

**TYMOCHTEE TOWNSHIP  
WYANDOT COUNTY, OHIO**

*FINANCIAL STATEMENTS*  
DECEMBER 31, 2010 AND 2009

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





# Dave Yost • Auditor of State

Board of Trustees  
Tymochtee Township  
3497 Township Highway 35  
Sycamore, Ohio 44882

We have reviewed the *Independent Auditors' Report* of Tymochtee Township, Wyandot County, prepared by Wolf, Rogers, Dickey & Co., for the audit period January 1, 2009 through December 31, 2010. 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. Tymochtee Township is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

August 30, 2011

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**Tymochtee Township  
Wyandot County, Ohio**

**For the Years Ended  
December 31, 2010 and 2009**

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# **Wolf, Rogers, Dickey & Co.**

Certified Public Accountants

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## **Independent Auditors' Report**

Tymochtee Township  
Wyandot County, Ohio

To the Board of Trustees:

We have audited the accompanying financial statements of Tymochtee Township, Wyandot County, Ohio (the Township), as of and for the years ended December 31, 2010 and 2009. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described more fully in note 1, the Township has prepared these financial statements using accounting practices the Auditor of State 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, 2010 and 2009 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, 2010 and 2009, 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 and reserves for encumbrances of Tymochtee Township, Wyandot County, Ohio as of December 31, 2010 and 2009, 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 June 21, 2011, 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

June 21, 2011



**Tymochtee Township  
Wyandot 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, 2010**

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent</u>	<u>Totals (Memorandum Only)</u>
Cash receipts:					
Property and other local taxes	\$ 22,874	55,275	-	-	78,149
Intergovernmental	29,566	115,088	59,937	-	204,591
License, permits and fees	-	1,550	-	-	1,550
Special assessments	-	2,939	-	-	2,939
Earnings on investments	243	56	-	146	445
Miscellaneous	<u>105</u>	<u>6,405</u>	<u>-</u>	<u>-</u>	<u>6,510</u>
Total cash receipts	52,788	181,313	59,937	146	294,184
Cash disbursements:					
Current:					
General government	58,315	-	-	-	58,315
Public safety	39	54,440	-	-	54,479
Public works	11,667	116,549	-	-	128,216
Health	8,002	2,550	-	-	10,552
Human Services	150	-	-	-	150
Capital outlay	3,757	500	59,937	-	64,194
Debt service:					
Redemption of principal	-	21,180	-	-	21,180
Interest	<u>-</u>	<u>3,045</u>	<u>-</u>	<u>-</u>	<u>3,045</u>
Total cash disbursements	<u>81,930</u>	<u>198,264</u>	<u>59,937</u>	<u>-</u>	<u>340,131</u>
Total receipts over (under) disbursements	(29,142)	(16,951)	-	146	(45,947)
Other financing receipts:					
Sale of fixed assets	417	-	-	-	417
Other financing sources	<u>1,564</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,564</u>
Net other financing receipts	<u>1,981</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,981</u>
Excess (deficiency) of receipts and other financing over (under) disbursements	(27,161)	(16,951)	-	146	(43,966)
Fund cash balances, January 1	<u>87,668</u>	<u>46,406</u>	<u>-</u>	<u>9,147</u>	<u>143,221</u>
Fund cash balances, December 31	\$ <u>60,507</u>	<u>29,455</u>	<u>-</u>	<u>9,293</u>	<u>99,255</u>

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

**Tymochtee Township**  
**Wyandot 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, 2009**

	<u>General</u>	<u>Special Revenue</u>	<u>Permanent</u>	<u>Totals (Memorandum Only)</u>
Cash receipts:				
Property and other local taxes	\$ 22,927	38,818	-	61,745
Intergovernmental	138,523	101,001	-	239,524
License, permits and fees	-	3,010	-	3,010
Special assessments	-	2,668	-	2,668
Earnings on investments	254	26	222	502
Miscellaneous	<u>1,836</u>	<u>5,550</u>	<u>-</u>	<u>7,386</u>
Total cash receipts	163,540	151,073	222	314,835
Cash disbursements:				
Current:				
General government	58,187	-	-	58,187
Public safety	37	21,436	-	21,473
Public works	6,452	70,552	-	77,004
Health	4,311	4,556	-	8,867
Human Services	225	-	-	225
Capital outlay	15,627	5,000	-	20,627
Debt service:				
Redemption of principal	12,850	32,403	-	45,253
Interest	<u>-</u>	<u>5,167</u>	<u>-</u>	<u>5,167</u>
Total cash disbursements	<u>97,689</u>	<u>139,114</u>	<u>-</u>	<u>236,803</u>
Total receipts over disbursements	65,851	11,959	222	78,032
Other financing receipts:				
Other financing sources	<u>-</u>	<u>1,310</u>	<u>-</u>	<u>1,310</u>
Net other financing receipts	<u>-</u>	<u>1,310</u>	<u>-</u>	<u>1,310</u>
Excess of receipts and other financing over disbursements	65,851	13,269	222	79,342
Fund cash balances, January 1	<u>21,817</u>	<u>33,137</u>	<u>8,925</u>	<u>63,879</u>
Fund cash balances, December 31	\$ <u>87,668</u>	<u>46,406</u>	<u>9,147</u>	<u>143,221</u>
Reserve for encumbrances	\$ <u>1,281</u>	<u>-</u>	<u>-</u>	<u>1,281</u>

