



Mary Taylor, CPA  
Auditor of State



**BARLOW TOWNSHIP  
WASHINGTON COUNTY**

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# Mary Taylor, CPA

## Auditor of State

### INDEPENDENT ACCOUNTANTS' REPORT

Barlow Township  
Washington County  
P.O. Box 163  
Barlow, Ohio 45712

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Barlow Township, Washington County, Ohio (the Township), as of and for the years ended December 31, 2006 and 2005, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Barlow Township, Washington County, Ohio, as of December 31, 2006 and 2005, and the respective changes in cash financial position and the respective budgetary comparisons for the General, Motor Vehicle License Tax, Gasoline Tax, Road and Bridge, Fire District, Lighting Assessment and Permissive Sales Tax Funds thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

For the years ended December 31, 2006 and 2005, the Township revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 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.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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

**Mary Taylor, CPA**  
Auditor of State

September 24, 2007

Barlow Township  
Washington County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2006 and 2005  
Unaudited

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This discussion and analysis of Barlow Township's financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2006 and 2005, within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

### **Highlights**

Key highlights for 2006 are as follows:

Net assets of governmental activities increased \$6,791, or 4 percent. The funds realizing the increase the most was the General Fund and Road and Bridge Fund. In the General Fund the Township had Cash and Cash Equivalents of \$8,087 in 2005 and \$19,546 in 2006. In the Road and Bridge Fund the Township had Cash and Cash Equivalents of \$72,297 in 2005 and \$83,986 in 2006.

The Township's receipts are primarily property tax and intergovernmental revenues. These receipts represent respectively \$372,340 and 95 percent of the total cash received for governmental activities during the year. Intergovernmental receipts and property tax receipts for 2006 remained consistent from 2005.

Key highlights for 2005 are as follows:

Net assets of governmental activities increased \$16,370, or 11 percent. The funds realizing the increase the most was the Gasoline Tax Fund and the Road and Bridge Fund. The Township was conservative on spending out of these funds during 2005.

The Township's receipts are primarily property tax and intergovernmental revenues. These receipts represent respectively \$362,679 and 97 percent of the total cash received for governmental activities during the year.

### **Using the Basic Financial Statements**

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's cash basis of accounting.

#### **Report Components**

The statement of net assets and the statement of activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

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**Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

**Reporting the Township as a Whole**

The statement of net assets and the statement of activities reflect how the Township did financially during 2006 and 2005, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other nonfinancial factors as well such as the Township's property tax base, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

In the statement of net assets and the statement of activities, the Township reports only one type of activity:

Governmental activities. Most of the Township's basic services are reported here. State and federal grants and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

**Reporting the Township's Most Significant Funds**

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Township are governmental.

Governmental Funds - All of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's



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programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General Fund, Motor Vehicle License Tax Fund, Gasoline Tax Fund, Road and Bridge Fund, Fire District Fund, Lighting Assessment Fund and the Permissive Sales Tax Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

**The Township as a Whole**

Table 1 provides a summary of the Township's net assets for 2006 compared to 2005 and 2004 on a cash basis:

(Table 1)  
**Net Assets**

	Governmental Activities		
	2006	2005	2004
<b>Assets</b>			
Cash and Cash Equivalents	\$175,803	\$169,012	\$152,642
Total Assets	\$175,803	\$169,012	\$152,642
<b>Net Assets</b>			
Restricted for:			
Other Purposes	\$156,257	\$160,925	\$117,349
Unrestricted	19,546	8,087	35,293
Total Net Assets	\$175,803	\$169,012	\$152,642

As mentioned previously, net assets of governmental activities increased \$6,791 or 4 percent during 2006. The primary reasons contributing to the increase was the Township did not spend as much on road projects in 2006 that was paid out of the Motor Vehicle License Tax Fund and the Township did not spend as much for fire protection in 2006 that was paid out of the Fire District Fund.

Net assets of governmental activities increased \$16,370, or 11 percent during 2005. The Township received FEMA money in 2005.

Table 2 reflects the changes in net assets on a cash basis in 2006 and 2005 for governmental activities.

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(Table 2)  
**Changes in Net Assets**

	Governmental Activities	
	2006	2005
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$4,378	\$7,231
Operating Grants and Contributions	146,959	146,617
Total Program Receipts	<u>151,337</u>	<u>153,848</u>
General Receipts:		
Property Taxes	169,443	166,571
Grants and Entitlements Not Restricted to Specific Programs	55,938	49,491
Interest	3,049	1,975
Miscellaneous	13,801	3,051
Total General Receipts	<u>242,231</u>	<u>221,088</u>
Total Receipts	<u>393,568</u>	<u>374,936</u>
Disbursements:		
General Government	126,052	148,925
Public Safety	37,585	60,218
Public Works	204,599	135,420
Health		4,733
Debt Service:		
Principal Retirement	16,653	7,804
Interest and Fiscal Charges	1,888	1,466
Total Disbursements	<u>386,777</u>	<u>358,566</u>
Increase (Decrease) in Net Assets	6,791	16,370
Net Assets, January 1	<u>169,012</u>	<u>152,642</u>
Net Assets, December 31	<u>\$175,803</u>	<u>\$169,012</u>

In 2006, program receipts represent only 38 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license, gas tax money and permissive sales tax money.

In 2005, program receipts represent only 41 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license, gas tax money, FEMA money and permissive sales tax money.

In 2006, general receipts represent 62 percent of the Township's total receipts, and of this amount, over 70 percent are property tax receipts. Grants and entitlements make up the balance of the Township's general receipts (23 percent). Other receipts are very insignificant and somewhat unpredictable revenue sources.

In 2005, general receipts represent 59 percent of the Township's total receipts, and of this amount, over 75 percent are property tax receipts. Grants and entitlements make up the balance of the Township's general receipts (22 percent). Other receipts are very insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Government activities. These include, but aren't limited to, the

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costs of trustee and clerk salaries, medical costs, insurances, retirement, and utilities. Public Safety is the cost of fire protection; Public Works is the general maintenance as well as repair of roads; Health is health services; and Debt Service is the payment of the debt of the Township.

Since the Township did not prepare financial statements in this format for 2004, a comparative analysis of government-wide data has not been presented for 2005-2004.

**Governmental Activities**

If you look at the Statement of Activities on pages 12 and 25, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for General Government and Public Works, which account for 33 and 53 percent of all governmental disbursements, respectively for 2006. The major program disbursements for governmental activities are for General Government and Public Works, which account for 42 and 38 percent of all governmental disbursements, respectively for 2005. The next two columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net (Disbursement) Receipt column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

**Governmental Activities**

	Total Cost of Services 2006	Net Cost of Services 2006	Total Cost of Services 2005	Net Cost of Services 2005
General Government	\$126,052	\$126,052	\$148,925	\$148,925
Public Safety	37,585	31,777	60,218	54,985
Public Works	204,599	59,070	135,420	(13,195)
Health			4,733	4,733
Principal Retirement	16,653	16,653	7,804	7,804
Interest and Fiscal Charges	1,888	1,888	1,466	1,466
Total Expenses	\$386,777	\$235,440	\$358,566	\$204,718

The dependence upon property tax and grants and entitlement receipts is apparent as over 61 percent of governmental activities are supported through these general receipts in 2006.

The dependence upon property tax and grants and entitlement receipts is apparent as over 57 percent of governmental activities are supported through these general receipts in 2005.

**The Township's Funds**

For 2006 total governmental funds had receipts of \$393,568 and disbursements of \$386,777. The greatest change within governmental funds occurred within the General Fund and the Road and Bridge Fund. The fund balance of the General Fund increased \$11,459 because the Township received a refund from the IRS for over \$13,000. The fund balance of the Road and Bridge Fund increased \$11,689 because the Township spent more on road projects from this fund in 2005.

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For 2005 total governmental funds had receipts of \$374,936 and disbursements of \$358,566. The greatest change within governmental funds occurred within the Gasoline Tax Fund and the Road and Bridge Fund. The fund balance of the Gasoline Tax Fund increased \$21,730 because the Township received FEMA money in 2005 and this fund was reimbursed by the FEMA fund for expending the money to carry out the FEMA project. The fund balance of the Road and Bridge Fund increased \$31,970 because the Township spent more on road projects from this fund in 2004.

