

**WALNUT TOWNSHIP
PICKAWAY COUNTY
Regular Audit
For the Years Ended December 31, 2010 and 2009**

Perry & Associates
Certified Public Accountants, A.C.



Dave Yost • Auditor of State

Board of Trustees
Walnut Township
8514 S. Bloomfield-Royalton Road
Ashville, Ohio 43103

We have reviewed the *Independent Accountants' Report* of Walnut Township, Pickaway County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2009 through December 31, 2010. 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. Walnut Township is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

October 24, 2011

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**WALNUT TOWNSHIP
PICKAWAY COUNTY**

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INDEPENDENT ACCOUNTANTS' REPORT

August 22, 2011

Walnut Township
Pickaway County
8514 South Bloomfield-Royalton Road
Ashville, Ohio 43103

To the Board of Trustees:

We have audited the accompanying financial statements of **Walnut Township**, Pickaway County, Ohio, (the Township) as of and for the years ended December 31, 2010 and 2009. 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 1, the Township has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Township's larger (i.e. major) funds separately. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of 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, 2010 and 2009 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, 2010 and 2009 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 Walnut Township, Pickaway County, Ohio, as of December 31, 2010 and 2009, 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 August 22, 2011, 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.

**WALNUT TOWNSHIP
PICKAWAY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Governmental Fund Types</u>				<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent</u>	
Cash Receipts:					
Property and Other Local Taxes	\$ 109,197	\$ 424,094	\$ -	\$ -	\$ 533,291
Intergovernmental	31,681	175,858	252,242	-	459,781
Licenses, Permits, and Fees	1,475	26,670	-	-	28,145
Earnings on Investments	2,211	826	-	2,382	5,419
Miscellaneous	44	15,883	-	1,500	17,427
Total Cash Receipts	<u>144,608</u>	<u>643,331</u>	<u>252,242</u>	<u>3,882</u>	<u>1,044,063</u>
Cash Disbursements:					
Current:					
General Government	151,007	8,623	252,242	1,550	413,422
Public Works	-	256,377	-	-	256,377
Public Safety	-	245,000	-	-	245,000
Health	-	65,394	-	-	65,394
Capital Outlay	8,087	5,214	-	-	13,301
Total Cash Disbursements	<u>159,094</u>	<u>580,608</u>	<u>252,242</u>	<u>1,550</u>	<u>993,494</u>
Total Receipts Over/(Under) Disbursements	<u>(14,486)</u>	<u>62,723</u>	<u>-</u>	<u>2,332</u>	<u>50,569</u>
Fund Cash Balances, January 1	<u>330,173</u>	<u>369,368</u>	<u>-</u>	<u>65,015</u>	<u>764,556</u>
Fund Cash Balances, December 31	<u>\$ 315,687</u>	<u>\$ 432,091</u>	<u>\$ -</u>	<u>\$ 67,347</u>	<u>\$ 815,125</u>

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

**WALNUT TOWNSHIP
PICKAWAY 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>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Permanent</u>	
Cash Receipts:				
Property and Other Local Taxes	\$ 113,220	\$ 421,105	\$ -	\$ 534,325
Intergovernmental	130,520	105,998	-	236,518
Licenses, Permits, and Fees	4,275	23,149	-	27,424
Earnings on Investments	3,655	850	1,875	6,380
Miscellaneous	10,688	22,581	-	33,269
	<u>262,358</u>	<u>573,683</u>	<u>1,875</u>	<u>837,916</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
General Government	176,478	6,016	4,530	187,024
Public Works	-	175,826	-	175,826
Public Safety	-	249,176	-	249,176
Health	-	53,770	-	53,770
Capital Outlay	-	4,629	-	4,629
	<u>176,478</u>	<u>489,417</u>	<u>4,530</u>	<u>670,425</u>
Total Cash Disbursements				
	<u>176,478</u>	<u>489,417</u>	<u>4,530</u>	<u>670,425</u>
Total Receipts Over/(Under) Disbursements	<u>85,880</u>	<u>84,266</u>	<u>(2,655)</u>	<u>167,491</u>
Fund Cash Balances, January 1 (Restated; See Note 7)	<u>244,292</u>	<u>285,102</u>	<u>67,670</u>	<u>597,064</u>
Fund Cash Balances, December 31	<u><u>\$ 330,173</u></u>	<u><u>\$ 369,368</u></u>	<u><u>\$ 65,015</u></u>	<u><u>\$ 764,556</u></u>

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

**WALNUT TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Walnut Township, Pickaway 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. The Township provides general governmental services, including road and bridge maintenance, and cemetery maintenance. The Township contracts with Harrison Township for fire protection. Police protection is provided by the Pickaway County Sheriff's Department.

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

B. Accounting Basis

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

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

Change in Basis of Accounting

Last audit period the Township presented financial statements on the cash basis of accounting. The fund financial statements presented each major fund in a separate column with nonmajor funds aggregated and presented in a single column, rather than a column for each fund type. This audit period the Township has elected to report fund financial statements by fund type using the regulatory basis of accounting as prescribed by the Auditor of States office.

C. Deposits

The Township Fiscal Officer invests funds of the Township in an interest-bearing checking account. The Township also maintains several Certificates of Deposit.

D. Fund Accounting

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

1. General Fund

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

**WALNUT TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds

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

Fire District Fund – This fund is used to account for and report voted property taxes restricted to the operation of the fire department.

3. Permanent Fund

This fund is for restricted donations for cemetery maintenance.

4. Capital Project Fund

This fund accounts for receipts restricted to acquiring or constructing major capital projects.

