

**MILLCREEK TOWNSHIP**  
**UNION COUNTY, OHIO**

*FINANCIAL STATEMENTS*  
DECEMBER 31, 2008 AND 2007

**WOLF, ROGERS, DICKEY & CO.**  
*Certified Public Accountants*





# Mary Taylor, CPA

Auditor of State

Board of Trustees  
Millcreek Township  
15999 Thompson Road  
Ostrander, Ohio 43061

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

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

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

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

Mary Taylor, CPA  
Auditor of State

June 16, 2009

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Millcreek Township  
Union County, Ohio

For the Years Ended  
December 31, 2008 and 2007

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# Wolf, Rogers, Dickey & Co.

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## Independent Auditors' Report

Millcreek Township  
Union County, Ohio

To the Board of Trustees:

We have audited the accompanying financial statements of Millcreek Township, Union County, Ohio (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 opinions 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 of Ohio 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 require us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State of Ohio 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 their 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 Millcreek Township, Union County, Ohio 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 April 30, 2009, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provision of laws, regulations, contracts, 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* and should be read in conjunction with this report in considering the results of our audit.

Wolf, Rogers, Dickey & Co.

Certified Public Accountants

April 30, 2009



**Millcreek Township  
Union County, Ohio  
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 Funds</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash receipts:			
Local taxes	\$ 46,223	200,408	246,631
Intergovernmental	184,794	131,206	316,000
Licenses, permits and fees	2,315	-	2,315
Earnings on investments	27,953	8,968	36,921
Fines and forfeitures	8,933	-	8,933
Other revenue	<u>5,461</u>	<u>-</u>	<u>5,461</u>
Total cash receipts	275,679	340,582	616,261
 Cash disbursements:			
Current:			
General government	110,398	-	110,398
Public safety	-	193,916	193,916
Public works	-	105,637	105,637
Health	9,059	-	9,059
Capital outlay	<u>942</u>	<u>4,771</u>	<u>5,713</u>
Total cash disbursements	<u>120,399</u>	<u>304,324</u>	<u>424,723</u>
Total receipts over disbursements	155,280	36,258	191,538
Fund cash balances, January 1	<u>586,863</u>	<u>856,657</u>	<u>1,443,520</u>
Fund cash balances, December 31	\$ <u>742,143</u>	<u>892,915</u>	<u>1,635,058</u>

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

**Millcreek Township  
Union County, Ohio  
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 Funds</u>		Totals
	<u>General</u>	Special <u>Revenue</u>	(Memorandum <u>Only</u> )
Cash receipts:			
Local taxes	\$ 46,830	155,049	201,879
Intergovernmental	35,941	116,826	152,767
License, permits and fees	31,404	-	31,404
Earnings on investments	52,845	16,126	68,971
Fines and forfeitures	5,706	-	5,706
Other revenue	<u>2,191</u>	<u>-</u>	<u>2,191</u>
Total cash receipts	174,917	288,001	462,918
Cash disbursements:			
Current:			
General government	79,637	-	79,637
Public safety	48,667	140,552	189,219
Public works	-	46,701	46,701
Health	<u>6,090</u>	<u>-</u>	<u>6,090</u>
Total cash disbursements	<u>134,394</u>	<u>187,253</u>	<u>321,647</u>
Total receipts over disbursements	40,523	100,748	141,271
Fund cash balances, January 1	<u>546,340</u>	<u>755,909</u>	<u>1,302,249</u>
Fund cash balances, December 31	\$ <u>586,863</u>	<u>856,657</u>	<u>1,443,520</u>

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

**Millcreek Township  
Union County, Ohio  
Notes to the Financial Statements  
December 31, 2008 and 2007**

(1) Summary of Significant Accounting Policies

Description of the Entity

Millcreek Township, Union County, Ohio (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides road and bridge maintenance, and zoning operations. The Township contracts with Jerome Township to provide fire and emergency medical services. In addition to routine police protection provided by the Union County Sheriff's Office, the Township also contracts, along with Jerome Township, for dedicated deputies that patrol exclusively in the Townships.

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

Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State of Ohio, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability 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 prescribed or permitted by the Auditor of State of Ohio.

Cash and Investments

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

Money market mutual funds (including State Treasury Asset Reserve (STAR) Ohio) are recorded at share values the mutual funds report.