### **Budgeting Highlights**

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

During 2006, the Township amended its budget to reflect changing circumstances. Final budgeted receipts were consistent with the original budgeted receipts in all the funds.

During 2006 final disbursements were budgeted at \$213,691 for the General Fund, \$25,930 for the Motor Vehicle License Tax Fund, \$114,212 for the Gasoline Tax Fund, \$98,591 for the Road and Bridge Fund, and \$38,957 for the Fire District Fund (the Township did not budget for the Permissive Sales Tax Fund), while actual disbursements were \$135,322 for the General Fund, \$16,864 for the Motor Vehicle License Tax Fund, \$121,148 for the Gasoline Tax Fund, \$31,294 for the Road and Bridge Fund, \$37,585 for the Fire District Fund, and \$44,564 for the Permissive Sales Tax Fund. The Township kept spending close to budgeted receipts as evidenced by an increase in fund balances of \$11,459 for the General Fund, \$11,689 for the Road and Bridge Fund and \$4,309 for the Fire District Fund.

During 2005, the Township amended its budget to reflect changing circumstances. Final budgeted receipts were consistent with the original budgeted receipts in all the funds.

During 2005 final disbursements were budgeted at \$209,182 in the General Fund, \$20,260 in the Motor Vehicle License Tax Fund, \$94,769 in the Gasoline Tax Fund, \$68,777 in the Road and Bridge Fund, \$59,895 in the Fire District Fund and \$7,839 in the Lighting Assessment Fund, while actual disbursements were \$153,658 in the General Fund, \$19,756 in the Motor Vehicle License Tax Fund, \$70,779 in the Gasoline Tax Fund, \$26,773 in the Road and Bridge Fund, and \$60,218 in the Fire District Fund (the Lighting Assessment Fund had no expenditures). Although estimated receipts in the General Fund were below appropriations, appropriations were not reduced. The result is the decrease in fund balance of \$27,206 for the General Fund. For the other funds the Township kept spending close to budgeted receipts as evidenced by an increase in fund balances of \$1,982 in the Motor Vehicle License Tax Fund, \$21,730 in the Gasoline Tax Fund, \$31,970 in the Road and Bridge Fund and \$7,231 in the Lighting Assessment Fund.

### **Debt Administration**

At December 31, 2006, the Township's outstanding debt included \$8,880 in a promissory note issued for the purchase of a Case 580SM four wheel drive loader backhoe. For further information regarding the Township's debt, refer to Note 11 to the basic financial statements.

### **Current Issues**

The challenge for all governments is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases, shrinking funding. We rely heavily on local taxes and have very little industry to support the tax base. We reviewed our sources of revenue and determined that increases were unlikely. We then reviewed the disbursement history of the Township. We have reduced spending on supplies.

Barlow Township  
Washington County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2006 and 2005  
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**Contacting the Township's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Jill Shawd, Township Fiscal Officer, Barlow Township, P.O. Box 163, Barlow, Ohio 45712.

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**BARLOW TOWNSHIP  
WASHINGTON COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Governmental Activities</u>
<b>Assets:</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 175,803
<i>Total Assets</i>	<u>\$ 175,803</u>
<b>Net Assets:</b>	
Restricted for:	
Other Purposes	\$ 156,257
Unrestricted	19,546
<i>Total Net Assets</i>	<u>\$ 175,803</u>

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

**BARLOW TOWNSHIP  
WASHINGTON COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	
<b>Governmental Activities:</b>				
General Government	\$ 126,052	\$	\$	\$ (126,052)
Public Safety	37,585		5,808	(31,777)
Public Works	204,599	4,378	141,151	(59,070)
Debt Service:				
Principal Retirement	16,653			(16,653)
Interest and Fiscal Charges	1,888			(1,888)
<i>Total Governmental Activities</i>	\$ 386,777	\$ 4,378	\$ 146,959	(235,440)
		<b>General Receipts:</b>		
		Property Taxes Levied for:		
		General Purposes		169,443
		Grants and Entitlements not Restricted to Specific Programs		55,938
		Interest		3,049
		Miscellaneous		13,801
		<i>Total General Receipts</i>		242,231
		<i>Change in Net Assets</i>		6,791
		Net Assets Beginning of Year		169,012
		<b>Net Assets End of Year</b>		<b>\$ 175,803</b>

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



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**BARLOW TOWNSHIP  
WASHINGTON COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>General</u>	<u>Motor Vehicle License Tax</u>	<u>Gasoline Tax</u>	<u>Road and Bridge</u>	<u>Fire District</u>	<u>Permissive Sales Tax</u>
<b>Assets:</b>						
Equity in Pooled Cash and Cash Equivalents	\$ 19,546	\$ 19,390	\$ 27,675	\$ 83,986	\$ 7,759	\$ 748
<i>Total Assets</i>	<u>\$ 19,546</u>	<u>\$ 19,390</u>	<u>\$ 27,675</u>	<u>\$ 83,986</u>	<u>\$ 7,759</u>	<u>\$ 748</u>
<b>Fund Balances:</b>						
Unreserved:						
Undesignated (Deficit), Reported in:						
General Fund	\$ 19,546					
Special Revenue Funds		\$ 19,390	\$ 27,675	\$ 83,986	\$ 7,759	\$ 748
<i>Total Fund Balances</i>	<u>\$ 19,546</u>	<u>\$ 19,390</u>	<u>\$ 27,675</u>	<u>\$ 83,986</u>	<u>\$ 7,759</u>	<u>\$ 748</u>

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

<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 16,699	\$ 175,803
<u>\$ 16,699</u>	<u>\$ 175,803</u>

	\$ 19,546
\$ 16,699	156,257
<u>\$ 16,699</u>	<u>\$ 175,803</u>

**BARLOW TOWNSHIP  
WASHINGTON COUNTY**

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

	<b>General</b>	<b>Motor Vehicle License Tax</b>	<b>Gasoline Tax</b>	<b>Road and Bridge</b>	<b>Fire District</b>
<b>Cash Receipts:</b>					
Property and Other Local Taxes	\$ 82,066	\$	\$	\$ 51,291	\$ 36,086
Intergovernmental	48,231	14,834	81,542	7,707	5,808
Special Assessments					
Interest	3,049	46	165		
Other	13,469			332	
<i>Total Cash Receipts</i>	<u>146,815</u>	<u>14,880</u>	<u>81,707</u>	<u>59,330</u>	<u>41,894</u>
<b>Cash Disbursements:</b>					
Current:					
General Government	126,052				
Public Safety					37,585
Public Works		16,864	121,148	22,023	
Debt Service:					
Principal Retirement	8,147			8,506	
Interest and Fiscal Charges	1,123			765	
<i>Total Cash Disbursements</i>	<u>135,322</u>	<u>16,864</u>	<u>121,148</u>	<u>31,294</u>	<u>37,585</u>
<i>Excess of Cash Receipts Over (Under) Cash Disbursements</i>	<u>11,493</u>	<u>(1,984)</u>	<u>(39,441)</u>	<u>28,036</u>	<u>4,309</u>
<b>Other Financing Sources (Uses):</b>					
Advances In	2,000		27,381	9,000	
Advances Out	(2,034)		(11,000)	(25,347)	
<i>Total Other Financing Sources (Uses)</i>	<u>(34)</u>	<u>0</u>	<u>16,381</u>	<u>(16,347)</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	11,459	(1,984)	(23,060)	11,689	4,309
Fund Balances Beginning of Year	8,087	21,374	50,735	72,297	3,450
<b>Fund Balances End of Year</b>	<b><u>\$ 19,546</u></b>	<b><u>\$ 19,390</u></b>	<b><u>\$ 27,675</u></b>	<b><u>\$ 83,986</u></b>	<b><u>\$ 7,759</u></b>

