



Mary Taylor, CPA  
Auditor of State



GRANDVIEW TOWNSHIP  
WASHINGTON COUNTY

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# Mary Taylor, CPA

Auditor of State

Grandview Township  
Washington County  
P.O. Box 475  
New Matamoras, Ohio 45767

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS 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. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

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

**Mary Taylor, CPA**  
Auditor of State

December 5, 2008

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# Mary Taylor, CPA

## Auditor of State

### INDEPENDENT ACCOUNTANTS' REPORT

Grandview Township  
Washington County  
P.O. Box 475  
New Matamoras, Ohio 45767

To the Board of Trustees:

We have audited the accompanying financial statements of Grandview Township, Washington County, Ohio (the Township), as of and for the years ended December 31, 2007 and 2006. 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. The Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As 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, 2007 and 2006 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, 2007 and 2006, 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 Grandview Township, Washington County, Ohio, as of December 31, 2007 and 2006, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2008, 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.



**Mary Taylor, CPA**  
Auditor of State

December 5, 2008



**GRANDVIEW TOWNSHIP  
WASHINGTON 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	Debt Service	
<b>Cash Receipts:</b>				
Property and Other Local Taxes	\$8,652	\$51,406	\$13,366	\$73,424
Intergovernmental	38,846	208,214		247,060
Charges for Services		28,040		28,040
Licenses, Permits, and Fees		5,225		5,225
Earnings on Investments	301	3		304
Miscellaneous	2,962	2,493		5,455
	50,761	295,381	13,366	359,508
<b>Cash Disbursements:</b>				
Current:				
General Government	43,657	14,777		58,434
Public Safety		43,414		43,414
Public Works		200,013		200,013
Health	3,144	6,301		9,445
Debt Service:				
Redemption of Principal			25,039	25,039
Interest and Fiscal Charges			1,471	1,471
Capital Outlay		76,974		76,974
	46,801	341,479	26,510	414,790
Total Cash Receipts Over/(Under) Cash Disbursements	3,960	(46,098)	(13,144)	(55,282)
<b>Other Financing Receipts and (Disbursements):</b>				
Proceeds from Sale of Public Debt:				
Sale of Notes		74,974	13,144	88,118
Sale of Fixed Assets		805		805
Advances-In		924		924
Advances-Out	(924)			(924)
	(924)	76,703	13,144	88,923
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	3,036	30,605	0	33,641
Fund Cash Balances, January 1	2,930	93,977	6,683	103,590
<b>Fund Cash Balances, December 31</b>	<b>\$5,966</b>	<b>\$124,582</b>	<b>\$6,683</b>	<b>\$137,231</b>

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

**GRANDVIEW TOWNSHIP  
WASHINGTON COUNTY**

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

	<u>Governmental Fund Types</u>				<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>					
Property and Other Local Taxes	\$3,700	\$49,167	\$13,366		\$66,233
Intergovernmental	34,364	249,653		69,511	353,528
Charges for Services		30,386			30,386
Licenses, Permits, and Fees		3,513			3,513
Earnings on Investments	357				357
Miscellaneous	2,519	3,485			6,004
<b>Total Cash Receipts</b>	<u>40,940</u>	<u>336,204</u>	<u>13,366</u>	<u>69,511</u>	<u>460,021</u>
<b>Cash Disbursements:</b>					
Current:					
General Government	42,420	99,940			142,360
Public Safety		72,061			72,061
Public Works		195,400		7,331	202,731
Health	1,117	4,194			5,311
Redemption of Principal			11,736		11,736
Interest and Fiscal Charges			1,630		1,630
Capital Outlay		10,435		161,094	171,529
<b>Total Cash Disbursements</b>	<u>43,537</u>	<u>382,030</u>	<u>13,366</u>	<u>168,425</u>	<u>607,358</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(2,597)</u>	<u>(45,826)</u>	<u>0</u>	<u>(98,914)</u>	<u>(147,337)</u>
<b>Other Financing Receipts and (Disbursements):</b>					
Transfers-In	5,572				5,572
Advances-In	7,637	41,036			48,673
Transfers-Out		(5,572)			(5,572)
Advances-Out	(12,039)	(36,634)			(48,673)
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>1,170</u>	<u>(1,170)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(1,427)	(46,996)	0	(98,914)	(147,337)
Fund Cash Balances, January 1	<u>4,357</u>	<u>140,973</u>	<u>6,683</u>	<u>98,914</u>	<u>250,927</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$2,930</b></u>	<u><b>\$93,977</b></u>	<u><b>\$6,683</b></u>	<u><b>\$0</b></u>	<u><b>\$103,590</b></u>

