



Mary Taylor, CPA
Auditor of State

BRADY TOWNSHIP
WILLIAMS COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Cover Letter	1
Independent Accountants' Report.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2008.....	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2007.....	6
Notes to the Financial Statements	7
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	13
Schedule of Findings.....	15
Schedule of Prior Audit Findings.....	16

This page intentionally left blank.



Mary Taylor, CPA
Auditor of State

Brady Township
Williams County
20332 County Road K
West Unity, Ohio 43570-9764

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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

May 1, 2009

This page intentionally left blank.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Brady Township
Williams County
20332 County Road K
West Unity, Ohio 43570-9764

To the Board of Trustees:

We have audited the accompanying financial statements of Brady Township, Williams County, (the Township) as of and for the years ended December 31, 2008 and 2007. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in 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, 2008 and 2007 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, 2008 and 2007, 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 Brady Township, Williams County, as of December 31, 2008 and 2007, 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 May 1, 2009, 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.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

May 1, 2009

**BRADY TOWNSHIP
WILLIAMS 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>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Property and Other Local Taxes	\$35,463	\$153,970	\$15,746		\$205,179
Charges for Services	14,235				14,235
Licenses, Permits, and Fees		4,100			4,100
Intergovernmental	46,437	120,833	2,214	\$104,500	273,984
Special Assessments					
Earnings on Investments	7,932	1,412			9,344
Miscellaneous		3,675			3,675
Total Cash Receipts	<u>104,067</u>	<u>283,990</u>	<u>17,960</u>	<u>104,500</u>	<u>510,517</u>
Cash Disbursements:					
Current:					
General Government	98,874				98,874
Public Safety		43,689			43,689
Public Works	585	153,438			154,023
Health	5,673	19,421			25,094
Conservation - Recreation			463		463
Capital Outlay	54,113	55,803		204,500	314,416
Debt Service:					
Redemption of Principal		10,000	12,251		22,251
Interest and Other Fiscal Charges			8,537		8,537
Total Cash Disbursements	<u>159,245</u>	<u>282,351</u>	<u>21,251</u>	<u>204,500</u>	<u>667,347</u>
Total Receipts Over/(Under) Disbursements	<u>(55,178)</u>	<u>1,639</u>	<u>(3,291)</u>	<u>(100,000)</u>	<u>(156,830)</u>
Other Financing Receipts:					
Other Financing Sources	<u>478</u>				<u>478</u>
Excess of Cash Receipts and Other Financing Receipts Over / (Under) Cash Disbursements	(54,700)	1,639	(3,291)	(100,000)	(156,352)
Fund Cash Balances, January 1	<u>136,545</u>	<u>295,600</u>	<u>69,233</u>	<u>143,430</u>	<u>644,808</u>
Fund Cash Balances, December 31	<u>\$81,845</u>	<u>\$297,239</u>	<u>\$65,942</u>	<u>\$43,430</u>	<u>\$488,456</u>

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

**BRADY TOWNSHIP
WILLIAMS 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**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Property and Other Local Taxes	\$36,329	\$162,180	\$16,833		\$215,342
Charges for Services	13,000				13,000
Licenses, Permits, and Fees		3,550			3,550
Intergovernmental	30,391	116,682	1,632		148,705
Earnings on Investments	22,101	2,322			24,423
Miscellaneous		3,950			3,950
Total Cash Receipts	<u>101,821</u>	<u>288,684</u>	<u>18,465</u>		<u>408,970</u>
Cash Disbursements:					
Current:					
General Government	67,333	215			67,548
Public Safety		46,340			46,340
Public Works	434	109,535			109,969
Health		27,434			27,434
Conservation - Recreation			404		404
Capital Outlay	21,241	15,170		\$24,328	60,739
Debt Service:					
Redemption of Principal			11,620	2,500	14,120
Interest and Other Fiscal Charges			9,168		9,168
Total Cash Disbursements	<u>89,008</u>	<u>198,694</u>	<u>21,192</u>	<u>26,828</u>	<u>335,722</u>
Total Receipts Over/(Under) Disbursements	<u>12,813</u>	<u>89,990</u>	<u>(2,727)</u>	<u>(26,828)</u>	<u>73,248</u>
Other Financing Receipts / (Disbursements):					
Other Debt Proceeds				100,000	100,000
Transfers-In				32,007	32,007
Transfers-Out	(32,007)				(32,007)
Other Financing Sources	55				55
Other Financing Uses	(5)				(5)
Total Other Financing Receipts / (Disbursements)	<u>(31,957)</u>			<u>132,007</u>	<u>100,050</u>
Excess of Cash Receipts and Other Financing Receipts Over / (Under) Cash Disbursements and Other Financing Disbursements	(19,144)	89,990	(2,727)	105,179	173,298
Fund Cash Balances, January 1	<u>155,689</u>	<u>205,610</u>	<u>71,960</u>	<u>38,251</u>	<u>471,510</u>
Fund Cash Balances, December 31	<u>\$136,545</u>	<u>\$295,600</u>	<u>\$69,233</u>	<u>\$143,430</u>	<u>\$644,808</u>

