

Valley Township
Scioto County
Regular Audit
For the Years Ended December 31, 2009 and 2008



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Dave Yost • Auditor of State

Board of Trustees
Valley Township
384 Cook Road
Lucasville, Ohio 45648

We have reviewed the *Independent Auditor's Report* of Valley Township, Scioto County, prepared by Millhuff-Stang, CPA, 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. Valley Township is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

March 29, 2011

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Scioto County
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For the Years Ended December 31, 2009 and 2008

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Independent Auditor's Report

Board of Trustees
Valley Township
384 Cook Road
Lucasville, Ohio 45648

We have audited the accompanying financial statements of Valley Township, Scioto County, (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 *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 statement presentation. We believe that 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 requires 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 governments 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.

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Scioto County
Independent Auditor's Report
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Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Valley Township, Scioto 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 February 19, 2011 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



Natalie Millhuff-Stang, CPA
President/Owner
Millhuff-Stang, CPA, Inc.

February 19, 2011

Valley Township
Scioto 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 (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash Receipts:				
Property and Other Local Taxes	\$112,936	\$157,367	\$0	\$270,303
Charges for Services	0	71,166	0	71,166
Licenses, Permits, and Fees	20,668	24,020	0	44,688
Intergovernmental	64,358	188,555	0	252,913
Earnings on Investments	4,052	1,328	0	5,380
Miscellaneous	2,662	20,120	0	22,782
Total Cash Receipts	204,676	462,556	0	667,232
Cash Disbursements:				
Current:				
General Government	109,294	173	0	109,467
Public Safety	980	118,945	0	119,925
Public Works	10,272	141,956	0	152,228
Health	24,356	20,954	0	45,310
Capital Outlay	2,185	49,492	205,000	256,677
Debt Service:				
Redemption of Principal	0	44,570	0	44,570
Interest and Other Fiscal Charges	0	5,569	0	5,569
Total Cash Disbursements	147,087	381,659	205,000	733,746
Total Cash Receipts Over Cash Disbursements	57,589	80,897	(205,000)	(66,514)
Other Financing Sources:				
Proceeds from Loans	0	0	205,000	205,000
Total Other Financing Sources	0	0	205,000	205,000
Excess of Cash Receipts and Other Financing Sources Over Cash Disbursements	57,589	80,897	0	138,486
Fund Cash Balances, January 1	100,465	720,604	0	821,069
Fund Cash Balances, December 31	\$158,054	\$801,501	\$0	\$959,555

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

Valley Township
Scioto 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 (Memorandum Only)
	General	Special Revenue	
Cash Receipts:			
Property and Other Local Taxes	\$70,003	\$199,039	\$269,042
Charges for Services	0	74,243	74,243
Licenses, Permits, and Fees	31,964	19,933	51,897
Intergovernmental	29,992	319,047	349,039
Earnings on Investments	2,887	2,323	5,210
Miscellaneous	813	5,980	6,793
Total Cash Receipts	135,659	620,565	756,224
Cash Disbursements:			
Current:			
General Government	86,051	2,428	88,479
Public Safety	52	202,284	202,336
Public Works	10,726	180,428	191,154
Health	26,817	26,547	53,364
Conservation/Recreation	298	0	298
Capital Outlay	666	259,127	259,793
Debt Service:			
Redemption of Principal	0	22,471	22,471
Interest and Other Fiscal Charges	0	2,232	2,232
Total Cash Disbursements	124,610	695,517	820,127
Total Cash Receipts Under Cash Disbursements	11,049	(74,952)	(63,903)
Other Financing Sources:			
Proceeds from Loans	0	90,217	90,217
Total Other Financing Sources	0	90,217	90,217
Excess of Cash Receipts and Other Financing Sources Under Cash Disbursements	11,049	15,265	26,314
Fund Cash Balances, January 1, Restated - See Note 10	89,416	705,339	794,755
Fund Cash Balances, December 31	\$100,465	\$720,604	\$821,069

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

Valley Township
Scioto County
Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 1 – Summary of Significant Accounting Policies

Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Valley Township, Scioto County (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, and fire protection.

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

Basis of Accounting

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.

Fund Accounting

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

General Fund

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

Special Revenue Funds

These funds account for proceeds from specific sources (other than those 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:

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

Fire Special Levy Fund – This fund received property tax monies for fire protection.

Capital Projects Funds

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Township had the following significant Capital Project Fund:

Miscellaneous Capital Projects Fund – This fund received proceeds from a loan for the purchase of a fire truck.

Valley Township
Scioto County
Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 1 – Summary of Significant Accounting Policies (Continued)

Budgetary Process

The Ohio Revised Code requires that each 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 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 County Budget Commission must also approve estimated resources.

