



Mary Taylor, CPA  
Auditor of State



MASSIE TOWNSHIP  
WARREN COUNTY

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Mary Taylor, CPA  
Auditor of State

Massie Township  
Warren County  
101 N. Harveysburg Rd  
Harveysburg, Ohio 45032

To the Board of Trustees:

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

*Mary Taylor*

**Mary Taylor, CPA**  
Auditor of State

September 25, 2008

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Massie Township  
Warren County  
101 N. Harveysburg Rd  
Harveysburg, Ohio 45032

To the Board of Trustees:

We have audited the accompanying financial statements of Massie Township, Warren County, Ohio (the Township), as of and for the years ended December 31, 2007 and 2006. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

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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, 2007 and 2006 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, 2007 and 2006, 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 Massie Township, Warren County, as of December 31, 2007 and 2006, 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 September 25, 2008, 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.



**Mary Taylor, CPA**  
Auditor of State

September 25, 2008



**MASSIE TOWNSHIP  
WARREN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<b>Governmental Fund Types</b>			<b>Totals</b>
	<b>General</b>	<b>Special Revenue</b>	<b>Permanent</b>	<b>(Memorandum Only)</b>
<b>Cash Receipts:</b>				
Property and Other Local Taxes	\$24,424	\$104,792	\$0	\$129,216
Charges for Services	0	6,299	0	6,299
Licenses, Permits, and Fees	600	0	0	600
Intergovernmental	40,777	194,512	0	235,289
Earnings on Investments	11,829	9,482	81	21,392
Miscellaneous	0	35,633	0	35,633
<b>Total Cash Receipts</b>	<b>77,630</b>	<b>350,718</b>	<b>81</b>	<b>428,429</b>
<b>Cash Disbursements:</b>				
Current:				
General Government	47,874	0	0	47,874
Public Safety	0	76,718	0	76,718
Public Works	0	94,148	0	94,148
Health	445	0	0	445
Other	0	1,738	0	1,738
Capital Outlay	0	114,515	0	114,515
<b>Total Cash Disbursements</b>	<b>48,319</b>	<b>287,119</b>	<b>0</b>	<b>335,438</b>
<b>Total Receipts Over Disbursements</b>	<b>29,311</b>	<b>63,599</b>	<b>81</b>	<b>92,991</b>
Fund Cash Balance, January 1	36,965	381,004	2,843	420,812
<b>Fund Cash Balance, December 31</b>	<b>\$66,276</b>	<b>\$444,603</b>	<b>\$2,924</b>	<b>\$513,803</b>

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

**MASSIE TOWNSHIP  
WARREN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<b>Governmental Fund Types</b>			<b>Totals</b>
	<b>General</b>	<b>Special Revenue</b>	<b>Permanent</b>	<b>(Memorandum Only)</b>
<b>Cash Receipts:</b>				
Property and Other Local Taxes	\$20,984	\$97,843	\$0	\$118,827
Charges for Services	0	2,286	0	2,286
Licenses, Permits, and Fees	3,313	0	0	3,313
Intergovernmental	25,842	106,796	0	132,638
Earnings on Investments	8,667	8,065	81	16,813
Miscellaneous	0	3,352	0	3,352
<b>Total Cash Receipts</b>	<b>58,806</b>	<b>218,342</b>	<b>81</b>	<b>277,229</b>
<b>Cash Disbursements:</b>				
Current:				
General Government	60,873	0	0	60,873
Public Safety	0	89,807	0	89,807
Public Works	0	73,752	0	73,752
Health	212	0	200	412
Other	0	847	0	847
Capital Outlay	410	10,754	0	11,164
<b>Total Cash Disbursements</b>	<b>61,495</b>	<b>175,160</b>	<b>200</b>	<b>236,855</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>(2,689)</b>	<b>43,182</b>	<b>(119)</b>	<b>40,374</b>
Fund Cash Balance, January 1	39,654	337,822	2,962	380,438
<b>Fund Cash Balance, December 31</b>	<b>\$36,965</b>	<b>\$381,004</b>	<b>\$2,843</b>	<b>\$420,812</b>

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

**MASSIE TOWNSHIP  
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006**

**1. Summary of Significant Accounting Policies**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Massie Township, Warren 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, fire protection and emergency medical services.

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

**B. Accounting Basis**

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

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

**C. Cash and Investments**

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

The Township values certificates of deposit at cost. The Milestone Account is recorded at share values the mutual funds report.

