

**MONROE TOWNSHIP**  
**AUDIT REPORT**  
**JANUARY 1, 2007 – DECEMBER 31, 2008**

**Wolfe, Wilson, & Phillips, Inc.**  
**37 South Seventh Street**  
**Zanesville, Ohio 43701**





# Mary Taylor, CPA

Auditor of State

Board of Trustees  
Monroe Township  
P.O. Box 426  
Corning, Ohio 43730

We have reviewed the *Independent Auditors' Report* of Monroe Township, Perry County, prepared by Wolfe, Wilson & Phillips, Inc., for the audit period January 1, 2007 through December 31, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

July 29, 2009

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**MONROE TOWNSHIP  
PERRY COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditors' Report	1-2
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – December 31, 2008	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – December 31, 2007	4
Notes to Financial Statements	5
Independent Auditors' Report on Internal Control Over Financial Reporting And on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	12-13
Schedule of Findings	14
Schedule of Prior Audit Findings	15

**WOLFE, WILSON, & PHILLIPS, INC.**  
**37 SOUTH SEVENTH STREET**  
**ZANESVILLE, OHIO 43701**

**INDEPENDENT AUDITORS' REPORT**

Monroe Township  
Perry County  
P.O. Box 426  
Corning, Ohio 43730

We have audited the accompanying financial statements of Monroe Township, Perry County as of and for the years ended December 31, 2008 and 2007. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our 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 *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

Instead of the combined funds the accompanying financial statements present for 2008 and 2007, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2008 and 2007. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Township has elected not to reformat its statements. Since this Township does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Monroe Township's combined funds as of December 31, 2008 and 2007, and their changes in financial position.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Monroe Township, Perry County, as of December 31, 2008 and 2007, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

Independent Auditors' Report  
Page Two

The aforementioned revision to generally accepted accounting principles also require the Township to include Management's Discussion and Analysis for the year ended December 31, 2008 and 2007. The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 22, 2009, on our consideration of Monroe Township's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

***Wolfe, Wilson, & Phillips, Inc.***  
Zanesville, Ohio  
June 22, 2009

**MONROE TOWNSHIP  
PERRY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES-ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
<b>Cash Receipts:</b>			
Local Taxes	\$ 15,600	\$ 79,296	\$ 94,896
Licenses, Permits, and Fees	-	-	-
Intergovernmental	34,548	109,561	144,109
Other Revenue	74,613	1,240	75,853
<b>Total Cash Receipts</b>	<u>124,761</u>	<u>190,097</u>	<u>314,858</u>
<b>Cash Disbursements:</b>			
Current:			
General Government	47,099	9,231	56,330
Public Safety	-	42,300	42,300
Public Works	-	106,544	106,544
Health	-	29,396	29,396
Debt Service:			
Principal	5,180	9,744	14,924
Interest	3,466	1,347	4,813
Capital Outlay	-	136,669	136,669
<b>Total Cash Disbursements</b>	<u>55,745</u>	<u>335,231</u>	<u>390,976</u>
<b>Total Receipts Over/(Under) Cash Disbursements</b>	69,016	(145,134)	(76,118)
<b>Other Financing Cash Receipts:</b>			
Note Proceeds	-	123,218	123,218
<b>Total Receipts and Other Financing Cash Receipts Over/(Under) Cash Disbursements</b>	69,016	(21,916)	47,100
<b>Fund Cash Balances, January 1</b>	<u>25,474</u>	<u>35,784</u>	<u>61,258</u>
<b>Fund Cash Balances, December 31</b>	<u>\$ 94,490</u>	<u>\$ 13,868</u>	<u>\$ 108,358</u>

See notes to financial statements.



**MONROE TOWNSHIP  
PERRY COUNTY**

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

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
<b>Cash Receipts:</b>			
Local Taxes	\$ 14,471	\$ 72,860	\$ 87,331
Licenses, Permits, and Fees	-	-	-
Intergovernmental	27,030	122,702	149,732
Other Revenue	162	-	162
<b>Total Cash Receipts</b>	<u>41,663</u>	<u>195,562</u>	<u>237,225</u>
<b>Cash Disbursements:</b>			
Current:			
General Government	25,621	-	25,621
Public Safety	-	11,292	11,292
Public Works	-	81,479	81,479
Health	-	28,208	28,208
Debt Service:			
Principal	5,200	11,320	16,520
Interest	3,658	489	4,147
Capital Outlay	-	69,324	69,324
<b>Total Cash Disbursements</b>	<u>34,479</u>	<u>202,112</u>	<u>236,591</u>
<b>Total Receipts Over/(Under) Cash Disbursements</b>	7,184	(6,550)	634
<b>Fund Cash Balances, January 1</b>	<u>18,290</u>	<u>42,334</u>	<u>60,624</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$ 25,474</u></u>	<u><u>\$ 35,784</u></u>	<u><u>\$ 61,258</u></u>

See notes to financial statements.