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

**Tymochtee Township  
Wyandot County, Ohio  
Notes to the Financial Statements  
December 31, 2010 and 2009**

(1) Summary of Significant Accounting Policies

Description of the Entity

Tymochtee Township, Wyandot 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 cemetery operations. The Township contracts with the Village of Sycamore and the McCutchenville Volunteer Fire Departments to receive fire and emergency medical services.

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 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 prescribed or permitted by the Auditor of State of Ohio.

Cash

Certificates of deposit are reported as cash. Accordingly, purchases of certificates of deposit are not recorded as disbursements, and sales of certificates of deposit are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

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.

**Tymochtee Township**  
**Wyandot County, Ohio**  
**Notes to the Financial Statements, continued**  
**December 31, 2010 and 2009**

(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 Tax Fund – 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.

Road and Bridge Fund – This fund receives local real estate, property tax and other revenues collected to construct, maintain and repair Township roads.

Cemetery Fund – This fund receives money from fees and services to maintain the general upkeep of the cemeteries.

Capital Projects Funds

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

Issue I Fund – The Township received a grant from the State of Ohio to repair Township roads.

Block Grant – The Township received a grant from the Wyandot County Commissioners for road improvements.

Permanent Funds

These funds are used to account for assets held under an agreement that are legally restricted to the extent that only earnings on principal are available to support the Township's programs. The Township had the following significant permanent funds:

Mexico Cemetery and Tippen/Pennington/Kear Funds – These funds consist of certificates of deposit given to the Township to pay for upkeep of the Township cemetery. In accordance with the agreements, the Township only uses the interest income from the certificates of deposit.

**Tymochtee Township  
Wyandot County, Ohio  
Notes to the Financial Statements, continued  
December 31, 2010 and 2009**

(1) Summary of Significant Accounting Policies, continued

Budgetary Process

The Ohio Revised Code (ORC) 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 ORC 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 2010 and 2009 budgetary activity appears in Note 3.

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

The Township maintains a cash pool used by all funds. The ORC prescribes allowable deposits. The carrying amount of cash at December 31 was as follows:

	<u>2010</u>	<u>2009</u>
Demand deposits	\$ 91,724	135,690
Certificates of deposit	<u>7,531</u>	<u>7,531</u>
Total deposits	<u>\$ 99,255</u>	<u>143,221</u>

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

**Tymochtee Township**  
**Wyandot County, Ohio**  
**Notes to the Financial Statements, continued**  
**December 31, 2010 and 2009**

(3) Budgetary Activity

Budgetary activity for the years ended December 31, 2010 and 2009 follows:

<u>Fund Type</u>	<u>2010 Budgeted vs. Actual Receipts</u>		
	<u>Budgeted</u> <u>Receipts</u>	<u>Actual</u> <u>Receipts</u>	<u>Variance</u>
General	\$ 45,313	54,769	9,456
Special Revenue	186,190	181,313	(4,877)
Capital Projects	70,000	59,937	(10,063)
Permanent	<u>200</u>	<u>146</u>	<u>(54)</u>
Total	\$ <u>301,703</u>	<u>296,165</u>	<u>(5,538)</u>

<u>Fund Type</u>	<u>2010 Budgeted vs. Actual Budgetary Basis Expenditures</u>		
	<u>Appropriation</u> <u>Authority</u>	<u>Budgetary</u> <u>Expenditures</u>	<u>Variance</u>
General	\$ 131,700	81,930	49,770
Special Revenue	232,596	198,264	34,332
Capital Projects	70,000	59,937	10,063
Permanent	<u>1,817</u>	<u>-</u>	<u>1,817</u>
Total	\$ <u>436,113</u>	<u>340,131</u>	<u>95,982</u>

<u>Fund Type</u>	<u>2009 Budgeted vs. Actual Receipts</u>		
	<u>Budgeted</u> <u>Receipts</u>	<u>Actual</u> <u>Receipts</u>	<u>Variance</u>
General	\$ 162,716	163,540	824
Special Revenue	163,086	152,383	(10,703)
Permanent	<u>179</u>	<u>222</u>	<u>43</u>
Total	\$ <u>325,981</u>	<u>316,145</u>	<u>(9,836)</u>