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

<b>Permissive Sales Tax</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$	\$	\$ 169,443
44,564		202,686
	4,378	4,378
		3,260
		13,801
<u>44,564</u>	<u>4,378</u>	<u>393,568</u>
		126,052
44,564		37,585
		204,599
		16,653
		1,888
<u>44,564</u>	<u>0</u>	<u>386,777</u>
<u>0</u>	<u>4,378</u>	<u>6,791</u>
		38,381
<u>0</u>	<u>0</u>	<u>(38,381)</u>
0	4,378	6,791
<u>748</u>	<u>12,321</u>	<u>169,012</u>
<b><u>\$ 748</u></b>	<b><u>\$ 16,699</u></b>	<b><u>\$ 175,803</u></b>

**BARLOW TOWNSHIP  
WASHINGTON COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts:</b>				
Property and Other Local Taxes	\$ 85,883	\$ 85,883	\$ 82,066	\$ (3,817)
Intergovernmental	23,898	23,898	48,231	24,333
Interest	2,646	2,646	3,049	403
Other	12,209	12,209	13,469	1,260
<i>Total Receipts</i>	<u>124,636</u>	<u>124,636</u>	<u>146,815</u>	<u>22,179</u>
<b>Disbursements:</b>				
Current:				
General Government	204,421	204,421	126,052	78,369
Debt Service:				
Principal Retirement	8,147	8,147	8,147	
Interest and Fiscal Charges	1,123	1,123	1,123	
<i>Total Disbursements</i>	<u>213,691</u>	<u>213,691</u>	<u>135,322</u>	<u>78,369</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(89,055)	(89,055)	11,493	100,548
<b>Other Financing Sources (Uses):</b>				
Advances In			2,000	2,000
Advances Out			(2,034)	(2,034)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>(34)</u>	<u>(34)</u>
<i>Net Change in Fund Balance</i>	(89,055)	(89,055)	11,459	100,514
Fund Balance Beginning of Year	<u>8,087</u>	<u>8,087</u>	<u>8,087</u>	
<b>Fund Balance End of Year</b>	<u><b>\$ (80,968)</b></u>	<u><b>\$ (80,968)</b></u>	<u><b>\$ 19,546</b></u>	<u><b>\$ 100,514</b></u>

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

**BARLOW TOWNSHIP  
WASHINGTON COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
MOTOR VEHICLE LICENSE TAX FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Receipts:</b>				
Intergovernmental	\$ 15,797	\$ 15,797	\$ 14,834	\$ (963)
Interest	7,421	7,421	46	(7,375)
<i>Total Receipts</i>	<u>23,218</u>	<u>23,218</u>	<u>14,880</u>	<u>(8,338)</u>
<b>Disbursements:</b>				
Current:				
Public Works	25,930	25,930	16,864	9,066
<i>Total Disbursements</i>	<u>25,930</u>	<u>25,930</u>	<u>16,864</u>	<u>9,066</u>
<i>Net Change in Fund Balance</i>	(2,712)	(2,712)	(1,984)	728
Fund Balance Beginning of Year	<u>21,374</u>	<u>21,374</u>	<u>21,374</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<b><u>\$ 18,662</u></b>	<b><u>\$ 18,662</u></b>	<b><u>\$ 19,390</u></b>	<b><u>\$ 728</u></b>

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

**BARLOW TOWNSHIP  
WASHINGTON COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GASOLINE TAX FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts:</b>				
Intergovernmental	\$ 83,660	\$ 83,660	\$ 81,542	\$ (2,118)
Interest	169	169	165	(4)
<i>Total Receipts</i>	<u>83,829</u>	<u>83,829</u>	<u>81,707</u>	<u>(2,122)</u>
<b>Disbursements:</b>				
Current:				
Public Works	114,212	114,212	121,148	(6,936)
<i>Total Disbursements</i>	<u>114,212</u>	<u>114,212</u>	<u>121,148</u>	<u>(6,936)</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(30,383)	(30,383)	(39,441)	(9,058)
<b>Other Financing Sources (Uses)</b>				
Advances In			27,381	27,381
Advances Out			(11,000)	(11,000)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>16,381</u>	<u>16,381</u>
<i>Net Change in Fund Balance</i>	(30,383)	(30,383)	(23,060)	7,323
Fund Balance Beginning of Year	<u>50,735</u>	<u>50,735</u>	<u>50,735</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u><b>\$ 20,352</b></u>	<u><b>\$ 20,352</b></u>	<u><b>\$ 27,675</b></u>	<u><b>\$ 7,323</b></u>

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



**BARLOW TOWNSHIP  
WASHINGTON COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
ROAD AND BRIDGE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts:</b>				
Property and Other Local Taxes	\$ 46,967	\$ 46,967	\$ 51,291	\$ 4,324
Intergovernmental	6,214	6,214	7,707	1,493
Other	298	298	332	34
<i>Total Receipts</i>	<u>53,479</u>	<u>53,479</u>	<u>59,330</u>	<u>5,851</u>
<b>Disbursements:</b>				
Current:				
Public Works	89,320	89,320	22,023	67,297
Debt Service:				
Principal Retirement	8,506	8,506	8,506	0
Interest and Fiscal Charges	765	765	765	0
<i>Total Disbursements</i>	<u>98,591</u>	<u>98,591</u>	<u>31,294</u>	<u>67,297</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(45,112)	(45,112)	28,036	73,148
<b>Other Financing Sources (Uses)</b>				
Advances In			9,000	9,000
Advances Out			(25,347)	(25,347)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>(16,347)</u>	<u>(16,347)</u>
<i>Net Change in Fund Balance</i>	(45,112)	(45,112)	11,689	56,801
Fund Balance Beginning of Year	<u>72,297</u>	<u>72,297</u>	<u>72,297</u>	<u>0</u>
<b><i>Fund Balance End of Year</i></b>	<b><u>\$ 27,185</u></b>	<b><u>\$ 27,185</u></b>	<b><u>\$ 83,986</u></b>	<b><u>\$ 56,801</u></b>

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

**BARLOW TOWNSHIP  
WASHINGTON COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
FIRE DISTRICT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Receipts:</b>				
Property and Other Local Taxes	\$ 35,710	\$ 35,710	\$ 36,086	\$ 376
Charges for Services	437	437		(437)
Intergovernmental	4,315	4,315	5,808	1,493
<i>Total Receipts</i>	<u>40,462</u>	<u>40,462</u>	<u>41,894</u>	<u>1,432</u>
<b>Disbursements:</b>				
Current:				
Public Safety	38,111	38,957	37,585	1,372
<i>Total Disbursements</i>	<u>38,111</u>	<u>38,957</u>	<u>37,585</u>	<u>1,372</u>
<i>Net Change in Fund Balance</i>	2,351	1,505	4,309	2,804
Fund Balance Beginning of Year	<u>3,450</u>	<u>3,450</u>	<u>3,450</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<b><u>\$ 5,801</u></b>	<b><u>\$ 4,955</u></b>	<b><u>\$ 7,759</u></b>	<b><u>\$ 2,804</u></b>

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

**BARLOW TOWNSHIP  
WASHINGTON COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
PERMISSIVE SALES TAX FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts:</b>				
Intergovernmental	\$	\$	\$ 44,564	\$ 44,564
<i>Total Receipts</i>	<u>0</u>	<u>0</u>	<u>44,564</u>	<u>44,564</u>
<b>Disbursements:</b>				
Current:				
Public Works			44,564	(44,564)
<i>Total Disbursements</i>	<u>0</u>	<u>0</u>	<u>44,564</u>	<u>(44,564)</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
Fund Balance Beginning of Year	<u>748</u>	<u>748</u>	<u>748</u>	<u>0</u>
<b><i>Fund Balance End of Year</i></b>	<b><u>\$ 748</u></b>	<b><u>\$ 748</u></b>	<b><u>\$ 748</u></b>	<b><u>\$ 0</u></b>

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

**BARLOW TOWNSHIP  
WASHINGTON COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Governmental Activities</u>
<b>Assets:</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 169,012
<i>Total Assets</i>	<u>\$ 169,012</u>
<b>Net Assets:</b>	
Restricted for:	
Other Purposes	\$ 160,925
Unrestricted	8,087
<i>Total Net Assets</i>	<u>\$ 169,012</u>

