



**NIMISHILLEN TOWNSHIP
STARK COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2006-2005



Mary Taylor, CPA
Auditor of State

**NIMISHILLEN TOWNSHIP
STARK COUNTY**

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Mary Taylor, CPA
Auditor of State

Nimishillen Township
Stark County
P.O. Box 181
Louisville, Ohio 44641

To the Township 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

December 10, 2007

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Nimishillen Township
Stark County
P.O. Box 181
Louisville, Ohio 44641

To the Township Board of Trustees:

We have audited the accompanying financial statements of Nimishillen Township, Stark County, Ohio, (the Township) as of and for the years ended December 31, 2006 and 2005. 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 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, 2006 and 2005 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, 2006 and 2005, or its changes in financial position for the years then ended.

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Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of Nimishillen Township, Stark County, as of December 31, 2006 and 2005, 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 December 10, 2007, 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.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

December 10, 2007

**NIMISHILLEN TOWNSHIP
STARK 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**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts:				
Property and Other Local Taxes	\$48,754	\$915,946	\$269,382	\$1,234,082
Charges for Services		379,013		379,013
Licenses, Permits, and Fees	27,145			27,145
Intergovernmental	255,401	494,966		750,367
Special Assessments		14,523		14,523
Earnings on Investments	59,514	6,889		66,403
Miscellaneous	1,779	74,690		76,469
	<u>392,593</u>	<u>1,886,027</u>	<u>269,382</u>	<u>2,548,002</u>
Total Cash Receipts				
	<u>392,593</u>	<u>1,886,027</u>	<u>269,382</u>	<u>2,548,002</u>
Cash Disbursements:				
Current:				
General Government	299,899			299,899
Public Safety	11,447	1,104,394		1,115,841
Public Works	20,000	631,851		651,851
Capital Outlay		693,880		693,880
Debt Service:				
Redemption of Principal		2,227,088	154,067	2,381,155
Interest and Other Fiscal Charges		21,112	73,098	94,210
	<u>331,346</u>	<u>4,678,325</u>	<u>227,165</u>	<u>5,236,836</u>
Total Cash Disbursements				
	<u>331,346</u>	<u>4,678,325</u>	<u>227,165</u>	<u>5,236,836</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>61,247</u>	<u>(2,792,298)</u>	<u>42,217</u>	<u>(2,688,834)</u>
Other Financing Receipts/(Disbursements):				
Sale of Bonds		2,545,000		2,545,000
Sale of Notes		273,000		273,000
Transfers-In		25,000		25,000
Transfers-Out	(25,000)			(25,000)
Advances-In	33,740	133,740		167,480
Advances-Out	(133,740)	(33,740)		(167,480)
	<u>(125,000)</u>	<u>2,943,000</u>	<u>0</u>	<u>2,818,000</u>
Total Other Financing Receipts/(Disbursements)				
	<u>(125,000)</u>	<u>2,943,000</u>	<u>0</u>	<u>2,818,000</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(63,753)</u>	<u>150,702</u>	<u>42,217</u>	<u>129,166</u>
Fund Cash Balances, January 1	<u>337,836</u>	<u>855,475</u>	<u>16,687</u>	<u>1,209,998</u>
Fund Cash Balances, December 31	<u><u>\$274,083</u></u>	<u><u>\$1,006,177</u></u>	<u><u>\$58,904</u></u>	<u><u>\$1,339,164</u></u>
Reserve for Encumbrances, December 31	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

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

**NIMISHILLEN TOWNSHIP
STARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts:				
Property and Other Local Taxes	\$47,595	\$890,460	\$272,323	\$1,210,378
Charges for Services		257,437		257,437
Licenses, Permits, and Fees	32,715			32,715
Intergovernmental	254,053	373,672		627,725
Special Assessments		1,186		1,186
Earnings on Investments	60,267	2,429		62,696
Miscellaneous	8,237	28,860		37,097
Total Cash Receipts	<u>402,867</u>	<u>1,554,044</u>	<u>272,323</u>	<u>2,229,234</u>
Cash Disbursements:				
Current:				
General Government	263,901			263,901
Public Safety	38,605	1,178,757		1,217,362
Public Works		576,356		576,356
Health	6,077			6,077
Capital Outlay		1,178,270		1,178,270
Debt Service:				
Redemption of Principal		13,865	144,936	158,801
Interest and Other Fiscal Charges		2,311	110,700	113,011
Total Cash Disbursements	<u>308,583</u>	<u>2,949,559</u>	<u>255,636</u>	<u>3,513,778</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>94,284</u>	<u>(1,395,515)</u>	<u>16,687</u>	<u>(1,284,544)</u>
Other Financing Receipts				
Sale of Notes		<u>309,000</u>		<u>309,000</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	94,284	(1,086,515)	16,687	(975,544)
Fund Cash Balances, January 1	<u>243,552</u>	<u>1,941,990</u>	<u>0</u>	<u>2,185,542</u>
Fund Cash Balances, December 31	<u>\$337,836</u>	<u>\$855,475</u>	<u>\$16,687</u>	<u>\$1,209,998</u>
Reserve for Encumbrances, December 31	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