**MONROE TOWNSHIP  
PERRY COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies**

**A. Description of the Entity**

The Township of Monroe, Perry County, 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. The Township provides road and bridge maintenance, fire protection and emergency medical services.

The Township participates in the Ohio Township Association Risk Management Authority public entity risk pool. Note 7 to the financial statements provides additional information for this entity. This organization is:

Public Entity Risk Pool:

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio local governments. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims exceeding the member's deductible

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

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and cash disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report expenditures when a commitment is made (i.e., when an encumbrance is approved.) These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**C. Cash and Investments**

All cash is maintained in a non-interest bearing checking account.

**D. Fund Accounting**

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

**General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

**MONROE TOWNSHIP  
PERRY COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies**

**D. Fund Accounting (Continued)**

**Special Revenue Funds**

These funds are used to account for proceeds from specific sources that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

**Gasoline Tax Fund** – This fund receives gasoline tax receipts for constructing, maintaining and repairing Township roads and bridges.

**Road and Bridges Fund** – This fund receives real estate and personal property tax money for the construction, repair and maintenance of township roads and bridges.

**E. Budgetary Process**

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

**Appropriations**

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

**Estimated Resources**

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

**Encumbrances**

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when commitments are made. The Township did not use the encumbrance method of accounting.

A Summary of 2008 and 2007 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

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

**G. Accumulated Leave**

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

**MONROE TOWNSHIP  
PERRY COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS**

**2. Equity in Pooled Cash**

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

	2008	2007
Demand Deposits	\$ 108,358	\$ 61,258

**Deposits:**

Deposits are either 1) insured by the Federal Depository Insurance Corporation or 2) collateralized by the financial institution's public entity deposit pool.

**3. Budgetary Activity**

Budgetary activity for the years ended December 31, 2008 and 2007 was as follows:

**2008 Budgeted vs. Actual Receipts**

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 42,785	\$ 124,761	\$ 81,976
Special Revenue	195,670	313,315	117,645
Total	\$ 238,455	\$ 438,076	\$ 199,621

**2008 Budgeted vs. Actual Budgetary Expenditures**

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	\$ 59,581	\$ 55,745	\$ 3,836
Special Revenue	241,867	335,231	(93,364)
Total	\$ 301,448	\$ 390,976	\$ (89,528)

**2007 Budgeted vs. Actual Receipts**

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 41,200	\$ 41,663	\$ 463
Special Revenue	187,632	195,562	7,930
Total	\$ 228,832	\$ 237,225	\$ 8,393

**MONROE TOWNSHIP  
PERRY COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS**

**3. Budgetary Activity (continued)**

**2007 Budgeted vs. Actual Budgetary Expenditures**

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	\$ 61,000	\$ 34,479	\$ 26,521
Special Revenue	<u>233,500</u>	<u>202,112</u>	<u>31,388</u>
Total	<u>\$ 294,500</u>	<u>\$ 236,591</u>	<u>\$ 57,909</u>

Contrary to ORC Section 5705.36, in 2008 and 2007, several funds were noted in which appropriations were greater than unencumbered balance plus actual receipts which should have resulted in getting a new certificate of estimated resources.

Contrary to Ohio Revised Code Section 5705.39, in 2008 the following funds had appropriations greater than estimated resources: Gasoline Tax Fund, Cemetery Fund, EMS Fund, Fire Apparatus Fund and EMS Apparatus Fund. In 2007, the following funds had appropriations greater than estimated resources: general Fund, MVL Tax Fund, Gasoline Tax Fund and Fire District Fund.

Contrary to Ohio Revised Code Section 5705.41(B), in 2008, the following fund had expenditures greater than appropriations: Gasoline Tax Fund.

Contrary to Ohio Revised Code Section 5705.41(D), all expenditures were made without prior certification.

**4. Property Tax**

Real property taxes become a lien on January 1 proceeding the October 1 date for which rates are adopted by Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the county by December 31. If the property owner elects to make semiannual payments, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Township.

Tangible personal property tax is assessed by the property owners who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

**MONROE TOWNSHIP  
PERRY COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS**

**5. Retirement Systems**

The Township's Trustees, Clerk and other employees of the Township belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post-retirement health care, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code. Contribution rates are also prescribed by the Ohio Revised Code. For 2008 and 2007, members of PERS contributed 10.0% and 9.5% of their gross salaries, respectively. The Township contributed an amount equal to 14.00% and 13.85% of participants' gross salaries for 2008 and 2007, respectively. The Township has paid all contributions required through December 31, 2008.

