

***OHIO TOWNSHIP  
MONROE COUNTY, OHIO***

***AUDIT REPORT***

***FOR THE YEARS ENDED DECEMBER 31, 2004 & 2003***

***Charles E. Harris and Associates, Inc.***  
**Certified Public Accountants and Government Consultants**





**Auditor of State  
Betty Montgomery**

Board of Trustees  
Ohio Township, Monroe County  
Hannibal, Ohio

We have reviewed the *Report of Independent Accountants* of Ohio Township, Monroe County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2003 through December 31, 2004. 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 *Report of Independent Accountants* 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 *Report of Independent Accountants* 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. Ohio Township, Monroe County is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

December 16, 2005

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**OHIO TOWNSHIP  
MONROE COUNTY, OHIO  
Audit Report  
For the Years Ended December 31, 2004 & 2003**

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Rockefeller Building  
614 W Superior Ave Ste1242  
Cleveland OH 44113-1306  
Phone - (216) 575-1630  
Fax - (216) 436-2411

***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

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**REPORT OF INDEPENDENT ACCOUNTANTS**

To the Board of Trustees  
Ohio Township  
Hannibal, Ohio

We have audited the accompanying financial statements of Ohio Township, Monroe County, Ohio as of and for the years ended December 31, 2004 and 2003. 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 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 (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.

Revisions to GAAP would require the Township to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. Instead of the combined funds the accompanying financial statements present for 2004 (and 2003), the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2004. 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 the 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 two paragraphs, the financial statements referred to above for the year ended December 31, 2004, 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, 2004, or its changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Ohio Township, Monroe County, as of December 31, 2004 and 2003, and its combined cash receipts and disbursements and changes in fund cash balances, its combined statement of receipts-budget and actual and combined statement of disbursements and encumbrances compared with expenditure authority for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Township to include Management's Discussion and Analysis for the year ended December 31, 2004. The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 19, 2005, 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. 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 considered in assessing the results of our audit.

***Charles E. Harris & Associates, Inc.***  
August 19, 2005

OHIO TOWNSHIP  
MONROE COUNTY, OHIO  
COMBINED STATEMENT OF CASH, INVESTMENTS AND FUND CASH  
BALANCES - ALL FUND TYPES  
As of December 31, 2004 and 2003

	<u>2004</u> <u>Balances</u>	<u>2003</u> <u>Balances</u>
Cash and Cash Equivalents	\$ <u>138,315</u>	\$ <u>113,959</u>

Cash Balances By Fund Class

Governmental Fund Types:

General Fund	\$ 20,779	\$ 13,442
Special Revenue Funds	<u>117,201</u>	<u>100,183</u>
	137,980	113,625

Fiduciary Fund Types:

Nonexpendable Trust	<u>335</u>	<u>334</u>
Total	<u>\$ 138,315</u>	<u>\$ 113,959</u>

See Accompanying Notes to the Financial Statements.



OHIO TOWNSHIP  
MONROE COUNTY, OHIO  
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND  
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES AND FIDUCIARY FUNDS  
For the Year Ended December 31, 2004

	Governmental Fund Types			Fiduciary Fund Type	(Memorandum Only)
	General	Special Revenue	Capital Projects	Non- Expendable Trust	Total
<b>Receipts:</b>					
Taxes	\$ 70,036	\$ 103,327	\$ -	\$ -	\$ 173,363
Intergovernmental	5,573	221,403	-	-	226,976
Licenses, Permits, and Fees	-	4,000	-	-	4,000
Interest Earnings	58	423	-	1	482
Miscellaneous	-	7,550	-	-	7,550
<b>Total Receipts</b>	<b>75,667</b>	<b>336,703</b>	<b>-</b>	<b>1</b>	<b>412,371</b>
<b>Disbursements:</b>					
General Government	44,294	2,591	-	-	46,885
Public Safety	768	19,805	-	-	20,573
Public Works	14,632	249,523	-	-	264,155
Health	48,062	5,214	-	-	53,276
Conservation/Recreation	3,076	-	-	-	3,076
Capital Outlay	50	-	-	-	50
<b>Total Disbursements</b>	<b>110,882</b>	<b>277,133</b>	<b>-</b>	<b>-</b>	<b>388,015</b>
<b>Excess of Receipts Over/(Under) Disbursements</b>	<b>(35,215)</b>	<b>59,570</b>	<b>-</b>	<b>1</b>	<b>24,356</b>
<b>Other Financing Sources/(Uses):</b>					
Transfers-In	42,552	-	-	-	42,552
Transfers-Out	-	(42,552)	-	-	(42,552)
<b>Total Other Financing Sources/(Uses)</b>	<b>42,552</b>	<b>(42,552)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess of Receipts &amp; Other Financing Sources Over/(Under) Disbursements and Other Financing Sources/(Uses)</b>	<b>7,337</b>	<b>17,018</b>	<b>-</b>	<b>1</b>	<b>24,356</b>
<b>Fund Balance January 1, 2004</b>	<b>13,442</b>	<b>100,183</b>	<b>-</b>	<b>334</b>	<b>113,959</b>
<b>Fund Balance December 31, 2004</b>	<b>\$ 20,779</b>	<b>\$ 117,201</b>	<b>\$ -</b>	<b>\$ 335</b>	<b>\$ 138,315</b>

See Accompanying Notes to the Financial Statements.