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

**GRANDVIEW TOWNSHIP  
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006**

**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 Grandview Township, Washington County (the Township), as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the New Matamoras Emergency Squad, Inc. for emergency medical services.

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

**B. Accounting Basis**

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

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

**C. 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:

**1. General Fund**

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

**2. Special Revenue Funds**

These funds account for proceeds from specific sources (other than from private-purpose 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 for constructing, maintaining, and repairing Township roads.

Permissive Sales Tax Fund - This fund receives permissive sales tax from the County to use for maintaining and repairing Township roads.

**GRANDVIEW TOWNSHIP  
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Fund Accounting (Continued)**

**3. Debt Service Fund**

These funds account for resources the Township accumulates to pay bond and note debt. The Township had the following significant Debt Service Fund:

Bond Retirement Fund - This fund receives property tax money to retire principal and interest on debt issued for the purchase of a tractor and backhoe.

**4. Capital Project Fund**

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Township had the following significant Capital Project Fund:

Issue II Fund - The Township received proceeds from Ohio Public Works Commission Grant which was used for a paving project.

**D. Budgetary Process**

The Ohio Revised Code requires that each fund be budgeted annually.

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

**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. Encumbrances**

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2007 and 2006 budgetary activity appears in Note 3.

**E. 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.

**GRANDVIEW TOWNSHIP  
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**2. EQUITY IN POOLED CASH**

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

	<u>2007</u>	<u>2006</u>
Demand deposits	<u>\$ 137,231</u>	<u>\$ 103,590</u>

**Deposits:** Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Township.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2007 and 2006 follows:

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 50,894	\$ 50,761	\$ (133)
Special Revenue	291,849	371,160	79,311
Debt Service	20,048	26,510	6,462
Total	<u>\$ 362,791</u>	<u>\$ 448,431</u>	<u>\$ 85,640</u>

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 46,183	\$ 46,801	\$ (618)
Special Revenue	369,815	341,479	28,336
Debt Service	13,366	26,510	(13,144)
Total	<u>\$ 429,364</u>	<u>\$ 414,790</u>	<u>\$ 14,574</u>

**GRANDVIEW TOWNSHIP  
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

2006 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 44,748	\$ 46,512	\$ 1,764
Special Revenue	361,418	336,204	(25,214)
Debt Service	13,366	13,366	0
Capital Projects	154,639	69,511	(85,128)
Total	\$ 574,171	\$ 465,593	\$ (108,578)

2006 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 45,921	\$ 43,537	\$ 2,384
Special Revenue	438,974	387,602	51,372
Debt Service	20,720	13,366	7,354
Capital Projects	203,300	168,425	34,875
Total	\$ 708,915	\$ 612,930	\$ 95,985

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in several line items at the object level in the General, Motor Vehicle License, Gasoline Tax, Road and Bridge, Cemetery, Fire Levy and Issue II Funds for the year ended December 31, 2006.

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in several line items at the object level in the General, Gasoline Tax, Cemetery, Fire Levy and Tractor Debt Service Funds for the year ended December 31, 2007.

Appropriations exceeded estimated resources in the Cemetery, Emergency Squad Levy, Miscellaneous Special Revenue, FEMA, Cemetery Debt Service, OPWC Debt Service, Issue II Newport Township, and Issue II Washington County Funds for the year ended December 31, 2006, contrary to Ohio law.

Appropriations exceeded estimated resources in the Motor Vehicle License Tax, Road and Bridge, and Fire District Funds for the year ended December 31, 2007, contrary to Ohio law.

