

**TROY TOWNSHIP
MORROW COUNTY, OHIO**

Audited Financial Statements

For the Years Ended December 31, 2008 and 2007



Mary Taylor, CPA

Auditor of State

Board of Trustees
Troy Township
7833 County Road 37
Lexington, Ohio 44904

We have reviewed the *Independent Accountants' Report* of Troy Township, Morrow County, prepared by Van Krevel and Company, CPA's, for the audit period January 1, 2007 through December 31, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Accountants' Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Accountants' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Troy Township is responsible for compliance with these laws and regulations.

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

Mary Taylor, CPA
Auditor of State

November 25, 2009

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Troy Township
Morrow County, Ohio

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INDEPENDENT ACCOUNTANT'S REPORT

Troy Township
Morrow County, Ohio
7833 County Road 37
Lexington, Ohio 44904

To the Board of Trustees:

We have audited the accompanying financial statements of Troy Township, Morrow County, Ohio, (the Township), as of and for the years ended December 31, 2008 and 2007. 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.

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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, 2008 and 2007, 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, 2008 and 2007, 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 Troy Township, Morrow County, Ohio as of December 31, 2008 and 2007, 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 October 23, 2009, 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.



Van Krevel & Company
Dublin, Ohio

October 23, 2009

Troy Township
Morrow 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, 2008

	<u>Governmental Fund Types</u>		Totals
	<u>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only)</u>
Cash Receipts:			
Property Tax and Other Local Taxes	\$ 20,195	\$ 66,696	\$ 86,891
Charges for Services	300		300
Licenses, Permits, and Fees	2,276	500	2,776
Intergovernmental Receipts	14,148	112,947	127,095
Special Assessments		949	949
Earnings on Investments	9,691	89	9,780
Miscellaneous	74	-	74
Total Cash Receipts	<u>46,684</u>	<u>181,181</u>	<u>227,865</u>
Cash Disbursements:			
Current:			
General Government	69,520	698	70,218
Public Safety	-	16,978	16,978
Public Works	-	83,995	83,995
Health	1,915		1,915
Human Services		3,343	3,343
Debt Service:			
Principal Payments		9,481	9,481
Interest Payments		1,795	1,795
Total Cash Disbursements	<u>71,435</u>	<u>116,290</u>	<u>187,725</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(24,751)</u>	<u>64,891</u>	<u>40,140</u>
Other Financing Receipts/(Disbursements):			
Sale of Fixed Assets	225		225
Total Other Financing Receipts/(Disbursements)	<u>225</u>	<u>-</u>	<u>225</u>
Excess of Cash Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(24,526)	64,891	40,365
Fund Cash Balances, January 1	<u>62,448</u>	<u>390,114</u>	<u>452,562</u>
Fund Cash Balances, December 31	\$ 37,922	\$ 455,005	\$ 492,927

Troy Township
Morrow 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>		Totals
	<u>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only)</u>
Cash Receipts:			
Property Tax and Other Local Taxes	\$ 20,045	\$ 99,552	\$ 119,597
Licenses, Permits, and Fees	4,924		4,924
Intergovernmental Receipts	12,865	95,137	108,002
Special Assessments		976	976
Earnings on Investments	12,499	293	12,792
Miscellaneous	4,256	-	4,256
Total Cash Receipts	<u>54,589</u>	<u>195,958</u>	<u>250,547</u>
Cash Disbursements:			
Current:			
General Government	39,984		39,984
Public Safety		49,617	49,617
Public Works		66,432	66,432
Health	5,024	-	5,024
Capital Outlay	6,150	8,233	14,383
Debt Service:			
Redemption of Principal	-	9,070	9,070
Interest and Other Fiscal Charges	-	2,205	2,205
Total Cash Disbursements	<u>51,158</u>	<u>135,557</u>	<u>186,715</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>3,431</u>	<u>60,401</u>	<u>63,832</u>
Other Financing Receipts/(Disbursements):			
Sale of Fixed Assets		450	450
Total Other Financing Receipts/(Disbursements)	<u>-</u>	<u>450</u>	<u>450</u>
Excess of Cash Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	3,431	60,851	64,282
Fund Cash Balances, January 1	<u>59,017</u>	<u>329,263</u>	<u>388,280</u>
Fund Cash Balances, December 31	<u>\$ 62,448</u>	<u>\$ 390,114</u>	<u>\$ 452,562</u>

Troy Township
Morrow County, Ohio

Notes to the Financial Statements
December 31, 2008 and 2007

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 Troy Township, Morrow County, (the Township) as a body corporate and politic. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides general governmental services, including road and bridge maintenance and cemetery maintenance. The Township contracts with Troy Township-Richland County, Ohio for fire and rescue squad protection. Police protection is provided by the Morrow County Sheriff's Department.

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

B Accounting Basis

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

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

C Deposits 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.

