



TWIN TOWNSHIP, ROSS COUNTY

Regular Audit

For the Years Ended December 31, 2009 and 2008

J.L. UHRIG
AND ASSOCIATES INC.

CERTIFIED PUBLIC ACCOUNTANT AND MANAGEMENT CONSULTANTS





Mary Taylor, CPA

Auditor of State

Board of Trustees
Twin Township
PO Box 6
Bourneville, OH 45617

We have reviewed the *Independent Auditor's Report* of Twin Township, Ross County, prepared by J.L. Uhrig and Associates, Inc., for the audit period January 1, 2008 through December 31, 2009. 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. Twin Township is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

May 3, 2010

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TWIN TOWNSHIP, ROSS COUNTY
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Independent Auditor's Report

Board of Trustees
Twin Township, Ross County
1685 Maple Grove Road
Chillicothe, OH 45601

We have audited the accompanying financial statements of Twin Township (the Township), Ross County 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 *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 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 2, the Township prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the Township to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2009 and 2008. Instead of the combined funds the accompanying financial statements presents for 2009 and 2008, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2009 and 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 statements. The Township has elected not to reformat its statements. Since this Township does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

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.

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

Also, in our opinion, the financial statements 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, 2009 and 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 years ended December 31, 2009 and 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 March 19, 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 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.

March 19, 2010

TWIN 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, 2009

	Governmental Fund Types					Totals
	General	Special Revenue	Debt Service	Capital Projects	Permanent Fund	
<u>Cash Receipts:</u>						
Local Taxes	\$48,225	\$95,982	\$28,015	\$0	\$0	\$172,222
Intergovernmental	57,649	130,676	0	26,900	0	215,225
Charges for Services	450	28,929	28,178	0	0	57,557
Licenses, Permits, and Fees	0	16,900	0	0	0	16,900
Special Assessments	0	7,777	0	0	0	7,777
Earnings on Investments	1,438	98	0	0	199	1,735
Other Revenue	965	12,773	0	0	0	13,738
Total Cash Receipts	108,727	293,135	56,193	26,900	199	485,154
<u>Cash Disbursements:</u>						
<i>Current:</i>						
General Government	93,020	2,319	0	0	0	95,339
Public Safety	0	102,023	0	0	0	102,023
Public Works	17,002	204,051	0	26,900	0	247,953
Health	301	29,472	0	0	475	30,248
Capital Outlay	0	8,977	0	0	0	8,977
<i>Debt Service:</i>						
Redemption of Principal	0	0	39,801	0	0	39,801
Interest and Fiscal Charges	0	0	12,891	0	0	12,891
Total Cash Disbursements	110,323	346,842	52,692	26,900	475	537,232
Total Cash Receipts Over/(Under) Cash Disbursements	(1,596)	(53,707)	3,501	0	(276)	(52,078)
<u>Other Financing Sources:</u>						
Advance In	9,060	1,500	7,560	0	0	18,120
Advance Out	(9,060)	(1,500)	(7,560)	0	0	(18,120)
Total Other Financing Sources	0	0	0	0	0	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(1,596)	(53,707)	3,501	0	(276)	(52,078)
Fund Cash Balances, January 1	227,387	123,152	15	0	8,367	358,921
Fund Cash Balances, December 31	\$225,791	\$69,445	\$3,516	\$0	\$8,091	\$306,843

See accompanying notes to the financial statements.

