

**WARD TOWNSHIP
HOCKING COUNTY
Regular Audit
December 31, 2009 and 2008**

Perry & Associates
Certified Public Accountants, A.C.
WARD TOWNSHIP



Mary Taylor, CPA

Auditor of State

Board of Trustees
Ward Township
14104 State Route 278
Logan, Ohio 43138

We have reviewed the *Independent Accountants' Report* of Ward Township, Hocking County, prepared by Perry & Associates, Certified Public Accountants, A.C., 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 Accountants' 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 Accountants' 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. Ward Township is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

June 7, 2010

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HOCKING COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT

May 31, 2010

Ward Township
Hocking County
14104 State Route 278
Logan, Ohio 43138

To the Board of Trustees:

We have audited the accompanying financial statements of **Ward Township, Hocking 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. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1B, 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 the 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 of Ward Township, Hocking 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 1B 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 31, 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.

Respectfully Submitted,



Perry and Associates
Certified Public Accountants, A.C.

**WARD TOWNSHIP
HOCKING 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**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$ 9,402	\$ 65,347	\$ 74,749
Intergovernmental	18,734	116,784	135,518
Earnings on Investments	81	256	337
Miscellaneous	-	1,980	1,980
	<u>28,217</u>	<u>184,367</u>	<u>212,584</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
General Government	20,890	-	20,890
Public Safety	-	61,496	61,496
Public Works	-	99,847	99,847
Health	1,484	2,400	3,884
Capital Outlay	25,908	30,858	56,766
Debt Service:			
Redemption of Principal	4,620	-	4,620
Interest and Fiscal Charges	430	-	430
	<u>53,332</u>	<u>194,601</u>	<u>247,933</u>
Total Cash Disbursements			
Total Cash Receipts Over/(Under) Disbursements	<u>(25,115)</u>	<u>(10,234)</u>	<u>(35,349)</u>
Other Financing Receipts/(Disbursements):			
Loan Proceeds	<u>19,427</u>	<u>23,139</u>	<u>42,566</u>
Total Other Financing Receipts/(Disbursements)	<u>19,427</u>	<u>23,139</u>	<u>42,566</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(5,688)	12,905	7,217
Fund Cash Balances, January 1	<u>12,537</u>	<u>10,495</u>	<u>23,032</u>
Fund Cash Balances, December 31	<u>\$ 6,849</u>	<u>\$ 23,400</u>	<u>\$ 30,249</u>

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

**WARD TOWNSHIP
HOCKING 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>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$ 10,285	\$ 47,545	\$ 57,830
Intergovernmental	24,325	121,562	145,887
Earnings on Investments	145	123	268
Miscellaneous	338	3,125	3,463
	<u>35,093</u>	<u>172,355</u>	<u>207,448</u>
Total Cash Receipts			
	<u>35,093</u>	<u>172,355</u>	<u>207,448</u>
Cash Disbursements:			
Current:			
General Government	34,582	-	34,582
Public Safety	-	36,523	36,523
Public Works	-	134,367	134,367
Health	288	2,200	2,488
Debt Service:			
Redemption of Principal	10,538	-	10,538
Interest and Fiscal Charges	993	-	993
	<u>46,401</u>	<u>173,090</u>	<u>219,491</u>
Total Cash Disbursements			
	<u>46,401</u>	<u>173,090</u>	<u>219,491</u>
Total Cash Receipts Over/(Under) Disbursements	<u>(11,308)</u>	<u>(735)</u>	<u>(12,043)</u>
Other Financing Receipts and (Disbursements):			
Sale of Fixed Assets	925	-	925
Other Financing Sources	50	-	50
	<u>975</u>	<u>-</u>	<u>975</u>
Total Other Financing Receipts/(Disbursements)			
	<u>975</u>	<u>-</u>	<u>975</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(10,333)</u>	<u>(735)</u>	<u>(11,068)</u>
Fund Cash Balances, January 1 (Restated, see note 8)	<u>22,870</u>	<u>11,230</u>	<u>34,100</u>
Fund Cash Balances, December 31	<u><u>\$ 12,537</u></u>	<u><u>\$ 10,495</u></u>	<u><u>\$ 23,032</u></u>

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

**WARD TOWNSHIP
HOCKING COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Ward Township, Hocking County (the Township), is a body corporate and politic 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 and a publicly elected Fiscal Officer. The Township provides general governmental services, including road and bridge maintenance (public works) and cemetery maintenance (health). The Township contracts with the Village of Murray City to provide fire protection.