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

**BARLOW TOWNSHIP  
WASHINGTON COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities:</b>				
General Government	\$ 148,925	\$	\$	\$ (148,925)
Public Safety	60,218		5,233	(54,985)
Public Works	135,420	7,231	141,384	13,195
Health	4,733			(4,733)
Debt Service:				
Principal Retirement	7,804			(7,804)
Interest and Fiscal Charges	1,466			(1,466)
<i>Total Governmental Activities</i>	<u>\$ 358,566</u>	<u>\$ 7,231</u>	<u>\$ 146,617</u>	<u>(204,718)</u>
		<b>General Receipts:</b>		
		Property Taxes Levied for:		
		General Purposes		166,571
		Grants and Entitlements not Restricted to Specific Programs		49,491
		Interest		1,975
		Miscellaneous		3,051
		<i>Total General Receipts</i>		<u>221,088</u>
		<i>Change in Net Assets</i>		16,370
		Net Assets Beginning of Year		<u>152,642</u>
		<b>Net Assets End of Year</b>		<b><u>\$ 169,012</u></b>

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

**BARLOW TOWNSHIP  
WASHINGTON COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<b>General</b>	<b>Motor Vehicle License Tax</b>	<b>Gasoline Tax</b>	<b>Road and Bridge</b>	<b>Fire District</b>	<b>Lighting Assessment</b>
<b>Assets:</b>						
Equity in Pooled Cash and Cash Equivalents	\$ 8,087	\$ 21,374	\$ 50,735	\$ 72,297	\$ 3,450	\$ 10,418
<i>Total Assets</i>	\$ 8,087	\$ 21,374	\$ 50,735	\$ 72,297	\$ 3,450	\$ 10,418
<b>Fund Balances:</b>						
Unreserved:						
Undesignated (Deficit), Reported in:						
General Fund	\$ 8,087					
Special Revenue Funds		\$ 21,374	\$ 50,735	\$ 72,297	\$ 3,450	\$ 10,418
<i>Total Fund Balances</i>	\$ 8,087	\$ 21,374	\$ 50,735	\$ 72,297	\$ 3,450	\$ 10,418

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

<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 2,651	\$ 169,012
<u>\$ 2,651</u>	<u>\$ 169,012</u>

	\$ 8,087
\$ 2,651	160,925
<u>\$ 2,651</u>	<u>\$ 169,012</u>

**BARLOW TOWNSHIP  
WASHINGTON COUNTY**

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

	<b>General</b>	<b>Motor Vehicle License Tax</b>	<b>Gasoline Tax</b>	<b>Road and Bridge</b>	<b>Fire District</b>
<b>Cash Receipts:</b>					
Property and Other Local Taxes	\$ 80,568	\$	\$	\$ 50,355	\$ 35,648
Intergovernmental	42,228	14,367	83,485	7,263	5,233
Special Assessments					
Interest	1,975	42	344		
Other	1,926			1,125	
<i>Total Cash Receipts</i>	<u>126,697</u>	<u>14,409</u>	<u>83,829</u>	<u>58,743</u>	<u>40,881</u>
<b>Cash Disbursements:</b>					
Current:					
General Government	148,925				
Public Safety					60,218
Public Works		19,756	61,509	26,773	
Health	4,733				
Debt Service:					
Principal Retirement			7,804		
Interest and Fiscal Charges			1,466		
<i>Total Cash Disbursements</i>	<u>153,658</u>	<u>19,756</u>	<u>70,779</u>	<u>26,773</u>	<u>60,218</u>
<i>Excess of Cash Receipts Over (Under) Cash Disbursements</i>	<u>(26,961)</u>	<u>(5,347)</u>	<u>13,050</u>	<u>31,970</u>	<u>(19,337)</u>
<b>Other Financing Sources (Uses):</b>					
Transfers In			15,764		
Transfers Out					
Advances In		7,329			
Advances Out	(245)		(7,084)		
<i>Total Other Financing Sources (Uses)</i>	<u>(245)</u>	<u>7,329</u>	<u>8,680</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(27,206)</u>	<u>1,982</u>	<u>21,730</u>	<u>31,970</u>	<u>(19,337)</u>
Fund Balances Beginning of Year	<u>35,293</u>	<u>19,392</u>	<u>29,005</u>	<u>40,327</u>	<u>22,787</u>
<b>Fund Balances End of Year</b>	<b><u>\$ 8,087</u></b>	<b><u>\$ 21,374</u></b>	<b><u>\$ 50,735</u></b>	<b><u>\$ 72,297</u></b>	<b><u>\$ 3,450</u></b>

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



Lighting Assessment	Other Governmental Funds	Total Governmental Funds
\$	\$	\$
	43,146	166,571
7,231		195,722
		7,231
		2,361
		3,051
<u>7,231</u>	<u>43,146</u>	<u>374,936</u>
		148,925
		60,218
	27,382	135,420
		4,733
		7,804
		1,466
<u>0</u>	<u>27,382</u>	<u>358,566</u>
<u>7,231</u>	<u>15,764</u>	<u>16,370</u>
		15,764
	(15,764)	(15,764)
		7,329
		(7,329)
<u>0</u>	<u>(15,764)</u>	<u>0</u>
7,231	0	16,370
<u>3,187</u>	<u>2,651</u>	<u>152,642</u>
<u><b>\$ 10,418</b></u>	<u><b>\$ 2,651</b></u>	<u><b>\$ 169,012</b></u>

**BARLOW TOWNSHIP  
WASHINGTON COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts:</b>				
Property and Other Local Taxes	\$ 120,350	\$ 76,930	\$ 80,568	\$ 3,638
Intergovernmental		38,998	42,228	3,230
Interest		1,135	1,975	840
Other		3,287	1,926	(1,361)
<i>Total Receipts</i>	<u>120,350</u>	<u>120,350</u>	<u>126,697</u>	<u>6,347</u>
<b>Disbursements:</b>				
Current:				
General Government	209,182	209,182	148,925	60,257
Health			4,733	(4,733)
<i>Total Disbursements</i>	<u>209,182</u>	<u>209,182</u>	<u>153,658</u>	<u>55,524</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(88,832)	(88,832)	(26,961)	61,871
<b>Other Financing Sources (Uses):</b>				
Advances Out			(245)	(245)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>(245)</u>	<u>(245)</u>
<i>Net Change in Fund Balance</i>	(88,832)	(88,832)	(27,206)	61,626
Fund Balance Beginning of Year	<u>35,293</u>	<u>35,293</u>	<u>35,293</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u><b>\$ (53,539)</b></u>	<u><b>\$ (53,539)</b></u>	<u><b>\$ 8,087</b></u>	<u><b>\$ 61,626</b></u>

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

**BARLOW TOWNSHIP  
WASHINGTON COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
MOTOR VEHICLE LICENSE TAX FUND  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts:</b>				
Intergovernmental	\$ 22,539	\$ 22,539	\$ 14,367	\$ (8,172)
Interest	382	382	42	(340)
<i>Total Receipts</i>	<u>22,921</u>	<u>22,921</u>	<u>14,409</u>	<u>(8,512)</u>
<b>Disbursements:</b>				
Current:				
Public Works	20,260	20,260	19,756	504
<i>Total Disbursements</i>	<u>20,260</u>	<u>20,260</u>	<u>19,756</u>	<u>504</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	2,661	2,661	(5,347)	(8,008)
<b>Other Financing Sources (Uses)</b>				
Advances In			7,329	7,329
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>7,329</u>	<u>7,329</u>
<i>Net Change in Fund Balance</i>	2,661	2,661	1,982	(679)
Fund Balance Beginning of Year	<u>19,392</u>	<u>19,392</u>	<u>19,392</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u><b>\$ 22,053</b></u>	<u><b>\$ 22,053</b></u>	<u><b>\$ 21,374</b></u>	<u><b>\$ (679)</b></u>