**4. PROPERTY TAX**

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

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.

**GRANDVIEW TOWNSHIP  
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

**4. PROPERTY TAX (Continued)**

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

**5. DEBT**

Debt outstanding at December 31, 2007 was as follows:

	Principal	Interest Rate
Promissory Note	\$88,118	5.50%

The Township issued a promissory note to pay off an old note and to finance the purchase of a new tractor and backhoe which is secured solely by the Township's taxing authority.

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

Year ending December 31:	Promissory Note
2008	\$13,910
2009	13,910
2010	13,910
2011	13,910
2012	13,910
2013-2015	41,730
Total	\$111,280

**6. RETIREMENT SYSTEM**

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

The Ohio Revised Code also prescribes contribution rates. For 2007 and 2006, OPERS members contributed 9.5% and 9%, respectively, of their gross salaries and the Township contributed an amount equaling 13.85% and 13.7%, respectively, of participants' gross salaries. The Township has paid all contributions required through December 31, 2007.

**7. RISK POOL MEMBERSHIP**

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).

**GRANDVIEW TOWNSHIP  
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

**7. RISK POOL MEMBERSHIP (Continued)**

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. 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 PEP'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.

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 retained earnings at December 31, 2007 and 2006.



**GRANDVIEW TOWNSHIP  
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

**7. RISK POOL MEMBERSHIP (Continued)**

	2007	2006
Assets	\$ 43,210,703	\$ 42,042,275
Liabilities	(13,357,837)	(12,120,661)
Net Assets	\$ 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 \$7,000. 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**

2005	\$	9,431
2006	\$	8,556
2007	\$	6,928

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.

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# Mary Taylor, CPA

## Auditor of State

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

Grandview Township  
Washington County  
P.O. Box 475  
New Matamoras, Ohio 45767

To the Board of Trustees:

We have audited the financial statements of Grandview Township, Washington County, Ohio (the Township), as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated December 5, 2008, wherein we noted the Township prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. We also noted the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

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

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for expressing our 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 Township's internal control over financial reporting.

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

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

We consider the following deficiencies described in the accompanying Schedule of Findings to be significant deficiencies in internal control over financial reporting: 2007-005 through 2007-007.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Township's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We believe none of the significant deficiencies described above are material weaknesses.

We also noted certain internal control matters that we reported to the Township's management in a separate letter dated December 5, 2008.

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

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters that we must report under *Government Auditing Standards*, which are described in the accompanying Schedule of Findings as items 2007-001 through 2007-006.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated December 5, 2008.

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



**Mary Taylor, CPA**  
Auditor of State

December 5, 2008

**GRANDVIEW TOWNSHIP  
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2007 AND 2006**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2007-001**

**Noncompliance Citation**

Ohio Rev. Code Chapter 133 allows various methods for subdivisions to incur debt. Ohio Rev. Code Section 133.22 allows a subdivision to issue anticipatory securities. Ohio Rev. Code Section 133.10 allows anticipation securities in anticipation of current property tax revenues. Ohio Rev. Code Section 133.14 allows the issuance of securities for the purpose of paying all or any portion of the costs of any permanent improvement that the subdivision is authorized, alone or in cooperation with other persons, to acquire, improve, or construct. Lastly, Ohio Rev. Code Section 133.18 allows the taxing authority of a subdivision by legislation to submit to the electors of the subdivision the question is issuing any general obligation bonds, for one purpose, that the subdivision has power or authority to issue.

In 2007, the Township signed a promissory note with Kansas State Bank of Manhattan to pay off old debt and purchase a backhoe and tractor, in the amount of \$88,118. This type of debt does not meet the criteria for any of the debt allowed in Ohio Rev. Code Chapter 133. This was caused by a lack of management oversight.

The Ohio Rev. Code contains various methods of incurring debt for Townships. Installment loans and promissory notes with banking institutions are not legal methods of debt for Townships. We recommend the Township consult with their legal counsel before incurring future debt.

