

MONROE TOWNSHIP
MADISON COUNTY, OHIO

Audited Financial Statements

For the Years Ended December 31, 2007 and 2006



Mary Taylor, CPA

Auditor of State

Board of Trustees
Monroe Township
4036 Little Darby Road
London, Ohio 43140

We have reviewed the *Independent Accountant's Report* of Monroe Township, Madison County, prepared by Van Kregel and Company, CPA's, for the audit period January 1, 2006 through December 31, 2007. 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 Accountant'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 Accountant'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. Monroe Township is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

November 5, 2008

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Monroe Township
Madison County, Ohio

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INDEPENDENT ACCOUNTANT'S REPORT

Monroe Township
Madison County, Ohio
4036 Little Darby Road
London, Ohio 43140

To the Board of Trustees:

We have audited the accompanying financial statements of Monroe Township, Madison 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 audits.

We conducted our audits 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 audits 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 audits provide 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 require 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.

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 Monroe Township, Madison County, Ohio 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.

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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 17, 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 audits.

A handwritten signature in cursive script that reads "Van Krevel & Company".

Van Krevel & Company
Dublin, Ohio

September 17, 2008

Monroe Township
 Madison County, Ohio
 Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances
 All Governmental Fund Types
 For the Year Ended December 31, 2007

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$ 31,297	\$ 20,283	\$ 51,580
Licenses, Permits, and Fees		4,283	4,283
Intergovernmental Receipts	35,486	106,034	141,520
Earnings on investments	3,510	5,613	9,123
Miscellaneous	623	2,798	3,421
Total Cash Receipts	<u>70,916</u>	<u>139,011</u>	<u>209,927</u>
Cash Disbursements:			
Current:			
General Government	62,479		62,479
Public Safety		27,173	27,173
Public Works		59,524	59,524
Health		5,255	5,255
Capital Outlay	1,192	2,045	3,237
Total Cash Disbursements	<u>63,671</u>	<u>93,997</u>	<u>157,668</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>7,245</u>	<u>45,014</u>	<u>52,259</u>
Excess of Cash Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	7,245	45,014	52,259
Fund Cash Balances, January 1	87,837	196,420	284,257
Fund Cash Balances, December 31	<u>\$ 95,082</u>	<u>\$ 241,434</u>	<u>\$ 336,516</u>

Monroe Township
Madison County, Ohio
Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances
All Governmental Fund Types
For the Year Ended December 31, 2006

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$ 30,070	\$ 19,462	\$ 49,532
Licenses, Permits, and Fees		5,528	5,528
Intergovernmental Receipts	36,945	102,934	139,879
Earnings on Investments	2,910	3,172	6,082
Miscellaneous	230	2,811	3,041
Total Cash Receipts	<u>70,155</u>	<u>133,907</u>	<u>204,062</u>
Cash Disbursements:			
Current:			
General Government	63,730		63,730
Public Safety		26,445	26,445
Public Works		40,098	40,098
Health		6,333	6,333
Capital Outlay	2,499	46,071	48,570
Total Cash Disbursements	<u>66,229</u>	<u>118,947</u>	<u>185,176</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>3,926</u>	<u>14,960</u>	<u>18,886</u>
Other Financing Sources:			
Sale of Fixed Assets		21,764	21,764
Total Other Financing Sources	-	21,764	21,764
Excess of Cash Receipts and Other Financing Sources Over Cash Disbursements			
	<u>3,926</u>	<u>36,724</u>	<u>40,650</u>
Fund Cash Balances, January 1	<u>83,911</u>	<u>159,696</u>	<u>243,607</u>
Fund Cash Balances, December 31	<u>\$ 87,837</u>	<u>\$ 196,420</u>	<u>\$ 284,257</u>

Monroe Township
Madison County, Ohio

Notes to the Financial Statements
December 31, 2007 and 2006

NOTE 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 Monroe Township, Madison County, (the Township) as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides general governmental services, including maintenance of Township roads and cemetery maintenance. The Township contracted with Central Townships Fire Department to provide fire protection through May 21, 2007. Central Townships Joint Fire District was formed and provides fire protection services hence forward.

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

B Basis of Accounting

These financial statements follow the accounting basis the Auditor of State of Ohio 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 of Ohio 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.

Certificates of deposit are valued at cost.

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 that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

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

Fire District Fund – This fund receives property tax levy monies to provide fire services through contracted services.

Monroe Township
Madison County, Ohio

Notes to the Financial Statements
December 31, 2007 and 2006

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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

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.