TWIN 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	Permanent Fund	
<u>Cash Receipts:</u>						
Local Taxes	\$46,892	\$119,427	\$0	\$0	\$0	\$166,319
Intergovernmental	78,894	129,858	0	18,750	0	227,502
Charges for Services	450	73,981	0	0	0	74,431
Licenses, Permits, and Fees	0	17,950	0	0	0	17,950
Special Assessment	0	8,570	0	0	0	8,570
Earnings on Investments	7,438	110	0	0	249	7,797
Other Revenue	111	8,960	0	0	0	9,071
Total Cash Receipts	133,785	358,856	0	18,750	249	511,640
<u>Cash Disbursements:</u>						
<u>Current:</u>						
General Government	122,179	2,774	0	0	0	124,953
Public Safety	0	106,150	0	0	0	106,150
Public Works	6,520	152,034	0	18,750	0	177,304
Health	0	24,935	0	0	325	25,260
Capital Outlay	31,788	289,936	0	0	0	321,724
Total Cash Disbursements	160,487	575,829	0	18,750	325	755,391
Total Cash Receipts Over/(Under) Cash Disbursements	(26,702)	(216,973)	0	0	(76)	(243,751)
<u>Other Financing Sources:</u>						
Sale of Notes	0	165,000	0	0	0	165,000
Sale of Fixed Assets	1,488	3,380	0	0	0	4,868
Other Financing Sources	0	5,341	0	0	0	5,341
Total Other Financing Sources	1,488	173,721	0	0	0	175,209
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(25,214)	(43,252)	0	0	(76)	(68,542)
Fund Cash Balances, January 1	252,601	165,860	15	0	8,443	426,919
Fund Cash Balances, December 31	\$227,387	\$122,608	\$15	\$0	\$8,367	\$358,377

See accompanying notes to the financial statements.

TWIN TOWNSHIP, ROSS COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 1 – Reporting Entity

Twin Township, Ross County, Ohio (the Township), is a body politic and corporate established 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, cemetery maintenance, fire protection and emergency medical services.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting

The Township's financial statements follow 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 by law or contracted to be restricted.

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 monies to pay for constructing, maintaining and repairing Township roads.

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

Special Levy Fire Fund – This fund receives property tax monies and other State grants to provide fire protection for the residents of the Township.

Debt Service Fund: The debt service fund is used to accumulate resources for the payment of bond and note indebtedness.

TWIN TOWNSHIP, ROSS COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 2 – Summary of Significant Accounting Policies - (continued)

Capital Project Fund: This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Township had the following significant Capital Project Funds:

Issue II Fund – This fund accounts for Ohio Public Works grant monies received and expended on behalf of the Township by the Ross County Engineer to repair and maintain roads within the Township.

Community Development Block Grant (CDBG) – This fund accounts for monies received and expended on behalf of the Township to repair and maintain roads within the Township.

Permanent Fund: These funds are used to account for assets held under a trust agreement that are legally restricted to the extent that only earnings, not principal, are available to support the Township's programs. The Township had the following permanent fund.

Rinehart Trust Fund – This fund was established to be used for cemetery maintenance.

Cash and Investments

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Certificates of deposit are valued at cost.

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 reappropriated in the subsequent year.

A summary of 2009 and 2008 budgetary activity appears in Note 5.

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.

TWIN TOWNSHIP, ROSS COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 2 – Summary of Significant Accounting Policies - (continued)

Accumulated Leave

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

Note 3 – Prior Period Adjustment

2008 Prior Period Adjustment

During 2009, the Township voided two checks issued in 2008. This resulted in a restatement of the prior period cash balance.

	Special Revenue Funds
Net Assets at December 31, 2008	\$122,608
Understatement of Cash and Cash Equivalents	544
Adjusted Net Assets at December 31, 2008	\$123,152

Note 4 – 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 as follows:

	December 31, 2009	December 31, 2008
Demand Deposits	\$95,974	\$133,098
Certificate of Deposit	7,945	7,945
Total Deposits	\$103,949	\$141,043
STAR Ohio	202,924	217,334
Total Investments	202,924	217,334
Total Deposits and Investments	\$306,843	\$358,377

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

Investments in STAROhio are not evidenced by securities that exist in physical or book entry form.