**FINDING NUMBER 2007-002**

**Noncompliance Citation**

Ohio Rev. Code Section 505.60(C) states that if any township officer or employee is denied coverage under a health care plan procured under division (B) of this Section or if any township officer or employee elects not to participate in the township's health care plan, the township may reimburse the officer or employee for each out of pocket premium that the officer or employee incurs for insurance policies described in division (A) of this Section that the officer or employee otherwise obtains, but not to exceed an amount equal to the average premium paid by the township for its officer and employees under policies it procures under division (B) of this Section.

Attorney General Opinion No. 2005-038 concluded that, pursuant to Ohio Rev. Code Section 505.60(C), a board of trustees may reimburse a township officer or employee for the out-of-pocket premiums attributable to that officer or employee for health care coverage under insurance policies described in Ohio Rev. Code Section 505.60(A) if the officer or employee is denied health care coverage under a policy procured by the township under Ohio Rev. Code Section 505.60(B), or if the officer or employee elects not to participate in the township's health care plan. The policies described in Section 505.60(A) do not include family coverage. Therefore, the township should not reimburse for premium costs attributable to the spouse or dependents of an officer or employee.

The Township reimbursed officials for family coverage for 2007 in the amount of \$2,968, and for 2006 in the amount of \$1,482, which was in excess of their actual out-of-pocket premium expenses attributable to the officials only.

**GRANDVIEW TOWNSHIP  
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2007-002  
(Continued)**

**Noncompliance Citation - Ohio Rev. Code Section 505.60(C) (Continued)**

Our audits of townships during this audit period have revealed ambiguity in the interpretation of the health care reimbursement statutes, as demonstrated in the opinions of several prosecuting attorneys submitted to our office. In addition, legislation has been introduced and passed the Ohio House of Representatives to extend reimbursement to township officials and employees for premiums for family coverage. Therefore, we will not issue Findings for Recovery for these expenditures during the 2006-2007 audit period.

We recommend the Township revise its health care premium reimbursement policy to limit reimbursement to amounts attributable to township officials and employees only, unless and until HB 458 is passed by the legislature and becomes law.

**FINDING NUMBER 2007-003**

**Noncompliance Citation**

Ohio Rev. Code Section 5705.39 states, in part, that the total appropriation from each fund should not exceed the total estimated revenue.

As of December 31, 2006, the following funds had appropriations exceeding estimated resources as follows:

<b>Fund</b>	<b>Estimated Resources</b>	<b>Appropriations</b>	<b>Variance</b>
<b>Special Revenue Fund Type</b>			
Cemetery	\$4,940	\$21,500	(\$16,560)
Emergency Squad Levy	12,962	13,787	(825)
Misc Special Revenue	0	5,572	(5,572)
FEMA – 2005	62,382	98,302	(35,920)
<b>Debt Service Fund Type</b>			
Cemetery Debt Service	0	13,366	(13,366)
OPWC Debt Service	0	2,054	(2,054)
<b>Capital Projects Fund Type</b>			
Issue II - Newport Township	0	22,186	(22,186)
Issue II - Washington County	0	150,635	(150,635)

As of December 31, 2007, the following funds had appropriations exceeding estimated resources as follows:

<b>Fund</b>	<b>Estimated Resources</b>	<b>Appropriations</b>	<b>Variance</b>
<b>Special Revenue Fund Type</b>			
Motor Vehicle License Tax	\$39,067	\$46,050	(\$6,983)
Road and Bridge	34,808	34,900	(92)
Fire District	39,447	41,750	(2,303)

**GRANDVIEW TOWNSHIP  
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2007-003  
(Continued)**

**Noncompliance Citation - Ohio Rev. Code Section 5705.39 (Continued)**

This was due to a lack of budgetary oversight by management. The practice of allowing appropriations to exceed estimated resources could lead to expenditures being made for which the Township does not have adequate funds, thus leading to negative fund balances. The Washington County Auditor also issued certificates stating that the appropriations exceeded estimated resources in various funds at times when amended certificates were obtained.