G Joint Ventures

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. Under the cash basis of accounting, the Township does not report assets for equity interest in joint ventures. Through May 21, 2007, the Township participated in a jointly governed organization – Central Townships Fire Department. In May, 2007, a new organization was formed in which the Township participates called Central Townships Joint Fire District. See Note 7.

NOTE 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:

	<u>2007</u>	<u>2006</u>
Demand Deposits	\$336,516	\$120,396
Certificate of Deposits		<u>163,861</u>
Total Deposits	<u>\$336,516</u>	<u>\$284,257</u>

Monroe Township
Madison County, Ohio

Notes to Financial Statements
December 31, 2007 and 2006

NOTE 2 EQUITY IN POOLED CASH AND INVESTMENTS (continued)

Deposits: Deposits are insured by the Federal Depository Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Township.

At December 31, 2007, \$39,754 of deposits were not insured or collateralized, contrary to Ohio law.

NOTE 3 BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 2007, follows:

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 66,484	\$ 70,916	\$ 4,432
Special Revenue	117,793	139,011	21,218
Totals	\$ 184,277	\$ 209,927	\$ 25,650

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 109,587	\$ 63,671	\$ 45,916
Special Revenue	162,015	93,997	68,018
Totals	\$ 271,602	\$ 157,668	\$ 113,934

Budgetary activity for the year ending December 31, 2006, follows:

2006 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 57,320	\$ 70,155	\$ 12,835
Special Revenue	113,257	155,671	42,414
Totals	\$ 170,577	\$ 225,826	\$ 55,249

Monroe Township
Madison County, Ohio

Notes to Financial Statements
December 31, 2007 and 2006

NOTE 3 BUDGETARY ACTIVITY (continued)

2006 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 101,281	\$ 66,229	\$ 35,052
Special Revenue	169,458	118,947	50,511
Totals	\$ 270,739	\$ 185,176	\$ 85,563

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.

NOTE 5 RETIREMENT SYSTEM

The Township's officials and 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 9.0%, respectively, of their gross salaries. The Township contributed an amount equal to 13.85% and 13.7% of participants' gross salaries for 2007 and 2006, respectively. The Township has paid all contributions required through December 31, 2007.

Monroe Township
Madison County, Ohio

Notes to Financial Statements
December 31, 2007 and 2006

NOTE 6 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. OTARMA is a member of the American Public Entity Excess Pool (APEEP). 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 Coverage

For an occurrence prior to January 1, 2006, OTARMA retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year. For an occurrence on or subsequent to January 1, 2006, the Pool retains casualty risk up to \$350,000 per occurrence. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year. Governments can elect up to \$10,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with OTARMA.

If losses exhaust OTARMA's retained earnings, APEEP provides *excess of funds available* coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000 (prior to January 1, 2006) or \$3,000,000 (on or subsequent to January 1, 2006).

Property Coverage

Through 2004, OTARMA retained property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsured losses exceeding \$100,000 up to \$500 million per occurrence.

Beginning in 2005, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. This amount increased to \$300,000 in 2007. For 2007, APEEP reinsures members for specific losses exceeding \$100,000 up to \$300,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable value. If the stop loss is reached by payment of losses between \$100,000 and \$250,000 in 2006, or \$100,000 and \$300,000 in 2007, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2007 was \$2,014,548.

The aforementioned casualty and property reinsurance agreements do not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

Monroe Township
Madison County, Ohio

Notes to Financial Statements
December 31, 2007 and 2006

NOTE 6 RISK MANAGEMENT (continued)

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and net assets at December 31, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
Assets	\$43,210,703	\$42,042,275
Liabilities	<u>(13,357,837)</u>	<u>(12,120,661)</u>
Net Assets	<u>\$29,852,866</u>	<u>\$29,921,614</u>

At December 31, 2007 and 2006, respectively, liabilities above include approximately \$12.5 million and \$11.3 million of estimated incurred claims payable. The assets and net assets above also include approximately \$11.6 million and \$10.8 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2007 and 2006, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township's share of these unpaid claims collectible in future years is approximately \$5,666. This payable includes the subsequent year's contribution due if the Township terminates participation, as described in the last paragraph below.

Based on discussions with OTARMA the expected rates charged by OTARMA 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 liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership. The Townships contributions to OTARMA for the past three years are as follows:

<u>Year</u>	<u>Contribution</u>
2007	\$ 2,833
2006	3,493
2005	3,409

After completing one year of membership, members may withdraw on each anniversary of the date they joined OTARMA provided they give written notice to OTARMA 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's budgetary 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.