<u>Fund Type</u>	<u>2009 Budgeted vs. Actual Budgetary Basis Expenditures</u>		
	<u>Appropriation</u> <u>Authority</u>	<u>Budgetary</u> <u>Expenditures</u>	<u>Variance</u>
General	\$ 185,652	98,970	86,682
Special Revenue	<u>188,782</u>	<u>139,114</u>	<u>49,668</u>
Total	\$ <u>374,434</u>	<u>238,084</u>	<u>136,350</u>

**Tymochtee Township**  
**Wyandot County, Ohio**  
**Notes to the Financial Statements, continued**  
**December 31, 2010 and 2009**

(3) Budgetary Activity, continued

Although there was an unfavorable variance in 2010 between actual and budgeted receipts in the Capital Projects Fund, budgetary expenditures did not exceed actual available revenue in the fund. See Note 10 for details of material non-compliance with Ohio Budgetary Law.

(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 payments, 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 ORC.

Contribution rates are also prescribed by the ORC. For 2010 and 2009, OPERS members contributed 10% of their gross salaries. The Township contributed an amount equal to 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2010.

(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. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of OTARMA and provides underwriting, claims, loss control, risk management, and reinsurance services for OTARMA. OTARMA is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO.

**Tymochtee Township  
Wyandot County, Ohio  
Notes to the Financial Statements, continued  
December 31, 2010 and 2009**

(6) Risk Management, continued

Member governments pay annual contributions to fund OTARMA. OTARMA pays judgements, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

*Casualty and Property Coverage*

APEEP provides OTARMA with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2009, OTARMA retained \$350,000 for casualty claims and \$150,000 for property claims.

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

*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, 2009 and 2008 (the latest information available):

	<u>2009</u>	<u>2008</u>
Assets	\$ 38,982,088	40,737,740
Liabilities	<u>(12,880,766)</u>	<u>(12,981,818)</u>
Net Assets	\$ <u>26,101,322</u>	<u>27,755,922</u>

At December 31, 2009 and 2008, respectively, liabilities above include approximately \$12.0 million and \$12.1 million of estimated incurred claims payable. The assets above also include approximately \$11.5 and \$10.9 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2009 and 2008, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2009, the Township's share of these unpaid claims collectible in future years is approximately \$12,000.

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

2008	\$ 5,906
2009	5,070
2010	5,820



**Tymochtee Township  
Wyandot County, Ohio  
Notes to the Financial Statements, continued  
December 31, 2010 and 2009**

(6) Risk Management, continued

After completing one year of membership, members may withdraw on each anniversary of the date they joined OTARMA provided they provide 60 days written notice to OTARMA. 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.

(7) Debt Obligations

At December 31, 2010 and 2009, debt obligations consisted of the following:

<u>Description</u>	<u>2010</u>	<u>2009</u>
2008 Daimler Chrysler Financial Services Americas LLC for 2008 Sterling truck, due in annual installments of \$24,225 beginning June 16, 2008 through June 16, 2012 at 4.58% interest.	\$ <u>45,314</u>	<u>66,494</u>
Total debt obligations	\$ <u>45,314</u>	<u>66,494</u>

The principal and interest requirements to retire the debt obligations outstanding at December 31, 2010 are as follows:

<u>Year ending December 31</u>	<u>Daimler Chrysler Financial Services Americas LLC</u>	
	<u>Principal</u>	<u>Interest</u>
2011	\$ 22,150	2,075
2012	<u>23,164</u>	<u>1,061</u>
	\$ <u>45,314</u>	<u>3,136</u>

(8) Commitments

The Township is committed to a fire and emergency medical services (EMS) contract with the Village of Sycamore at a rate of 73% of Sycamore's share of levy money per year for fire services and 27% of the Sycamore's share of the tax levy for EMS per year through December 31, 2014. The Township is also committed to a fire service contract with the McCutchenville Fire Department at a rate of 50% of the amount of the fire levy through December 31, 2014.

**Tymochtee Township**  
**Wyandot County, Ohio**  
**Notes to the Financial Statements, continued**  
**December 31, 2010 and 2009**

(9) Subsequent Events

Subsequent events have been evaluated through June 21, 2011, which is the date the financial statements were available to be issued.

(10) Compliance

Contrary to Ohio law:

- The Township did not encumber all funds prior to expenditure.
- Appropriations exceeded available estimated resources by \$2,398 in the Motor Vehicle License Tax Fund, by \$2,250 in the Cemetery Fund, by \$1,311 in the Special Assessment Fund, by \$54 in the Permanent Fund and by \$10,063 in the Capital Property Fund in 2010. Appropriations exceeded available estimated resources by \$1,119 in the General Fund, by \$9,158 in the Gasoline Tax Fund, by \$4,090 in the Motor Vehicle License Tax Fund, and by \$1,467 in the Special Assessment Fund in 2009.
- Actual receipts fell below budgeted receipts for Special Revenue Funds, Capital Project Funds and the Permanent Fund but no amended Certificate of Estimated Resources was filed.

