

Marion Township

Fayette County

January 1, 2008 through December 31, 2009

Years Audited Under GAGAS: 2008 and 2009

**CAUDILL & ASSOCIATES, CPA'S**

725 5<sup>TH</sup> Street

Portsmouth, OH 45662





# Mary Taylor, CPA

Auditor of State

Board of Trustees  
Marion Township  
9109 U.S. Route 22 N.E.  
New Holland, Ohio 43145

We have reviewed the *Independent Auditor's Report* of Marion Township, Fayette County, prepared by Caudill & Associates, CPA's, for the audit period January 1, 2008 through December 31, 2009. 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 Auditor's Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditor's Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

September 14, 2010

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**Marion Township**  
**Fayette County**  
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## Independent Auditor's Report

Marion Township  
Fayette County  
9109 U.S. Route 22 N.E.  
New Holland, Ohio 43145

To the Township Board of Trustees:

We have audited the accompanying financial statements of Marion Township, Fayette County, (the Township) as of and for the years ended December 31, 2009 and 2008. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

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

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

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2009 and 2008 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2009 and 2008, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Marion Township, Fayette County, as of December 31, 2009 and 2008, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

Marion Township  
Fayette County  
Independent Auditor's Report

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2010, 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.

*Caudill & Associates, CPAs*

Caudill & Associates, CPA's  
May 17, 2010

**Marion Township**  
**Fayette County**  
*Combined Statement of Cash Receipts, Cash Disbursements and*  
*Changes in Fund Cash Balances*  
*All Governmental Fund Types*  
*For the Year Ended December 31, 2009*

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property and Local Taxes	\$ 10,810	\$ 28,562	\$ 39,372
Charges for Services	102	1,451	1,553
Intergovernmental	14,781	101,749	116,530
Earnings on Investments	310	236	546
Miscellaneous	250	-	250
	<u>26,253</u>	<u>131,998</u>	<u>158,251</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
General Government	79,696	-	79,696
Public Works	617	227,020	227,637
Health	-	3,521	3,521
	<u>80,313</u>	<u>230,541</u>	<u>310,854</u>
Total Cash Disbursements			
Total Receipts Under Disbursements	(54,060)	(98,543)	(152,603)
Fund Cash Balances, January 1	<u>111,272</u>	<u>263,345</u>	<u>374,617</u>
Fund Cash Balances, December 31	<u>\$ 57,212</u>	<u>\$ 164,802</u>	<u>\$ 222,014</u>

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

**Marion Township**  
**Fayette 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*

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property and Local Taxes	\$ 11,032	\$ 29,054	\$ 40,086
Charges for Services	13	-	13
Intergovernmental	15,735	104,663	120,398
Earnings on Investments	4,604	1,610	6,214
Miscellaneous	400	-	400
	<u>31,784</u>	<u>135,327</u>	<u>167,111</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
General Government	80,186	-	80,186
Public Works	601	85,268	85,869
Health	-	1,600	1,600
	<u>80,787</u>	<u>86,868</u>	<u>167,655</u>
Total Cash Disbursements			
Total Receipts Over/(Under) Disbursements	(49,003)	48,459	(544)
Fund Cash Balances, January 1	<u>160,275</u>	<u>214,886</u>	<u>375,161</u>
Fund Cash Balances, December 31	<u>\$ 111,272</u>	<u>\$ 263,345</u>	<u>\$ 374,617</u>

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

**Marion Township**  
**Fayette County**  
*Notes to the Financial Statements*  
*For the Years Ended December 31, 2009 and 2008*

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**Note 1 – Summary of Significant Accounting Policies**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Marion Township, Fayette County (the Township), as a body corporate and politic. A publicly-elected three-member Board of Trustees governs the Township. The Township provides general government services, including road and bridge maintenance and cemetery maintenance.

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

**B. Basis of Accounting**

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

These statements adequately disclose material matters, as the Auditor of State prescribes or permits.

**C. Cash Deposits**

The Township invests all available funds in an interest-bearing checking account and a business premier money market account with a local commercial bank. Investments are included in fund cash balances. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts.

**D. Fund Accounting**

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

**1. General Fund**

The General Fund reports all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

These funds account for proceeds of specific sources (other than from trusts or for capital projects) 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 money to pay for constructing, maintaining, and repairing Township roads.

*Road and Bridge Fund* - This fund receives property tax money to pay for constructing, maintaining, and repairing Township roads and bridges.

**Marion Township**  
**Fayette County**  
*Notes to the Financial Statements*  
*For the Years Ended December 31, 2009 and 2008*

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**E. Budgetary Process**

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

**1. Appropriations**

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

**2. Estimated Resources**

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

**3. Encumbrances**

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year-end are carried over and need not be reappropriated.

