



**Auditor of State  
Betty Montgomery**



**UNION TOWNSHIP  
WARREN COUNTY**

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**Auditor of State  
Betty Montgomery**

Union Township  
Warren County  
285 Pike Street  
South Lebanon, Ohio 45056

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 a February 2, 2005 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 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.

A handwritten signature in cursive script that reads "Betty Montgomery".

**Betty Montgomery**  
Auditor of State

January 19, 2006

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## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

Union Township  
Warren County  
285 Pike Street  
South Lebanon, Ohio 45056

To the Board of Trustees:

We have audited the accompanying financial statements of Union Township, Warren County, Ohio (the Township), as of and for the years ended December 31, 2004 and 2003. 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.

Revisions to GAAP would require the Township to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. Instead of the combined funds the accompanying financial statements present for 2004 (and 2003), the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2004. 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.

Corporate Centre of Blue Ash / 11117 Kenwood Rd. / Blue Ash, OH 45242  
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In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the year ended December 31, 2004 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, 2004, or its changes in financial position for the year 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 Union Township, Warren County, as of December 31, 2004 and 2003, 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 year ended December 31, 2004. 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 January 19, 2006, 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.



**Betty Montgomery**  
Auditor of State

January 19, 2006



**UNION TOWNSHIP  
WARREN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES AND NONEXPENDABLE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	Governmental Fund Types			Totals
	General	Special Revenue	Nonexpendable Trust	(Memorandum Only)
<b>Cash Receipts:</b>				
Property and Other Local Taxes	\$83,910	\$508,897	\$0	\$592,807
Charges for Services	0	57,353	0	\$57,353
Licenses, Permits, and Fees	0	33,196	0	\$33,196
Intergovernmental	248,668	272,541	0	\$521,209
Special Assessments	0	13,285	0	\$13,285
Earnings on Investments	1,591	332	0	\$1,923
Miscellaneous	5,104	20,461	0	\$25,565
<b>Total Cash Receipts</b>	<b>339,273</b>	<b>906,065</b>	<b>0</b>	<b>1,245,338</b>
<b>Cash Disbursements:</b>				
Current:				
General Government	99,787	37,907	0	137,694
Public Safety	122	670,666	0	670,788
Public Works	92,660	69,154	0	161,814
Health	15,000	36,158	0	51,158
Capital Outlay	23,687	0	0	23,687
Debt Service:				
Redemption of Principal	8,474	25,000	0	33,474
Interest and Other Fiscal Charges	0	11,438	0	11,438
<b>Total Cash Disbursements</b>	<b>239,730</b>	<b>850,323</b>	<b>0</b>	<b>1,090,053</b>
<b>Total Receipts Over Disbursements</b>	<b>99,543</b>	<b>55,742</b>	<b>0</b>	<b>155,285</b>
<b>Other Financing Receipts/(Disbursements):</b>				
Sale of Fixed Assets	0	15,925	0	15,925
Advances-In	9,509	9,509	0	19,018
Advances-Out	(9,509)	(9,509)	0	(19,018)
Other Financing Sources	1,000	0	0	1,000
<b>Total Other Financing Receipts/(Disbursement)</b>	<b>1,000</b>	<b>15,925</b>	<b>0</b>	<b>16,925</b>
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements And Other Financing Disbursements	100,543	71,667	0	172,210
Fund Cash Balance, January 1	45,290	222,757	705	268,752
<b>Fund Cash Balance, December 31</b>	<b>\$145,833</b>	<b>\$294,424</b>	<b>\$705</b>	<b>\$440,962</b>
Reserve for Encumbrances, December 31	\$0	\$4,999	\$0	\$4,999