# Wolf, Rogers, Dickey & Co.

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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***

Tymochtee Township  
Wyandot County, Ohio

To the Board of Trustees:

We have audited the financial statements of Tymochtee Township, Wyandot County, Ohio (the Township), as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated June 21, 2011, 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.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect and timely correct misstatements. A material weakness is a deficiency, or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected in a timely manner. We did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness, as defined above.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, we identified

a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency. A significant deficiency is a deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider Finding 2010-02 described in the accompanying Schedule of Findings to be a significant deficiency.

#### 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 certain instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings as Findings 2010-01, 2010-02 and 2010-03.

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 June 21, 2011.

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

June 21, 2011

**Tymochtee Township  
Wyandot County, Ohio  
Schedule of Findings  
December 31, 2010 and 2009**

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

Finding Number 2010-01  
Noncompliance

ORC Section 5705.41(D) states that no subdivision shall make any contract or order any expenditure of money unless the certificate of the fiscal officer is attached. The fiscal officer must certify that the amount required to meet such a commitment has been lawfully appropriated and is in the treasury when such contract or order is made.

ORC Section 5705.41 also provides that if no certificate was furnished at the time that the contract was entered into, the fiscal officer may prepare a Then and Now Certificate stating (1) that there was at the time of the making of the contract and (2) at the time of the execution of this certificate a sufficient sum appropriated for the purpose of the contract in question in the treasury or in process of collection to the credit of the appropriate fund, free from previous encumbrances. We noted that funds were not encumbered prior to expenditure for five of the twenty-three disbursements tested and a Then and Now Certificate was not prepared.

Response by Township

No response received.

Finding Number 2010-02  
Significant deficiency/noncompliance

ORC Section 5705.39 states that the total appropriations for each fund should not exceed the total estimated resources (cash available at the beginning of the year plus estimated receipts for the year).

In 2009 the appropriations exceeded estimated resources by \$1,119 in the General Fund. Failure to limit appropriations to the amount of available revenue could result in overspending and negative fund balances.

Response by Township

No response received.

**Tymochtee Township  
Wyandot County, Ohio  
Schedule of Findings, continued  
December 31, 2010 and 2009**

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

Finding Number 2010-03  
Noncompliance

ORC Section 5705.36 states:

1. That an increased amended certificate must be obtained from the Budget Commission if the legislative authority intends to appropriate and expend revenue in excess of the estimated resources.
2. A reduced amended certificate must be obtained if the amount of the deficiency will reduce the available resources below the current level of appropriations.

In 2010, appropriations exceeded available resources by \$2,398 in the Motor Vehicle License Tax, \$2,250 in the Cemetery Fund, \$1,311 in the Special Assessment Fund, \$54 in the Permanent Fund, and by \$10,063 in the Capital Project Fund. In 2009, appropriations exceeded available resources by \$9,158 in the Gasoline Tax Fund, \$4,090 in the Motor Vehicle License Tax Fund and \$1,467 in the Special Assessment Fund. These deficits were caused by actual receipts falling below budgeted receipts. We recognize that the Township did not spend all appropriations and actual expenses did not exceed available resources, but ORC Section 5705.36 still requires an amended Certificate of Estimated Resources to reflect the reduced receipts. Additionally, the Township should have reduced the appropriations below the estimated resources.

Response by Township

No response received.

**Tymochtee Township  
Wyandot County, Ohio  
Schedule of Prior Audit Findings  
December 31, 2010 and 2009**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	<u>Not corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid: Explain:</u>
2008-01	Appropriations and budgeted receipts in UAN did not agree to budgetary documents	Yes	Finding is no longer valid.
2008-02	Contracts extending beyond fiscal year end	Yes	Finding is no longer valid.
2008-03	ORC 5705.41 Fiscal officer must certify the commitment of money prior to the expenditure taking place	No	Repeat as Finding 2010-01.
2008-04	Significant adjustments to the financial statements were required	Yes	Finding no longer valid.
2008-05	Leasing of Road Equipment	Yes	Finding no longer valid.
2008-06	Appropriations exceeded estimated available resources	No	Repeat as Finding 2010-02.
2008-07	Increased amended certificate of estimated resources	Yes	Finding no longer valid.

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# Dave Yost • Auditor of State

**TYMOCHTEE TOWNSHIP**

**WYANDOT COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
SEPTEMBER 13, 2011**