Encumbrances

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

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

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.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Note 2 – Equity in Pooled Cash

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

	<u>2009</u>	<u>2008</u>
Demand Deposits	\$959,555	\$821,069

Deposits: Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by the financial institutions' public entity deposit pool.

Valley Township
Scioto County
Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2009 follows:

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$204,676	\$204,676	\$0
Special Revenue	462,556	462,556	0
Capital Projects	205,000	205,000	0
Total	\$872,232	\$872,232	\$0

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$219,934	\$147,087	\$72,847
Special Revenue	1,091,413	381,659	709,754
Capital Projects	205,000	205,000	0
Total	\$1,516,347	\$733,746	\$782,601

Budgetary activity for the year ending December 31, 2008 follows:

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$135,659	\$135,659	\$0
Special Revenue	710,431	710,782	351
Total	\$846,090	\$846,441	\$351

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$172,717	\$124,610	\$48,107
Special Revenue	1,336,636	695,517	641,119
Total	\$1,509,353	\$820,127	\$689,226

Note 4 – Property Taxes

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.

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.

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

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

Valley Township
Scioto County
Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 5 – Debt

Debt outstanding at December 31, 2009 was as follows:

	Principal	Interest Rate
Loan for purchase of rescue squad	\$69,224	4.75%
Loan for purchase of fire truck	205,000	4.25%
	\$274,224	

The Township purchased a fire truck through a third-party financing company to be used for public safety within the Township. The original amount of the loan was for \$67,500. Annual payments in the amount of \$24,703 were due throughout the term of the loan. The loan was repaid in full during 2009.

The Township purchased a rescue squad through a third-party financing company to be used for public safety within the Township. The original amount of the loan was for \$90,217. Annual payments in the amount of \$25,339 are due throughout the term of the loan which concludes on March 4, 2012. The loan is secured by the rescue squad.

The Township purchased a fire truck through a third-party financing company to be used for public safety within the Township. The original amount of the loan was for \$205,000. Annual payments in the amount of \$34,549 are due throughout the term of the loan which concludes on August 20, 2016. The loan is secured by the fire truck.

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

Year Ending December 31:	Loan Rescue Squad	Loan Fire Truck
2010	\$25,339	\$34,549
2011	25,339	34,549
2012	25,339	34,549
2013	0	34,549
2014	0	34,549
2015-2016	0	69,100
Totals	\$76,017	\$241,845

Note 6 – Retirement System

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

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

Valley Township
Scioto County
Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 7 – 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 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 \$14,869.

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.

	Contributions to OTARMA
2007	\$15,522
2008	15,944
2009	13,896

Valley Township
Scioto County
Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 7 – Risk Management (Continued)

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 8 – Contingent Liabilities

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

The Township is currently party to litigation. However, it is the opinion of the Township's legal counsel that any adverse results will not have a material impact on the Township's fund cash balances.

Note 9 – Compliance

The Township Trustees did not adopt annual appropriations on or about the first day of the fiscal year for 2008, nor were temporary appropriations adopted, which is contrary to the Ohio Revised Code.

The Township had expenditures in excess of appropriations in 2008, which is contrary to the Ohio Revised Code.

Note 10 – Restatement of Fund Cash Balances

The Township voided outstanding checks from its outstanding check list that were issued prior to 2008. These voided checks required adjustments that had the following effect on beginning fund cash balances:

	General Fund	Special Revenue Funds
Fund Cash Balance, December 31, 2007	\$88,316	\$704,899
Restatement	1,100	440
Restated Fund Cash Balance, December 31, 2007	<u>\$89,416</u>	<u>\$705,339</u>

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Board of Trustees
Valley Township
384 Cook Road
Lucasville, Ohio 45648

We have audited the financial statements of Valley Township, Scioto County, (the Township) as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated February 19, 2011, wherein we noted the Township followed the accounting basis the Auditor of State prescribes or permits, which is a comprehensive basis of accounting other 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.

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 auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we do not express an opinion 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 and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses to be a material weaknesses, which is described in the accompanying schedule of findings and responses as item 2009-1.

Valley Township
Scioto County

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which are described in the accompanying schedule of findings and responses as items 2009-2 and 2009-3.

We noted certain matters that we reported to management of the Township in a separate letter dated February 19, 2011.

The Township's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the Township's responses and, accordingly, we express no opinion on them.

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



Natalie Millhuff-Stang, CPA
President/Owner
Millhuff-Stang, CPA, Inc.