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 basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized 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 prescribed or permitted by the Auditor of State.

C. Deposits

The Township Fiscal Officer invests all available funds of the Township in an interest-bearing checking account.

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

**WARD TOWNSHIP
HOCKING COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources that are restricted to expenditure for specific purposes. The Township has the following significant Special Revenue Funds:

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

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

Fire District Fund – This fund receives semi-annual tax settlements for the purpose of providing fire protection for the residents of the Township.

Special Levy Fund –This fund receives semi-annual tax settlements for the purpose of providing additional fire protection for the residents of the Township.

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, and object level of control and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year-end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus 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 lapse and must be reappropriated.

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

**WARD TOWNSHIP
HOCKING COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. 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.

2. EQUITY IN POOLED DEPOSITS

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

	2009	2008
Demand Deposits	\$ 30,249	\$ 23,032

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

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

2009 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 40,043	\$ 47,644	\$ 7,601
Special Revenue	185,256	207,506	22,250
Total	\$ 225,299	\$ 255,150	\$ 29,851

2009 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 38,151	\$ 53,332	\$ (15,181)
Special Revenue	196,124	194,601	1,523
Total	\$ 234,275	\$ 247,933	\$ (13,658)

2008 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 52,273	\$ 36,068	\$ (16,205)
Special Revenue	173,960	172,355	(1,605)
Total	\$ 226,233	\$ 208,423	\$ (17,810)

**WARD TOWNSHIP
HOCKING 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	\$ 46,959	\$ 46,401	\$ 558
Special Revenue	179,053	173,090	5,963
Total	\$ 226,012	\$ 219,491	\$ 6,521

4. DEBT

Debt outstanding at December 31, 2009 was as follows:

Name	Description	Principal Outstanding 12/31/07	Add	Deduct.	Principal Outstanding 12/31/08	Add	Deduct.	Principal Outstanding 12/31/09
Kansas State Bank	Backhoe	\$ 6,208	\$ -	\$ 6,208	\$ -	\$ -	\$ -	\$ -
First National Bank	Mower	13,037	-	4,330	8,707	-	4,620	4,087
Citizens Bank	Dump Truck	-	-	-	-	42,566	-	42,566
Total		\$ 19,245	\$ -	\$ 10,538	\$ 8,707	\$ 42,566	\$ 4,620	\$ 46,653

The Township obtained a promissory note in 2003 in the amount of \$28,534 at a 4.4% interest rate for the purchase of a backhoe/loader to be used for township road upkeep. The note was repaid in annual installments of \$6,481, and was paid off in 2008.

The Township obtained a promissory note in 2007 in the amount of \$13,697 at a 4.4% interest rate for the purchase of a mower to be used for township maintenance. The note will be repaid in monthly installments of \$421.

The Township obtained a promissory note in 2009 in the amount of \$42,566 at a 4% interest rate for the purchase of a dump truck. The note will be repaid in annual installments of \$7,094, plus interest with the first payment due in 2010.

**WARD TOWNSHIP
HOCKING COUNTY**

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

4. DEBT (Continued)

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

Year ending December 31:	<u>Mower</u>	<u>Dump Truck</u>
2010	\$ 4,209	8,967
2011	-	8,655
2012	-	8,343
2013	-	8,030
2014	-	7,718
Thereafter	-	7,406
Total	<u>\$ 4,209</u>	<u>\$ 49,119</u>

5. PROPERTY TAX

Real property taxes become a lien on January 1 preceding 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 semiannual payment, 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.

6. RETIREMENT SYSTEMS

The Township's elected officials and employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multi-employer plan. This 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 of PERS 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.

