



**HENRY TOWNSHIP
WOOD COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2009



Mary Taylor, CPA
Auditor of State

**HENRY TOWNSHIP
WOOD COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Henry Township
Wood County
421 N. Main Street
North Baltimore, Ohio 45872

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Henry Township, Wood County, Ohio (the Township), as of and for the year ended December 31, 2009, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions 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 discussed in Note 1, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Henry Township, Wood County, Ohio, as of December 31, 2009, and the respective changes in cash financial position and the respective budgetary comparison for the General Fund, Gasoline Tax Fund, Road and Bridge Fund, Fire District Fund, and the Road District Fund. Thereof for the year then ended in conformity with the basis of accounting Note 1 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 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.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Mary Taylor, CPA
Auditor of State

December 3, 2010

Henry Township
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

This discussion and analysis of Henry Township's (the Township) financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2009, within the limitations of the Township's cash basis of accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2009 are as follows:

Net assets of governmental activities increased \$222,939, or 238 percent. A couple of factors causing the increase included: 1. A payment of \$180,000 from CSX for the closing of two railroad crossings in relation to the CSX Intermodal Yard Project; and 2. The Estate tax for 2009 was \$48,543 higher than 2008.

The Township's general receipts are primarily property taxes. These receipts represent 32 percent of the total cash received for governmental activities during the year. This percentage decreased in 2009 due to over \$50,000 of estate tax money being received in 2009 and only \$2,703 in 2008. Receipts for 2009 increased \$180,000, as compared to 2008 due to the \$180,000 payment from CSX.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Township as a Whole

The statement of net assets and the statement of activities reflect how the Township did financially during 2009, within the limitations of cash basis accounting. The statement of net assets presents the cash balances of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other non-financial factors as well such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue source property taxes.

The statement of net assets and the statement of activities shows governmental activities. Most of the Township's basic services are reported here, including police, fire, streets and parks. State grants and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Township's Most Significant Funds

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Township are governmental.

Governmental Funds - The Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds include the General Fund, Gasoline Tax Fund, Road and Bridge Fund, Fire District Fund, and the Road District Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

Henry Township
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

The Township as a Whole

Table 1 provides a summary of the Township's net assets for 2009 compared to 2008 on a cash basis:

(Table 1)

Net Assets

	<u>Governmental Activities</u>	
	<u>2009</u>	<u>2008</u>
Assets		
Cash and Cash Equivalents	\$ 316,462	\$ 93,523
Total Assets	<u>\$ 316,462</u>	<u>\$ 93,523</u>
 Net Assets		
Restricted for:		
Other Purposes	\$ 74,010	\$ 61,866
Unrestricted	<u>242,452</u>	<u>31,657</u>
Total Net Assets	<u>\$ 316,462</u>	<u>\$ 93,523</u>

- .As mentioned previously, net assets of governmental activities increased \$222,939 or 238 percent during 2009.

Henry Township
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

Table 2 reflects the changes in net assets in 2009. A comparative analysis of government-wide data with 2008 is presented.

(Table 2)
Changes in Net Assets

	Governmental Activities	
	2009	2008
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$8,718	\$9,279
Operating Grants, Contributions and Interest	111,061	114,108
Capital Grants and Contributions	180,000	
Total Program Receipts	<u>299,779</u>	<u>123,387</u>
General Receipts:		
Property and Other Local Taxes	141,266	147,794
Grants and Entitlements Not Restricted to Specific Programs	109,505	49,626
Sale of Capital Assets		1,531
Interest	3,010	3,695
Miscellaneous	5,063	671
Total General Receipts	<u>258,844</u>	<u>203,317</u>
Total Receipts	<u>558,623</u>	<u>326,704</u>
Disbursements:		
General Government	93,265	114,802
Public Safety	705	14,843
Public Works	223,135	248,294
Health	1,069	929
Capital Outlay	17,510	
Total Disbursements	<u>335,684</u>	<u>378,868</u>
Increase (Decrease) in Net Assets	222,939	(52,164)
Net Assets, January 1,	93,523	145,687
Net Assets, December 31,	<u>\$316,462</u>	<u>\$93,523</u>

Program receipts represent 54 percent of total receipts for 2009 and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, building permits, inspection fees and the road closings. This figure is up for the year due to the road closing payment.