OHIO TOWNSHIP  
MONROE COUNTY, OHIO  
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND  
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES AND FIDUCIARY FUNDS  
For the Year Ended December 31, 2003

	Governmental Fund Types			Fiduciary Fund Type	(Memorandum Only)
	General	Special Revenue	Capital Projects	Non- Expendable Trust	Total
<b>Receipts:</b>					
Taxes	\$ 44,512	\$ 71,517	\$ -	\$ -	\$ 116,029
Intergovernmental	4,186	99,524	131,005	-	234,715
Licenses, Permits, and Fees	-	4,200	-	-	4,200
Interest Earnings	157	363	-	3	523
Miscellaneous	-	1,217	-	-	1,217
<b>Total Receipts</b>	<b>48,855</b>	<b>176,821</b>	<b>131,005</b>	<b>3</b>	<b>356,684</b>
<b>Disbursements:</b>					
General Government	39,460	411	-	-	39,871
Public Safety	672	14,600	-	-	15,272
Public Works	16,195	188,072	-	-	204,267
Health	26,697	5,469	-	-	32,166
Capital Outlay	100	-	131,005	-	131,105
<b>Total Disbursements</b>	<b>83,124</b>	<b>208,552</b>	<b>131,005</b>	<b>-</b>	<b>422,681</b>
<b>Excess of Receipts Over/(Under) Disbursements</b>	<b>(34,269)</b>	<b>(31,731)</b>	<b>-</b>	<b>3</b>	<b>(65,997)</b>
<b>Fund Balance January 1, 2003</b>	<b>47,711</b>	<b>131,914</b>	<b>-</b>	<b>331</b>	<b>179,956</b>
<b>Fund Balance December 31, 2003</b>	<b>\$ 13,442</b>	<b>\$ 100,183</b>	<b>\$ -</b>	<b>\$ 334</b>	<b>\$ 113,959</b>

See Accompanying Notes to the Financial Statements.

OHIO TOWNSHIP  
MONROE COUNTY, OHIO  
COMBINED STATEMENT OF RECEIPTS - BUDGET AND ACTUAL  
For the Year Ended December 31, 2004

<u>Fund Types/Funds:</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>
<u>Governmental Fund Types:</u>			
General Fund	\$ 176,995	\$ 118,219	\$ (58,776)
Special Revenue Funds	<u>365,548</u>	<u>336,703</u>	<u>(28,845)</u>
	542,543	454,922	(87,621)
<u>Fiduciary Fund Type:</u>			
Nonexpendable Trust Fund	<u>4</u>	<u>1</u>	<u>(3)</u>
Total (Memorandum Only)	<u>\$ 542,547</u>	<u>\$ 454,923</u>	<u>\$ (87,624)</u>

See Accompanying Notes to the Financial Statements.

OHIO TOWNSHIP  
MONROE COUNTY, OHIO  
COMBINED STATEMENT OF RECEIPTS - BUDGET AND ACTUAL  
For the Year Ended December 31, 2003

<u>Fund Types/Funds:</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>
<u>Governmental Fund Types:</u>			
General Fund	\$ 90,699	\$ 48,855	\$ (41,844)
Special Revenue Funds	241,491	176,821	(64,670)
Capital Projects Fund	<u>131,005</u>	<u>131,005</u>	<u>-</u>
	463,195	356,681	(106,514)
<u>Fiduciary Fund Type:</u>			
Nonexpendable Trust Fund	<u>11</u>	<u>3</u>	<u>(8)</u>
Total (Memorandum Only)	<u>\$ 463,206</u>	<u>\$ 356,684</u>	<u>\$ (106,522)</u>

See Accompanying Notes to the Financial Statements.