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

**BARLOW TOWNSHIP  
WASHINGTON COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GASOLINE TAX FUND  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts:</b>				
Intergovernmental	\$ 64,329	\$ 64,329	\$ 83,485	\$ 19,156
Interest	265	265	344	79
<i>Total Receipts</i>	<u>64,594</u>	<u>64,594</u>	<u>83,829</u>	<u>19,235</u>
<b>Disbursements:</b>				
Current:				
Public Works	85,499	85,499	61,509	23,990
Debt Service:				
Principal Retirement	7,804	7,804	7,804	
Interest and Fiscal Charges	1,466	1,466	1,466	
<i>Total Disbursements</i>	<u>94,769</u>	<u>94,769</u>	<u>70,779</u>	<u>23,990</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(30,175)	(30,175)	13,050	43,225
<b>Other Financing Sources (Uses)</b>				
Transfers In			15,764	15,764
Advances Out			(7,084)	(7,084)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>8,680</u>	<u>8,680</u>
<i>Net Change in Fund Balance</i>	(30,175)	(30,175)	21,730	51,905
Fund Balance Beginning of Year	<u>29,005</u>	<u>29,005</u>	<u>29,005</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u><b>\$ (1,170)</b></u>	<u><b>\$ (1,170)</b></u>	<u><b>\$ 50,735</b></u>	<u><b>\$ 51,905</b></u>

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

**BARLOW TOWNSHIP  
WASHINGTON COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
ROAD AND BRIDGE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts:</b>				
Property and Other Local Taxes	\$ 56,099	\$ 49,166	\$ 50,355	\$ 1,189
Intergovernmental		6,341	7,263	922
Other		959	1,125	166
<i>Total Receipts</i>	<u>56,099</u>	<u>56,466</u>	<u>58,743</u>	<u>2,277</u>
<b>Disbursements:</b>				
Current:				
Public Works	<u>68,777</u>	<u>68,777</u>	<u>26,773</u>	<u>42,004</u>
<i>Total Disbursements</i>	<u>68,777</u>	<u>68,777</u>	<u>26,773</u>	<u>42,004</u>
<i>Net Change in Fund Balance</i>	(12,678)	(12,311)	31,970	44,281
Fund Balance Beginning of Year	<u>40,327</u>	<u>40,327</u>	<u>40,327</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<b><u>\$ 27,649</u></b>	<b><u>\$ 28,016</u></b>	<b><u>\$ 72,297</u></b>	<b><u>\$ 44,281</u></b>

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

**BARLOW TOWNSHIP  
WASHINGTON COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
FIRE DISTRICT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Receipts:</b>				
Property and Other Local Taxes	\$ 40,440	\$ 36,165	\$ 35,648	\$ (517)
Intergovernmental		4,275	5,233	958
<i>Total Receipts</i>	<u>40,440</u>	<u>40,440</u>	<u>40,881</u>	<u>441</u>
<b>Disbursements:</b>				
Current:				
Public Safety	59,895	59,895	60,218	(323)
<i>Total Disbursements</i>	<u>59,895</u>	<u>59,895</u>	<u>60,218</u>	<u>(323)</u>
<i>Net Change in Fund Balance</i>	(19,455)	(19,455)	(19,337)	118
Fund Balance Beginning of Year	<u>22,787</u>	<u>22,787</u>	<u>22,787</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<b><u>\$ 3,332</u></b>	<b><u>\$ 3,332</u></b>	<b><u>\$ 3,450</u></b>	<b><u>\$ 118</u></b>

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

**BARLOW TOWNSHIP  
WASHINGTON COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
LIGHTING ASSESSMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts:</b>				
Special Assessments	\$ 4,652	\$ 4,652	\$ 7,231	\$ 2,579
<i>Total Receipts</i>	<u>4,652</u>	<u>4,652</u>	<u>7,231</u>	<u>2,579</u>
<b>Disbursements:</b>				
Current:				
Public Works	7,839	7,839		7,839
<i>Total Disbursements</i>	<u>7,839</u>	<u>7,839</u>	<u>0</u>	<u>7,839</u>
<i>Net Change in Fund Balance</i>	(3,187)	(3,187)	7,231	10,418
Fund Balance Beginning of Year	<u>3,187</u>	<u>3,187</u>	<u>3,187</u>	<u>0</u>
<b><i>Fund Balance End of Year</i></b>	<b><u>\$ 0</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 10,418</u></b>	<b><u>\$ 10,418</u></b>

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

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Barlow Township  
Washington County  
Notes to the Financial Statements  
For the Years Ended December 31, 2006 and 2005

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**Note 1 – Reporting Entity**

Barlow Township, Washington County, Ohio (the Township), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Township Fiscal Officer.

The reporting entity is comprised of the primary government and other organizations that were included to ensure that the financial statements are not misleading.

**Primary Government**

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services and maintenance of Township roads and bridges. The Township contracts with the Barlow Township Volunteer Fire Department for fire protection. Police protection is provided by the Washington County Sheriff's Department.

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

**Note 2 – Summary of Significant Accounting Policies**

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Township's accounting policies.

**A. Basis of Presentation**

The Township's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Government-Wide Financial Statements**

The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

Barlow Township  
Washington County  
Notes to the Financial Statements  
For the Years Ended December 31, 2006 and 2005

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**Note 2 – Summary of Significant Accounting Policies** (Continued)

A. Basis of Presentation (Continued)

Government-Wide Financial Statements (Continued)

The statement of net assets presents the cash balances of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Township's general receipts.

Fund Financial Statements

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

B. Fund Accounting

The Township uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the Township are governmental.

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g., grants), and other nonexchange transactions as governmental funds. The Township's major governmental funds are the General Fund, Motor Vehicle License Tax Fund, Gasoline Tax Fund, Road and Bridge Fund, Fire District Fund, Lighting Assessment Fund and Permissive Sales Tax Fund. The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

The Township had the following major funds in addition to the General Fund as mentioned above:

Motor Vehicle License Tax Fund - This fund receives motor vehicle license tax money. Funds are restricted for the purpose of road maintenance provided it is expended according to the general laws of Ohio.

Gasoline Tax Fund - This fund receives gasoline tax money. Funds are restricted for the purpose of road maintenance provided it is expended according to the general laws of Ohio.

Road and Bridge Fund - This fund receives property tax money. Funds are restricted for the purpose of road maintenance provided it is expended according to the general laws of Ohio.

Fire District Fund - This fund receives levy money. This fund balance is available to the Township for the purpose of fire protection services provided it is expended or transferred according to Ohio general laws.

**Note 2 – Summary of Significant Accounting Policies** (Continued)

**B. Fund Accounting** (Continued)

**Governmental Funds** (Continued)

Lighting Assessment Fund - This fund receives money from a special assessment. This fund balance is available to the Township for the purpose of street lighting provided it is expended or transferred according to the general laws of Ohio.

Permissive Sales Tax Fund - This fund receives money from the Washington County Commissioners from the County's Permissive Sales Tax levy. Funds are restricted for the purpose of road maintenance provided it is expended according to the general laws of Ohio.

The other governmental funds of the Township account for grants and other resources whose use is restricted to a particular purpose.

**C. Basis of Accounting**

The Township's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Township are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.

**D. Budgetary Process**

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriations resolution is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, department, and object level for all funds for 2005 and 2006.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the Township.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

**Note 2 – Summary of Significant Accounting Policies** (Continued)

**E. Cash and Investments**

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as “Equity in Pooled Cash and Cash Equivalents”.

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts, respectively.

During 2006 and 2005, the Township invested in STAROhio. STAROhio is an investment pool, managed by the State Treasurer’s Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio’s share price, which is the price the investment could be sold for on December 31, 2006.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2006 was \$3,049 which includes \$1,242 assigned from other Township funds. Interest receipts credited to the General Fund during 2005 was \$1,975 which includes \$1,071 assigned from other Township funds.

**F. Inventory and Prepaid Items**

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

**G. Capital Assets**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

**H. Accumulated Leave**

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township’s cash basis of accounting.

**I. Interfund Receivables/Payables**

The Township reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

**J. Employer Contributions to Cost-Sharing Pension Plans**

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 9 and 10, the employer contributions include portions for pension benefits and for postretirement health care benefits.

**Note 2 – Summary of Significant Accounting Policies** (Continued)

**K. Long-Term Obligations**

The Township's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure are reported at inception. Lease payments are reported when paid.

