

**MILL TOWNSHIP**  
TUSCARAWAS COUNTY  
INDEPENDENT AUDITOR'S REPORT  
FOR THE YEARS ENDED  
DECEMBER 31, 2013 AND DECEMBER 31, 2012

Varney, Fink & Associates, Inc.  
Certified Public Accountants





# Dave Yost • Auditor of State

Board of Trustees  
Mill Township  
P.O. Box 106  
Dennison, Ohio 44621

We have reviewed the *Independent Auditor's Report* of Mill Township, Tuscarawas County, prepared by Varney, Fink & Associates, Inc., for the audit period January 1, 2012 through December 31, 2013. 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.

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. Mill 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

January 21, 2015

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**MILL TOWNSHIP, OHIO  
TUSCARAWAS COUNTY, OHIO  
FOR THE YEARS ENDED  
DECEMBER 31, 2013 AND DECEMBER 31, 2012**

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**MILL TOWNSHIP, OHIO  
TUSCARAWAS COUNTY, OHIO  
FOR THE YEARS ENDED  
DECEMBER 31, 2013 AND DECEMBER 31, 2012**

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**INDEPENDENT AUDITOR'S REPORT**

Mill Township  
Tuscarawas County  
P.O. Box 106  
Dennison, Ohio 44621

To the Trustees:

***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mill Township, Tuscarawas County, Ohio (the Township), as of and for the years ended December 31, 2013 and December 31, 2012, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the modified cash accounting basis Note 1 describes. This responsibility includes determining that the modified cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Township's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash financial position of the governmental activities, each major fund, and the

aggregate remaining fund information of Mill Township, Tuscarawas County, Ohio, as of December 31, 2013 and December 31, 2012, and the respective changes in modified cash financial position and the respective budgetary comparison for the General and Gasoline Tax, Road and Bridge, and Ambulance and Emergency Medical Services funds thereof for the years then ended in accordance with the accounting basis described in Note 1.

***Accounting Basis***

We draw attention to Note 1 of the financial statements, which describes the accounting basis, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

***Other Matters***

***Supplemental and Other Information***

We audited to opine on the Township's financial statements that collectively comprise its basic financial statements.

*Management's Discussion & Analysis* includes tables of net position, changes in net position and governmental activities. This information provides additional analysis and is not a required part of the basic financial statements.

These tables are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these tables to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling these tables directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and in accordance with auditing standards generally accepted in the United States of America. In our opinion, these tables are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other than the aforementioned procedures applied to the tables, we applied no procedures to any other information in Management's Discussion & Analysis, and we express no opinion or any other assurance on it.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2014, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

*Varney, Fink & Associates*

VARNEY, FINK & ASSOCIATES, INC.  
Certified Public Accountants

September 29, 2014



Mill Township, Tuscarawas County, Ohio  
Management's Discussion and Analysis  
For the Years Ended December 31, 2013 and 2012  
Unaudited

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This discussion and analysis of the Mill Township (the Township) financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2013 and 2012, within the limitations of the Township's modified cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

### **Highlights**

Key highlights for 2013 are as follows:

Net position of governmental activities increased \$8,851 or .9%. This was mainly due to conservative spending.

The Township's general receipts are primarily property taxes, motor vehicle license tax, gasoline tax and local government distribution.

Key highlights for 2012 are as follows:

Net position of governmental activities increased \$41,343 or 4.3%. Even though total receipts decreased from 2011, the decrease in total disbursements was greater, causing an overall increase in net position.

The Township's general receipts are primarily property taxes, motor vehicle license tax, gasoline tax and local government distribution.

The Township purchased a new mowing tractor in 2011, and financed the purchase. Half of the loan was paid off in 2012, and the remaining portion of the loan was paid off in 2013.

During 2012, the Township repaired several roads.

### **Using the Basic Financial Statements**

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's modified cash basis of accounting.

### **Report Components**

The statement of net position and the statement of activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

### **Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a modified cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's modified cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the modified cash basis of accounting.

### **Reporting the Township as a Whole**

The statement of net position and the statement of activities reflect how the Township did financially during 2013 and 2012, within the limitations of modified cash basis accounting. The statement of net position presents the cash balances and investments of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function activity draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the modified cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other nonfinancial factors as well such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property and income taxes.