Troy Township
Morrow County, Ohio

Notes to the Financial Statements
December 31, 2008 and 2007

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 monies to pay for a fire contract with the Troy Township of Richland County.

Special Levy Fund – This fund receives property tax monies to pay for constructing, maintaining and repairing Township roads.

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.

Troy Township
Morrow County, Ohio

Notes to Financial Statements
December 31, 2008 and 2007

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E Budgetary Process (continued)

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 2008 and 2007 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.

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>2008</u>	<u>2007</u>
Demand Deposits	\$213,927	\$200,562
Certificates of Deposit	<u>279,000</u>	<u>252,000</u>
Total Deposits	<u>\$492,927</u>	<u>\$452,562</u>

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

Troy Township
Morrow County, Ohio

Notes to Financial Statements
December 31, 2008 and 2007

NOTE 3 BUDGETARY ACTIVITY

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

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 76,296	\$ 46,909	\$ (29,387)
Special Revenue	215,756	181,181	(34,575)
Totals	\$ 292,052	\$ 228,090	\$ (63,962)

2008 Budgeted vs. Actual Expenditures			
Fund Type	Appropriation Authority	Budgeted Expenditures	Variance
General	\$ 141,777	\$ 71,435	\$ 70,342
Special Revenue	602,838	116,290	486,548
Totals	\$ 744,615	\$ 187,725	\$ 556,890

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

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 61,750	\$ 54,589	\$ (7,161)
Special Revenue	213,108	196,408	(16,700)
Totals	\$ 274,858	\$ 250,997	\$ (23,861)

Troy Township
Morrow County, Ohio

Notes to Financial Statements
December 31, 2008 and 2007

NOTE 3 BUDGETARY ACTIVITY (continued)

2007 Budgeted vs. Actual Expenditures			
Fund Type	Appropriation Authority	Budgeted Expenditures	Variance
General	\$ 123,800	\$ 51,158	\$ 72,642
Special Revenue	540,336	135,557	404,779
Totals	\$ 664,136	\$ 186,715	\$ 477,421

Contrary to Ohio law, 2008 appropriations exceeded actual resources in the General Fund by \$32,420, in the Motor Vehicle License Fund by \$1,949, in the Road and Bridge Fund by \$1,782, and in the Fire District Fund by \$38,771. In addition, contrary to Ohio law, 2007 appropriations exceeded actual resources in the General Fund by \$10,194, in the Motor Vehicle License Fund by \$1,507, in the Road and Bridge Fund by \$1,065, in the Fire District Fund by \$14,313 and in the Special Assessment Fund by \$443.

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.

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.

Troy Township
Morrow County, Ohio

Notes to Financial Statements
December 31, 2008 and 2007

NOTE 5 DEBT

Debt outstanding at December 31, 2008, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
2006 Tractor Note	<u>\$ 31,013</u>	4.45%

The Township issued general obligation notes to finance the purchase of a new tractor in 2006. The Township's taxing authority collateralized all of the debt.

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

Year Ending December 31, 2009	\$11,276
Year Ending December 31, 2010	11,276
Year Ending December 31, 2011	<u>11,275</u>
	<u>\$33,827</u>

NOTE 6 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 2008 and 2007, OPERS members contributed 10% and 9.5%, respectively, of their gross salaries. The Township contributed an amount equal to 14% and 13.85% of participants' gross salaries for 2008 and 2007, respectively. The Township has paid all contributions required through December 31, 2008.

NOTE 7 RISK MANAGEMENT

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

Troy Township
Morrow County, Ohio

Notes to Financial Statements
December 31, 2008 and 2007

NOTE 7 RISK MANAGEMENT (continued)

The Township belongs to the Ohio Government Risk Management Plan (the “Plan”), an 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 deemed 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 coverage, except as 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 for the 15% casualty and the 10% property portions which the Plan retains. 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 for notifying 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 report the following assets, liability and accumulated surplus at December 31, 2008 and 2007:

	2008	2007
Assets	\$10,471,114	\$11,136,455
Liabilities	<u>(5,286,784)</u>	<u>(4,273,553)</u>
Accumulated Surplus	<u>\$5,184,333</u>	<u>\$6,862,902</u>

You can read the completed audited financial statements for The Ohio Government Risk Management Plan at the Plan’s website, www.ohioplan.org.

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

Troy Township
Morrow County, Ohio
7833 County Road 37
Lexington, Ohio 44904

To the Board of Trustees:

We have audited the financial statements of Troy Township, Morrow County, Ohio, (the Township), as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated October 23, 2009, 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 first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a 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.

We consider Finding 2008-001 and Finding 2008-003 in the accompanying Schedule of Audit Findings to be significant deficiencies in internal control over financial reporting.

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

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. We believe the significant deficiency described above is not 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 instances of noncompliance or other matters we must report under *Government Auditing Standards*, which are described in the accompanying Schedule of Audit Findings as items 2008-002 and 2008-003.