A summary of 2009 and 2008 budgetary activity appears in Note 3.

**F. Property, Plant, and Equipment**

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**Note 2 – Equity in Pooled Cash and Investments**

The Township maintains a cash and investment pool that all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	<u>2009</u>	<u>2008</u>
Demand Deposits	<u>\$222,014</u>	<u>\$374,617</u>

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

**Marion Township**  
**Fayette County**  
*Notes to the Financial Statements*  
*For the Years Ended December 31, 2009 and 2008*

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**Note 3 – Budgetary Activity**

Budgetary activity for the years ending December 31, 2009 and 2008 follows:

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$26,253	\$26,253	\$0
Special Revenue	133,688	131,998	(1,690)
Total	\$159,941	\$158,251	(\$1,690)

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$135,012	\$80,313	\$54,699
Special Revenue	391,370	230,541	160,829
Total	\$526,382	\$310,854	\$215,528

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$31,784	\$31,784	\$0
Special Revenue	135,327	135,327	0
Total	\$167,111	\$167,111	\$0

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$213,082	\$80,787	\$132,295
Special Revenue	317,311	86,868	230,443
Total	\$530,393	\$167,655	\$362,738

**Note 4 - Property Tax**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopt tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as intergovernmental receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

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

**Marion Township**  
**Fayette County**  
*Notes to the Financial Statements*  
*For the Years Ended December 31, 2009 and 2008*

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**Note 5 - Retirement Systems**

The Township's officials and employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include post-retirement healthcare, and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2009 and 2008, OPERS members contributed 10% of their gross salaries, and the Township contributed an amount equaling 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2009.

**Note 6 - Risk Management**

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

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

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

*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 OTARMA Pool retains casualty risk up to \$350,000 per occurrence. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year. Governments can elect up to \$10,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with OTARMA.

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

*Property Coverage*

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

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

**Marion Township**  
**Fayette County**  
*Notes to the Financial Statements*  
*For the Years Ended December 31, 2009 and 2008*

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**Note 6 – Risk Management (Continued)**

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

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

*Financial Position*

OTARMA’s financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and net assets at December 31, 2008 and 2007 (the latest information available):

	2008	2007
Assets	\$40,737,740	\$43,210,703
Liabilities	12,981,818	13,357,837
Net Assets	\$27,755,922	\$29,852,866

At December 31, 2008 and 2007, respectively, liabilities above include approximately \$12.1 million and \$12.5 million of estimated incurred claims payable. The assets and net assets above also include approximately \$10.9 million and \$11.6 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2008 and 2007, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. This payable includes the subsequent year’s contribution due if the Township terminates participation, as described in the last paragraph below.

Based on discussions with OTARMA, the expected rates 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.

Contributions to OTARMA	
2009	\$3,409
2008	3,507
2007	3,344

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.

**Note 7 – Related Party Transactions**

During the audit period, the following related party transactions occurred:

- 1) The Township disbursed to JD Equipment \$9,310 in 2008. JD Equipment is the employer of Gary Miller, Trustee, and Cody Kirkpatrick, son of Diana Kirkpatrick, Fiscal Officer. The transactions pertain to servicing of vehicles and for rental of equipment.

**Marion Township**  
**Fayette County**  
*Notes to the Financial Statements*  
*For the Years Ended December 31, 2009 and 2008*

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**Note 7 – Related Party Transactions (Continued)**

- 2) The Township disbursed to Dennis Miller \$944 and \$523 in 2009 and 2008, respective. Dennis Miller is the brother of Gary Miller, Trustee. He mowed the Township roads in both 2009 and 2008.
- 3) The Township disbursed to Sharon Miller \$822 and \$790 in 2009 and 2008, respective. Sharon Miller is the wife of Gary Miller, Trustee. She cleaned the Township hall on a monthly basis in both 2009 and 2008.

**Note 8 – Compliance**

The Township had appropriations in excess of available and estimated resources, which is contrary to Ohio Revised Code Sections 5705.36(A)(4) and 5705.39, respectively.



## Caudill & Associates, CPA's

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### **Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards***

Marion Township  
Fayette County  
9109 U.S. Route 22 N.E.  
New Holland, Ohio 43145

To the Township Board of Trustees:

We have audited the financial statements of Marion Township, Fayette County, (the Township) as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated May 17, 2010, wherein we noted the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not for the purpose of opining 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.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that material financial statement misstatements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, 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. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and responses that we consider significant deficiencies in internal control over financial reporting. We consider findings 2009-001 through 2009-003 to be significant deficiencies. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Marion Township  
Fayette County

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

### **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 and responses as items 2009-004 and 2009-005.

We also noted certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated May 17, 2010.