In the statement of net position and the statement of activities, the Township's activities are considered to be all Governmental Activities:

Governmental activities. Most of the Township's basic services are reported here, including police, fire, streets and parks. State and federal grants and income and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

### **Reporting the Township's Most Significant Funds**

Fund financial statements provide detailed information about the Township's major funds — not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Township are split into two categories: governmental and fiduciary.

Mill Township, Tuscarawas County, Ohio  
Management's Discussion and Analysis  
For the Years Ended December 31, 2013 and 2012  
Unaudited

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Governmental Funds - Most of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General Fund, Gasoline Tax, Road and Bridge, and Ambulance and Emergency Medical Services. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the Township. Fiduciary funds are not reflected on the government-wide financial statements because the resources of these funds are not available to support the Township's programs.

**The Township as a Whole**

Table 1 provides a summary of the Township's net position for 2013 compared to 2012 and 2012 compared to 2011 on a modified cash basis:

Table 1 Net Position			
	2013	2012	2011
<b>Assets</b>			
Cash and Cash Equivalents	\$1,015,923	\$1,007,072	\$965,729
Total Assets	\$1,015,923	\$1,007,072	\$965,729
<b>Net Position</b>			
Restricted for:			
Capital Projects	\$48	\$48	\$48
Permanent Fun: for Improvements			
Nonexpendable	813	813	813
Other Purposes	823,709	805,864	758,338
Unrestricted	191,353	200,347	206,530
Total Net Position	\$1,015,923	\$1,007,072	\$965,729

As mentioned previously, net position of governmental activities increased \$8,851 in 2013 and \$41,342 in 2012. In 2013, total net position increased due to conservative spending. In 2012, it increased due to various factors.

Table 2 reflects the changes in net position on a modified cash basis in 2013 compared to 2012 and 2012 compared to 2011 for governmental activities.

Mill Township, Tuscarawas County, Ohio  
Management's Discussion and Analysis  
For the Years Ended December 31, 2013 and 2012  
Unaudited

Table 2  
Changes in Net Position

	Governmental Activities		
	2013	2012	2011
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$1,641	\$126	\$17,352
Operating Grants and Contributions	94,266	93,920	95,776
Total Program Receipts	<u>95,907</u>	<u>94,046</u>	<u>113,128</u>
General Receipts:			
Property Taxes	146,907	147,940	233,168
Other Taxes	1,442	1,425	1,389
Grants and Entitlements Not Restricted to Specific Programs	131,068	133,741	123,502
Earnings on Investments	418	681	899
Miscellaneous	1,151	3,938	4,025
Total General Receipts	<u>280,986</u>	<u>287,725</u>	<u>362,983</u>
Total Receipts	<u>376,893</u>	<u>381,771</u>	<u>476,111</u>
Disbursements:			
General Government	102,460	109,326	103,369
Public Safety	45,396	51,224	7,135
Public Works	179,205	144,793	262,908
Capital Outlay	7,393	1,283	67,250
Principal Retirement	32,200	32,200	32,050
Interest and Fiscal Charges	1,388	1,602	1,056
Total Disbursements	<u>368,042</u>	<u>340,428</u>	<u>473,768</u>
Increase in Net Position	8,851	41,343	2,343
Net Position Beginning of Year	<u>1,007,072</u>	<u>965,729</u>	<u>963,386</u>
Net Position End of Year	<u>\$1,015,923</u>	<u>\$1,007,072</u>	<u>\$965,729</u>

Program receipts represent 25.4% and 24.6% of total receipts in 2013 and 2012, respectively, and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, ambulance fees, and road and bridge monies.

General receipts represent 74.6% and 75.4% of the Township's total receipts in 2013 and 2012, respectively, and includes mostly property taxes and grants and entitlements not restricted to specific programs. Other receipts are insignificant and somewhat unpredictable revenue sources. Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the costs of the Board of Trustees and Fiscal Officer, as well as internal services such as payroll and purchasing.