Monroe Township
Madison County, Ohio

Notes to Financial Statements
December 31, 2007 and 2006

NOTE 7 JOINT VENTURE AND JOINTLY GOVERNED ORGANIZATION

Central Townships Fire Department, Madison County, Ohio (the Department) was incorporated on March 26, 1969, and was a governmental not-for-profit corporation legally separate from any other entity. The Central Townships Fire Department was dissolved on May 21, 2007.

Central Townships Joint Fire District (the Fire District) was incorporated in May, 2007, and is a governmental not-for-profit corporation legally separate from any other entity. The District is made up of six townships: Deercreek, Union, Monroe, Oak Run, Paint, and Somerford. The Fire District is directed by an appointed twelve member Board of Trustees consisting of elected Trustees from each participating township. The Fire District will receive its revenues starting in January 2008 from a levy that was passed in November 2007.

Further detailed financial information may be obtained by contacting the Central Townships Joint Fire Department at Central Townships Joint Fire District, Robert Dunkle, 9270 Danville Road, S.E., London, OH 43140.

The Madison Emergency Medical District (the District) provides ambulance services within the District and by contract to areas outside the District. The District is directed by an appointed six member Board of Trustees. One board member is appointed by each political subdivision within the District. Those subdivisions are the City of London, Deercreek Township, Monroe Township, Oak Run Township, Paint Township and Union Township.

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

Monroe Township
Madison County, Ohio
4036 Little Darby Road
London, Ohio 43140

To the Board of Trustees:

We have audited the financial statements of Monroe Township, Madison County, Ohio, (the Township), as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated September 17, 2008, wherein we noted that 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 conducted our audits 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 audits, 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 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 a significant deficiency.

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 deficiency described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting: 2007-002.

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.

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Monroe Township
Madison County, Ohio
Independent Accountant's Report on Internal Control over
Financial Reporting and on Compliance with Other Matters
Required by *Government Auditing Standards*

Internal Control Over Financial Reporting (continued)

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 deficiencies in internal control and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We believe none of the significant deficiency described above is a material weakness.

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 audits and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matter that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2007-001.

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

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



Van Krevel & Company
Dublin, Ohio

September 17, 2008

Monroe Township
Madison County, Ohio

Schedule of Findings
December 31, 2007 and 2006

Finding No. 2007-001

Noncompliance Citation and Significant Deficiency

Ohio Revised Code Section 135.18(A) states that the fiscal officer, before making the initial deposit in a public depository pursuant to an award made under Section 135.01-135.21 of the Ohio Revised Code, except as provided in Section 135.44 of the Ohio Revised Code, shall require the institution designated as a public depository to pledge to and deposit with the fiscal officer, as security for the repayment of public monies to be deposited in the public depository during the period of designation pursuant to the award, eligible securities of aggregate market value equal to the excess of the amount of public monies to be at the time so deposited, over and above the portion or amount of such monies as is at that time insured by the Federal Deposit Insurance Corporation or by any other agency or instrumentality of the Federal Government. In the case of any deposit other than the initial deposit made during the period of designation, the amount of the aggregate market value of securities required to be pledged and deposited shall be equal to the difference between the amount of public monies on deposit in such public depository plus the amount to be so deposited, minus the portion of the aggregate as is at the time insured as provided in this section.

The deposits at Huntington National Bank exceeded the pledged collateral provided by the Bank and the Federal Deposit Insurance Corporation coverage at December 31, 2007, by \$39,754.

We recommend that the Township's Fiscal Officer monitor the checking and investment balances to ensure adequate collateral is maintained.

Official's Response:

The Township's Fiscal Officer has contacted Huntington National Bank, and the bank has amended the depository agreement that will provide more coverage. The Fiscal Officer will monitor all cash balances in the future.

Finding No. 2007-002

Significant Deficiency

Revenue Account Postings

All local public offices should maintain an accounting system and accounting records sufficient to enable the public officer to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with the finance related legal and contractual requirements and prepare financial statements.

During 2007 and 2006, taxes and intergovernmental receipts were not always posted to the correct receipt classifications. Posting receipts to improper classifications results in inaccurate financial information being presented to the Township Trustees. Reclassification entries have been made to the accompanying financial statements to accurately reflect the proper reclassification of receipts.

We recommend the Township Fiscal Officer review the Chart of Accounts in the Uniform Accounting Network Accounting Manual. This should allow the Fiscal Officer to make proper postings to revenue account classifications based on the source of the revenue.

Official's Response:

The Township's Fiscal Officer will make revisions to the Chart of Accounts in order to properly record these receipts in the future.



Mary Taylor, CPA
Auditor of State

MONROE TOWNSHIP

MADISON 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 18, 2008**