We recommend the Township closely monitor appropriations to ensure that appropriations do not exceed estimated resources at any time throughout the year.

**FINDING NUMBER 2007-004**

**Noncompliance Citation**

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

At December 31, expenditures exceeded appropriations as follows:

<u>Fiscal Year</u>	<u>Fund</u>	<u>Approved Appropriations</u>	<u>Actual Expenditures</u>	<u>Variance</u>
2006	1000-110-211-0000	\$1,200	\$1,679	(\$479)
2006	1000-110-222-0000	500	610	(110)
2006	1000-110-314-0000	600	741	(141)
2006	1000-110-319-0000	7,025	7,301	(276)
2006	1000-110-389-0000	3,650	5,510	(1,860)
2006	2011-330-400-0000	3,000	4,289	(1,289)
2006	2021-330-111-0000	15,396	17,905	(2,509)
2006	2021-330-190-0000	18,000	19,837	(1,837)
2006	2021-330-213-0000	800	1,945	(1,145)
2006	2021-330-240-0000	1,300	2,459	(1,159)
2006	2031-330-314-0000	0	381	(381)
2006	2031-760-381-0000	0	1,000	(1,000)
2006	2041-410-213-0000	0	167	(167)
2006	2191-220-430-0000	1,000	1,688	(688)
2006	4404-760-760-0000	0	17,790	(17,790)
2007	1000-110-111-0000	864	2,064	(1,200)
2007	1000-110-211-0000	1,909	2,404	(495)
2007	1000-110-224-0000	500	906	(406)
2007	1000-110-240-0000	0	300	(300)
2007	1000-110-389-0000	3,650	4,424	(774)
2007	1000-410-112-0000	0	1,948	(1,948)

**GRANDVIEW TOWNSHIP  
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2007-004  
(Continued)**

**Noncompliance Citation - Ohio Rev. Code Section 5705.41(B) (Continued)**

<u>Fiscal Year</u>	<u>Fund</u>	<u>Approved Appropriations</u>	<u>Actual Expenditures</u>	<u>Variance</u>
2007	1000-420-510-0000	\$0	\$1,196	(\$1,196)
2007	2021-330-190-0000	17,000	19,733	(2,733)
2007	2021-330-213-0000	1,000	1,955	(955)
2007	2041-410-213-0000	54	91	(37)
2007	2191-110-321-0000	5,500	6,264	(764)
2007	3902-760-740-0000	0	88,118	(88,118)

These variances were due to supplemental appropriations posted to the system, but not approved by the Board of Trustees. In addition, the proceeds of the truck/backhoe note and the CDBG Formula 2004 grant were not recorded on the Township's books. The practice of allowing expenditures to exceed appropriations could result in negative fund balances for the Township.

We recommend the Board of Trustees and Fiscal Officer compare expenditures to appropriations on a monthly basis. If appropriations in addition to those already adopted will be needed, the Board should take the necessary steps to adopt additional appropriations, if possible, to prevent expenditures from exceeding appropriations or reduce spending. The Fiscal Officer should deny requests for payment when appropriations are not available.

**FINDING NUMBER 2007-005**

**Noncompliance Citation and Significant Deficiency**

Ohio Admin. Code Section 117-2-01(D) states, in part, that when designing the public office's system of internal control and the specific control activities, management should ensure that all transactions are properly authorized in accordance with management's policies as well as ensure the collection and compilation of the data needed for the timely preparation of financial statements.

At December 31, 2006, estimated resources as approved by the Budget Commission did not agree to the Township's ledgers for the following funds. The variances are as follows:

<u>Fund</u>	<u>Estimated Receipts per Budget Commission</u>	<u>Estimated Receipts per the UAN system</u>	<u>Variance</u>
Emergency Levy	\$8,996	\$10,282	(\$1,286)
Permissive Sales Tax	105,984	5,158	100,826
EMS Squad Runs	47,916	29,386	18,530
FEMA - 2005	10,241	10,479	(238)