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:

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**Millcreek Township  
Union County, Ohio  
Notes to the Financial Statements, continued  
December 31, 2008 and 2007**

(1) Summary of Significant Accounting Policies, continued

Fund Accounting, continued

Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

Motor Vehicle License – This fund receives vehicle registration tax money.

Gasoline Tax Fund – This fund receives gasoline tax money to pay for constructing, maintaining and repairing Township roads.

Special Levy Fund (Fire) – This fund receives fire levy tax money for the funding of fire and EMS services provided to the residents of the Township.

Special Levy Fund (Police services) – This fund receives police services levy tax money for the funding of additional law enforcement services provided to the Township by the Union County Sheriff's Office.

Budgetary Process

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

Appropriations

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

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.

Encumbrances

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

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

**Millcreek Township  
Union County, Ohio  
Notes to the Financial Statements, continued  
December 31, 2008 and 2007**

(1) Summary of Significant Accounting Policies, continued

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.

(2) Equity in Pooled Cash and Investments

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 cash and investments at December 31 was as follows:

	<u>2008</u>	<u>2007</u>
Demand deposits	\$ 924,507	894,675
Investment in STAR-Ohio	<u>710,551</u>	<u>548,845</u>
Total deposits and investments	\$ <u>1,635,058</u>	<u>1,443,520</u>

Deposits are either insured by the Federal Depository Insurance Corporation, or collateralized by the financial institution's public entity deposit pool. The Township has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio). STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes.

(3) Budgetary Activity

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

<u>Fund Type</u>	<u>2008 Budgeted vs. Actual Receipts</u>		
	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 108,675	275,679	167,004
Special Revenue	<u>292,459</u>	<u>340,582</u>	<u>48,123</u>
Total	\$ <u>401,134</u>	<u>616,261</u>	<u>215,127</u>

<u>Fund Type</u>	<u>2008 Budgeted vs. Actual Budgetary Basis Expenditures</u>		
	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 328,500	120,399	208,101
Special Revenue	<u>346,750</u>	<u>304,324</u>	<u>42,426</u>
Total	\$ <u>675,250</u>	<u>424,723</u>	<u>250,527</u>

**Millcreek Township  
Union County, Ohio  
Notes to the Financial Statements, continued  
December 31, 2008 and 2007**

(3) Budgetary Activity, continued

<u>Fund Type</u>	<u>2007 Budgeted vs. Actual Receipts</u>		<u>Variance</u>
	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	
General	\$ 108,675	174,917	66,242
Special Revenue	<u>229,257</u>	<u>288,001</u>	<u>58,744</u>
Total	\$ <u>337,932</u>	<u>462,918</u>	<u>124,986</u>

<u>Fund Type</u>	<u>2007 Budgeted vs. Actual Budgetary Basis Expenditures</u>		<u>Variance</u>
	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	
General	\$ 398,000	134,394	263,606
Special Revenue	<u>284,750</u>	<u>187,253</u>	<u>97,497</u>
Total	\$ <u>682,750</u>	<u>321,647</u>	<u>361,103</u>

(4) Property Tax

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

Tangible personal property 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.

(5) Retirement Systems

The Township's employees belong to the Ohio Public Employees Retirement System (OPERS) of Ohio. OPERS is a cost-sharing, multiple-employer plan. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2008 and 2007, OPERS members contributed 10% and 9.5%, respectively of their gross salaries. The Township

**Millcreek Township  
Union County, Ohio  
Notes to the Financial Statements, continued  
December 31, 2008 and 2007**

(5) Retirement Systems (continued)

contributed an amount equal to 14% and 13.85%, respectively of participants' gross salaries. The Township has paid all contributions required through December 31, 2008.

(6) Risk Management

The Township is exposed to various risks of property and casualty losses, and injuries to employees. The Township insures against injuries to employees through the Ohio Bureau of Workers' Compensation.

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

*Casualty Coverage*

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

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

*Property Coverage*

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

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

**Millcreek Township  
Union County, Ohio  
Notes to the Financial Statements, continued  
December 31, 2008 and 2007**

(6) Risk Management, continued

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

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

*Financial Position*

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

	<b>2007</b>	<b>2006</b>
Assets	\$ 43,210,703	\$ 42,042,275
Liabilities	<u>(13,357,837)</u>	<u>(12,120,661)</u>
Net Assets	\$ <u>29,852,866</u>	\$ <u>29,921,614</u>

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. 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**

2006	\$ 4,536
2007	3,749
2008	3,585

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.