**NIMISHILLEN TOWNSHIP
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005**

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 Nimishillen Township, Stark 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, 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 the repurchase agreement and certificates of deposit at cost. Money market mutual funds are 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 Fund

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 Fund:

Fire District Fund – This fund receives voted millage, donations and fees to provide and maintain fire fighting equipment, buildings, sites and services for operation of the Township Fire Department.

**NIMISHILLEN TOWNSHIP
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued)

3. Debt Service Fund

This fund accounts for resources the Township accumulates to pay bond and note debt. The Township had the following significant Debt Service Fund:

General Bond-Note Retirement Fund – This fund is used to accumulate resources for the payment of principal and interest on the Township's debt obligations.

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. Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered 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 carried over, and need not be reappropriated.

A summary of 2006 and 2005 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. Accumulated Leave

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

**NIMISHILLEN TOWNSHIP
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005
(Continued)**

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:

	2006	2005
Deposits:		
Demand deposits	(\$60,836)	(\$20,002)
Investments:		
Repurchase Agreement	1,400,000	1,230,000
Total deposits and investments	\$1,339,164	\$1,209,998

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

Investments: 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 ended December 31, 2006 and 2005 follows:

2006 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$274,139	\$392,593	\$118,454
Special Revenue	3,057,055	4,729,027	1,671,972
Debt Service	252,695	269,382	16,687
Total	\$3,583,889	\$5,391,002	\$1,807,113

2006 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$611,975	\$356,346	\$255,629
Special Revenue	3,899,650	4,678,325	(778,675)
Debt Service	269,382	227,165	42,217
Total	\$4,781,007	\$5,261,836	(\$480,829)

**NIMISHILLEN TOWNSHIP
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005
(Continued)**

3. Budgetary Activity (Continued)

2005 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$234,447	\$402,867	\$168,420
Special Revenue	1,916,640	1,863,044	(53,596)
Debt Service	272,323	272,323	0
Total	\$2,423,410	\$2,538,234	\$114,824

2005 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$473,796	\$308,583	\$165,213
Special Revenue	3,849,044	2,949,599	899,445
Debt Service	272,323	255,636	16,687
Total	\$4,595,163	\$3,513,818	\$1,081,345

The negative variance in the 2006 Special Revenue expenditures is attributed to a reclassification within the Fire District 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. Debt

Debt outstanding at December 31, 2006 was as follows:

	Principal	Interest Rate
Fire Station Construction Bonds	\$2,495,000	3.65 - 5.00%
Township Garage Improvement Bonds	96,475	5.69%
Total	\$2,591,475	

**NIMISHILLEN TOWNSHIP
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005
(Continued)**

5. Debt (Continued)

The Long Term General Obligation Fire Station Construction Bonds were issued for the purpose of paying costs of constructing and reconstructing, renovations and other improvements to Fire Station No. 2, constructing, furnishing, equipping and otherwise improving fire station improvements, with related dispatch, tower and site improvements and paying the costs of acquiring ambulances. These Bonds are being repaid in semiannual installments, including interest ranging from 3.65% to 5.00%. The final payment is due on December 1, 2025.

The Township Garage Improvement Bonds relate to paying costs of constructing a Township garage and including all necessary equipment thereto. These Bonds are being repaid in semiannual installments of \$22,502, including interest of 5.69%. The final payment is due on May 1, 2009.

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

Year ending December 31:	Fire Station Construction Bonds	Township Garage Improvement Bonds
2007	\$212,300	\$45,004
2008	223,650	45,004
2009	234,050	17,747
2010	228,850	
2011	223,650	
2012 – 2016	995,250	
2017 – 2021	904,250	
2022 – 2025	721,750	
Total	\$3,743,750	\$107,755

6. Retirement Systems

The Township has a full-time dispatcher who belongs to the Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2006 and 2005, the OP&F participant contributed 10% of their wages. For 2006 and 2005, the Township contributed to OP&F an amount equal to 24% of full-time wages. For 2006 and 2005, OPERS members contributed 9 and 8.5%, respectively, of their gross salaries and the Township contributed an amount equaling 13.70% and 13.55%, respectively, of participants' gross salaries. The Township has paid all contributions required through December 31, 2006.