**WARD TOWNSHIP
HOCKING COUNTY**

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

7. RISK MANAGEMENT

Risk Pool Membership

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, 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):

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

**WARD TOWNSHIP
HOCKING COUNTY**

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

7. RISK MANAGEMENT (Continued)

Financial Position

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 \$2,643.

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.

8. PRIOR PERIOD FUND BALANCE ADJUSTMENT

The Township made a fund balance adjustment in 2008 in the Special Revenue Fund to adjust for a voided warrant that was reflected in the balance as of December 31, 2007.

	<u>General Fund</u>
Balance as of December 31, 2007	\$ 11,120
Adjustment for 2007 voided warrant	110
Adjusted January 1, 2008 Fund Balance	<u>\$ 11,230</u>

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

May 31, 2010

Ward Township
Hocking County
14104 State Route 278
Logan, Ohio 43138

To the Board of Trustees:

We have audited the financial statements of **Ward Township, Hocking County**, (the Township) as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated May 31, 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 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.

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 and another deficiency we consider to be a significant deficiency.

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.

Internal Control Over Financial Reporting (Continued)

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2009-002 described in the accompanying schedule of findings to be a significant deficiency.

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 that we must report under *Government Auditing Standard*.

We also noted certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated May 31, 2010.

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

Respectfully Submitted,



Perry and Associates
Certified Public Accountants, A.C.

**WARD TOWNSHIP
HOCKING COUNTY**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2009-001

Material Weakness

Posting Receipts and Expenditures

Receipts and Expenditures should be posted to the fund and line item accounts as established by Ohio Administrative Code Section 117-7-01.

During 2009 and 2008, several receipts and expenditures were not posted into accurate classifications based on the source of the receipt or expenditure. The following posting errors were noted:

- Rollbacks and utility reimbursements were recorded as taxes and miscellaneous instead of intergovernmental in both 2009 and 2008.
- The down payment for the purchase of a truck was recorded as other financing uses and other expenses instead of capital outlay in the General and Gasoline Tax Funds in 2009. The loan proceeds and subsequent capital outlay were not recorded in the financial statements.
- Debt payments were recorded as other financing uses instead of principal and interest in both 2009 and 2008.
- Interest revenue was all recorded to the general fund and recorded as miscellaneous revenue instead of interest in both 2009 and 2008.

Not posting revenues and expenditures accurately resulted in the financial statements requiring several reclassifications and fund adjustments. The financial statements reflect all reclassifications and fund adjustments.

Management's Response – We did not receive a response to this finding from management.

FINDING NUMBER 2009-002

Significant Deficiency

Posting Estimated Revenues and Appropriations

The Township did not have a control procedure in place to ensure that appropriations and estimated receipts, were reconciled to the appropriations and estimated receipts posted to the accounting system.

This resulted in incorrect amounts posted to the accounting system and information available to Township Trustees to monitor year-to-date total comparison of budgeted amounts versus actual amounts was not accurate. Adjustments were made to the budgetary activity reported in Note 3 to the financial statements in order to accurately present estimated receipts as Certified by the County Budget Commission.

**WARD TOWNSHIP
HOCKING COUNTY**

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

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2009-002 (Continued)

Significant Deficiency (Continued)

Posting Estimated Revenues and Appropriations (Continued)

We recommend the Township's Fiscal Officer implement procedures to ensure appropriations and estimated receipts are accurately posted to the accounting system and reconciled to the amounts approved by the budget commission after each amendment.

Management's Response – We did not receive a response to this finding from management.

**WARD TOWNSHIP
HOCKING COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
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; <i>Explain</i>
2007-001	Misposting receipts and expenditures	No	Not Corrected, Repeated as finding 2009-001
2007-002	Posting estimated revenues and appropriations	No	Not Corrected, Repeated as finding 2009-002
2007-003	ORC 5705.41 (B) – Expenditures exceeding appropriations	No	Not Corrected, Moved to Management letter
2007-004	ORC 5705.41 (D)(1) – Not properly encumbering	No	Not Corrected, Moved to Management letter



Mary Taylor, CPA
Auditor of State

WARD TOWNSHIP

HOCKING 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 17, 2010**