



FRANKLIN TOWNSHIP, ROSS COUNTY

Regular Audit

**For the Year Ended
December 31, 2008**

J.L. UHRIG
AND ASSOCIATES INC.

CERTIFIED PUBLIC ACCOUNTANT AND MANAGEMENT CONSULTANTS





Mary Taylor, CPA

Auditor of State

Board of Trustees
Franklin Township
2572 Moss Hollow Road
Chillicothe, Ohio 45601

We have reviewed the *Independent Auditor's Report* of Franklin Township, Ross County, prepared by J.L. Uhrig and Associates, Inc., for the audit period January 1, 2008 through December 31, 2008. 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. Franklin Township is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

May 21, 2009

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FRANKLIN TOWNSHIP, ROSS COUNTY
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Independent Auditor's Report

Board of Trustees
Franklin Township, Ross County
2572 Moss Hollow Road
Chillicothe, OH 45601

We have audited the accompanying financial statement of Franklin Township (the Township), Ross County as of and for the year ended December 31, 2008. This financial statement is the responsibility of the Township's management. Our responsibility is to express an opinion on this financial statement 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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 2, the Township prepared this financial statement 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 statement 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, 2008. Instead of the combined funds the accompanying financial statement presents for 2008, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2008. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statement does not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statement. 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 two paragraphs, the financial statement referred to above for the year ended December 31, 2008 does 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, 2008, or its changes in financial position for the years then ended.

Board of Trustees
Franklin Township, Ross County
Independent Auditor's Report

Also, in our opinion, the financial statement referred to in the first paragraph above presents fairly, in all material respects, the combined fund cash balances of the Township, as of December 31, 2008, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 2 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, 2008. 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 April 2, 2009 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 grants. While we do 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* and should be read in conjunction with this report when considering the results of our audit.

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.

April 2, 2009

FRANKLIN TOWNSHIP, ROSS 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

	Governmental Fund Types				Totals
	General	Special Revenue	Debt Service	Capital Projects	
<u>Cash Receipts:</u>					
Local Taxes	\$18,251	\$68,150	\$0	\$0	86,401
Intergovernmental	49,751	118,222	8,933	86,950	263,856
Earnings on Investments	14,869	11,199	0	0	26,068
Other Revenue	0	1,787	0	0	1,787
Total Cash Receipts	82,871	199,358	8,933	86,950	378,112
<u>Cash Disbursements:</u>					
<i>Current:</i>					
General Government	83,870	18,295	0	0	102,165
Public Safety	0	51,506	0	0	51,506
Public Works	0	41,502	0	0	41,502
Health	2,834	0	0	0	2,834
Capital Outlay	1,126	8,000	0	86,950	96,076
<i>Debt Service:</i>					
Redemption of Principal	0	0	8,601	0	8,601
Interest and Fiscal Charges	0	0	332	0	332
Total Cash Disbursements	87,830	119,303	8,933	86,950	303,016
Total Cash Receipts Over/(Under) Cash Disbursements	(4,959)	80,055	0	0	75,096
Fund Cash Balances, January 1	99,912	306,791	0	0	406,703
Fund Cash Balances, December 31	\$94,953	\$386,846	\$0	\$0	\$481,799

See accompanying notes to the financial statements.

FRANKLIN TOWNSHIP, ROSS COUNTY
Notes to the Financial Statement
For the Year Ended December 31, 2008

Note 1 – Reporting Entity

Franklin Township, Ross County, Ohio (the Township), is a body politic and corporate established in 1758 to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Township Fiscal Officer.

The Township provides general government services, maintenance of Township roads and bridges, maintenance of cemeteries, and fire and emergency services.

The Township's management believes the financial statement presents all activities for which the Township is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting

The Township's financial statement follows the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. This method differs from generally accepted accounting principles because receipts are recognized when received in cash rather than when earned, and disbursements are recognized when a payment is made rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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:

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

Special Revenue Funds: These funds are used to account for proceeds from specific sources (other than 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 personal property tax money for maintaining and repairing Township roads and bridges.

Fire and EMS Fund – This fund receives property tax money for maintaining and repairing the Township's firehouses and rescue equipment.

