



Mary Taylor, CPA  
Auditor of State



STERLING TOWNSHIP  
BROWN COUNTY

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**Mary Taylor, CPA**  
Auditor of State

Sterling Township  
Brown County  
2484 Greenbush West Road  
Mt. Orab, Ohio 45154

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

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

**Mary Taylor, CPA**  
Auditor of State

May 27, 2010

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Sterling Township  
Brown County  
2484 Greenbush West Road  
Mt. Orab, Ohio 45154

To the Board of Trustees:

We have audited the accompanying financial statements of Sterling Township, Brown County, Ohio (the Township), as of and for the years ended December 31, 2009 and 2008. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Township has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Township's larger (i.e. major) funds separately. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require townships to reformat their statements. The Township has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2009 and 2008 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2009 and 2008, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserve for encumbrances of Sterling Township, Brown County, as of December 31, 2009 and 2008, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 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.

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

**Mary Taylor, CPA**  
Auditor of State

May 27, 2010

**STERLING TOWNSHIP  
BROWN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>General</b>	<b>Special Revenue</b>	<b>Totals (Memorandum Only)</b>
<b>Cash Receipts:</b>			
Property and Other Local Taxes	\$46,989	\$177,908	\$224,897
Licenss, Permits, and Fees	10,906	4,350	15,256
Intergovernmental	52,482	128,449	180,931
Earnings on Investments	11,452	3,938	15,390
Miscellaneous	700	2,200	2,900
Total Cash Receipts	122,529	316,845	439,374
<b>Cash Disbursements:</b>			
Current:			
General Government	77,571	5,876	83,447
Public Safety		100,000	100,000
Public Works		282,976	282,976
Health	5,622	4,360	9,982
Capital Outlay	18,604		18,604
Total Cash Disbursements	101,797	393,212	495,009
Total Receipts Over/(Under) Disbursements	20,732	(76,367)	(55,635)
Fund Cash Balances, January 1	497,057	795,548	1,292,605
<b>Fund Cash Balances, December 31</b>	<b>\$517,789</b>	<b>\$719,181</b>	<b>\$1,236,970</b>
Reserve for Encumbrances, December 31	\$381	\$0	\$381

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

**STERLING TOWNSHIP  
BROWN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>			
Property and Other Local Taxes	\$48,161	\$185,905	\$234,066
Licenses, Permits, and Fees	9,251	2,350	11,601
Intergovernmental	107,147	134,146	241,293
Earnings on Investments	21,839	8,552	30,391
Miscellaneous	13	400	413
	<u>186,411</u>	<u>331,353</u>	<u>517,764</u>
<b>Cash Disbursements:</b>			
Current:			
General Government	78,738	6,340	85,078
Public Safety		100,000	100,000
Public Works		34,846	34,846
Health	5,311	1,630	6,941
Capital Outlay	300		300
	<u>84,349</u>	<u>142,816</u>	<u>227,165</u>
Total Receipts Over/(Under) Disbursements	<u>102,062</u>	<u>188,537</u>	<u>290,599</u>
Fund Cash Balances, January 1	<u>394,995</u>	<u>607,011</u>	<u>1,002,006</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$497,057</u></b>	<b><u>\$795,548</u></b>	<b><u>\$1,292,605</u></b>
Reserve for Encumbrances, December 31	<u>\$381</u>	<u>\$0</u>	<u>\$381</u>

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

**STERLING TOWNSHIP  
BROWN COUNTY**

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

**1. Summary of Significant Accounting Policies**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Sterling Township, Brown County, Ohio (the Township), as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the Village of Mt. Orab and Williamsburg Township to provide the Township fire and emergency medical services.

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

**B. Accounting Basis**

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

**C. Cash and Deposits**

Township funds are deposited in interest bearing checking accounts. All deposits are valued at cost.

**D. Fund Accounting**

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

**1. General Fund**

The General Fund reports all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

**STERLING TOWNSHIP  
BROWN COUNTY**

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

**1. Summary of Significant Accounting Policies (Continued)**

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

Fire Levy Fund - This fund receives proceeds from a tax levy for providing Township residents with fire protection services.

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

**E. Budgetary Process**

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

**1. Appropriations**

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

**2. Estimated Resources**

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

**3. Encumbrances**

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

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

**F. Property, Plant, and Equipment**

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**STERLING TOWNSHIP  
BROWN COUNTY**

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

**2. Equity in Pooled Cash Deposits**

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

	2009	2008
Demand deposits	\$1,236,970	\$492,605
Certificates of deposit	0	800,000
Total deposits	\$1,236,970	\$1,292,605

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

**3. Budgetary Activity**

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

2009 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$103,689	\$122,529	\$18,840
Special Revenue	291,213	316,844	25,631
Total	\$394,902	\$439,373	\$44,471

2009 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$179,050	\$102,178	\$76,872
Special Revenue	645,000	393,212	251,788
Total	\$824,050	\$495,390	\$328,660

2008 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$98,689	\$186,411	\$87,722
Special Revenue	260,574	331,353	70,779
Total	\$359,263	\$517,764	\$158,501

**STERLING TOWNSHIP  
BROWN COUNTY**

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

**3. Budgetary Activity (Continued)**

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$179,400	\$84,730	\$94,670
Special Revenue	503,000	142,816	360,184
Total	\$682,400	\$227,546	\$454,854

**4. Property Tax**

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

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

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

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

**5. Retirement Systems**

The Township officials and employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2009 and 2008, OPERS participants contributed 10% of their wages. For 2009 and 2008, the Township contributed to OPERS an amount equal to 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2009.

