>	<u>48,822</u>	<u>(42,216)</u>	<u>176,800</u>
Fund Cash Balances, January 1	<u>3,083,546</u>	<u>597,494</u>	<u>42,216</u>	<u>3,723,256</u>
Fund Cash Balances, December 31	<u>\$3,253,740</u>	<u>\$646,316</u>	<u>\$0</u>	<u>\$3,900,056</u>
Reserve for Encumbrances, December 31	<u>\$2,108</u>	<u>\$54,556</u>	<u>\$0</u>	<u>\$56,664</u>

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

**ROSS TOWNSHIP
BUTLER 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>Debt Service</u>	
Cash Receipts:				
Property and Other Local Taxes	\$152,000	\$957,063		\$1,109,063
Charges for Services		148,996		148,996
Licenses, Permits, and Fees	23,483	424		23,907
Fines and Forfeitures	15,773	4,535		20,308
Intergovernmental	379,790	509,182		888,972
Earnings on Investments	79,491	3,152		82,643
Miscellaneous	42,274	42,485		84,759
Total Cash Receipts	<u>692,811</u>	<u>1,665,837</u>		<u>2,358,648</u>
Cash Disbursements:				
Current:				
General Government	237,463	544		238,007
Public Safety	2,027	1,143,931		1,145,958
Public Works	4,833	655,646		660,479
Health	4,005			4,005
Conservation - Recreation		74,222		74,222
Capital Outlay		251,727		251,727
Debt Service:				
Redemption of Principal			\$ 120,000	120,000
Interest and Other Fiscal Charges			40,210	40,210
Total Cash Disbursements	<u>248,328</u>	<u>2,126,070</u>	<u>160,210</u>	<u>2,534,608</u>
Total Receipts Over/(Under) Disbursements	<u>444,483</u>	<u>(460,233)</u>	<u>(160,210)</u>	<u>(175,960)</u>
Other Financing Receipts / (Disbursements):				
Sale of Fixed Assets		250		250
Transfers-In		254,671	167,426	422,097
Transfers-Out	(422,097)			(422,097)
Advances-In	104,862	89,150		194,012
Advances-Out	(89,150)	(104,862)		(194,012)
Total Other Financing Receipts / (Disbursements)	<u>(406,385)</u>	<u>239,209</u>	<u>167,426</u>	<u>250</u>
Excess of Cash Receipts and Other Financing Receipts Over / (Under) Cash Disbursements and Other Financing Disbursements	38,098	(221,024)	7,216	(175,710)
Fund Cash Balances, January 1	<u>3,045,448</u>	<u>818,518</u>	<u>35,000</u>	<u>3,898,966</u>
Fund Cash Balances, December 31	<u>\$3,083,546</u>	<u>\$597,494</u>	<u>\$42,216</u>	<u>\$3,723,256</u>
Reserve for Encumbrances, December 31	<u>\$3,312</u>	<u>\$11,912</u>	<u>\$40</u>	<u>\$15,264</u>

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

**ROSS TOWNSHIP
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

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 the Ross Township, Butler 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, fire protection and emergency medical services, police services.

The Township participates in the OTARMA public entity risk pool. Note 8 to the financial statements provides additional information for this entity.

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 Deposits

The Township values certificates of deposit at cost.

D. Fund Accounting

The Township uses fund accounting to segregate cash and deposits that are 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 (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:

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

Police District - This fund receives property tax and intergovernmental revenue for the operation of the Township Police Department.

Special Levy - Fire Fund - This fund receives property tax and intergovernmental revenue for the operation of the Township Fire Department.

**ROSS TOWNSHIP
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

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

3. Debt Service Funds

These funds account for resources the Township accumulates to pay bond and note debt. The Township had the following significant Debt Service Funds:

OTA Lease Fund - This fund is used to account for debt service requirements for the Ohio Township Association lease-purchase agreement.

Millville Equipment Purchase Fund - This fund is used to account for the purchase of equipment from the Village of Millville. Equipment was paid during 2009.

Self-funded Insurance Medical Fund – This fund receives insurance premium payments from other funds to pay medical claims of employees enrolled in the health insurance plan.

E. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) 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. Unencumbered 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 carried over, and need not be reappropriated.

A summary of 2009 and 2008 budgetary activity appears in Note 3.

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.