Mill Township, Tuscarawas County, Ohio  
Management's Discussion and Analysis  
For the Years Ended December 31, 2013 and 2012  
Unaudited

**Governmental Activities**

If you look at the Statement of Activities on pages 10 and 19, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. For 2013, the major program disbursements for governmental activities are for public works (48.7%) and general government (27.8%). Public safety, debt service, and capital outlay account for the bulk of the remaining disbursements. For 2012, the major program disbursements for governmental activities are for public works (42.5%) and general government (32.1%). Public safety and debt service account for the bulk of the remaining disbursements. The next two columns of the Statement entitled Program Cash Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The Net Receipts (Disbursements) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

Table 3  
Governmental Activities

	2013		2012		2011	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General Government	102,460	102,460	109,326	109,326	103,369	86,017
Public Safety	45,396	45,396	51,224	51,224	7,135	7,135
Public Works	179,205	83,298	144,793	50,747	262,908	167,132
Capital Outlay	7,393	7,393	1,283	1,283	67,250	67,250
Principal Retirement	32,200	32,200	32,200	32,200	32,050	32,050
Interest and Fiscal Charges	1,388	1,388	1,602	1,602	1,056	1,056
Total Expenses	<u>368,042</u>	<u>272,135</u>	<u>340,428</u>	<u>246,382</u>	<u>473,768</u>	<u>360,640</u>

The dependence upon property tax and grant receipts is apparent.

**The Township's Funds**

For 2013, total governmental funds had receipts of \$376,893 and disbursements of \$368,042. The fund balance of the general fund decreased by \$8,994. For 2012, total governmental funds had receipts of \$381,771 and disbursements of \$340,428. The greatest change within governmental funds occurred within the Gasoline Fund. The fund balance of the General Fund decreased by \$6,183.

**General Fund Budgeting Highlights**

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

Actual disbursements were under-budget in 2013 and 2012.

### **Capital Assets and Debt Administration**

#### **Capital Assets**

The Township does not currently keep track of its capital assets.

#### **Debt**

At December 31, 2012, the Township's outstanding debt totaled \$32,200 for a loan to purchase a mowing tractor. The loan was paid off in May of 2013. The Township has no outstanding debt at December 31, 2013.

For further information regarding Township's debt, refer to Note 10 to basic financial statements.

### **Current Issues**

The challenge for all Townships is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on local taxes and have very little industry to support the tax base.

### **Contacting the Township's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to James J. Ong, Fiscal Officer, Mill Township, P.O. Box 106, Dennison, Ohio 44621.

**Mill Township**  
*Tuscarawas County, Ohio*  
*Statement of Net Position - Modified Cash Basis*  
*December 31, 2013*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$1,015,923
<i>Total Assets</i>	<i>\$1,015,923</i>
 <b>Net Position</b>	
Restricted for:	
Capital Projects	\$48
Permanent Fund: for Improvements	
Nonexpendable	813
Other Purposes	823,709
Unrestricted	191,353
<i>Total Net Position</i>	<i>\$1,015,923</i>

See accompanying notes to the basic financial statements

**Madison Township**  
*Tuscarawas County, Ohio*  
*Statement of Activities - Modified Cash Basis*  
*For the Year Ended December 31, 2013*

	Program Cash Receipts			Net Receipts (Disbursements) and Changes in Net Position
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>				
Current:				
General Government	\$102,460	\$0	\$0	(\$102,460)
Public Safety	45,396	0	0	(45,396)
Public Works	179,205	1,641	94,266	(83,298)
Capital Outlay	7,393	0	0	(7,393)
Debt Service:				
Principal Retirement	32,200	0	0	(32,200)
Interest and Fiscal Charges	1,388	0	0	(1,388)
<i>Total Governmental Activities</i>	<u>368,042</u>	<u>1,641</u>	<u>94,266</u>	<u>(272,135)</u>
General Receipts:				
Property Taxes				146,907
Other Taxes				1,442
Grants and Entitlements not Restricted to Specific Programs				131,068
Earnings on Investments				418
Miscellaneous				<u>1,151</u>
Total General Receipts				<u>280,986</u>
<i>Change in Net Position</i>				8,851
<i>Net Position Beginning of Year</i>				<u>1,007,072</u>
<i>Net Position End of Year</i>				<u>\$1,015,923</u>