Firefighters employed prior to August of 1992 had the option of continuing with OPERS or participating in the Social Security Retirement System. Firefighters employed after August of 1992 belong to the Social Security Retirement System. The Township contributed an amount equal to 6.2% of the participants' gross salaries in 2006 and 2005 to the Social Security Retirement System.

**NIMISHILLEN TOWNSHIP
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005
(Continued)**

7. Risk Management

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

The Township also provides health insurance and dental coverage to full-time employees through a private carrier.

8. Contingent Liabilities

The Township is defendant in several lawsuits. Although the outcome of these suits is not presently determinable, management believes that the resolution of these matters will not materially adversely affect the Township's financial condition.

Amounts received from grantor agencies are subject to audit and adjustment by the grantor. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

9. Subsequent Events

On February 27, 2007, the Township paid \$150,000 as a settlement from an ongoing lawsuit. This eliminated any further legal claims relating to the lawsuit.



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*

Nimishillen Township
Stark County
P.O. Box 181
Louisville, Ohio 44641

To the Township Board of Trustees:

We have audited the financial statements of Nimishillen Township, Stark County, Ohio, (the Township) as of and for the years ended December 31, 2006 and 2005 and have issued our report thereon dated December 10, 2007, 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 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 a certain deficiency 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.

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.

We consider the following deficiency described in the accompanying Schedule of Findings to be a significant deficiency in internal control over financial reporting: finding number 2006-001.

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

We also noted certain matters that we reported to the Township's management in a separate letter dated December 10, 2007.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain noncompliance or other matters that we reported to the Township's management in a separate letter dated December 10, 2007.

The Township's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Township's response and, accordingly, we express no opinion on it.

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



Mary Taylor, CPA
Auditor of State

December 10, 2007

**NIMISHILLEN TOWNSHIP
STARK COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2006 AND 2005**

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

FINDING NUMBER 2006-001

Material Weakness

Reclassifications/Presentation of Financial Statements

Throughout our audit, we noted several items which were not properly classified by the Township. Such items included:

- Time Warner Franchise Fees were posted as Other Revenue;
- FEMA receipts posted as Other Revenue;
- EMS Grant monies posted as Charges for Services
- SB 3 & 287 revenues posted to General Property Tax, General Tangible Property Tax, and Homestead/Rollback Tax;
- County Revenue Assistance posted as General Property Tax;
- Homestead/Rollback Taxes posted to General Property Tax;
- Loan Payoff reflected as a negative receipt, thus understating revenues and expenditures;
- Debt Proceeds posted as Other Revenue;
- Debt Proceeds and various Taxes not reflecting actual gross amounts; and,
- A 2006 Gasoline Tax Distribution which was credited to the Motor Vehicle License Fund.

In addition we noted several items which were posted accurately on the Township's computer system, but were not accurately or consistently presented on the Township's financial statements. These items include:

- Estate Taxes – in 2005 were reflected as Intergovernmental Revenue, for 2006 were reflected as Property Taxes;
- Debt Payments – several debt payments were reflected as Public Safety, Public Works or Capital Outlay Expenditures. Furthermore, debt payments did not accurately reflect principal and interest breakdown;
- Advances-Out – reflected as a Public Safety expenditure within the Fire District fund;
- Expenditures related to the Fire Station construction reflected as Public Safety expenditures instead of Capital Outlay expenditures; and,
- Lighting Assessment Fund – in 2005 reflected as a Capital Project Fund, for 2006 it was reflected as a Special Revenue Fund.

The Township Fiscal Officer should review the monthly financial reports to help ensure recorded receipts/expenditures are posted to the proper account or line item based on type of activity. In addition, the Township's annual report should be reviewed for accuracy and consistency with prior reports. This will help provide the Township with fairly presented financial statements and the ability to analyze financial information in a consistent manner.

Officials' Response: The Fiscal Officer will review financials (detailed report not a summary) with the Board of Trustees monthly to ensure accuracy. A quarterly report shall be completed and presented to the Board of Trustees outlining any new procedures and state requirements.

**NIMISHILLEN TOWNSHIP
STARK COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2006**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2004-001	Overpayment of former Township Clerk	Yes	



Mary Taylor, CPA
Auditor of State

NIMISHILLEN TOWNSHIP

STARK 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
JANUARY 3, 2008**