TWIN TOWNSHIP, ROSS COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 5 – Budgetary Basis of Accounting

The Township's budgetary activity for the years ending December 31, 2009 and December 31, 2008 was as follows:

2009 Budgeted vs. Actual Receipts

Fund Type	Receipts		Variance
	Budgeted	Actual	
General	\$108,647	\$117,787	\$9,140
Special Revenue	287,910	294,635	6,725
Debt Service	56,209	63,753	7,544
Capital Projects	0	26,900	26,900
Permanent	0	199	199
<i>Total</i>	<u>\$452,766</u>	<u>\$503,274</u>	<u>\$50,508</u>

2009 Budgeted vs. Actual Budgetary Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$181,177	\$119,383	\$61,794
Special Revenue	353,190	348,342	4,848
Debt Service	52,693	60,252	(7,559)
Capital Projects	26,900	26,900	0
Permanent	500	475	25
<i>Total</i>	<u>\$614,460</u>	<u>\$555,352</u>	<u>\$59,108</u>

TWIN TOWNSHIP, ROSS COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 5 – Budgetary Basis of Accounting - (continued)

2008 Budgeted vs. Actual Receipts

Fund Type	Receipts		
	Budgeted	Actual	Variance
General	\$135,273	\$135,273	\$0
Special Revenue	524,010	532,577	8,567
Debt Service	0	0	0
Capital Project	18,750	18,750	0
Permanent	249	249	0
<i>Total</i>	<u>\$678,282</u>	<u>\$686,849</u>	<u>\$8,567</u>

2008 Budgeted vs. Actual Budgetary Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$176,642	\$160,487	\$16,155
Special Revenue	616,413	575,829	40,584
Debt Service	0	0	0
Capital Project	18,750	18,750	0
Permanent	450	325	125
<i>Total</i>	<u>\$812,255</u>	<u>\$755,391</u>	<u>\$56,864</u>

TWIN TOWNSHIP, ROSS COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 6- Debt

Debt outstanding at December 31, 2009 was as follows:

Description of Issue	Issue Date	Interest Rate	Principal Balance 12-31-08	Issued in 2009	Retired In 2009	Principal Balance 12-31-09
<i>General Obligation Note – Fire Truck</i>	2/25/2008	4.85%	\$165,000	\$0	\$12,605	\$152,395
<i>Lease – Ambulance</i>	5/5/2008	3.9%	110,000	0	20,530	89,470
<i>Lease – Fire/EMS Equipment</i>	4/7/2008	0.00%	19,999	0	6,666	13,333
Total			<u>\$294,999</u>	<u>\$0</u>	<u>\$39,801</u>	<u>\$255,198</u>

Debt outstanding at December 31, 2008 was as follows:

Description of Issue	Issue Date	Interest Rate	Principal Balance 12-31-07	Issued in 2008	Retired In 2008	Principal Balance 12-31-08
<i>General Obligation Note – Fire Truck</i>	2/25/2008	4.85%	\$0	\$165,000	\$0	\$165,000
<i>Lease – Ambulance</i>	5/5/2008	3.9%	0	110,000	0	110,000
<i>Lease – Fire/EMS Equipment</i>	4/7/2008	0.00%	0	19,999	0	19,999
Total			<u>\$0</u>	<u>\$294,999</u>	<u>\$0</u>	<u>\$294,999</u>

In February 2008, the Township issued a general obligation note in the amount of \$165,000 to purchase and pay for a Fire Truck.

In May 2008, the Township began leasing an Ambulance in the amount of \$110,000.

In April 2008, the Township began leasing Fire/EMS Equipment in the amount of \$19,999.

The general obligation note is supported by the full faith and credit of the Township and is payable from unvoted property tax receipts to the extent that other resources are not available to meet annual principal and interest payments.