See accompanying notes to the basic financial statements



**Mill Township**  
*Tuscarawas County, Ohio*  
**Statement of Assets and Fund Balances - Modified Cash Basis**  
*Governmental Funds*  
*December 31, 2013*

	<u>General</u>	<u>Gasoline Tax</u>	<u>Road and Bridge</u>	<u>Ambulance And Emergency Medical Services</u>	<u>All Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>						
Equity in Pooled Cash and Cash Equivalents	\$191,353	\$669,294	\$83,050	\$32,919	\$39,307	\$1,015,923
<i>Total Assets</i>	<u>\$191,353</u>	<u>\$669,294</u>	<u>\$83,050</u>	<u>\$32,919</u>	<u>\$39,307</u>	<u>\$1,015,923</u>
<b>Fund Cash Balances, December 31</b>						
Restricted	\$0	\$669,294	\$83,050	\$32,919	\$39,307	\$824,570
Unassigned	191,353	0	0	0	0	191,353
<i>Total Fund Balances</i>	<u>\$191,353</u>	<u>\$669,294</u>	<u>\$83,050</u>	<u>\$32,919</u>	<u>\$39,307</u>	<u>\$1,015,923</u>

See accompanying notes to the basic financial statements

**Mill Township**  
*Tuscarawas County*  
*Statement of Receipts, Disbursements and Changes Fund Balances - Modified Cash Basis*  
*Governmental Funds*  
*For the Year Ended December 31, 2013*

	General	Gasoline Tax	Road and Bridge	Ambulance And Emergency Medical Services	All Other Government al Funds	Total Governmental Funds
<b>Receipts</b>						
Property and Other Local Taxes	\$54,371	\$0	\$74,020	\$19,958	\$0	\$148,349
Charges for Services	1,641	0	0	0	0	1,641
Intergovernmental	82,116	85,392	39,396	9,556	8,874	225,334
Earnings on Investments	359	50	0	0	9	418
Miscellaneous	0	0	0	0	1,151	1,151
<i>Total Receipts</i>	<u>138,487</u>	<u>85,442</u>	<u>113,416</u>	<u>29,514</u>	<u>10,034</u>	<u>376,893</u>
<b>Disbursements</b>						
Current:						
General Government	100,466	0	1,994	0	0	102,460
Public Safety	6,034	0	0	39,362	0	45,396
Public Works	0	43,694	128,661	0	6,850	179,205
Capital Outlay	7,393	0	0	0	0	7,393
Debt Service:						
Principal Retirement	32,200	0	0	0	0	32,200
Interest and Fiscal Charges	1,388	0	0	0	0	1,388
<i>Total Disbursements</i>	<u>147,481</u>	<u>43,694</u>	<u>130,655</u>	<u>39,362</u>	<u>6,850</u>	<u>368,042</u>
<i>Net Change in Fund Balances</i>	(8,994)	41,748	(17,239)	(9,848)	3,184	8,851
<i>Fund Balances Beginning of Year</i>	<u>200,347</u>	<u>627,546</u>	<u>100,289</u>	<u>42,767</u>	<u>36,123</u>	<u>1,007,072</u>
<i>Fund Balances End of Year</i>	<u><u>\$191,353</u></u>	<u><u>\$669,294</u></u>	<u><u>\$83,050</u></u>	<u><u>\$32,919</u></u>	<u><u>\$39,307</u></u>	<u><u>\$1,015,923</u></u>