General receipts represent 46 percent of the Township's total receipts, and of this amount, over 55 percent are local taxes. State grants and entitlements normally make up the balance of the Township's general receipts (42 percent). Other receipts are usually very insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the costs of the trustees and the fiscal officer, as well as internal services such as payroll and purchasing and benefits for the road workers. Since these costs do not represent direct services to residents, we try to limit these costs as much as possible.

Henry Township
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

Public Safety is the cost of fire protection and Public Works is the cost of maintaining the roads

Governmental Activities

If you look at the Statement of Activities you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for Public Works and General Government, which account for 65 and 30 percent of all governmental disbursements, respectively. The next two columns of the Statement entitled Program Cash Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

Governmental Activities

	Total Cost of Services 2009	Net Cost of Services 2009	Total Cost of Services 2008	Net Cost of Services 2008
General Government	\$93,265	\$93,265	\$114,802	\$114,802
Public Safety	705	(250)	14,843	12,951
Public Works	223,135	(75,689)	248,294	126,799
Health	1,069	1,069	929	929
Capital Outlay	17,510	17,510		
Total Expenses	\$335,684	\$35,905	\$378,868	\$255,481

The dependence upon property tax receipts is apparent as over 42 percent of governmental activities are supported through these general receipts.

The Township's Funds

Total governmental funds had receipts and other financing sources of \$558,623 and disbursements of \$335,684.

General Fund Budgeting Highlights

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During 2009, the Township did amend its General Fund budget. Final budgeted receipts were not amended. However, final budgeted disbursements were amended as Capital Outlay disbursements were increased \$5,000, General Government increased \$879 and Public Works \$17.

Final disbursements and other financing uses in the General Fund were budgeted at \$172,338 while actual disbursements and other financing uses were \$119,377. Actual receipts and other financing sources exceeded final budgeted receipts and other financing sources by \$187,468 due to the \$180,000 payment from CSX. The Township kept spending under budgeted amounts as demonstrated by the reported variances. The result of General Fund operations was an increase in fund balance of \$205,617 for 2009.

Henry Township
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

Capital Assets

Capital Assets

The Township does not currently keep track of its capital assets and infrastructure although an inventory is prepared as required for the Wood County Engineer.

Current Issues

The challenge for all Townships is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on local taxes and have very little industry to support the tax base. However, here in Henry Township we are now able to do more road repair and maintenance thanks to the passage of the additional 1 mill road levy and the increase in the state gasoline tax. In addition, CSX is building the largest Intermodal Railroad Yard in North America in Henry Township. This is beginning to pay dividends through a JEDD Agreement we implemented with the Village of North Baltimore to be collected during the construction phase of the project. Those funds began flowing to the township during 2009 and will continue into 2011. The township also approved a TIF encompassing the entire railroad property which will provide additional revenue to the township for the next 30 years. Road repair and maintenance will continue to be the major focus of Henry Township as well as upgrading roads around the Intermodal Yard, and we expect to maintain the current balances through 2010.

Contacting the Township's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Anthony T. Swartz, Clerk, Henry Township, 421 N. Main St., North Baltimore, Ohio 45872.

**HENRY TOWNSHIP
WOOD COUNTY**

*Statement of Net Assets - Cash Basis
December 31, 2009*

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u><u>\$316,462</u></u>
Net Assets	
Restricted for:	
Other Purposes	74,010
Unrestricted	<u>242,452</u>
<i>Total Net Assets</i>	<u><u>\$316,462</u></u>

See accompanying notes to the basic financial statements

**HENRY TOWNSHIP
WOOD COUNTY**

*Statement of Activities - Cash Basis
For the Year Ended December 31, 2009*

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Total
Governmental Activities					
General Government	\$93,265				(\$93,265)
Public Safety	705	\$955			250
Public Works	223,135	7,763	\$111,061	\$180,000	75,689
Health	1,069				(1,069)
Capital Outlay	17,510				(17,510)
<i>Total Governmental Activities</i>	<u>\$335,684</u>	<u>\$8,718</u>	<u>\$111,061</u>	<u>\$180,000</u>	<u>(35,905)</u>
General Receipts					
Property Taxes Levied for:					
General Purposes					52,939
Road and Bridges					36,886
Fire District					17,588
Road District					33,853
Grants and Entitlements not Restricted to Specific Programs					109,505
Interest					3,010
Miscellaneous					5,063
<i>Total General Receipts</i>					<u>258,844</u>
Change in Net Assets					222,939
<i>Net Assets Beginning of Year</i>					<u>93,523</u>
<i>Net Assets End of Year</i>					<u><u>\$316,462</u></u>