February 19, 2011

Valley Township
Scioto County
Schedule of Findings and Responses
For the Years Ended December 31, 2009 and 2008

Findings Related to the Financial Statements Required to be Reported in Accordance With GAGAS

Finding Number 2009-1

Material Weakness – Financial Reporting

A monitoring system by the Township should be in place to prevent or detect misstatements for the accurate presentation of the Township's financial statements. During 2009 and 2008, the Township erroneously posted various receipts and disbursements to the incorrect accounts, and, in certain instances, funds. Among the misclassifications include public utility and tangible personal property tax reimbursements were recorded as taxes, proceeds from loans were recorded as charges for services in 2008 and other financing sources in 2009, and payments to volunteers for EMS runs were recorded as capital outlay. This required reclassifications and adjustments to properly present the financial activity of the Township for both years. The Township should implement additional monitoring procedures to ensure receipts and disbursements are properly recorded.

Client Response:

The Fiscal Officer will examine the UAN system for more accurate line items so both revenues and expenses can be properly classified.

Finding Number 2009-2

Material Noncompliance – Annual Appropriation Measures

Ohio Revised Code Section 5705.38(A) requires that on or about the first day of each fiscal year, an appropriation measure is to be passed. If the Township desires to postpone the passage of the annual appropriation measure until an amended certificate is received based on the actual balances, it may pass a temporary appropriation measure for meeting the ordinary expenses of the Township until no later than the first day of April of the current year, and the appropriations made in the temporary measure shall be chargeable to the appropriations in the annual appropriation measure for the year when passed. The Board of Trustees did not approve appropriations for 2008 until March 15, 2008. All disbursements up to the date of the appropriations measure were not properly appropriated and encumbered. This also resulted in expenditures in excess of appropriations during each year. The Board of Trustees should approve appropriations on or about the first day of each year. If the Township prefers to obtain its official certificate of estimated resources prior to adoption of its permanent appropriations, the Board of Trustees should formally approve temporary appropriations as outlined in the Ohio Revised Code.

Client Response:

The Fiscal Officer will assure that appropriations are approved prior to expenditures being made in order to comply.

Finding Number 2009-3

Material Noncompliance – Expenditures in Excess of Appropriations

Ohio Revised Code Section 5705.41(B) prohibits a subdivision or taxing unit from expending money unless it is appropriated. The Township had expenditures in excess of appropriations in 2008 due to expenditures made prior to adoption of appropriations. Failure to properly monitor budgetary information subjects the Township to the risk of spending in excess of authorized limits. The Township should implement additional monitoring procedures to ensure the expenditures are within authorized appropriations and that appropriations are adopted prior to expenditure of funds.

Client Response:

The Fiscal Officer will assure that appropriations are approved prior to expenditures being made in order to comply.

Valley Township
Scioto County
Schedule of Prior Audit Findings
For the Years Ended 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>
Finding 2007-001	Noncompliance/Finding for Recovery – finding for recovery issued against Bonnie Turner, former Fiscal Officer, and her bonding company in the amount of \$2,353.13	No	No payments have been received on this finding for recovery as of February 19, 2011
Finding 2007-002	Noncompliance/Finding for Recovery – finding for recovery issued against Bonnie Turner, former Fiscal Officer, and her bonding company in the amount of \$1,237.55	No	No payments have been received on this finding for recovery as of February 19, 2011
Finding 2007-003	Noncompliance/Finding for Recovery – finding for recovery issued against Bonnie Turner, former Fiscal Officer, and her bonding company in the amount of \$3,700.00	No	No payments have been received on this finding for recovery as of February 19, 2011
Finding 2007-004	Noncompliance/Finding for Recovery – finding for recovery issued against Bonnie Turner, former Fiscal Officer, and her bonding company in the amount of \$7,645.47	No	No payments have been received on this finding for recovery as of February 19, 2011
Finding 2007-005	Noncompliance/Finding for Recovery – finding for recovery issued against Bonnie Turner, former Fiscal Officer, her bonding company, and, Jonathan Turner, former Township employee, in the amount of \$171.18 and \$106.98 respectively	No	No payments have been received on this finding for recovery as of February 19, 2011
Finding 2007-006	Noncompliance –ORC Section 149.351(A) – maintenance of supporting documentation for reimbursement of insurance premiums to Bonnie Turner, former Fiscal Officer	Yes	

Valley Township
Scioto County
Schedule of Prior Audit Findings
For the Years Ended 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>
Finding 2007-007	Noncompliance –ORC Section 149.351(A) – maintenance of duplicate receipts for cemetery receipts	Yes	
Finding 2007-008	Noncompliance –ORC Section 9.38 – failure to deposit receipts in a timely manner	No	Partially corrected – reissued in management letter
Finding 2007-009	Noncompliance –ORC Section 5705.39 – appropriations in excess of estimated resources	No	Partially corrected – reissued in management letter
Finding 2007-010	Material Weakness – financial reporting	No	Reissued as finding 2009-1



Dave Yost • Auditor of State

VALLEY TOWNSHIP

SCIOTO 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
APRIL 12, 2011