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

UNION TOWNSHIP  
WARREN COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES AND NONEXPENDABLE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Governmental Fund Types				Totals
	General	Special Revenue	Capital Projects	Nonexpendable Trust	(Memorandum Only)
<b>Cash Receipts:</b>					
Property and Other Local Taxes	\$75,309	\$490,289	\$0	\$0	\$565,598
Charges for Services	0	10,243	0	0	10,243
Licenses, Permits, and Fees	0	41,453	0	0	41,453
Intergovernmental	55,893	165,451	84,741	0	306,085
Special Assessments	0	16,834	0	0	16,834
Earnings on Investments	1,304	423	0	0	1,727
Miscellaneous	19,466	29,469	0	0	48,935
<b>Total Cash Receipts</b>	<b>151,972</b>	<b>754,162</b>	<b>84,741</b>	<b>0</b>	<b>990,875</b>
<b>Cash Disbursements:</b>					
Current:					
General Government	130,515	0	0	0	130,515
Public Safety	248	511,453	0	0	511,701
Public Works	2,586	204,653	0	0	207,239
Health	4,319	58,816	0	0	63,135
Capital Outlay	4,874	351,243	84,741	0	440,858
Debt Service:					
Redemption of Principal	0	4,237	0	0	4,237
<b>Total Cash Disbursements</b>	<b>142,542</b>	<b>1,130,402</b>	<b>84,741</b>	<b>0</b>	<b>1,357,685</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>9,430</b>	<b>(376,240)</b>	<b>0</b>	<b>0</b>	<b>(366,810)</b>
<b>Other Financing Receipts/(Disbursements):</b>					
Sale of Bonds	0	300,000	0	0	300,000
Advances-In	1,000	57	0	0	1,057
Advances-Out	(57)	(1,000)	0	0	(1,057)
Other Financing Sources	0	49,500	0	0	49,500
Other Financing Uses	(176)	0	0	0	(176)
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>767</b>	<b>348,557</b>	<b>0</b>	<b>0</b>	<b>349,324</b>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements And Other Financing Disbursements</b>	<b>10,197</b>	<b>(27,683)</b>	<b>0</b>	<b>0</b>	<b>(17,486)</b>
<b>Fund Cash Balance, January 1</b>	<b>35,093</b>	<b>250,440</b>	<b>0</b>	<b>705</b>	<b>286,238</b>
<b>Fund Cash Balance, December 31</b>	<b>\$45,290</b>	<b>\$222,757</b>	<b>\$0</b>	<b>\$705</b>	<b>\$268,752</b>
<b>Reserve for Encumbrances, December 31</b>	<b>\$60</b>	<b>\$5,741</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,801</b>

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

**UNION TOWNSHIP  
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003**

**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 Union Township, Warren County, Ohio (the Township), as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services.

The Township'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 the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements. 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's funds were deposited in an interest bearing checking account during the audit period.

**D. 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 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 trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Fund:

Special Levy – Fire/EMS Fund - This fund receives the proceeds of from the property tax levy for providing fire protection and emergency medical services to Township residents.

**UNION TOWNSHIP  
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003  
(Continued)**

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

**3. Capital Project Fund**

This fund 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:

Public Works Projects Fund - The Township received a loan from the State of Ohio for the Bunnell Road Improvement Project.

**4. Fiduciary Fund (Nonexpendable Trust)**

This fund accounts for resources restricted by a legally binding trust agreement. The Township had the following fiduciary fund:

Scott Crane Trust Fund – This fund is used to account for activity in the nonexpendable cemetery trust fund.

**E. Budgetary Process**

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

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function 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 2004 and 2003 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.

**UNION TOWNSHIP  
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003  
(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 CASH AND DEPOSITS**

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

	2004	2003
Demand deposits	\$440,962	\$268,752

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

The Township did not deposit certain receipts in accordance with the time requirements of the Ohio Revised Code

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2004 and 2003 follows:

2004 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$371,064	\$340,273	(\$30,791)
Special Revenue	900,882	921,990	21,108
Capital Projects	142,140	0	(142,140)
Fiduciary	0	0	0
Total	\$1,414,086	\$1,262,263	(\$151,823)

2004 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$416,530	\$239,730	\$176,800
Special Revenue	1,148,145	855,322	292,823
Capital Projects	142,140	0	142,140
Fiduciary	705	0	705
Total	\$1,707,520	\$1,095,052	\$612,468

**UNION TOWNSHIP  
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$196,170	\$151,972	(\$44,198)
Special Revenue	1,148,427	1,103,662	(44,765)
Capital Projects	218,544	84,741	(133,803)
Fiduciary	0	0	0
Total	\$1,563,141	\$1,340,375	(\$222,766)

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$228,310	\$142,778	\$85,532
Special Revenue	801,776	1,136,143	(334,367)
Capital Projects	218,544	84,741	133,803
Fiduciary	705	0	705
Total	\$1,249,335	\$1,363,662	(\$114,327)

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Fire/EMS levy fund by \$451,594 for the year ended December 31, 2003.

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopt rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Township.

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

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

**UNION TOWNSHIP  
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003  
(Continued)**

**5. DEBT**

Debt outstanding at December 31, 2004 was as follows:

	Principal	Interest Rate
General Obligation Bonds	\$275,000	3.74%
OPWC Loan	72,029	0.00%
Total	\$347,029	

The Township issued general obligation bonds to finance the purchase of a new fire truck. The Township's taxing authority collateralized the bonds.