See accompanying notes to the basic financial statements

**HENRY TOWNSHIP
WOOD COUNTY**

*Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2009*

	General	Gasoline Tax	Road And Bridge	Fire District	Road District	Other Governmental Funds	Total Governmental Funds
Assets							
Equity in Pooled Cash and Cash Equivalents	<u>\$242,452</u>	<u>\$5,228</u>	<u>\$2,774</u>	<u>\$60,613</u>	<u>\$1,109</u>	<u>\$4,286</u>	<u>\$316,462</u>
Fund Balances							
Reserved:							
Reserved for Encumbrances	\$5,178	\$1,634	\$360		\$1,498	\$2,032	\$10,702
Unreserved:							
General Fund	237,274						237,274
Special Revenue Funds		3,594	2,414	\$60,613	(389)	2,254	68,486
Total Fund Balances	<u>\$242,452</u>	<u>\$5,228</u>	<u>\$2,774</u>	<u>\$60,613</u>	<u>\$1,109</u>	<u>\$4,286</u>	<u>\$316,462</u>

See accompanying notes to the basic financial statements

**HENRY TOWNSHIP
WOOD COUNTY**

*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2009*

	General	Gasoline Tax	Road and Bridge
Receipts			
Property and Other Local Taxes	\$52,939		\$36,886
Licenses, Permits and Fees	955		
Intergovernmental	83,203	\$86,632	9,794
Interest	2,834	82	
Other	5,063		
<i>Total Receipts</i>	144,994	86,714	46,680
Disbursements			
Current:			
General Government	93,265		
Public Safety	355		
Public Works	510	102,771	48,485
Health	1,069		
Capital Outlay	5,000		
<i>Total Disbursements</i>	100,199	102,771	48,485
<i>Excess of Receipts Over (Under) Disbursements</i>	44,795	(16,057)	(1,805)
Other Financing Sources			
Advances In		14,000	
Advances Out	(14,000)		
Other Financing Sources - Rail Road Payment	180,000		
<i>Total Other Financing Sources</i>	166,000	14,000	
<i>Net Change in Fund Balances</i>	210,795	(2,057)	(1,805)
<i>Fund Balances Beginning of Year</i>	31,657	7,285	4,579
<i>Fund Balances End of Year</i>	\$242,452	\$5,228	\$2,774

See accompanying notes to the basic financial statements

<u>Fire District</u>	<u>Road District</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$17,588	\$33,853	\$7,763	\$149,029
5,576	10,932	24,429	955
		94	220,566
			3,010
			5,063
<u>23,164</u>	<u>44,785</u>	<u>32,286</u>	<u>378,623</u>
			93,265
350			705
	37,395	33,974	223,135
	12,510		1,069
			17,510
<u>350</u>	<u>49,905</u>	<u>33,974</u>	<u>335,684</u>
<u>22,814</u>	<u>(5,120)</u>	<u>(1,688)</u>	<u>42,939</u>
			14,000
			(14,000)
			180,000
			180,000
22,814	(5,120)	(1,688)	222,939
37,799	6,229	5,974	93,523
<u>\$60,613</u>	<u>\$1,109</u>	<u>\$4,286</u>	<u>\$316,462</u>