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

**BRADY TOWNSHIP
WILLIAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007**

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 Brady Township, Williams 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, and fire protection 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. Deposits and Investments

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Township values certificates of deposit at cost.

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 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 to pay for constructing, maintaining, and repairing Township roads.

2006 Fire Levy Fund – This fund receives tax monies assessed and levied on the general assessed valuation of real and personal property to be used for fire protection services.

**BRADY TOWNSHIP
WILLIAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Debt Service Funds

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

Fire Hall Bond Retirement Fund – This fund receives property tax receipts for the payment of the bonded debt for the 1993 construction of the fire hall.

4. Capital Project Funds

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 funds:

Capital Projects/Equipment Fund – This fund is used to acquire property and equipment and to construct capital improvements.

Federal Emergency Management Agency (FEMA) Grant Fund – The Township received a grant from the State of Ohio to purchase fire equipment.

E. 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 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. 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 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 canceled, and reappropriated in the subsequent year.

A summary of 2008 and 2007 budgetary activity appears in Note 4.

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.

G. 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.

**BRADY TOWNSHIP
WILLIAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

2. PRIOR PERIOD RESTATEMENT

The Township voided several checks written in 2006 and credited these back into the appropriate fund balance. The effect of this restatement on cash fund balance previously reported is as follows:

	<u>Special Revenue Funds</u>
Cash Fund Balance, as previously reported, December 31, 2006	\$201,205
Checks Voided	4,405
Cash Fund Balance, as restated at January 1, 2007	<u>\$205,610</u>

3. EQUITY IN POOLED DEPOSITS

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

	<u>2008</u>	<u>2007</u>
Demand deposits	\$453,456	\$609,007
Certificates of deposit	35,000	35,801
Total deposits	<u>\$488,456</u>	<u>\$644,808</u>

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

4. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2008 and 2007 follows:

<u>2008 Budgeted vs. Actual Receipts</u>			
<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 95,000	\$104,545	\$ 9,545
Special Revenue	244,400	283,990	39,590
Debt Service	16,100	17,960	1,860
Capital Projects	109,500	104,500	(5,000)
Total	<u>\$465,000</u>	<u>\$510,995</u>	<u>\$45,995</u>

<u>2008 Budgeted vs. Actual Budgetary Basis Expenditures</u>			
<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$192,260	\$159,245	\$ 33,015
Special Revenue	389,300	282,351	106,949
Debt Service	23,750	21,251	2,499
Capital Projects	239,500	204,500	35,000
Total	<u>\$844,810</u>	<u>\$667,347</u>	<u>\$177,463</u>

**BRADY TOWNSHIP
WILLIAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

4. BUDGETARY ACTIVITY (Continued)

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 95,000	\$101,876	\$ 6,876
Special Revenue	272,166	288,684	16,518
Debt Service	17,000	18,465	1,465
Capital Projects	61,749	132,007	70,258
Total	<u>\$445,915</u>	<u>\$541,032</u>	<u>\$95,117</u>

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$180,760	\$121,020	\$ 59,740
Special Revenue	322,450	198,694	123,756
Debt Service	23,750	21,192	2,558
Capital Projects	41,000	26,828	14,172
Total	<u>\$567,960</u>	<u>\$367,734</u>	<u>\$200,226</u>

Contrary to Ohio law, the Township did not establish a separate fund for the FEMA grant received in 2008.