OHIO TOWNSHIP  
MONROE COUNTY, OHIO  
COMBINED STATEMENT OF DISBURSEMENTS AND  
ENCUMBRANCES COMPARED WITH EXPENDITURE AUTHORITY  
For the Year Ended December 31, 2004

<u>Fund Types/Funds</u>	<u>Carryover Appropriations</u>	<u>Year Ending 2004 Appropriations</u>	<u>Total</u>	<u>Actual 2004 Disbursements</u>	<u>Encumbrances as of 12/31/04</u>	<u>Total</u>	<u>Variance Favorable/ (Unfavorable)</u>
<b>Governmental Funds:</b>							
General Fund	\$ -	\$ 190,437	\$ 190,437	\$ 110,882	\$ -	\$ 110,882	\$ 79,555
Special Revenue Funds	-	435,730	435,730	319,685	-	319,685	116,045
Subtotal	-	626,167	626,167	430,567	-	430,567	195,600
<b>Fiduciary Fund:</b>							
Non-Expendable Trust Fund	-	38	38	-	-	-	38
ϕ Total (Memorandum Only)	\$ -	\$ 626,205	\$ 626,205	\$ 430,567	\$ -	\$ 430,567	\$ 195,638

See Accompanying Notes to the Financial Statements.

OHIO TOWNSHIP  
MONROE COUNTY, OHIO  
COMBINED STATEMENT OF DISBURSEMENTS AND  
ENCUMBRANCES COMPARED WITH EXPENDITURE AUTHORITY  
For the Year Ended December 31, 2003

<u>Fund Types/Funds</u>	<u>Carryover Appropriations</u>	<u>Year Ending 2003 Appropriations</u>	<u>Total</u>	<u>Actual 2003 Disbursements</u>	<u>Encumbrances as of 12/31/03</u>	<u>Total</u>	<u>Variance Favorable/ (Unfavorable)</u>
<b>Governmental Funds:</b>							
General Fund	\$ -	\$ 138,410	\$ 138,410	\$ 83,124	\$ -	83,124	\$ 55,286
Special Revenue Funds	-	373,405	373,405	208,552	-	208,552	164,853
Capital Project Fund	-	131,005	131,005	131,005	-	131,005	-
Subtotal	-	642,820	642,820	422,681	-	422,681	220,139
<b>Fiduciary Fund:</b>							
Nonexpendable Trust Fund	-	42	42	-	-	-	42
<b>Total (Memorandum Only)</b>	<b>\$ -</b>	<b>\$ 642,862</b>	<b>\$ 642,862</b>	<b>\$ 422,681</b>	<b>\$ -</b>	<b>\$ 422,681</b>	<b>\$ 220,181</b>

See Accompanying Notes to the Financial Statements.

**OHIO TOWNSHIP  
MONROE COUNTY, OHIO  
Notes to the Financial Statements  
For the Years Ended December 31, 2004 and 2003**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. DESCRIPTION OF THE ENTITY**

Ohio Township, Monroe County (the Township) is a body corporate and politic established for the purpose of exercising 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 and a publicly-elected Clerk. The Township provides road and bridge maintenance, cemetery maintenance, and fire protection.

The Township's management believes these financial statements included in this report represent all of the funds of the Township over which the Township has the ability to exercise direct operating control.

**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 disbursement 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 budgetary expenditures when a commitment is made (i.e. when an encumbrance is approved.)

The statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**C. INVESTMENTS AND INACTIVE FUNDS**

Investment procedures are restricted by the provisions of the Ohio Revised Code. Purchased investments are valued at purchase cost. Interest earned is recognized and recorded when received. See Note 2 for further description.

**D. FUND ACCOUNTING**

The Township maintains its accounting records in accordance with the principles of "Fund" accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity which stands separate from the activities reported in other funds. The restrictions associated with each class of funds are as follows:

**Governmental Fund Types:**

**General Fund:** The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required by law or contract to be accounted for in another fund.

**Special Revenue Funds:** To account for the proceeds of specific revenue sources that are legally restricted to disbursements for specified purposes. The Township had the following significant Special Revenue Funds:

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

**OHIO TOWNSHIP  
MONROE COUNTY, OHIO  
Notes to the Financial Statements  
For the Years Ended December 31, 2004 and 2003**

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)**

*Gasoline Tax Fund-* This fund receives gasoline tax money for constructing, maintaining and repairing Township roads.

**Capital Project Fund:** This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds).

*Ohio Public Works Project-* This fund received a grant from the Ohio Public Works Commission for Township road repairs.

**Fiduciary Fund Type:**

This fund is used to account for resources held by the Township in a trustee capacity or agent for individuals or private organizations. The Township had the following significant Fiduciary Fund:

*J.H. Bare Trust Fund-* This fund receives interest for the upkeep and beautification of the Township cemetery.

E. **BUDGETARY PROCESS**

1. **Budget**

A budget of estimated cash receipts and disbursements is prepared by the Clerk, approved by the Board of Trustees, and submitted to the county auditor, as secretary of the County Budget Commission, by July 15 of each year, for the period January 1 to December 31 of the following year.