**HENRY TOWNSHIP
WOOD COUNTY**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
General Fund
For the Year Ended December 31, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$61,500	\$61,500	\$52,939	(\$8,561)
Licenses, Permits and Fees	2,000	2,000	955	(1,045)
Intergovernmental	70,776	70,776	83,203	12,427
Interest	2,750	2,750	2,834	84
Other	500	500	5,063	4,563
<i>Total Receipts</i>	<u>137,526</u>	<u>137,526</u>	<u>144,994</u>	<u>7,468</u>
Disbursements				
Current:				
General Government	139,129	140,008	98,443	41,565
Public Safety	355	355	355	
Public Works	500	517	510	7
Health	1,100	1,100	1,069	31
Capital Outlay		5,000	5,000	
<i>Total Disbursements</i>	<u>141,084</u>	<u>146,980</u>	<u>105,377</u>	<u>41,603</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(3,558)</u>	<u>(9,454)</u>	<u>39,617</u>	<u>49,071</u>
Other Financing Sources (Uses)				
Advances Out		(14,000)	(14,000)	
Other Financing Sources			180,000	180,000
Other Financing Uses	(31,254)	(11,358)		11,358
<i>Total Other Financing (Uses)</i>	<u>(31,254)</u>	<u>(25,358)</u>	<u>166,000</u>	<u>191,358</u>
<i>Net Change in Fund Balance</i>	(34,812)	(34,812)	205,617	240,429
<i>Fund Balance Beginning of Year</i>	29,492	29,492	29,492	
Prior Year Encumbrances Appropriated	2,165	2,165	2,165	
<i>Fund Balance End of Year</i>	<u>(\$3,155)</u>	<u>(\$3,155)</u>	<u>\$237,274</u>	<u>\$240,429</u>

See accompanying notes to the basic financial statements

**HENRY TOWNSHIP
WOOD COUNTY**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Gasoline Tax Fund
For the Year Ended December 31, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$89,000	\$89,000	\$86,632	(\$2,368)
Interest	550	550	82	(468)
<i>Total Receipts</i>	<u>89,550</u>	<u>89,550</u>	<u>86,714</u>	<u>(2,836)</u>
Disbursements				
Current:				
Public Works	<u>103,010</u>	<u>106,047</u>	<u>104,405</u>	<u>1,642</u>
<i>Excess of Disbursements Over Receipts</i>	<u>(13,460)</u>	<u>(16,497)</u>	<u>(17,691)</u>	<u>(1,194)</u>
Other Financing Sources				
Advances In			<u>14,000</u>	<u>14,000</u>
<i>Net Change in Fund Balance</i>	(13,460)	(16,497)	(3,691)	12,806
<i>Fund Balance Beginning of Year</i>	5,826	5,826	5,826	
Prior Year Encumbrances Appropriated	<u>1,459</u>	<u>1,459</u>	<u>1,459</u>	
<i>Fund Balance End of Year</i>	<u><u>(\$6,175)</u></u>	<u><u>(\$9,212)</u></u>	<u><u>\$3,594</u></u>	<u><u>\$12,806</u></u>

See accompanying notes to the basic financial statements

**HENRY TOWNSHIP
WOOD COUNTY**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Road and Bridge Fund
For the Year Ended December 31, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$40,600	\$40,600	\$36,886	(\$3,714)
Intergovernmental	6,712	6,712	9,794	3,082
<i>Total Receipts</i>	<u>47,312</u>	<u>47,312</u>	<u>46,680</u>	<u>(632)</u>
Disbursements				
Current:				
Public Works	51,891	51,891	48,845	3,046
<i>Net Change in Fund Balance</i>	(4,579)	(4,579)	(2,165)	2,414
<i>Fund Balance Beginning of Year</i>	<u>\$4,579</u>	<u>\$4,579</u>	<u>4,579</u>	
<i>Fund Balance End of Year</i>	<u><u> </u></u>	<u><u> </u></u>	<u><u>\$2,414</u></u>	<u><u>\$2,414</u></u>

See accompanying notes to the basic financial statements

**HENRY TOWNSHIP
WOOD COUNTY**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Fire District Fund
For the Year Ended December 31, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$18,435	\$18,435	\$17,588	(\$847)
Intergovernmental	4,921	4,921	5,576	655
<i>Total Receipts</i>	23,356	23,356	23,164	(192)
Disbursements				
Current:				
Public Safety	61,155	61,155	350	60,805
<i>Net Change in Fund Balance</i>	(37,799)	(37,799)	22,814	60,613
<i>Fund Balance Beginning of Year</i>	\$37,799	\$37,799	37,799	
<i>Fund Balance End of Year</i>	\$60,613	\$60,613	\$60,613	\$60,613