**GRANDVIEW TOWNSHIP  
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2007-005  
(Continued)**

**Noncompliance Citation and Significant Deficiency - Ohio Admin. Code Section 117-2-01(D)  
(Continued)**

At December 31, 2007, estimated resources as approved by the Budget Commission did not agree to the Township's ledgers for the following funds. The variances are as follows:

<u>Fund</u>	<u>Estimated Receipts per Budget Commission</u>	<u>Estimated Receipts per the UAN system</u>	<u>Variance</u>
Permissive Sales Tax	\$7,253	\$10,610	(\$3,357)
EMS Squad Runs	26,000	21,189	4,811

At December 31, appropriations in the system did not agree to the amounts approved by the Board of Trustees as follows:

<u>Fiscal Year</u>	<u>Fund/Line Item</u>	<u>Approved Appropriations</u>	<u>Appropriations per the UAN system</u>	<u>Variance</u>
2006	1000-110-121-0000	\$12,179	\$12,061	\$118
2006	1000-110-211-0000	1,200	1,679	(479)
2006	1000-110-222-0000	500	610	(110)
2006	1000-110-314-0000	600	1,540	(940)
2006	1000-110-319-0000	7,025	7,303	(278)
2006	1000-110-330-0000	2,000	1,512	488
2006	1000-110-360-0000	1,300	600	700
2006	1000-110-389-0000	3,650	5,650	(2,000)
2006	1000-120-323-0000	1,000	0	1,000
2006	1000-120-359-0000	1,700	1,498	202
2006	1000-120-420-0000	1,300	0	1,300
2006	2011-330-400-0000	3,000	5,000	(2,000)
2006	2011-330-599-0000	6,000	4,000	2,000
2006	2021-330-111-0000	15,396	18,396	(3,000)
2006	2021-330-190-0000	18,000	20,000	(2,000)
2006	2021-330-211-0000	9,050	7,550	1,500
2006	2021-330-213-0000	800	2,300	(1,500)
2006	2021-330-240-0000	1,300	2,600	(1,300)
2006	2021-330-430-0000	6,000	3,000	3,000
2006	2021-330-599-0000	26,700	23,400	3,300
2006	2031-330-314-0000	0	800	(800)
2006	2031-330-323-0000	5,000	2,200	2,800
2006	2031-760-381-0000	0	2,000	(2,000)
2006	2041-410-213-0000	0	500	(500)
2006	2041-760-740-0000	11,435	10,935	500
2006	2191-220-430-0000	1,000	3,000	(2,000)

**GRANDVIEW TOWNSHIP  
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2007-005  
(Continued)**

**Noncompliance Citation and Significant Deficiency - Ohio Admin. Code Section 117-2-01(D)  
(Continued)**

<u>Fiscal Year</u>	<u>Fund/Line Item</u>	<u>Approved Appropriations</u>	<u>Appropriations per the UAN system</u>	<u>Variance</u>
2006	2191-220-599-0000	\$5,000	\$3,000	\$2,000
2007	1000-110-111-0000	864	2,064	(1,200)
2007	1000-110-211-0000	1,909	2,405	(496)
2007	1000-110-224-0000	500	910	(410)
2007	1000-110-240-0000	0	300	(300)
2007	1000-110-314-0000	750	254	496
2007	1000-110-319-0000	4,000	1,900	2,100
2007	1000-110-345-0000	700	172	528
2007	1000-110-389-0000	3,650	4,450	(800)
2007	1000-110-519-0000	200	340	(140)
2007	1000-110-599-0000	1,900	1,350	550
2007	1000-120-110-0000	700	832	132
2007	1000-120-323-0000	1,000	500	500
2007	1000-120-359-0000	1,700	0	1,700
2007	1000-120-420-0000	1,300	500	800
2007	1000-410-112-0000	0	2,000	(2,000)
2007	1000-420-510-0000	0	1,196	(1,196)
2007	2021-330-190-0000	17,000	21,000	(4,000)
2007	2021-330-211-0000	8,500	8,045	455
2007	2021-330-213-0000	1,000	1,955	(955)
2007	2021-330-599-0000	25,000	20,500	4,500
2007	2041-410-213-0000	53	91	(38)
2007	2041-410-360-0000	7,500	7,462	38
2007	2191-110-321-0000	5,500	6,400	(900)
2007	2191-220-599-0000	5,900	5,000	900

This was caused by a lack of budgetary oversight by management. Without information properly entered into the system, the management of the Township lost some degree of budgetary control. This also resulted in audit adjustments to the budgetary note disclosure.