**D. Fund Accounting**

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

**1. General Fund**

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

**2. Special Revenue Funds**

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

**MASSIE TOWNSHIP  
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

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

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

Fire District Fund - This fund receives real estate property tax money to maintain Township fire engines and ambulances.

FEMA Fund - This fund received FEMA grant monies to provide assistance to the Township's firefighters.

**3. Permanent Funds**

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

Cemetery Bequest Fund – This fund receives interest earned on the nonexpendable corpus from a trust agreement. These earnings are used for the general maintenance and upkeep of the Township's cemetery.

**E. Budgetary Process**

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

**1. Appropriations**

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

**2. Estimated Resources**

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

**3. Encumbrances**

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year. The Township did not encumber all commitments required by Ohio law.

A summary of 2007 and 2006 budgetary activity appears in Note 3.

**MASSIE TOWNSHIP  
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006  
(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 Cash and Investments**

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

	2007	2006
Certificates of deposit	\$1,995	\$1,995
Total deposits	1,995	1,995
Milestone Account	511,808	418,817
Total investments	511,808	418,817
Total deposits	\$513,803	\$420,812

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

**Investments:** The Federal Reserve holds the Township's U.S. Treasury Notes in book-entry form by, in the name of the Township's financial institution. The financial institution maintains records identifying the Township as owner of these securities.

The Township's financial institution transfers securities to the Township's agent to collateralize repurchase agreements. The securities are not in the Township's name.

**3. Budgetary Activity**

Budgetary activity for the years ending December 31, 2007 and 2006 follows:

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$57,649	\$77,630	\$19,981
Special Revenue	336,157	350,718	14,561
Permanent	80	81	1
Total	\$393,886	\$428,429	\$34,543

**MASSIE TOWNSHIP  
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

**3. Budgetary Activity (Continued)**

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$59,903	\$48,319	\$11,584
Special Revenue	437,344	287,119	150,225
Permanent	(1,875)	0	(1,875)
Total	\$495,372	\$335,438	\$159,934

2006 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$40,669	\$58,806	\$18,137
Special Revenue	209,650	218,342	8,692
Permanent	60	81	21
Total	\$250,379	\$277,229	\$26,850

2006 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$44,425	\$61,495	(\$17,070)
Special Revenue	257,570	175,160	82,410
Permanent	200	200	0
Total	\$302,195	\$236,855	\$65,340

Contrary to Ohio law, the Fire District Fund had appropriations of \$209,284 which exceeded estimated resources of \$186,841 resulting in a variance of (\$22,443) for the year ended December 31, 2007.

**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.

**MASSIE TOWNSHIP  
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

**5. Retirement Systems**

The Township's employees 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 include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2007 and 2006, OPERS members contributed 9.5 and 9%, respectively, of their gross salaries and the Township contributed an amount equaling 13.85 and 13.7%, respectively, of participants' gross salaries. The Township has paid all contributions required through December 31, 2007.

**6. Risk Management**

**Risk Pool Membership**

The Government belongs to the Ohio Government Risk Management Plan (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to over 550 Ohio governments ("Members").

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each Member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the Member's deductible.

The Plan issues its own policies and reinsures the Plan with A- VII or better rated carriers, except the Plan retains the lesser of 15% or \$37,500 of casualty losses and the lesser of 10% or \$100,000 of property losses. Individual Members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31:

	<b>2007</b>	<b>2006</b>
Assets	\$11,136,455	\$9,620,148
Liabilities	(4,273,553)	(3,329,620)
Members' Equity	\$6,862,902	\$6,290,528

You can read the complete audited financial statements for The Ohio Government Risk Management Plan at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

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# Mary Taylor, CPA

Auditor of State

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

Massie Township  
Warren County  
101 N. Harveysburg Rd.  
Harveysburg, Ohio 45032

To the Township Board of Trustees:

We have audited the financial statements of Massie Township, Warren County, Ohio (the Township), as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated September 25, 2008 wherein we noted the Township prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. We also noted the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Township's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider the following deficiencies described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting: 2007-002 and 2007-003.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Township's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. However, of the significant deficiencies described above, we believe finding number 2007-002 is also a material weakness.

We noted certain matters that we reported to the Township's management in a separate letter dated September 25, 2008.

#### **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 instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2007-001 and 2007-002.

We did note certain noncompliance or other matters that we reported to the Township's management in a separate letter dated September 25, 2008.

The Township did not provide a response to the findings identified in our audit.