See accompanying notes to the basic financial statements

**HENRY TOWNSHIP
WOOD COUNTY**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Road District Fund
For the Year Ended December 31, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$36,670	\$36,670	\$33,853	(\$2,817)
Intergovernmental	8,782	8,782	10,932	2,150
<i>Total Receipts</i>	45,452	45,452	44,785	(667)
Disbursements				
Current:				
Public Works	39,171	39,171	38,893	278
Capital Outlay	12,510	12,510	12,510	
<i>Total Disbursements</i>	51,681	51,681	51,403	278
<i>Net Change in Fund Balance</i>	(6,229)	(6,229)	(6,618)	(389)
<i>Fund Balance Beginning of Year</i>	4,416	4,416	4,416	
Prior Year Encumbrances Appropriated	\$1,813	\$1,813	1,813	
<i>Fund Balance End of Year</i>	(6,229)	(6,229)	(6,618)	(389)

See accompanying notes to the basic financial statements

Henry Township
Notes to the Financial Statements
For the Year Ended December 31, 2009

Note 1 – Reporting Entity

Henry Township, Wood County, Ohio, (the Township), is a body politic and corporate established December 3, 1836 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 primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, and cemetery maintenance. The Township contracts with the Village of North Baltimore for fire protection. Police protection is provided by the Wood County Sheriffs' Department.

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA), a public entity risk pool. Note 6 to the financial statements provides additional information for this entity.

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

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Township's accounting policies.

A. Basis of Presentation

The Township's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Township does not have any business type activities.

The statement of net assets presents the cash balance of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which

Henry Township
Notes to the Financial Statements
For the Year Ended December 31, 2009

each governmental function activity is self-financing on a cash basis or draws from the Township's general receipts.

Fund Financial Statements

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

B. Fund Accounting

The Township uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use.

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other non-exchange transactions as governmental funds. The Township's major governmental funds are the General Fund, Gasoline Tax Fund, Road and Bridge Fund, Fire District Fund and Road District Fund. The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio. The Gasoline Tax Fund receives gasoline tax money to pay for constructing, maintaining and repairing Township roads. The Road and Bridge Fund receives property tax money to pay for constructing, maintaining and repairing Township Roads. The Fire District Fund receives property tax money for the provision of fire protection services to the Township residents. The Road District Fund receives property tax money to pay for constructing, maintaining and repairing Township roads.

The other governmental funds of the Township account for grants and other resources whose use is restricted to a particular purpose.

C. Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the estimated receipts and year end balances, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The estimated receipts and yearend balances report demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

Henry Township
Notes to the Financial Statements
For the Year Ended December 31, 2009

The appropriations ordinance is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the Township.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

E. Equity in Pooled Cash

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalent".

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2009 was \$2,834 which includes \$189 assigned from the Road and Bridge Fund, \$774 assigned from the Fire District Fund and \$146 assigned from the Road District Fund.

F. Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's cash basis of accounting.

H. Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

I. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

J. Fund Balance Reserves

The Township reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been

established for encumbrances.

K. Rail Road Payment

The Township received \$180,000 in payment for the closure of a road within the Township related to the CSX Intermodal Rail Yard project.

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund, Gasoline Tax Fund, Road and Bridge Fund, Fire District Fund and the Road District Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$5,178 for the General Fund, \$1,634 for the Gasoline Tax Fund, \$360 for the Road and Bridge Fund and \$1,498 for the Road District Fund.

Note 4 – Deposits and Investments

Monies held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;

Henry Township
Notes to the Financial Statements
For the Year Ended December 31, 2009

4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$67,115 of the Township's bank balance of \$317,115 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but no in the Township's name.

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

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 2009 represent the collection of 2008 taxes. Real property taxes received in 2009 were levied after October 1, 2008, on the assessed values as of January 1, 2008, 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 2009 represent the collection of 2008 taxes. Public utility real and tangible personal property taxes received in 2009 became a lien on December 31, 2008, were levied after October 1, 2008, 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 2009 are public utility property or delinquent 2008 general personal property tax receipts and they represent the collection of 2009 taxes. Tangible personal property taxes are not currently assessed as the tangible personal property taxes were phased out at the end of 2008.

The full tax rate for all Township operations for the year ended December 31, 2008 was \$7.70 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2009 property tax receipts were based are as follows:

Henry Township
Notes to the Financial Statements
For the Year Ended December 31, 2009

Real Property	
Residential	\$ 9,596,280
Agriculture	6,328,360
Commercial/Industrial/Mineral	1,877,650
Public Utility Property	
Real	44,480
Personal	1,043,700
Total Assessed Value	\$ 18,890,470

Note 6 – Risk Management

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the 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, 2009, OTARMA retained \$350,000 for casualty claims and \$150,000 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.