**Millcreek Township  
Union County, Ohio  
Notes to the Financial Statements, continued  
December 31, 2008 and 2007**

(7) Commitments

Pursuant to a three year contract that commenced on January 1, 2007 between the Union County Sheriff, Millcreek Township and Jerome Township, the sheriff provides three full-time deputies with a normal work week totaling 120 hours exclusively to Millcreek and Jerome Townships to supplement existing law enforcement coverage. The sheriff assumes full responsibility for hiring, training, assignment, supervision, discipline and dismissal of all assigned personnel and the Townships pay the actual cost of compensating the officers' salary, overtime, OPERS benefits, workers compensation, Medicare and medical and life insurance. The Sheriff bills the Townships in quarterly installments with Millcreek Township paying 25% of the cost and Jerome Township paying 75% of the cost. The Township paid \$51,978 and \$48,667 pursuant to this contract in 2008 and 2007, respectively. The amount that will be due for 2009 is undetermined at this time.

The Township is also committed to a three-year contract with Jerome Township for fire and EMS services commencing on January 1, 2009 for \$152,081 per year.

(8) Compliance

Contrary to Ohio law, the Township did not maintain adequate bond coverage for the fiscal officer for the term beginning April 1, 2008. Ohio Revised Code (ORC) Section 507.03 requires a bond of \$160,000 based on the budget of the Township. The bond coverage in effect was \$135,000.

# Wolf, Rogers, Dickey & Co.

Certified Public Accountants  
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P. O. Box 352  
Union, Ohio 43015-0352

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**Independent Auditors' 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***

Millcreek Township  
Union County, Ohio

To the Board of Trustees:

We have audited the financial statements of Millcreek Township, Union County, Ohio (the Township), as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated April 30, 2009, wherein we noted the Township followed accounting practices the Auditor of State of Ohio prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

## Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we do not express an opinion 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 to be a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of 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 considered the following deficiency described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting: Finding 2008-02.

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

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 considered to be material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

In a separate letter to Township's management dated April 30, 2009, we reported other matters involving internal controls over financial reporting we did not deem significant deficiencies.

#### 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 such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as Finding 2008-01.

We noted certain noncompliance or other matters not requiring inclusion in this report that we reported to management of the Township in a separate letter dated April 30, 2009.

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

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

*Wolf, Rogers, Dickey & Co.*

Certified Public Accountants

April 30, 2009

**Millcreek Township  
Union County, Ohio  
Schedule of Findings  
December 31, 2008 and 2007**

**Findings Related to the Financial Statements  
Required to be Reported in Accordance with GAGAS**

Finding Number 2008-01

Ohio Revised Code (ORC) Section 507.03 prescribes minimum bond requirements for the fiscal officer for terms beginning after November 5, 2005 based on the annual budget of the Township. The Township's budget according to the official certificate of estimated resources for 2008 is \$1,995,673, which would require a minimum bond of \$160,000 for the fiscal officer. The fiscal officer's bond coverage in effect was \$135,000.

Response by Township

The Township has obtained a bond in the correct amount for the fiscal officer.

Finding Number 2008-02  
Significant deficiency

ORC Section 5705.36 requires the Township to certify available revenue by fund for the coming year on or about January 1. On this certification, the Township reports actual unencumbered cash balances by fund at the end of the previous year and expected revenues for the coming year by fund to arrive at estimated total revenues available for expenditure. The County Budget Commission provides the Official Certificate of Estimated Revenues to the Township based on the amounts reported by the Township. Estimated revenues expected to be received during the year and reported to the County Budget Commission should be entered into the Uniform Accounting Network (UAN) program as estimated receipts. Although the certification was filed in a timely manner each year, the estimated receipts in the UAN system did not agree to the certificate of estimated resources for the fire district fund in 2007, and for the general, gasoline tax, fire district and police services funds in 2008.

Having budgetary information in UAN that does not agree to the official budgetary documents limits the Township's ability to monitor budget versus actual and recognize when an amended certificate might be necessary.

Response by Township

In the future, the Township will be alert to making sure these balances are correct.



**Mary Taylor, CPA**  
Auditor of State

**MILLCREEK TOWNSHIP**

**UNION 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 30, 2009**