**L. Net Assets**

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for road maintenance, fire protection and cemetery maintenance. The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

**M. Fund Balance Reserves**

The Township reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved and undesignated fund balance indicates that portion of fund balance which is available for appropriation in future periods.

**N. Interfund Transactions**

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

**Note 3 – Change in Basis of Accounting and Restatement of Fund Equity**

In the prior audit the Township reported fund financial statements by fund type using the regulatory basis of accounting as prescribed by the State Auditor's Office. For this audit the Township has implemented the cash basis of accounting described in note 2. The fund financial statements now present each major fund in a separate column with nonmajor funds aggregated and presented in a single column, rather than a column for each fund type.

Also as described in note 2, the Township has not elected to report inventory, prepaid items, interfund receivables (payables), capital assets, and long-term debt as part of the cash basis of accounting. The transition from the regulatory basis of accounting to the cash basis of accounting generated no changes to fund balance/equity as previously reported at December 31, 2004 and 2003.

**Note 4 – Accountability and Compliance**

**Compliance**

At December 31, 2006, the Township had appropriations in excess of estimated resources in the General Fund in the amount of \$26,192 contrary to Ohio Rev. Code Section 5705.39.

At December 31, 2005, the Township had appropriations in excess of estimated resources in the General Fund in the amount of \$34,384, and the Fire District Fund in the amount of \$2,489 contrary to Ohio Rev. Code Section 5705.39.

**Note 4 – Accountability and Compliance** (Continued)

Compliance (Continued)

At December 31, 2006, the Township had expenditures in excess of appropriations in the Gasoline Tax Fund in the amount of \$6,936, and the Permissive Sales Tax Fund in the amount of \$44,564 contrary to Ohio Rev. Code Section 5705.41(B).

At December 31, 2005, the Township had expenditures in excess of appropriations in the Fire District Fund in the amount of \$323, the Permissive Sales Tax Fund in the amount of \$26,634, and the FEMA Fund in the amount of \$15,764 contrary to Ohio Rev. Code Section 5705.41(B).

**Note 5 – Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statements of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis presented for the General Fund and the following major special revenue funds: Motor Vehicle License Tax Fund, Gasoline Tax Fund, Road and Bridge Fund, Fire District Fund, Lighting Assessment Fund, and Permissive Sales Tax Fund, are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget.

**Note 6 – Deposits and Investments**

Monies held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;

Barlow Township  
Washington County  
Notes to the Financial Statements  
For the Years Ended December 31, 2006 and 2005

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**Note 6 – Deposits and Investments** (Continued)

4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAROhio).

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

Deposits

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

As of December 31, 2006, the Township had the following investments:

	<u>Carrying Value</u>	<u>Maturity</u>
STAROhio	\$36,205	35 days

As of December 31, 2005, the Township had the following investments:

	<u>Carrying Value</u>	<u>Maturity</u>
STAROhio	\$34,484	30 days

Interest rate risk arises because the fair value of investments changes as interest rates change. STAR-Ohio carries a rating of AAAM by Standard and Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service.

Barlow Township  
Washington County  
Notes to the Financial Statements  
For the Years Ended December 31, 2006 and 2005

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**Note 6 – Deposits and Investments** (Continued)

For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Township has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M)(2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee."

**Note 7 – Property Taxes**

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2006 and 2005 represent the collection of 2005 and 2004 taxes. Real property taxes received in 2006 were levied after October 1, 2005, on the assessed values as of January 1, 2005, the lien date. Real property taxes received in 2005 were levied after October 1, 2004, on the assessed values as of January 1, 2004, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2006 and 2005 represent the collection of 2005 and 2004 taxes. Public utility real and tangible personal property taxes received in 2006 became a lien on December 31, 2005, were levied after October 1, 2005, and are collected with real property taxes. Public utility real and tangible personal property taxes received in 2005 became a lien on December 31, 2004, were levied after October 1, 2004, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2006 and 2005 (other than public utility property) represent the collection of 2006 and 2005 taxes. Tangible personal property taxes received in 2006 were levied after October 1, 2005, on the true value as of December 31, 2005. Tangible personal property taxes received in 2005 were levied after October 1, 2004, on the true value as of December 31, 2004. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all Township operations for the year ended December 31, 2006, was \$5.40 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2006 property tax receipts were based are as follows:



Barlow Township  
Washington County  
Notes to the Financial Statements  
For the Years Ended December 31, 2006 and 2005

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**Note 7 – Property Taxes** (Continued)

Real Property	
Residential	\$24,310,510
Agricultural	6,521,710
Commercial/Industrial/Mineral	2,785,530
Tangible Personal Property	
Business	1,123,550
Public Utility	2,278,070
Total Assessed Value	\$37,019,370

The full tax rate for all Township operations for the year ended December 31, 2005, was \$5.40 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2005 property tax receipts were based are as follows:

Real Property	
Residential	\$23,945,260
Agricultural	6,415,270
Commercial/Industrial/Mineral	2,781,750
Tangible Personal Property	
Business	1,707,460
Public Utility	2,334,200
Total Assessed Value	\$37,183,940

**Note 8 – Risk Management**

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2006 and 2005, the Township contracted with one company for various types of insurance coverage as follows:

Company	Type of Coverage	Amount of Coverage
Kinder's Insurance Agency	Commercial Property:	
	Building	\$871,457
	Off Premise Power Direct/Indirect	\$25,000
	Extra Expense	\$100,000
	Valuable Papers	\$100,000
	Pollution Cleanup & Removal	\$50,000
	General Liability:	
	Per Occurrence	\$2,000,000
	Per Aggregate	\$4,000,000
	Personal & Advertising Injury	\$2,000,000
	Employee Benefits Liability	\$1,000,000
	Medical Payments	\$10,000
	Stop Gap/Employers Liability	\$2,000,000
	Fire Dept./First Responder/EMS	\$2,000,000
	Fire Dept./First Responder/EMS Aggregate	\$4,000,000
	Public Official's Wrongful Acts Liability:	
	Per Occurrence	\$2,000,000
Per Aggregate	\$4,000,000	

Barlow Township  
Washington County  
Notes to the Financial Statements  
For the Years Ended December 31, 2006 and 2005

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**Note 8 – Risk Management** (Continued)

Crime	\$25,000
Electronic Data Processing:	
Limit	\$5,000
Media & Extra Expense Each	\$10,000
Equipment Floater:	
Scheduled Equipment Limit	\$244,100
Miscellaneous Equipment Limit	\$36,000
Fire & Rescue Equipment Limit	\$36,000
Commercial Automobile:	
Combined Single Limit	\$2,000,000
Medical Payments	\$5,000
Public Officials Bonds:	
Township Clerk	\$25,000
Township Trustees (each)	\$5,000

Settled claims have not exceeded coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

**Note 9 – Defined Benefit Pension Plan**

Ohio Public Employees Retirement System

The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.

The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

For the year ended December 31, 2006, the members of all three plans, were required to contribute 9 percent of their annual covered salaries. The Township's contribution rate for pension benefits for 2006 was 13.7 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

For the year ended December 31, 2005, the members of all three plans, were required to contribute 8.5 percent of their annual covered salaries. The Township's contribution rate for pension benefits for 2005 was 13.55 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

Barlow Township  
Washington County  
Notes to the Financial Statements  
For the Years Ended December 31, 2006 and 2005

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**Note 9 – Defined Benefit Pension Plan** (Continued)

Ohio Public Employees Retirement System (Continued)

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2006, 2005, and 2004 were \$10,658, \$10,039, and \$9,872 respectively. The full amount has been contributed for 2006, 2005, and 2004. Contributions to the member-directed plan for 2006 and 2005 were \$1,947 and \$1,602 respectively, made by the Township and \$1,279 and \$1,005 respectively, made by the plan members.

**Note 10 - Postemployment Benefits**

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2006 local government employer contribution rate was 13.7 percent of covered payroll; 4.5 percent of covered payroll was the portion that was used to fund health care. The 2005 local government employer contribution rate was 13.55 percent of covered payroll; 4 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2005, include a rate of return on investments of 6.5 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.30 percent based on additional annual pay increases. Health care premiums were assumed to increase between .5 and 6.00 percent annually for the next nine years and 4.00 percent annually after nine years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12 percent corridor.