Year Ended December 31:	2008 Fire Truck		2008 Ambulance		2008 Road Contract		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$13,871	\$7,494	\$21,061	\$3,601	\$6,666	\$0	\$41,598	\$11,095
2011	14,553	6,812	21,909	2,753	6,667	0	43,129	9,565
2012	15,252	6,113	22,791	1,871	0	0	38,043	7,984
2013	16,018	5,346	23,709	954	0	0	39,727	6,300
2014	16,806	4,558	0	0	0	0	16,806	4,558
2015-2018	75,895	9,562	0	0	0	0	75,895	9,562
Total	<u>\$152,395</u>	<u>\$39,885</u>	<u>\$89,470</u>	<u>\$9,179</u>	<u>\$13,333</u>	<u>\$0</u>	<u>\$255,198</u>	<u>\$49,064</u>

TWIN TOWNSHIP, ROSS COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 7 – Property Taxes

Real property taxes become a lien on January 1 proceeding the October 1 date for which rates are adopted by Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as intergovernmental receipts. Payments are due to the County by December 31. If the property owner elects to make semi-annual payments, the first half is due December 31, and 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 April 30.

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

The full tax rate for all Township operations for the years ended December 31, 2009 and 2008 was \$7.90 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2009 and 2008 property tax receipts were based are as follows:

	<u>2009</u>	<u>2008</u>
Real Property		
Residential & Agricultural	\$46,912,170	\$46,701,500
Commercial/Industrial/Mineral	836,410	836,410
Tangible Personal Property	293,200	477,160
Public Utility	<u>2,348,590</u>	<u>2,282,430</u>
Total Assessed Value	<u>\$50,390,370</u>	<u>\$50,297,500</u>

TWIN TOWNSHIP, ROSS COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 8 – Risk Management

OTARMA Financial Data
As of December 31, 2008 and 2007

<u>Casualty Coverage</u>	<u>2008</u>	<u>2007</u>
Assets	\$31,990,965	\$33,220,168
Liabilities	(11,258,865)	(12,121,659)
Net Assets - Unrestricted	<u>\$20,732,100</u>	<u>\$21,098,509</u>

<u>Property Coverage</u>		
Assets	\$8,746,775	\$9,990,535
Liabilities	(1,722,953)	(1,236,178)
Net Assets - Unrestricted	<u>\$7,023,822</u>	<u>\$8,754,357</u>

Number of Members	950	950
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Unpaid claims to be billed	2008	2009
	Approx. \$10.9 million	Approx. \$11.6 million

The Pool's membership remained constant at 950 members in 2007 and 2008.

The Pool uses reinsurance and excess risk-sharing arrangements to reduce its exposure to loss. These agreements permit recovery of a portion of its claims from reinsurers and a risk-sharing pool; however, they do not discharge the Pool's primary liability for such payments. The Pool is a member of American Public Entity Excess Pool ("APEEP"), which is also administered by ARPCO. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, the Pool retains insured risks up to an amount specified in the contracts. (At December 31, 2008 the Pool retained \$350,000 for casualty claims and \$100,000 for property claims). The Board of Directors and ARPCO periodically review the financial strength of the Pool and other market conditions to determine the appropriate level of risk the Pool will retain.

TWIN TOWNSHIP, ROSS COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 9 – Retirement Systems

The Township's employees belong to the Public Employees Retirement System (OPERS). OPERS is a cost sharing, multiple-employer plan. The plan provides retirement benefits, including post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

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

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

Board of Trustees
Twin Township, Ross County
1685 Maple Grove Rd
Chillicothe, OH 45601

We have audited the accompanying financial statement of Twin Township, Ross County, Ohio (the Township), as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated March 19, 2010, wherein we noted that the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identified any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Board of Trustees
Twin Township, Ross County
Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Required by
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 March 19, 2010.

We intend this report solely 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.

March 19, 2010

TWIN TOWNSHIP, ROSS COUNTY
Schedule of Prior Audit Findings
For the Year Ended December 31, 2009 and 2008

Description	Status	Comments
<i>Government Auditing Standards:</i>		
1. Finding No. 2007-001 Proper budgeting and accounting for on-behalf-of programs.	Corrected	N/A
2. Finding No. 2007-002 The Township recorded tax receipts and CDBG project revenues and expenditures in the wrong fund.	Corrected	N/A
3. Finding No. 2007-003 Cash receipts were not always posted to the correct revenue classifications.	Corrected	N/A



Mary Taylor, CPA
Auditor of State

TWIN 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
MAY 18, 2010**