**6. Debt**

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

	Principal	Interest Rate
General Obligation Bonds	\$ 40,968	6.75%
NVB Grader Loan	117,634	5.00%
	\$ 158,602	

The general obligation bonds were issued for the purpose of acquiring real estate and improving buildings to provide facilities to house offices, personnel and functions of the Township. The North Valley Bank loan was acquired to consolidate purchase a new John Deere Grader to be used for maintenance of Township roads.

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

Year Ending December 31;	General Obligation Bonds	North Valley Bank Loan
2009	\$ 6,862	\$ 15,737
2010	6,946	15,737
2011	6,912	15,737
2012	6,966	15,737
2013	7,002	15,737
2014-2018	35,496	68,809
2019-2023	5,372	-
Totals	\$ 75,556	\$ 147,494

**MONROE TOWNSHIP  
PERRY COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS**

**7. Risk Management**

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

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

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio Townships. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Coverage

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

Property Coverage

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

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

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

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

**MONROE TOWNSHIP  
PERRY COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS**

**7. Risk Management (Continued)**

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2007 and 2006, the latest information available.

	2007	2006
Assets	\$ 43,210,703	\$ 42,042,275
Liabilities	(13,357,837)	(12,120,661)
Retained Earnings	\$ 29,852,866	\$ 29,921,614

At December 31, 2007 and 2006, respectively, liabilities above include approximately \$12.5 million and \$11.3 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$11.6 million and \$10.8 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2007 and 2006, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township's share of these unpaid claims collectible in future years is approximately \$10,570. This payable includes the subsequent year's contribution due if the Township terminates participation, as described in the last paragraph.

Based on discussion with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership. The Townships contributions to OTARMA for the past two years are as follows:

Contributions to OTARMA	
2008	\$5,285
2007	5,301
2006	5,787

After completing one year of membership, members may withdraw on each anniversary of the date they joined OTARMA provided they provide written notice to OTARMA 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's budgetary contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.



**WOLFE, WILSON, & PHILLIPS, INC.  
37 SOUTH SEVENTH STREET  
ZANESVILLE, OHIO 43701**

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

Monroe Township  
Perry County  
P.O. Box 426  
Corning, Ohio 43730

We have audited the financial statements of Monroe Township as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated June 22, 2009, wherein we noted the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the comptroller General of the United States.

**Internal Control Over Financial Reporting**

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

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 a misstatement of the Township's financial statements that is more than inconsequential will not be prevented or detected by the Township's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Township's internal control.

Our consideration of internal control over financial reporting was for the limited purposes described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above. We noted certain matters that we have reported to management in a separate letter dated June 22, 2008.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Monroe Township's combined financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings as item 2008-01. We also noted immaterial instances of noncompliance that we have reported to the management of Monroe Township in a separate letter dated June 22, 2009.

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

This report is intended for the information of the Board of Trustees, and the Auditor of State and is not intended to be and should not be used by anyone other than these specified parties.

***Wolfe, Wilson, & Phillips, Inc.***  
Zanesville, Ohio  
June 22, 2009

**MONROE TOWNSHIP  
PERRY COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2008**

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

FINDING NUMBER 2008-01

Ohio Revised Code Section 5705.41(D) states in part that no subdivision shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of fiscal officer of the subdivision. The fiscal officer must certify that the amount required to meet such a commitment has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

During the audit period, no such contracts and orders for expenditure were certified by the Clerk.

The Clerk should certify funds before each payment is made through the issuance of a regular, blanket, or super blanket purchase order. Blanket certificates should be issued for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of council against any specific line item account over a period not running beyond the end of the current fiscal year. A super blanket purchase order can be completed for any amount for expenditures and contracts from a specific line item appropriation account in a specified fund for most recurring or reasonable predictable operating expenditures. This is not to extend beyond the current year. More than one super blanket may be outstanding at one particular time for a particular line item appropriation account.

Also, as an alternative, the Township can issue then and now certificates for expenses up to \$3,000. Then and now certificates allow the Clerk to certify that both at the time the expenditure was made and at the time that the certification is completed, sufficient funds are available. These certificates can be certified by the Clerk without subsequent authorization from the Trustees. However, then and now certificates issued by the Clerk over \$3,000 must be authorized by the Trustees within thirty days after payment.

Client Response: We are currently using UAN and will use the purchase orders and fiscal certificates in the future.

**MONROE TOWNSHIP  
PERRY COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2008 AND 2007**

Finding Number	Finding Summary	Fully Corrected	Not Corrected, Partially Corrected Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b>Explain:</b>
2006-01	ORC 5705.41(D) Invoice dated prior to fiscal certification	No	Not Corrected: Cited in current report as finding 2008-01.



Mary Taylor, CPA  
Auditor of State

**MONROE TOWNSHIP**

**PERRY 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  
AUGUST 11, 2009**