The number of active contributing participants in the traditional and combined plans was 369,214. Actual employer contributions for 2006 which were used to fund postemployment benefits were \$3,409 in 2006 and \$2,902 in 2005. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2005, (the latest information available) were \$11.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$31.3 billion and \$20.2 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs.

Barlow Township  
Washington County  
Notes to the Financial Statements  
For the Years Ended December 31, 2006 and 2005

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**Note 11 - Debt**

The Township's long-term debt activity for the year ended December 31, 2006, was as follows:

<u>Governmental Activities</u>	<u>Interest Rate</u>	<u>Balance December 31, 2005</u>	<u>Reductions</u>	<u>Balance December 31, 2006</u>	<u>Due Within One Year</u>
Promissory Notes					
2003 Issue (\$40,811)	4.399%	\$ 25,533	\$ 16,653	\$ 8,880	\$ 8,880

The promissory note was issued to finance the purchase of a new Case 580SM four wheel drive loader backhoe. The promissory note is supported by the full faith and credit of the Township.

The following is a summary of the Township's future annual debt service requirements:

Year	<u>Promissory Notes</u>	
	<u>Principal</u>	<u>Interest</u>
2008	\$ 8,880	\$ 391

**Note 12 – Interfund Transfers**

During 2005, the following transfer was made:

Transfer from Other Governmental Funds to:	
Gasoline Tax Fund	\$15,764

The intended purpose of the transfer from the FEMA Fund (Other Governmental Fund) to the Gasoline Tax Fund was to repay the Gasoline Tax Fund for FEMA expenditures initially made from the Gasoline Tax Fund.

**Note 13 – Contingent Liabilities**

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.



# 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

Barlow Township  
Washington County  
P.O. Box 163  
Barlow, Ohio 45712

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Barlow Township, Washington County, Ohio (the Township), as of and for the years ended December 31, 2006 and 2005, which collectively comprise the Township's basic financial statements and have issued our report thereon dated September 24, 2007, wherein we noted the Township uses a comprehensive accounting basis other than generally accepted accounting principles. We also noted the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

#### Internal Control Over Financial Reporting

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

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

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

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We consider the following deficiencies described in the accompanying Schedule of Findings to be significant deficiencies in internal control over financial reporting: 2006-001 through 2006-006.

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 the 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 the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We believe none of the significant deficiencies described above are material weaknesses.

We also noted certain internal control matters that we reported to the Township's management in a separate letter dated September 24, 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 instances of noncompliance or other matters that we must report under *Government Auditing Standards*, which are described in the accompanying Schedule of Findings as items 2006-001 through 2006-004.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated September 24, 2007.

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.



**Mary Taylor, CPA**  
Auditor of State

September 24, 2007

**BARLOW TOWNSHIP  
WASHINGTON COUNTY**

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

<b>FINDING RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
---

**FINDING NUMBER 2006-001**

**Noncompliance Citation and Significant Deficiency**

Ohio Rev. Code Section 5705.10(H) states money that is paid into a fund must be used only for the purposes for which such fund has been established.

Auditor of State Bulletin 97-003 provides inter-fund cash advances are subject to the following requirements:

- Any advance must be clearly labeled as such, and must be distinguished from a transfer. Transfers are intended to reallocate money permanently from one fund to another and may be made only as authorized in Sections 5705.14 to 5705.16 of the Revised Code. Advances, on the other hand, temporarily reallocate cash from one fund to another and involve an expectation of repayment;
- In order to advance cash from one fund to another, there must be statutory authority to use the money in the fund advancing the cash (the "creditor" fund) for the same purpose for which the fund receiving the cash (the "debtor" fund) was established;
- The reimbursement from the debtor fund to the creditor fund must not violate any restrictions on use of the money to be used to make the reimbursement; and
- Advances must be approved by a formal resolution of the taxing authority of the subdivision which must include:
  - A specific statement that the transaction is an advance of cash, and
  - An indication of the money (fund) from which it is expected that repayment will be made.

During 2006 the Township made the following advances:

- \$2,034 from the General Fund to the Gasoline Tax Fund;
- \$2,000 from the Gasoline Tax Fund to the General Fund (repayment of an advance);
- \$9,000 from the Gasoline Tax Fund to the Road and Bridge Fund and (repayment of an advance);
- \$25,347 from the Road and Bridge Fund to the Gasoline Tax Fund.

During 2005 the Township made the following advances:

- \$245 from the General Fund to the Motor Vehicle License Tax Fund;
- \$4,037 from the Gasoline Tax Fund to the General Fund;
- \$7,084 from the Gasoline Tax Fund to the Motor Vehicle License Tax Fund;
- \$12,138 from the Fire District Fund to the General Fund;
- \$4,218 from the Lighting Assessment Fund to the General Fund and;
- \$6,200 from the Lighting Assessment Fund to the Fire District Fund.

The advances made during for 2006 and 2005 were not approved by the Board of Trustees nor were they in accordance with Auditor of State Bulletin 97-003. Adjustments, which have been agreed to by the Township, have been posted to the financial statements for the advances made without statutory authority.

We recommend the Township review Auditor of State Bulletin 97-003 and advance funds in accordance with the Bulletin. We recommend the Board of Trustees approve any and all advances. We further recommend any outstanding advances be repaid.

**BARLOW TOWNSHIP  
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2006 AND 2005  
(Continued)**

<b>FINDING RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
---

**FINDING NUMBER 2006-002**

**Noncompliance Citation and Significant Deficiency**

Ohio Rev. Code Section 5705.39 provides in part that total appropriations from each fund shall not exceed the total estimated resources. No appropriation measure is effective until the County Auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.

Appropriations exceeded estimated resources at December 31, 2006, in the following fund:

<u>Fund</u>	<u>Estimated Resources</u>	<u>Appropriation Authority</u>	<u>Variance</u>
General	\$ 187,499	\$ 213,691	\$(26,192)

Appropriations exceeded estimated resources at December 31, 2005, in the following funds:

<u>Fund</u>	<u>Estimated Resources</u>	<u>Appropriation Authority</u>	<u>Variance</u>
General	\$ 174,798	\$ 209,182	\$ (34,384)
Fire District	57,406	59,895	(2,489)

This could cause the Township to spend in excess of their estimated resources.

We recommend the Fiscal Officer monitor its estimated revenue and appropriations to ensure that appropriations are within estimated resources.

**FINDING NUMBER 2006-003**

**Noncompliance Citation and Significant Deficiency**

Ohio Rev. Code Section 5705.41(B) prohibits a subdivision or taxing unit from expending money unless it has been appropriated.

Expenditures exceeded appropriations at December 31, 2006, in the following funds:

<u>Fund</u>	<u>Appropriation Authority</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Gasoline Tax	\$ 114,212	\$ 121,148	\$ (6,936)
Permissive Sales Tax	0	44,564	(44,564)

Expenditures exceeded appropriations at December 31, 2005, in the following funds:



**BARLOW TOWNSHIP  
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2006 AND 2005  
(Continued)**

<b>FINDING RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2006-003 (Continued)**

**Noncompliance Citation and Significant Deficiency (Continued)**

**Ohio Rev. Code Section 5705.41(B) (Continued)**

<u>Fund</u>	<u>Appropriation Authority</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Fire District	\$ 59,895	\$ 60,218	\$ (323)
Permissive Sales Tax	748	27,382	(26,634)
FEMA	0	15,764	(15,764)

This resulted in the aforementioned funds expending more than was appropriated.

The Fiscal Officer should not certify the availability of funds and should deny payment requests exceeding appropriations. The Fiscal Officer may request the Board of Trustees to approve increased expenditure levels by increasing appropriations and amending estimated resources, if necessary.

**FINDING NUMBER 2006-004**

**Noncompliance Citation and Significant Deficiency**

Ohio Admin. Code Section 117-2-02(C)(1) states that all local public offices should integrate the budgetary accounts, at the legal level of control or lower, into the financial accounting system. This means designing an accounting system to provide ongoing and timely information on unrealized budgetary receipts and remaining uncommitted balances of appropriations.