See accompanying notes to the basic financial statements

**Mill Township**  
*Tuscarawas County, Ohio*  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*General Fund*  
*For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$52,510	\$52,510	\$54,371	\$1,861
Charges for Services	10	10	1,641	1,631
Intergovernmental	63,996	63,996	82,116	18,120
Earnings on Investments	750	750	359	(391)
Miscellaneous	10	10	0	(10)
<i>Total Receipts</i>	<u>117,276</u>	<u>117,276</u>	<u>138,487</u>	<u>21,211</u>
<b>Disbursements</b>				
Current:				
General Government	175,791	175,791	100,466	75,325
Public Safety	40,500	40,500	6,034	34,466
Health	300	300	0	300
Capital Outlay	41,000	41,000	7,393	33,607
Debt Service:				
Principal Retirement	34,100	34,100	32,200	1,900
Interest and Fiscal Charges	2,100	2,100	1,388	712
<i>Total Disbursements</i>	<u>293,791</u>	<u>293,791</u>	<u>147,481</u>	<u>146,310</u>
<i>Net Change in Fund Balance</i>	(176,515)	(176,515)	(8,994)	167,521
<i>Unencumbered Fund Balance Beginning of Year</i>	<u>200,347</u>	<u>200,347</u>	<u>200,347</u>	<u>0</u>
<i>Unencumbered Fund Balance End of Year</i>	<u><u>\$23,832</u></u>	<u><u>\$23,832</u></u>	<u><u>\$191,353</u></u>	<u><u>\$167,521</u></u>

See accompanying notes to the basic financial statements

**Mill Township**  
*Tuscarawas County, Ohio*  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Gasoline Tax*  
*For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Intergovernmental	\$55,925	\$55,925	\$85,392	\$29,467
Earnings on Investments	500	500	50	(450)
Miscellaneous	10,000	10,000	0	(10,000)
<i>Total Receipts</i>	<u>66,425</u>	<u>66,425</u>	<u>85,442</u>	<u>19,017</u>
<b>Disbursements</b>				
Current:				
Public Works	159,000	159,000	43,694	115,306
<i>Total Disbursements</i>	<u>159,000</u>	<u>159,000</u>	<u>43,694</u>	<u>115,306</u>
<i>Excess (Deficiency) of Receipts Over (Under)</i> <i>Disbursements</i>	<u>(92,575)</u>	<u>(92,575)</u>	<u>41,748</u>	<u>134,323</u>
<b>Other Financing Sources</b>				
Sale of Notes	10	10	0	(10)
<i>Total Other Financing Sources</i>	<u>10</u>	<u>10</u>	<u>0</u>	<u>(10)</u>
<i>Net Change in Fund Balance</i>	(92,565)	(92,565)	41,748	134,313
<i>Unencumbered Fund Balance Beginning of Year</i>	<u>627,546</u>	<u>627,546</u>	<u>627,546</u>	<u>0</u>
<i>Unencumbered Fund Balance End of Year</i>	<u><u>\$534,981</u></u>	<u><u>\$534,981</u></u>	<u><u>\$669,294</u></u>	<u><u>\$134,313</u></u>

See accompanying notes to the basic financial statements

**Mill Township**  
*Tuscarawas County, Ohio*  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Road and Bridge*  
*For the Year Ended December 31, 2013*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Property and Other Local Taxes	\$84,069	\$84,069	\$74,020	(\$10,049)
Intergovernmental	50,312	50,312	39,396	(10,916)
Miscellaneous	2,000	2,000	0	(2,000)
<i>Total Receipts</i>	<u>136,381</u>	<u>136,381</u>	<u>113,416</u>	<u>(22,965)</u>
<b>Disbursements</b>				
Current:				
General Government	3,000	3,000	1,994	1,006
Public Works	175,000	175,000	128,661	46,339
<i>Total Disbursements</i>	<u>178,000</u>	<u>178,000</u>	<u>130,655</u>	<u>47,345</u>
<i>Net Change in Fund Balance</i>	(41,619)	(41,619)	(17,239)	24,380
<i>Unencumbered Fund Balance Beginning of Year</i>	<u>100,289</u>	<u>100,289</u>	<u>100,289</u>	<u>0</u>
<i>Unencumbered Fund Balance End of Year</i>	<u><u>\$58,670</u></u>	<u><u>\$58,670</u></u>	<u><u>\$83,050</u></u>	<u><u>\$24,380</u></u>