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

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

*Caudill & Associates, CPAs*

Caudill & Associates, CPA's  
May 17, 2010

**Marion Township**  
**Fayette County**  
*Schedule of Findings and Responses*  
*For the Years Ended December 31, 2009 and 2008*

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<b>Findings Related to the Financial Statements Required to be Reported in Accordance With GAGAS</b>
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**Finding Number 2009-001**

**Significant Deficiency - Misclassification of Receipts and Disbursements**

The AICPA establishes auditing standards generally accepted in the United States that certified public accountants and government auditors must follow in conducting audits of state and local governments. SAS No. 112, as amended by SAS No. 115, establishes standards, responsibilities and guidance for auditors during a financial statement audit engagement for identifying and evaluating a client's internal control over financial reporting. This standard requires the auditor to report *in writing* to management and the governing body any control deficiencies found during the audit that are considered significant deficiencies and/or material weaknesses. The Township erroneously posted several receipts and disbursements to incorrect line items and, in limited instances, improper funds. This required reclassifications and adjustments to properly present the activity of the Township in both years. We recommend the Township implement control procedures related to financial reporting that enable management to identify, prevent, detect, and correct potential misstatements in the financial statements and footnotes.

**Township Response:**

The Township will correct for next audit.

**Finding Number 2009-002**

**Significant Deficiency - Budgetary Information Within Accounting System**

Proper classification of budgeted receipts and disbursements is pertinent to a properly functioning control environment. Officials of the Township rely on information recorded within the UAN system to make spending and budgeting decisions. Several instances were identified from both years of the audit period where budgetary allocations recorded within UAN were not in agreement with the Board-approved documents. We recommend the Township review budgeting and accounting processes and implement the appropriate steps to ensure that budgeted information included within the accounting system is in agreement with formal approved documents.

**Township Response:**

The Township will correct for next audit.

**Finding Number 2009-003**

**Significant Deficiency – Maintenance of Supporting Documentation for Payroll Disbursements**

All disbursements should be accompanied by sufficient supporting documentation in order to provide assurance of accuracy, completeness and appropriateness. Payroll disbursements were identified that did not have accompanying supporting documentation, such as timesheets. We recommend the Township implement control procedures to ensure that sufficient supporting documentation is maintained and available for review for all payroll disbursements and that such documentation is reviewed and approved by the appropriate personnel.

**Township Response:**

The Township will correct and make sure timesheets are filled out.

**Marion Township**  
**Fayette County**  
*Schedule of Findings and Responses*  
*For the Years Ended December 31, 2009 and 2008*

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**Finding Number 2009-004**

**Noncompliance – Appropriations in Excess of Available Resources**

Ohio Revised Code Section 5705.36(A)(4) requires obtaining a reduced amended certificate if the amount of the deficiency will reduce available resources below the current level of appropriation. During 2008, appropriations exceeded available resources in the General Fund by \$21,023. During 2009, appropriations exceeded available resources in the Motor Vehicle License Tax Fund by \$277 and the Gas Tax Fund by \$1,413. We recommend the Fiscal Officer monitor available resources in relationship to estimated resources and appropriations and file the necessary amended certificate with the County Auditor upon determination that available resources will be less than estimated resources.

**Township Response:**

The Township will attempt to correct this for future years.

**Finding Number 2009-005**

**Noncompliance – Appropriations in Excess of Estimated Resources**

Ohio Revised Code Section 5705.39 states that total appropriations from each fund shall not exceed the total estimated resources. During 2008, appropriations exceeded estimated resources in the General Fund by \$21,023. We recommend the Fiscal Officer monitor estimated resources in relationship to appropriations and file the necessary amended certificate and/or appropriation measure with the County Auditor when estimated resources fall below appropriations.

**Township Response:**

The Township will attempt to correct this for future years.

**Marion Township**  
**Fayette County**  
*Schedule of Prior Audit Findings*  
*For the Years Ended December 31, 2009 and 2008*

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain
2007-001	Ohio Revised Code Section 5705.36 – Appropriations in excess of available resources	No	Reissued as finding 2009-004
2007-002	Ohio Revised Code Section 5705.39 – Appropriations in excess of estimated resources	No	Reissued as finding 2009-005
2007-003	Ohio Revised Code Section 5705.41(B) – Expenditures in excess of appropriations	Yes	N/A
2007-004	Ohio Revised Code Section 5705.41(D) – Proper certification of funds	No	Partially corrected - reissued in management letter
2007-005	Ohio Revised Code Section 5705.10 – Negative fund balances	Yes	N/A
2007-006	Significant Deficiency – Approval of timesheets	No	Reissued as finding 2009-003
2007-007	Significant Deficiency – System discrepancies	No	Reissued as finding 2009-002



**Mary Taylor, CPA**  
Auditor of State

**MARION TOWNSHIP**

**FAYETTE 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  
SEPTEMBER 28, 2010**