Debt Service Fund: This fund accounts for resources the Township accumulates to pay note debt. The Township had the following Debt Service Fund:

Miscellaneous Debt Service - This fund receives gasoline tax money to retire the debt the Township has incurred.

FRANKLIN TOWNSHIP, ROSS COUNTY
Notes to the Financial Statement
For the Year Ended December 31, 2008

Note 2 – Summary of Significant Accounting Policies (continued)

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 Projects Funds:

Miscellaneous Capital Projects Fund - The Township received a grant from FEMA passed through Ross County to build a new firehouse.

Public Works Projects - The Township received funding from the Ross County Engineer to assist in repair and maintenance of Township roads.

Budgetary Process

The Ohio Revised Code requires that each Township fund 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 Ross County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year-end.

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

Encumbrances: The Ohio Revised Code requires the Township to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are cancelled, and re-appropriated in the following year.

A summary of budgetary activity appears in Note 4.

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.

Note 3 – Cash and Investments

The Township maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The Township had no investments at year end. The carrying amount of cash at year end was \$481,799.

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

FRANKLIN TOWNSHIP, ROSS COUNTY
Notes to the Financial Statement
For the Year Ended December 31, 2008

Note 4 – Budgetary Basis of Accounting

The Township’s budgetary activity for the year ending December 31, 2008 was as follows:

2008 Budgeted vs. Actual Receipts

Fund Type	Receipts		Variance
	Budgeted	Actual	
General	\$74,271	\$82,871	\$8,600
Special Revenue	184,213	199,358	15,145
Debt Service	8,933	8,933	0
Capital Projects	86,950	86,950	0
<i>Total</i>	<u>\$354,367</u>	<u>\$378,112</u>	<u>\$23,745</u>

2008 Budgeted vs. Actual Budgetary Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$174,183	\$87,830	\$86,353
Special Revenue	491,003	119,303	371,700
Debt Service	8,933	8,933	0
Capital Projects	86,950	86,950	0
<i>Total</i>	<u>\$761,069</u>	<u>\$303,016</u>	<u>\$458,053</u>

FRANKLIN TOWNSHIP, ROSS COUNTY
Notes to the Financial Statement
For the Year Ended December 31, 2008

Note 5– Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2008 represent the collection of 2007 taxes. Real property taxes received in 2008 were levied after October 1, 2007, on the assessed values as of January 1, 2007, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2008 represent the collection of 2007 taxes. Public utility real and tangible personal property taxes received in 2008 became a lien on December 31, 2007, were levied after October 1, 2007, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2008 (other than public utility property) represent the collection of 2008 taxes. Tangible personal property taxes received in 2008 were levied after October 1, 2007, on the true value as of December 31, 2007. Tangible personal property is being phased out. For 2007, tangible personal property tax was assessed at 12.50 percent for property, including inventory. This percentage was reduced to 6.25 percent for 2008 and will be reduced to zero for 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all Township operations for the year ended December 31, 2008 and 2007, was \$8.40 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2008 as compared to 2007 property tax receipts were based are as follows:

	2008	2007
Real Property		
Residential	\$3,558,950	\$3,074,680
Agricultural	10,029,810	8,621,390
Commercial/Industrial/Mineral	216,400	255,750
Tangible Personal Property	248,180	35,150
Public Utility	1,750,510	2,069,640
Total Assessed Value	\$15,803,850	\$14,026,610

FRANKLIN TOWNSHIP, ROSS COUNTY
Notes to the Financial Statement
For the Year Ended December 31, 2008

Note 6 – Risk Management

Risk Pool Membership

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio Townships. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member townships pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements, and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Coverage

For an occurrence prior to January 1, 2006, OTARMA retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year. For an occurrence on or subsequent to January 1, 2006, the Pool retains casualty risk up to \$350,000 per occurrence, including loss adjustment expenses. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year. Governments can elect up to \$10,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with OTARMA.

If losses exhaust OTARMA's retained earnings, APEEP provides *excess of funds available* coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000 or \$3,000,000 as noted above.