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



**Mary Taylor, CPA**  
Auditor of State

September 25, 2008

**MASSIE TOWNSHIP  
WARREN COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2007 AND 2006**

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

**FINDING NUMBER 2007-001**

**Noncompliance Citation**

**Ohio Rev. Code, Section 5705.39**, provides, in part, that the total appropriations from each fund shall not exceed the total estimated revenue available for expenditure therefrom, as certified by the county budget commission, or in case of appeal, by the board of tax appeals. No appropriation measure shall become effective until the county auditor files with the appropriating authority a certificate that the total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed the total official estimate or amended official estimate. As of December 31, 2007, the Fire District Fund had appropriations of \$209,284 which exceeded estimated resources of \$186,841 resulting in a variance of (\$22,443).

We recommend the Township use due care in monitoring their budgetary documents since these documents are an integral part of the budgetary control process. Failure to properly monitor budgetary activity could result in negative fund balances. We recommend that the Township monitor budgetary activity on a regular basis and obtain amended certificates as needed.

**Officials' Response:**

We did not receive a response from officials regarding this finding.

**FINDING NUMBER 2007-002**

**Noncompliance Citation/Material Weakness**

**Ohio Rev. Code, Section 505.24(C)**, sets forth the method by which township trustees' compensation should be allocated. This section is amplified by Ohio Attorney General (OAG) Opinion 2004-036. This section requires that compensation of a township trustee must be paid from the Township General Fund or from such other restricted township funds, in such proportions based on the amount of time spent on matters related to the services rendered. In addition, OAG Opinion 2004-036 indicates trustees should establish administrative procedures to document the proportionate amount of trustees' salaries chargeable to other township funds based on the portion of time spent on matters related to the services rendered. There is no one method for documenting time and the kinds of services rendered. The "administrative procedures" can be timesheets or a similar method of record keeping, as long as the trustees document all time spent on township business and the type of service(s) performed, in a manner similar to trustees paid per diem compensation. If trustees do not document their time, then no part of salaries may be paid from these other funds. The Township was notified of the requirements of Ohio Revised Code Section 505.24(C) in their management letter dated October 23, 2006.

In 2006, the Township Trustees did not prepare documentation for how they spent their time. However, two of the three Trustees' salaries were partially allocated to the Gas Tax and Road and Bridge Funds. It is necessary for township trustees to document their time in order to substantiate that salaries and insurance benefits were allocated to the proper funds. An audit adjustment to the Township ledgers and financial statements was necessary for the allocation of Trustees' salaries. In 2006, the result was that General Fund total expenditures increased by \$15,256, Gas Tax expenditures decreased by \$10,941 and Road and Bridge expenditures decreased by \$4,315.

We recommend the Township adopt formal administrative procedures regarding documenting the time spent by Township Trustee's on various duties. Once these administrative procedures are established trustee salaries and related benefits should be charged to the applicable funds in accordance with the timesheets or other similar method of record keeping.

**FINDING NUMBER 2007-002  
(Continued)**

**Officials' Response:**

We did not receive a response from officials regarding this finding.

**FINDING NUMBER 2007-003**

**Significant Deficiency**

Financial statement presentation is designed to provide an accurate picture of the financial condition of the Township to the public. An adjustment to the financial statements was necessary for a gas excise tax receipt posted to the wrong fund during FY07. The receipt in the amount of \$4,531 was posted to the Motor Vehicle License (MVL) Tax Fund rather than the Gas Tax Fund, in error.

Lack of effective oversight over the financial reporting process resulted in a material misstatement of the financial statements which if not detected could result in erroneous assumptions by financial statement users.

Procedures should be implemented for monitoring the results of the financial statements and that they properly reflect the financial condition of the Township. Procedures should include reviews by the Trustees and comparisons of the current year information to prior year information to help identify problem areas. Supporting documentation for the financial statements should also be reviewed to determine if it has been properly prepared.

**Officials' Response:**

We did not receive a response from officials regarding this finding.

**MASSIE TOWNSHIP  
WARREN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2005 AND 2004**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2005-001	ORC 5705.41D for not certifying the availability of funds	No	Partially corrected. Reissued in 2007-2006 management letter.
2005-002	ORC 9.38 for not depositing timely	No	Partially corrected. Reissued in 2007-2006 management letter.





**Mary Taylor, CPA**  
Auditor of State

**MASSIE TOWNSHIP**

**WARREN 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 6, 2008**