2. **Estimated Resources**

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

3. **Appropriations**

A temporary appropriation measure to control cash expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation measure must be passed by March 31 of each year for the period January 1 to December 31. The appropriation measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources.

The legal level of budgetary control is at the object level in all funds. Any budgetary modifications at this level may only be made by resolution of the Township Board of Trustees.

4. **Encumbrances**

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

F. **PROPERTY, PLANT AND EQUIPMENT**

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



**OHIO TOWNSHIP  
MONROE COUNTY, OHIO  
Notes to the Financial Statements  
For the Years Ended December 31, 2004 and 2003**

**G. TOTAL COLUMNS ON FINANCIAL STATEMENTS**

Total columns on the financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. This data is not comparable to consolidation. Interfund-type eliminations have not been made in the aggregation of this data.

**2. EQUITY IN POOLED CASH AND CASH EQUIVALENTS**

The Township maintains a cash and investment pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments.

The carrying amount of the Township's cash and investments at December 31 was as follows:

	<u>2004</u>	<u>2003</u>
Demand Deposits	<u>\$138,315</u>	<u>\$113,959</u>

Protection of the Township's deposits is provided by the Federal Deposit Insurance Corporation, or by eligible securities pledged by the financial institution as security for repayment, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

**3. PROPERTY TAX**

Real property taxes are levied on assessed values which equal 35 percent of appraised value. The county auditor reappraises all real property every six years with a triennial update. The last update was completed for tax year 2003.

Real property taxes become a lien on all non-exempt real property located in the county on January 1. 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 of the following year. Under certain circumstances, state statute permits later payment dates to be established.

Real property owners' tax bills are further reduced by homestead and rollback deductions when applicable. The amount of these homestead and rollback reductions is reimbursed to the Township by the State of Ohio and are reflected in the accompanying financial statements as Intergovernmental Receipts.

Owners of tangible personal property are required to file a list of such property including costs, by April 30 of each year. The property is assessed for tax purposes at varying statutory percentages of cost.

The County Treasurer collects property tax on behalf of all taxing entities within the county. The County Auditor periodically remits to the taxing entities their portions of the taxes collected.

**OHIO TOWNSHIP  
MONROE COUNTY, OHIO  
Notes to the Financial Statements  
For the Years Ended December 31, 2004 and 2003**

**4. RISK MANAGEMENT**

The Township is exposed to various risks of loss related torts, theft, destruction of assets, errors and omissions, injuries to employees and natural disasters. The Township is a member of the Ohio Township Association Risk Management Authority (a local government risk pool) and has obtained the following significant coverages:

<u>Type</u>	<u>Limits</u>
General Liability	\$1,000,000
Personal Property	\$344,194
Wrongful Acts	\$1,000,000
Automobile Liability	\$1,000,000
Automobile Physical Damage	\$95,000

**5. RETIREMENT SYSTEMS**

The Township's employees belong to the Ohio Public Employees Retirement System (OPERS), a state operated, cost sharing, multiple employer public employee retirement system. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are prescribed by the Ohio Revised Code. For 2004 and 2003 members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of covered payroll. The Township has paid all contributions required through December 31, 2004.

**6. TRANSFER**

The Township transferred \$42,552 from the Road and Bridge Fund to the General Fund during 2004. All appropriate legal requirements of the Ohio Revised Code were followed for the transfer of these funds.

**7. CONTINGENT LIABILITIES**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Township expects the amount to be immaterial.

The Township may be a defendant in various lawsuits. Although management cannot presently determine the outcome of these suits, it is the opinion of the Township legal counsel that the resolution of these matters will not materially adversely affect the Township's financial condition.

*Charles E. Harris & Associates, Inc.*  
*Certified Public Accountants*

Rockefeller Building  
614 W Superior Ave Ste 1242  
Cleveland, OH 44113-1306  
Office phone - (216) 575-1630  
Fax - (216) 436-2411

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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**

To the Board of Trustees  
Ohio Township  
Hannibal, Ohio

We have audited the financial statements of Ohio Township, Monroe County, Ohio (the Township), as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated August 19, 2005, 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 standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Controls Over Financial Reporting**

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters, 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**This report is intended solely for the information and use of the management and the Board of Trustees and is not intended to be and should not be used by anyone other than these specified parties.**

***Charles E. Harris and Associates, Inc.***

**August 19, 2005**

## **STATUS OF PRIOR YEAR CITATIONS AND RECOMMENDATIONS**

The prior audit report, for the years ending December 31, 2002 and 2001, did not include material citations or recommendations.





**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**OHIO TOWNSHIP  
MONROE COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
DECEMBER 30, 2005**