**ROSS TOWNSHIP
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

2. Equity in Pooled Deposits

The Township maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits at December 31 was as follows:

	2009	2008
Demand deposits	\$900,056	\$1,723,256
Certificates of deposit	3,000,000	2,000,000
Total deposits	3,900,056	3,723,256

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 ending December 31, 2009 and 2008 follows:

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$580,819	\$689,805	\$108,986
Special Revenue	1,732,124	1,823,808	91,684
Debt Service	162,957	162,957	0
Total	\$2,475,900	\$2,676,570	\$200,670

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,661,052	\$645,869	\$3,015,183
Special Revenue	2,175,736	1,740,392	435,344
Debt Service	170,173	170,173	0
Total	\$6,006,961 *	\$2,556,434	\$3,450,527

**ROSS TOWNSHIP
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

3. Budgetary Activity (Continued)

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$479,516	\$692,811	\$213,295
Special Revenue	1,753,448	1,920,758	167,310
Debt Service	167,425	167,426	1
Total	\$2,400,389	\$2,780,995	\$380,606

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,522,136	\$673,737	\$2,848,399
Special Revenue	2,349,465	2,137,982	211,483
Debt Service	167,425	160,250	7,175
Total	\$6,039,026 *	\$2,971,969	\$3,067,057

* Note: These totals do not include Advances.

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.

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. Debt

Debt outstanding at December 31, 2009 was as follows:

	Principal	Interest Rate
Ohio Township Association Lease Purchase Agreement	1,080,000	2.65%
Total	\$1,080,000	

**ROSS TOWNSHIP
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

5. Debt (Continued)

On November 1, 2004 the Township entered into a financing agreement with the Ohio Township Association (OTA) for the construction of its Fire Station. Under the financing agreement, the Township is obligated to make payments to Ohio Township Association Leasing through 2019 in amounts required to retire \$1.5 million in Certificates of Participation issued by the Bank of New York. These Certificates of Participation mature through 2019 and carry interest rates ranging from 2.10% to 4.3%.

On September 1, 2004 the Township entered into an agreement with the Village of Millville to purchase the Village's fire trucks and equipment. Under the agreement, the Township is obligated to make annual payments to the Village of Millville. The last payment occurred on January 19, 2009 to pay the \$175,000 purchase price in full. This agreement does not carry any interest.

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

Year ending December 31:	<u>Fire Station</u>
2010	133,498
2011	135,572
2012	132,152
2013	133,732
2014	135,032
2015-2019	<u>678,615</u>
Total	<u><u>\$1,348,601</u></u>

Note: The above fire station lease payments also include administrative fees. The above fire equipment purchase does not carry any interest.

6. Retirement Systems

The Township's Fire Chief belongs to the Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). The Township's Acting Police Chief belongs to the OPERS – Law Enforcement. OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2009 and 2008, OP&F participants contributed 10% of their wages. For 2009 and 2008, the Township contributed to OP&F an amount equal to 24% of full-time fire fighters' wages. For 2009 and 2008, OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries. For 2009 and 2008, the OPERS – Law Enforcement member contributed 10.1% of his gross salary and the Township contributed an amount equaling 17.63 and 17.4%, respectively, of the participant's gross salary. The Township has paid all contributions required through December 31, 2009.

**ROSS TOWNSHIP
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

7. 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 administrator 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.

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 agreement does not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

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):

	<u>2008</u>	<u>2007</u>
Assets	\$40,737,740	\$43,210,703
Liabilities	<u>(12,981,818)</u>	<u>(13,357,837)</u>
Net Assets	<u>\$27,755,922</u>	<u>\$29,852,866</u>

At December 31, 2008 and 2007, respectively, liabilities above include approximately \$12.1 and \$12.5 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$10.9 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 \$38,120.

**ROSS TOWNSHIP
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

7. Risk Management (Continued)

Based on discussions 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.

<u>Contributions to OTARMA</u>	
2007	\$37,518
2008	\$41,490
2009	\$44,326

After completing one year of membership, members may withdraw on each anniversary of the date they joined OTARMA provided they provide 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.

This page intentionally left blank.



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*

Ross Township
Butler County
3133 Hamilton-Cleves Road
Hamilton, Ohio 45013

To the Township Board of Trustees:

We have audited the financial statements of Ross Township, Butler County, Ohio (the Township), as of and for the year ended December 31, 2009 and 2008, and have issued our report thereon dated July 22, 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 also noted the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. 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 opinion 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.

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 internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose 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 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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated July 22, 2010.

We intend this report solely for the information and use of management, the audit committee, Township Board of Trustees, and others within the Township. We intend it for no one other than these specified parties.

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

July 22, 2010

**ROSS TOWNSHIP
BUTLER COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2009 AND 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2007-001	Review of ambulance billings	Yes	
2007-002	Ohio Rev. Code Section 5705.36(A)(4), Appropriations exceeding Available fund balance in fire fund 2191	Yes	
2007-003	OAC 117-2-01 (D): Lack of oversight in the posting of receipts and expenditures and errors in encumbrances recognition	Yes	



Mary Taylor, CPA
Auditor of State

ROSS TOWNSHIP

BUTLER 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 10, 2010**