**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.

**STERLING TOWNSHIP  
BROWN COUNTY**

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

**6. Risk Management (Continued)**

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of OTARMA and provides underwriting, claims, loss control, risk management, and reinsurance services for OTARMA. OTARMA is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides OTARMA with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2008, OTARMA retained \$350,000 for casualty claims and \$100,000 for property claims.

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

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2008 and 2007 (the latest information available):

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

At December 31, 2008 and 2007, respectively, liabilities above include approximately \$12.1 and \$12.5 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$10.9 and \$11.6 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2008 and 2007, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township's share of these unpaid claims collectible in future years is approximately \$2,000.

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.

**STERLING TOWNSHIP  
BROWN COUNTY**

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

**6. Risk Management (Continued)**

Contributions to OTARMA	
2007	\$2,886
2008	\$2,006
2009	\$1,964

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.

**7. Compliance**

Contrary to Ohio law the Township did not post EMS billing collections in a fund of the township. These amounts were collected under a contract with a village and was considered part of the contract payment.



# 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*

Sterling Township  
Brown County  
2484 Greenbush West Road  
Mt. Orab, Ohio 45154

To the Township Board of Trustees:

We have audited the financial statements of Sterling Township, Brown County, Ohio (the Township), as of and for the year ended December 31, 2009 and 2008, and have issued our report thereon dated May 27, 2010 wherein we noted the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We also noted the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider finding 2009-001 described in the accompanying schedule of findings to be a material weakness.

### **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 an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2009-002.

We also noted certain noncompliance or other matters that we reported to the Township's management in a separate letter dated May 27, 2010.

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

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

**Mary Taylor, CPA**  
Auditor of State

May 27, 2010

**STERLING TOWNSHIP  
BROWN COUNTY**

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

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2009-001**

**Material Weakness**

The 2008 financial statements included the following errors requiring reclassifications:

- franchise fees, cigarette tax and County Emergency Road money were classified as miscellaneous receipts in the amount of \$9,251, \$282 and \$200 respectively, instead of intergovernmental receipts during 2008 in the General Fund.
- tangible personal property tax replacement and homestead/rollback receipts were classified as tax receipts instead of intergovernmental receipts in the amount of \$8,110 for the General fund, \$4,836 for the Road and Bridge fund, \$18,654 for the Fire Fund, and \$7,889 for the Special Road & Bridge Fund.

The financial statements were adjusted to reflect the proper classifications of these receipts. The Township did not consistently implement use of the uniform accounting network chart of accounts when recording financial transactions. However, noted improvements were made in the postings of 2009 after the prior audit's post audit.

Failure to accurately prepare and reconcile the accounting records could: 1) reduce the accountability over Township funds, 2) reduce the Township Trustee's ability to monitor financial activity and make informed financial decisions, 3) increase the likelihood that moneys will be misappropriated and not detected, and 4) increase the likelihood that the Township's financial statements will be misstated.

Furthermore, the small size of the Township does not allow for adequate segregation of duties. The Fiscal Officer performs all the financial record keeping including receipt, depositing, check writing and posting. This increases the risk of diversion of funds and the Township Trustees not detecting bookkeeping errors in a timely manner.

We recommend the Fiscal Officer accurately maintain the Township's accounting records in accordance with the uniform accounting system chart of accounts as prescribed by the Auditor of State. Additionally, we recommend due care be exercised when posting entries to the financial accounting records to prevent errors and assist in properly reflected financial activity in the annual report. We also recommend that the Trustees continue to acknowledge review of the financial information of the Township as a compensating control for the lack of segregation of duties noted above.

**FINDING NUMBER 2009-002**

**Noncompliance Citation**

**Ohio Rev. Code, Section 505.44**, states that a township may enter into a contract with a village in order to procure ambulance or emergency medical services. **Ohio Rev. Code, Section 505.84**, gives a township the ability to bill township users and collect fees for such services. Additionally, this provision mandates that any such collections must be kept in a separate fund of the township and shall only be used for the "payment of the costs of the management, maintenance, and operation of fire and rescue services, ambulance services, and emergency medical services in the township. The Attorney General, in **OAG 2003-017**, interpreted these sections. The AG opined that a township can authorize a village to collect the above mentioned fees, but any such fees must be turned over to the township so that compliance with RC 505.84 can be accomplished.

The Township entered into a contract with the Village of Mt. Orab for the procurement of ambulatory services. Additionally, the Township has authorized the Village of Mt. Orab to charge the township residents for emergency medical services provided to them. The Village did not remit such payments back to the Township.

The Township should record the revenues collected by the Village of Mt. Orab and review the payment methods for the contracted services that are allowed by the Ohio law noted above.

**We did not receive a response from Officials to the above findings.**

STERLING TOWNSHIP  
BROWN COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2009 AND 2008

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2007-001	OAC 17-2-02(A) – Township had misclassifications and error in financial accounting records	No	Partially Corrected: Reported as 2009-001 noted improvement in 2009 postings





**Mary Taylor, CPA**  
Auditor of State

**STERLING TOWNSHIP**

**BROWN 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 29, 2010**