5. 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.

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.

6. DEBT

Debt outstanding at December 31, 2008 was as follows:

	Principal	Interest Rate
General Obligation Bonds	\$144,966	5.43%
Small Government Fire Department Revolving Loan	87,500	0.00%
Total	<u>\$232,466</u>	

**BRADY TOWNSHIP
WILLIAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

6. DEBT (Continued)

The general obligation bonds were issued in 1993 to finance the construction of a new fire hall. The bonds are collateralized solely by the Township's taxing authority.

In November 2007, the Township was awarded a \$100,000 interest free loan from the Ohio Department of Commerce, State Fire Marshall's Division for the purchase of a new fire truck.

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

Year ending December 31:	General Obligation Bonds	Revolving Loan
2009	\$ 20,788	\$10,000
2010	20,788	10,000
2011	20,788	10,000
2012	20,788	10,000
2013	20,788	10,000
2014 - 2017	83,152	37,500
Total	\$187,092	\$87,500

7. 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 2008 and 2007, OPERS members contributed 10.0 and 9.5%, respectively, of their gross salaries and the Township contributed an amount equaling 14.00 and 13.85%, respectively, of participants' gross salaries. The Township has paid all contributions required through December 31, 2008.

8. RISK MANAGEMENT

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

This page intentionally left blank.



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*

Brady Township
Williams County
20332 County Road K
West Unity, Ohio 43570-9764

To the Board of Trustees:

We have audited the financial statements of Brady Township, Williams County, (the Township) as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated May 1, 2009, 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, *Governmental 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 a certain deficiency in internal control over financial reporting that we consider a significant deficiency.

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.

One Government Center / Suite 1420 / Toledo, OH 43604-2246
Telephone: (419) 245-2811 (800) 443-9276 Fax: (419) 245-2484
www.auditor.state.oh.us

**Internal Control over Financial Reporting
(Continued)**

We consider finding 2008-001 described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting.

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 internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We do believe the significant deficiency described above is also a material weakness.

We noted certain internal control matters that we reported to the Township's management in a separate letter dated May 1, 2009.

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 an instance of noncompliance that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2008-001.

We also noted a noncompliance matter not requiring inclusion in this report that we reported to the Township's management in a separate letter dated May 1, 2009.

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



Mary Taylor, CPA
Auditor of State

May 1, 2009

**BRADY TOWNSHIP
WILLIAMS COUNTY**

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

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

FINDING NUMBER 2008-001

Noncompliance Citation/Material Weakness

Ohio Revised Code §5705.09 requires each subdivision must establish a special fund for each class of revenues derived from a source other than the general property tax, which the law requires to be used for a particular purpose.

In 2008, the Township received a grant of \$104,500 from the Assistance to Firefighters grant program administered by Federal Emergency Management Agency (FEMA).

The Township credited these grant monies to and made the related expenditures from the General Fund.

According to Auditor of State Bulletin 98-013, these funds should be placed into a special FEMA fund. The classification of the fund should be capital projects due to the nature of the expenditures which will be made (replacing fixed assets).

Adjustments were recorded to the 2008 financial statements to reflect this grant activity in a capital projects fund.

We recommend the Township follow the accounting procedures noted in Auditor of State Bulletin 98-013 for FEMA grants.

Officials' Response:

We did not receive a response from Officials to this finding.

**BRADY TOWNSHIP
WILLIAMS COUNTY**

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

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2006-001	Ohio Revised Code § 5705.41(B) – Expenditures exceeded appropriations in the Capital Equipment Fund	Yes	
2006-002	Ohio Revised Code § 5705.10 – Failure to properly credit Cemetery Trust Fund into an existing special revenue fund or establish a new special revenue fund.	Yes	



Mary Taylor, CPA
Auditor of State

BRADY TOWNSHIP

WILLIAMS 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
JUNE 9, 2009**