E. Budgetary Process

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

1. Appropriations

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

2. Estimated Resources

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

3. Encumbrances

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

A summary of 2010 and 2009 budgetary activity appears in Note 3.

**WALNUT TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Property, Plant and Equipment

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

2. EQUITY IN POOLED DEPOSITS

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

	2010	2009
Demand deposits	\$ 734,757	\$ 684,302
Certificates of deposit	80,368	80,254
Total deposits	\$ 815,125	\$ 764,556

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, 2010 and 2009 follows:

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 143,674	\$ 144,608	\$ 934
Special Revenue	568,730	643,331	74,601
Capital Projects	252,242	252,242	-
Permanent	4,244	3,882	(362)
Total	\$ 968,890	\$ 1,044,063	\$ 75,173

Fund Type	Authority	Expenditures	Variance
General	\$ 323,466	\$ 159,094	\$ 164,372
Special Revenue	879,000	580,608	298,392
Capital Projects	252,242	252,242	-
Permanent	4,000	1,550	2,450
Total	\$ 1,458,708	\$ 993,494	\$ 465,214

**WALNUT TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 139,724	\$ 262,358	\$ 122,634
Special Revenue	598,713	573,683	(\$25,030)
Permanent	4,120	1,875	(\$2,245)
Total	\$ 742,557	\$ 837,916	\$ 95,359

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 323,466	\$ 176,478	\$ 146,988
Special Revenue	844,437	489,417	355,020
Permanent	9,800	4,530	5,270
Total	\$ 1,177,703	\$ 670,425	\$ 507,278

Contrary to Ohio Rev. Code Section 5705.10 (D), the Township incorrectly posted Permissive Motor Vehicle License Tax receipts to the General Fund rather than to the Permissive Motor Vehicle Tax Fund.

4. PROPERTY TAX

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

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

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

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

5. RETIREMENT SYSTEMS

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

**WALNUT TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

(Continued)

5. RETIREMENT SYSTEMS (Continued)

The Ohio Revised Code also prescribes contribution rates. For 2010 and 2009, OPERS members contributed 10% of their gross salaries, and the Township contributed an amount equal to 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2010.

6. 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, 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 (the latest information available):

	<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>

**WALNUT TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

6. RISK MANAGEMENT (Continued)

Financial Position (Continued)

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, 2010, the Township's share of these unpaid claims collectible in future years is approximately \$6,000.

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

<u>Contributions to OTARMA</u>	
<u>2010</u>	<u>2009</u>
\$5,329	\$5,464

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.

7. PRIOR PERIOD ADJUSTMENT

The following adjustment was to accurately record the investment balance not included in the prior year financial statements:

	Permanent
December 31, 2008 Balance	\$ 66,507
Adjustment	1,163
January 1, 2009 Balance	<u>\$ 67,670</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***

August 22, 2011

Walnut Township
Pickaway County
8514 South Bloomfield-Royalton Road
Ashville, Ohio 43103

To the Board of Trustees:

We have audited the financial statements of **Walnut Township**, Pickaway County, Ohio, (the Township) as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated August 22, 2011, 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 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.

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 audit findings we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses.

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 findings 2010-001 and 2010-002 described in the accompanying schedule of audit findings to be material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of audit findings as item 2010-001.

We also noted certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated August 22, 2011.

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

Respectfully Submitted,



Perry and Associates
Certified Public Accountants, A.C.

**WALNUT TOWNSHIP
PICKAWAY COUNTY**

**SCHEDULE OF AUDIT FINDINGS
DECEMBER 31, 2010 AND 2009**

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

FINDING NUMBER 2010-001

Material Weakness/Non-Compliance Finding

Ohio Revised Code 5705.10 (D) states that revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose. Further, Ohio Revised Code Section 5705(H) states that money paid into any fund shall be used only for the purposes for which such fund was established.

The Township posted Permissive Motor Vehicle License Tax receipts amounting to \$6,165 in 2010 and \$2,268 in 2009 incorrectly into the General Fund rather than to the Permissive Motor Vehicle Tax Fund.

These adjustments are reflected in the accompanying financial statements and the Township's accounting system.

We recommend the Township utilize available authoritative resources to post receipt transactions appropriately.

Management's Response – We received no response from officials to this finding.

FINDING NUMBER 2010-002

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.

Receipts and expenditures were not always posted correctly. For example;

- Insurance reimbursements from the Fiscal Officer and Township trustees were recorded as Miscellaneous Revenue, instead of as a reduction of General Government expenditures in the General Fund in 2010 and 2009.
- Zoning and building permit fees were recorded as Miscellaneous Revenue instead of Licenses, Permits and Fees in the General Fund in 2010.
- Proposed adjustments from the prior audit were not posted to the UAN system properly.

This resulted in several reclassification and adjustment entries being made to the Township's financial statements. The financial statements reflect all reclassifications and adjustments.

To help ensure accuracy and reliability in the financial reporting process, we recommend that management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all sources of revenues and expenditures are properly identified and classified on the financial statements.

We also recommend the Fiscal Officer refer to the Ohio Administrative Code Section 117-7-01 and/or the Ohio Township Handbook for guidance to determine the proper establishment of receipt and expenditure accounts and posting of receipts and expenditures.

Management's Response – We received no response from officials to this finding.

**WALNUT TOWNSHIP
PICKAWAY COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2010 AND 2009**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2008-001	Allocation of Interest Receipts	Yes	
2008-002	ORC 5705.10(D)	No	Not Corrected – Repeated as finding 2010-001
2008-003	Financial Reporting	No	Not Corrected – Repeated as finding 2010-002



Dave Yost • Auditor of State

WALNUT TOWNSHIP

PICKAWAY 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
NOVEMBER 10, 2011