Property Coverage

Beginning in 2005, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. This amount increased to \$300,000 in 2007. For 2007, APEEP reinsures members for specific losses exceeding \$100,000 up to \$300,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable value. If the stop loss is reached by payment of losses between \$100,000 and \$250,000 in 2006 or \$100,000 and \$300,000 in 2007. Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2007 was \$2,014,548.

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.

FRANKLIN TOWNSHIP, ROSS COUNTY
Notes to the Financial Statement
For the Year Ended December 31, 2008

Note 6 – Risk Management (continued)

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, 2007 and 2006 (latest information available):

<u>Combined Coverage</u>	<u>2007</u>	<u>2006</u>
Assets	\$43,210,703	\$42,042,275
Liabilities	(13,357,837)	(12,120,661)
Retained Earnings	<u>\$29,852,866</u>	<u>\$29,921,614</u>

At December 31, 2007 and 2006, respectively, casualty coverage liabilities noted above include approximately \$11.6 million and \$10.8 million of estimated incurred claims payable. The Casualty Coverage assets and retained earnings above also include approximately \$11.6 million and \$10.8 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2007 and 2006, 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 \$22,966. This payable includes the subsequent year's contribution due if the Township terminates participation, as described in the last paragraph below.

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.

The Township's required contributions to OTARMA for 2008 was \$11,483.

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.

Note 7 – Retirement Systems

A. Ohio Public Employees Retirement System

The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS Administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.

FRANKLIN TOWNSHIP, ROSS COUNTY
Notes to the Financial Statement
For the Year Ended December 31, 2008

Note 7 – Retirement Systems (continued)

The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

For the year ended December 31, 2008, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 10.0 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.10 percent of their annual covered salary; members in public safety contributed 10.1 percent. The Township's contribution rate for pension benefits for 2008 was 14.0 percent, except for those plan members in law enforcement or public safety. For those classifications, the Township's pension contributions were 17.4 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2008, 2007, and 2006 were \$6,970, \$7,671, and \$4,975 respectively. The full amount has been contributed for 2008, 2007 and 2006.

Note 8 - Postemployment Benefits

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2008 local government employer contribution rate was 14.0 percent of covered payroll (17.40 percent for public safety and law enforcement); 7.0 percent of covered payroll was the portion that was used to fund health care.

FRANKLIN TOWNSHIP, ROSS COUNTY
Notes to the Financial Statement
For the Year Ended December 31, 2008

Note 8 - Postemployment Benefits (continued)

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2007 include a rate of return on investments of 6.50 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 4.0 percent based on additional annual pay increases. Health care premiums were assumed to increase between .5 and 6.30 percent annually for the next eight years and 4.00 percent annually after seven years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans for December 31, 2008 were 363,503. Actual employer contributions for 2008 which were used to fund postemployment benefits were \$3,485. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2007, (the latest information available) were \$12.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.8 billion and \$17.0 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs.

Note 9 - Notes Payable

A summary of the note transactions for the year ended December 31, 2008, follows:

	Interest Rate	Balance December 31, 2007	Additions	Reductions	Balance December 31, 2008
<u>Governmental Activities</u>					
2003 Backhoe Loader	3.75%	\$8,601	\$0	\$8,601	\$0
Total Governmental Activities		\$8,601	\$0	\$8,001	\$0

The Township issued a note for the purchase of a new John Deere Backhoe/Loader in 2003. The Note will be paid off in annual installments of \$8,936 (principal and interest), which will be paid with a portion of the Township's Gasoline Tax funds.

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

Board of Trustees
Franklin Township
2572 Moss Hollow Road
Chillicothe, OH 45601

We have audited the accompanying financial statement of Franklin Township, Ross County, Ohio (the Township), as of and for the year ended December 31, 2008, and have issued our report thereon dated April 2, 2009. 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 of America.

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 expressing our opinion on the financial statements, but not to opine 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 control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Township's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Township's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be 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.

Board of Trustees
Franklin Township, Ross County
Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Required by
Government Auditing Standards

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 Standards*.

We noted certain matters that we reported to the Township's management in a separate letter dated April 2, 2009.

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

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.

April 2, 2009



Mary Taylor, CPA
Auditor of State

FRANKLIN TOWNSHIP

ROSS 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
JUNE 4, 2009**