During 2006, the Fiscal Officer did not post estimated revenue to the Township's UAN system. At December 31, 2005, the Fiscal Officer did not post estimated revenue correctly to the Township's UAN system for the following funds:

<u>Fund</u>	<u>Estimated Receipts Per Budget Commission</u>	<u>Amounts Per Township Reports</u>	<u>Variance</u>
Gasoline Tax	\$ 64,594	\$ 65,764	\$ 1,170
Road and Bridge	49,666	50,033	367

At December 31, 2006, appropriations as approved by the Board of Trustees did not agree to the Township's ledgers for the following funds:

**BARLOW TOWNSHIP  
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2006 AND 2005  
(Continued)**

**FINDING RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

**FINDING NUMBER 2006-004 (Continued)**

**Noncompliance Citation and Significant Deficiency (Continued)**

**Ohio Admin. Code Section 117-2-02(C)(1) (Continued)**

Fund	Appropriations Per Board of Trustees	Amounts Per Township Reports	Variance
General Fund	\$ 208,252	\$ 188,652	\$ 19,600
Motor Vehicle License Tax	12,418	12,000	418
Gasoline Tax	130,528	160,000	(29,472)
Road and Bridge	103,183	55,000	48,183
Fire District	36,154	37,000	(846)
Miscellaneous Special Revenue	1,903	0	1,903

At December 31, 2005, appropriations as approved by the Board of Trustees did not agree to the Township's ledgers for the following funds:

Fund	Appropriations Per Board of Trustees	Amounts Per Township Reports	Variance
General Fund	\$ 198,957	\$ 198,217	\$ 740
Gasoline Tax	94,769	93,794	975
Permissive Sales Tax	748	0	748

Additionally, there were several line item appropriations as approved by the Board of Trustees that were not posted correctly to the Township's system in 2005 and 2006.

Due to budgetary information being improperly entered into the system, the management of the Township lost some degree of budgetary control. This also resulted in issues of non-compliance with Ohio Rev. Code, additional audit time, and audit adjustments.

We recommend the Fiscal Officer accurately post estimated receipts as certified by the County Budget Commission and appropriations as approved by the Board of Trustees into the computer system and only after receiving approval. This procedure will help ensure more useful comparisons of budget versus actual activity, as well as provide management with an accurate monitoring tool throughout the year.

**BARLOW TOWNSHIP  
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2006 AND 2005  
(Continued)**

**FINDING RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

**FINDING NUMBER 2006-005**

**Significant Deficiency**

All local public offices should 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 with finance-related legal and contractual requirements and prepare financial statements.

During the audit period, the Fiscal Officer posted certain revenue transactions incorrectly. Personal property tax exemption, local government and personal property tax reimbursement were posted to accounts representing tax revenue rather than intergovernmental revenue. Motor vehicle license tax receipts were posted to accounts representing tax revenue, intergovernmental revenue and miscellaneous revenue in the General Fund instead of in accounts representing intergovernmental revenue in the Motor Vehicle License Tax Fund. Manufactured home tax and one real estate receipt in 2005 was posted to accounts representing intergovernmental revenue rather than tax revenue. Cigarette tax was recorded at net in an account representing miscellaneous revenue rather than at gross to intergovernmental revenue. Public utility reimbursement was posted to accounts representing tax revenue and miscellaneous revenue instead of intergovernmental revenue. DRETAC reimbursement was posted to accounts representing miscellaneous revenue rather than intergovernmental revenue. Personal property tax was posted at net instead of at gross. In addition, the Fiscal Officer posted homestead and rollback and one public utility reimbursement receipt in total to the General Fund.

During the audit period the Fiscal Officer posted certain expenditure transactions incorrectly. Some of the expenditures in the General Fund and Gasoline Tax Fund were posted to Public Safety instead of General Government and Public Works, respectively. The expenditures were for road materials and road related expenses and supplies. The Fiscal Officer posted UAN fees to the Motor Vehicle License Tax Fund, Road and Bridge Fund and Gasoline Tax Fund instead of the General Fund; monies due to the volunteer fire department due to the contract were paid out of the Road and Bridge Fund and Gasoline Tax Fund instead of the Fire District Fund; audit fees were paid out of the Motor Vehicle License Tax Fund instead of the General Fund; group rating program expenditures were paid out of the Motor Vehicle License Tax Fund instead of General Government; a donation to the fire department was paid out of the Road and Bridge Fund instead of the General Fund; and the Township's insurance premium was paid out of the Motor Vehicle License Tax Fund instead of the General Fund. Debt service payments were recorded as Public Works and General Government instead of Debt Service Principal and Interest.

The Fiscal Officer also made a fund balance adjustment at December 31, 2005 that was posted incorrectly causing an understatement of \$1,452 in the Road and Bridge Fund.

**BARLOW TOWNSHIP  
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2006 AND 2005  
(Continued)**

<b>FINDING RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2006-005 (Continued)**

**Significant Deficiency (Continued)**

The following lists the net adjustments for each fund for the above errors as of December 31, 2006:

Fund	Net Adjustment
General Fund	\$ (80,968)
Motor Vehicle License Tax	18,662
Gasoline Tax	20,353
Road & Bridge	27,185
Fire	5,802
Lighting Assessment	10,418
Total	<u>\$ 1,452</u>

In addition, the Gasoline Tax and Motor Vehicle License Tax Funds were recorded as non-major funds in 2005, and the Motor Vehicle License Tax and Permissive Sales Tax Funds were recorded as non-major funds in 2006 and were included in Other Governmental Funds. However, these funds qualified as major funds and were adjusted out of Other Governmental Funds and recorded as major funds.

As a result, these significant adjustments and reclassifications were made to the financial statements in order for the Fiscal Officer to correctly classify the sources and amounts of the Township's receipts and expenditures. These adjustments and reclassifications with which the Township's management agrees have been posted to the Township's books and are reflected in the accompanying financial statements.

We recommend the Fiscal Officer refer to the Ohio Township Handbook for proper classification and take additional care in posting transactions to the Township's ledgers in order to ensure the Township's year-end financial statements reflect the appropriate sources of the Township's receipts and expenditures.

**BARLOW TOWNSHIP  
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2006 AND 2005  
(Continued)**

**FINDING RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

**FINDING NUMBER 2006-006**

**Significant Deficiency**

All local public offices should 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 with finance-related legal and contractual requirements and prepare financial statements.

The Township received permissive sales tax money in the amount of \$44,564 in 2006 and \$27,382 in 2005 from the Washington County Commissioners. The Washington County Commissioners, on behalf of the Township, made payments directly to the vendors for the work completed on the Township roads. The Fiscal Officer for 2005 and 2006 did not record the permissive sales tax money that the Washington County Commissioners paid to vendors on behalf of the Township nor were budgetary adjustments approved for estimated resources and appropriations. As a result, receipts and disbursements were understated on the Township's books and basic financial statements for 2005 and 2006. Adjustments with which the Board of Trustees agree have been posted to the Township's books and are reflected in the accompanying financial statements. This also resulted in a budgetary violation as outlined in Finding Number 2006-004.

We recommend the Fiscal Officer record all permissive sales tax receipts and the corresponding expenditures in the Township's books. In addition, we recommend the Township obtain an amended certificate of estimated resources from the County Budget Commission, and the Board of Trustees approve supplemental appropriations.

**Officials' Response:** We did not receive a response from Officials to the findings reported above.

**BARLOW TOWNSHIP  
WASHINGTON COUNTY**

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

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2004-001	A material noncompliance citation was issued under Ohio Rev. Code Section 5705.41(B) for expenditures exceeding appropriations in the Motor Vehicle License Tax Fund at December 31, 2003.	No	Not Corrected:  This item is repeated in the current audit Schedule of Findings as item 2006-003.
2004-002	A material noncompliance citation was issued under Ohio Rev. Code Section 5705.41(D) for funds not being certified prior to the purchase commitment during 2003 and 2004.	No	Not Corrected:  This item is repeated in the Management Letter.



**Mary Taylor, CPA**  
Auditor of State

**BARLOW TOWNSHIP**

**WASHINGTON 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 13, 2007**