The Township received a Ohio Public Works Commission (OPWC) loan to complete the Bunnell Road Improvement Project.

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

	General Obligation Bonds	OPWC Loan
Year ending December 31:		
2005	\$25,000	\$8,474
2006	25,000	8,474
2007	30,000	8,474
2008	30,000	8,474
2009	30,000	8,474
2010-2014	135,000	29,659
Total	\$275,000	\$72,029

**6. RETIREMENT SYSTEMS**

The Township's official and full-time employees belong to the Ohio Public Employees Retirement System (OPERS). 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 2004 and 2003, members of OPERS members contributed 8.5 percent of their gross salaries. The Township contributed an amount equaling 13.55 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2004.

**UNION TOWNSHIP  
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003  
(Continued)**

**7. RISK MANAGEMENT**

**Commercial Insurance**

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and

The Township is uninsured for the following risks:

- Errors and omissions.





**Auditor of State  
Betty Montgomery**

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

Union Township  
Warren County  
285 Pike Street  
South Lebanon, Ohio 45056

To the Board of Trustees:

We have audited the financial statements of the Union Township (the Township) as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated January 19, 2006, 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 that 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 because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. 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 to determine our auditing procedures in order to express our opinion on the financial statements and not to opine on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Township's ability to record, process, summarize, and report financial data consistent with management's assertions in the financial statements. A reportable condition is described in the accompanying schedule of findings as item 2004-003.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses. However, we do not believe the reportable condition described above is a material weakness." In a separate letter to the Township's management dated January 19, 2006, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

### **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 instances of noncompliance or other matters that we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2004-001 and 2004-002. In a separate letter to the Township's management dated January 19, 2006, we reported other matters related to noncompliance we deemed immaterial.

We intend this report solely for the information and use of the management and the Board of Trustees. It is not intended for anyone other than these specified parties.

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

**Betty Montgomery**  
Auditor of State

January 19, 2006

**UNION TOWNSHIP  
WARREN COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2004 AND 2003**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2004-001**

**Finding for Recovery-Repaid Under Audit**

**Ohio Rev. Code, Section 507.09**, provides that the township clerk is entitled to compensation based on the township's annual budget. In townships having a budget of more than one million five hundred thousand dollars but not more than three million five hundred thousand dollars, the township clerk's compensation has been established at \$17,962. During 2004, an error was made in the calculation of the clerk's salary since she was re-elected effective April 1, 2004. The Township's Clerk, Sharon Lawhorn, was entitled to \$17,805 in annual compensation, however she was compensated \$18,007. This resulted in an overpayment of \$202.

In accordance with the foregoing fact, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money illegally expended is hereby issued against Township Clerk, Sharon Lawhorn, and The Cincinnati Insurance Company, her bonding company, jointly and severally, in the amount of two hundred and two dollars (\$202) and in favor of the Township's General Fund. When notified of the overpayment, Ms. Lawhorn reimbursed the Township in the amount of the finding.

**FINDING NUMBER 2004-002**

**Noncompliance Citation**

**Ohio Rev. Code, Section 5705.41(B)**, provides that no subdivision or taxing unit is to expend money unless it has been appropriated. Expenditures plus encumbrances exceeded appropriations for the following:

<u>Year</u>	<u>Fund</u>	<u>Approp. Plus PY Carryover</u>	<u>Expend. plus Encumbrances</u>	<u>Variance</u>
2003	2191 Fire/EMS Levy Fund	\$ 409,893	\$861,487	(\$451,594)

Allowing expenditures to exceed appropriations could result in negative fund balances and the use of Township resources required for other services. We recommend that the Township monitor expenditures and appropriations.

**FINDING NUMBER 2004-003**

**Reportable Condition**

Deposits were not made in a timely manner for funds received by the clerk for licenses, permits and fees, miscellaneous/other revenue and charges for services during the audit period. During the audit period, \$7,948 (43%) of licenses, permits and fees, \$23,970 (37%) of miscellaneous/other revenue and \$3,148 (10%) of charges for services were not deposited timely. Not depositing in a timely manner can lead to loss of funds, posting errors and difficulty reconciling accounts.

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**UNION TOWNSHIP  
WARREN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2004**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2002-001	Rev. Code Section 5705.41(D): Availability of funds was not certified for certain commitments	No	Partially Corrected—Reissued in 2004 - 2003 management letter.
2002-002	Deposits not timely.	No	Repeated as Finding 2004-003





**Auditor of State  
Betty Montgomery**

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**UNION TOWNSHIP**

**WARREN 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  
FEBRUARY 23, 2006**