We recommend the Fiscal Officer take due care in posting only approved estimated receipts and appropriations to the accounting system.

**GRANDVIEW TOWNSHIP  
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2007-006**

**Noncompliance Citation and Significant Deficiency**

Ohio Admin. Code 117-2-02(A) states that all local public offices shall maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets (and liabilities, if generally accepted accounting principles apply), document compliance with finance-related legal and contractual requirements and prepare financial statements required by Ohio Admin. Code Section 117-2-03.

During 2006 and 2007, the Fiscal Officer posted certain transactions incorrectly as follows:

- The Township received note proceeds in the amount of \$88,118 in 2007, but neither the proceeds nor the corresponding expenditures were recorded on the Township's financials in the Gasoline Tax Fund.
  
- The Fiscal Officer did not post the proper amount of the Township's permissive sales tax money paid out by Washington County in 2007 resulting in an adjustment to revenues by \$7,183 and expenditures by \$5,587 and a reclassification from taxes to intergovernmental in the amount of \$77,014 in the Permissive Sales Tax Fund.
  
- The permissive sales tax of \$53,025 was not posted as revenues and expenditures for 2006 in the Permissive Sales Tax Fund.
  
- Issue II monies received in 2006 were posted to taxes instead of intergovernmental revenue in the Capital Projects Funds in the amount of \$51,661. Also, an additional \$52,665 was recorded as both a receipt and disbursement in the Issue II Fund, causing this to be booked twice.
  
- FEMA receipts were recorded as taxes instead of intergovernmental in 2006 in the General Fund instead of the FEMA Fund in the amount of \$5,572.
  
- The Community Development 2004 Formula Block Grant revenue and expenditure disbursed directly to First Colony by the grantor was not posted to the Township's books requiring an adjustment of \$17,790 in 2006 in the CDBG Capital Projects Fund.
  
- The Fiscal Officer tried to correct a debt payment and tax revenue in the amount of \$6,683 in 2007 resulting in an audit adjustment to revenues and expenditures in the Road and Bridge and Debt Service Funds.
  
- The Fiscal Officer posted the public utilities replacement to licenses and fees in the Motor Vehicle License Tax Fund instead of intergovernmental for \$416, and taxes instead of intergovernmental in the General Fund for \$179, the Road and Bridge Fund for \$831, in the Fire Fund for \$299, and the Emergency Funds for \$299 in 2007.