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, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Assets	\$38,982,088	\$40,737,740
Liabilities	<u>(12,880,766)</u>	<u>(12,981,818)</u>
Net Assets	<u>\$26,101,322</u>	<u>\$27,755,922</u>

At December 31, 2009 and 2008, respectively, the liabilities above include approximately \$12.0 and \$12.1 million of estimated incurred claims payable. The assets above also include approximately \$11.5 and \$10.9 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2009 and 2008, respectively. These amounts will be included in future contributions from

Henry Township
Notes to the Financial Statements
For the Year Ended December 31, 2009

members when the related claims are due for payment. As of December 31, 2009, the Township's share of these unpaid claims collectible in future years is approximately \$7,000

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>	
<u>2009</u>	<u>2008</u>
\$6,995	\$7,813

After one year of membership, a member may withdraw on the anniversary of the date of joining OTARMA, if the member notifies OTARMA in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's 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 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

Plan Description - 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. 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. While members in the State and local divisions may participate in all three plans, law enforcement (generally sheriffs, deputy sheriffs and township police) and public safety divisions exist only in the traditional plans.

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.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2009, members in state and local classifications contributed 10 percent of covered payroll.

The Township's contribution rate for 2009 was 14 percent. For 2009 the Township's contribution equal to 7 percent of covered payroll was allocated to fund the postemployment healthcare plan. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the Township of 14 percent.

Henry Township
Notes to the Financial Statements
For the Year Ended December 31, 2009

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2009, 2008, and 2007 were \$10,582, \$8,378 and \$9,909. The full amount has been contributed for 2009, 2008 and 2007.

Note 8 - Postemployment Benefits

Ohio Public Employees Retirement System

Plan Description - OPERS maintains a cost-sharing multiple-employer defined benefit postemployment healthcare plan for qualifying members of both the traditional and combined pension plans. Members of the member-directed plan do not qualify for ancillary benefits, including postemployment healthcare. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for postemployment healthcare coverage, age and service retirees under the traditional and combined plans must have ten years or more of qualifying Ohio service credit. Healthcare coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised code permits, but does not require, OPERS to provide healthcare benefits to eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are provided separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222 – 7377.

Funding Policy – The postemployment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code 401 (h). State statute requires that public employers fund postemployment healthcare through contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postemployment healthcare.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2009, local government employers contributed 14 percent of covered payroll. Each year, The OPERS retirement board determines the portion of the employer contribution that will be set aside for funding postemployment healthcare benefits. The amount of the employer contributions which was allocated to fund postemployment healthcare was 7 percent of covered payroll for the period of January 1, through March 1, 2009; for the period April 1 through December 31, 2009 this amount was decreased to 5.5 percent.

The retirement board is also authorized to establish rules for the payment of a portion of the healthcare benefits by the retiree or retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and selected coverage.

The Township's contributions allocated to fund postemployment healthcare benefits for the years ended December 31, 2009, 2008, and 2007 were \$7,622 \$8,378 and \$9,909 respectively; The full amount has been contributed for 2009, 2008 and 2007.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) which was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006. January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the healthcare plan.

Note 9 – Related Party Transactions

One of the Trustees' sons owns a business, Casey's Sales and Service and the Township paid them \$7,537 in 2009. This matter will be referred to the Ohio Ethics Commission for their consideration.



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

Henry Township
Wood County
421 N. Main Street
North Baltimore, Ohio 45872

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Henry Township, Wood County (the Township) as of and for the year ended December 31, 2009, which collectively comprise the Township's basic financial statements and have issued our report thereon dated December 3, 2010 in which we disclosed the Township prepares its financial statements on the cash basis of accounting. 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 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.

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.

One Government Center / Room 1420 / Toledo, OH 43604-2246
Telephone: (419) 245-2811 (800) 443-9276 Fax: (419) 245-2484
www.auditor.state.oh.us

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 December 3, 2010.

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

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

Mary Taylor, CPA
Auditor of State

December 3, 2010



Mary Taylor, CPA
Auditor of State

HENRY TOWNSHIP

WOOD 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
DECEMBER 21, 2010**