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



Van Krevel & Company
Dublin, Ohio

October 23, 2009

Troy Township
Morrow County

Schedule of Audit Findings
December 31, 2008 and 2007

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

Finding Number 2008-001

Significant Deficiency

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

During 2008 and 2007, Township receipts and disbursements were not always posted into accurate receipt and expenditure classifications, based upon the source. In 2008 and 2007, Homestead Rollback monies received from the State of Ohio totaling \$11,365 and \$6,357, respectively, were posted to Property Taxes instead of Intergovernmental within the General Fund and various Special Revenue Funds. In 2007, within the General Fund, \$1,175 of miscellaneous receipts were posted to Other Financing Sources instead of Miscellaneous; \$4,924 of zoning fees received were posted to Other Financing Sources instead of Miscellaneous. In addition, equipment purchases totaling \$8,233 were posted to Public Works instead of Capital Outlay within the Special Levy Fund.

Posting receipts and disbursements to improper classifications results in inaccurate financial information begin presented to the Township Trustees. Reclassification entries have been made to the accompanying financial statements to accurately reflect the proper classification of these transactions.

The Ohio Township Handbook (revised April, 2009) provides suggested account classifications. These accounts classify receipts by fund and sources and classify disbursements by fund, program or object. Using these classifications will provide the Township with information required to monitor compliance with the budget and prepare annual reports in the format required by the Auditor of State.

Officials' Response: We did not receive a response from Officials.

Troy Township
Morrow County

Schedule of Audit Findings
December 31, 2008 and 2007

**Findings Related to the Financial Statements
Required to be Reported in Accordance with GAGAS (continued)**

Finding Number 2008-002

Non-Compliance

Ohio Revised Code Section 5705.38(A) requires that on or about the first day of each fiscal year an appropriation measure is to be passed. The entity has the option of postponing the permanent appropriation until April 1 if a temporary measure has been passed.

In 2007, the Township passed a temporary appropriation measure but failed to approve permanent appropriations. As such, the temporary appropriations were used for the financial statement budgetary note. The Township should pass a permanent appropriation resolution by April 1 each year as required.

Officials' Response: We did not receive a response from Officials.

Finding Number 2008-003

Non Compliance/Significant Deficiency

Ohio Revised Code Section 5705.36(A)(2) states that upon determination by the fiscal officer of a subdivision that the revenue to be collected by the subdivision will be greater or less than the amount included on the official certificate, the fiscal officer may certify the amount of the deficiency or excess to the commission, and if the commission determines the fiscal officer's certification is reasonable, the commission shall certify an amended certificate reflecting the deficiency or excess.

Ohio Revised Code Section 5705.36(A)(4) states that upon determination by the fiscal officer of a subdivision that the revenue to be collected by the subdivision will be less than the amount included in an official certificate and that the amount of the deficiency will reduce available resources below the level of current appropriations, the fiscal officer shall certify the amount of the deficiency by the commission, and the commission shall certify the amended certificate reflecting the deficiency.

Troy Township
Morrow County

Schedule of Audit Findings
December 31, 2008 and 2007

**Findings Related to the Financial Statements
Required to be Reported in Accordance with GAGAS (continued)**

Finding Number 2008-003 (continued)

Appropriations exceeded the amount of actual resources available (actual revenue plus the prior year unencumbered balance) in the following funds during 2007:

<u>Fund</u>	<u>Actual Resources</u>	<u>Appropriations</u>	<u>Variance</u>
General	\$113,606	\$123,800	\$(10,194)
Motor Vehicle License	18,347	19,854	(1,507)
Road and Bridge	20,242	21,307	(1,065)
Fire District	322,190	336,503	(14,313)
Special Assessment	2,982	3,425	(443)

Appropriations exceeded the amount of actual resources available (actual revenue plus the prior year unencumbered balance) in the following funds during 2008:

<u>Fund</u>	<u>Actual Resources</u>	<u>Appropriations</u>	<u>Variance</u>
General	\$109,357	\$141,777	\$(32,420)
Motor Vehicle License	22,187	24,136	(1,949)
Road and Bridge	28,569	30,351	(1,782)
Fire District	316,868	355,639	(38,771)

Failure to limit appropriations to the amount of available resources could result in overspending and negative cash fund balances. The Fiscal Officer should compare appropriations to actual resources to gain assurance that adequate resources will be available. If the resources will not be available to cover appropriations, an amendment to the appropriation resolution should be passed by the Township Board of Trustees to reduce appropriations.

Officials' Response: We did not receive a response from Officials.

Troy Township
Morrow County

Schedule of Prior Audit Findings
December 31, 2008 and 2007

<u>Finding</u>	<u>Description</u>	<u>Fully Corrected</u>
2006-001	Posting Receipts/Expenditures	Partially; Reissued as Finding 2008-001



Mary Taylor, CPA
Auditor of State

TROY TOWNSHIP

MORROW 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
DECEMBER 10, 2009**