**GRANDVIEW TOWNSHIP  
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

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

**FINDING NUMBER 2007-006  
(Continued)**

**Noncompliance Citation and Significant Deficiency - Ohio Admin. Code 117-2-02(A) (Continued)**

- The Fiscal Officer posted the November 2006 public utilities reimbursement entirely to the Road and Bridge Fund instead of the General Fund (\$111), Fire Fund (\$187) and Emergency Fund (\$187). The Fiscal Officer posted the public utilities reimbursement for March 2006 to other receipts instead of intergovernmental in the General Fund (\$111), Road and Bridge Fund (\$520), Fire Fund (\$187) and Emergency Fund (\$187).
- The Township's 2006 August real estate taxes in the General Fund were posted at net rather than posting the revenue and deductions resulting in an adjustment of \$1,173.
- The interest and principal loan payments were not allocated properly resulting in reclassifications in 2007 of \$1,028 and \$506 in 2006 in the Debt Service Fund.
- Motor vehicle license tax was posted to licenses and fees and taxes instead of intergovernmental in 2007 in the amount of \$5,616, and in 2006 excess IRP was posted to license and fees instead of intergovernmental in the Motor Vehicle License Tax Fund in the amount of \$643.
- The Fiscal Officer posted the February and August homestead and rollback in taxes instead of intergovernmental in the General Fund (\$846), Road and Bridge Fund (\$3,294), Fire Fund (\$2,493) and Emergency Fund (\$964) in 2007. In addition the February homestead and rollback was posted to intergovernmental in the Gasoline Tax Fund instead of the General Fund (\$451), Road and Bridge Fund (\$1,392), Fire Fund (\$1,203) and Emergency Fund (\$715) in 2006. The August 2006 homestead and rollback was posted entirely to intergovernmental in the General Fund instead of being posted to the General Fund (\$76), Road and Bridge (\$253), Fire Fund (\$215) and Emergency Fund (\$88).
- Intangible tax was posted to taxes instead of intergovernmental in the General Fund resulting in a reclassification of \$275 in 2006 and \$368 in 2007. In addition, the General Fund's portion of the 2006 personal property tax exemption was posted to taxes instead of intergovernmental in the amount of \$48.
- Payments in lieu of taxes were posted to other revenue in the General Fund instead of taxes in the amount of \$590 in 2007 and to intergovernmental in the Road and Bridge Fund instead of taxes in the General Fund in 2006 in the amount of \$586.
- Tangible personal property tax reimbursements were posted to General Fund taxes instead of intergovernmental in the General Fund (\$62), Road and Bridge Fund (\$140), Fire Fund (\$149) and Emergency Fund (\$101) in 2007.
- Additionally, OPERS direct payments cleared the bank but were not posted to the system in the amount of \$766 in the General Fund and \$3,283 in the Gasoline Tax Fund for 2007.

**GRANDVIEW TOWNSHIP  
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2007-006  
(Continued)**

**Noncompliance Citation and Significant Deficiency - Ohio Admin. Code 117-2-02(A) (Continued)**

These errors were due to a lack of management oversight. As a result, these significant adjustments and reclassifications, with which the Township's management agrees, were made to the financial statements.

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

**FINDING NUMBER 2007-007**

**Significant Deficiency**

The Township contracts with New Matamoras Emergency Squad, Inc. to provide ambulance and emergency medical services. The contract indicates the specific dollar amount the Township is to pay the New Matamoras Emergency Squad, Inc. each month for their services. The emergency squad bills and collects the fees for the ambulance and emergency services as well as deposits these receipts into the Township's designated depository as provided in the contract. The Township records these receipts in their EMS Fund. These funds are only used to pay the New Matamoras Emergency Squad for their services. However, the Emergency Squad did not provide the Township with records detailing the receipts collected.

This could result in amounts collected by the Emergency Squad not agreeing to amounts deposited into the Township's designated depository account.

We recommend the Township require the Emergency Squad to provide a detailed listing of receipts collected for the month. This listing should be compared to the amount deposited by the Emergency Squad by the Township and ensure amounts collected agree to amounts deposited. Any discrepancies between the amounts deposited and the amounts collected should be explained.

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

**GRANDVIEW TOWNSHIP  
WASHINGTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2007 AND 2006**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2005-001	Ohio Rev. Code Section 5705.41(B) – Disbursements exceeded appropriations in the General, Motor Vehicle and Permissive Sales Tax Funds in 2004 and the General, Fire, FEMA, and Capital Project Funds in 2005.	No	Reissued in this audit period; see Finding Number 2007-004.
2005-002	Ohio Rev. Code Section 5705.41(D)(1) - The Township did not certify three percent of expenditures tested in 2005 and 21 percent in 2004.	No	Reissued in the management letter.
2005-003	Ambulance and emergency services not providing detailed listing of receipts collected.	No	Reissued in this audit period; see Finding Number 2007-007.
2005-004	Posting of estimated revenues and appropriations incorrectly to the accounting system.	No	Reissued in this audit period; see Finding Number 2007-005.
2005-005	Approval of advances	No	Reissued in the management letter.



**Mary Taylor, CPA**  
Auditor of State

**GRANDVIEW TOWNSHIP**

**WASHINGTON COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JANUARY 13, 2009**