See accompanying notes to the basic financial statements

**Mill Township**  
*Tuscarawas County, Ohio*  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Ambulance And Emergency Medical Services*  
*For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$21,590	\$21,590	\$19,958	(\$1,632)
Intergovernmental	13,968	13,968	9,556	(4,412)
<i>Total Receipts</i>	<u>35,558</u>	<u>35,558</u>	<u>29,514</u>	<u>(6,044)</u>
<b>Disbursements</b>				
Current:				
Public Safety	43,000	43,000	39,362	3,638
<i>Total Disbursements</i>	<u>43,000</u>	<u>43,000</u>	<u>39,362</u>	<u>3,638</u>
<i>Net Change in Fund Balance</i>	(7,442)	(7,442)	(9,848)	(2,406)
<i>Unencumbered Fund Balance Beginning of Year</i>	<u>42,767</u>	<u>42,767</u>	<u>42,767</u>	<u>0</u>
<i>Unencumbered Fund Balance End of Year</i>	<u><u>\$35,325</u></u>	<u><u>\$35,325</u></u>	<u><u>\$32,919</u></u>	<u><u>(\$2,406)</u></u>

See accompanying notes to the basic financial statements

**Mill Township**  
*Tuscarawas County*  
*Statement of Fiduciary Net Position - Modified Cash Basis*  
*Fiduciary Funds*  
*December 31, 2013*

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	<u>Agency</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$567</u>
<i>Total Assets</i>	<u><u>\$567</u></u>
<b>Net Position</b>	
Held in Trust for Improvements:	<u>\$567</u>
<i>Total Net Position</i>	<u><u>\$567</u></u>

See accompanying notes to the basic financial statements

**Mill Township**  
*Tuscarawas County, Ohio*  
*Statement of Net Position - Modified Cash Basis*  
*December 31, 2012*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$1,007,072
<i>Total Assets</i>	<i>\$1,007,072</i>
 <b>Net Position</b>	
Capital Projects	\$48
Permanent Fund: for Improvements	
Expendable	
Nonexpendable	813
Other Purposes	805,864
Unrestricted	200,347
<i>Total Net Position</i>	<i>\$1,007,072</i>

See accompanying notes to the basic financial statements



**Mill Township**  
*Tuscarawas County, Ohio*  
*Statement of Activities - Modified Cash Basis*  
*For the Year Ended December 31, 2012*

	Program Cash Receipts			Net Receipts (Disbursements) and Changes in Net Position
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>				
Current:				
General Government	\$109,326	\$0	\$0	(\$109,326)
Public Safety	51,224	0	0	(51,224)
Public Works	144,793	126	93,920	(50,747)
Capital Outlay	1,283	0	0	(1,283)
Debt Service:				
Principal Retirement	32,200	0	0	(32,200)
Interest and Fiscal Charges	1,602	0	0	(1,602)
<i>Total Governmental Activities</i>	<u>340,428</u>	<u>126</u>	<u>93,920</u>	<u>(246,382)</u>
General Receipts:				
Property Taxes				147,940
Other Taxes				1,425
Grants and Entitlements not Restricted to Specific Programs				133,741
Earnings on Investments				681
Miscellaneous				3,938
Total General Receipts				<u>287,725</u>
<i>Change in Net Position</i>				41,343
<i>Net Position Beginning of Year</i>				<u>965,729</u>
<i>Net Position End of Year</i>				<u>\$1,007,072</u>

See accompanying notes to the basic financial statements

**Mill Township**  
*Tuscarawas County, Ohio*  
**Statement of Assets and Fund Balances - Modified Cash Basis**  
*Governmental Funds*  
 December 31, 2012

	<u>General</u>	<u>Gasoline Tax</u>	<u>Road and Bridge</u>	<u>Ambulance And Emergency Medical Services</u>	<u>All Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>						
Equity in Pooled Cash and Cash Equivalents	\$200,347	\$627,546	\$100,289	\$42,767	\$36,123	\$1,007,072
<i>Total Assets</i>	<u>\$200,347</u>	<u>\$627,546</u>	<u>\$100,289</u>	<u>\$42,767</u>	<u>\$36,123</u>	<u>\$1,007,072</u>
<b>Fund Cash Balances, December 31</b>						
Restricted	\$0	\$627,546	\$100,289	\$42,767	\$36,123	\$806,725
Unassigned	200,347	0	0	0	0	200,347
<i>Total Fund Balances</i>	<u>\$200,347</u>	<u>\$627,546</u>	<u>\$100,289</u>	<u>\$42,767</u>	<u>\$36,123</u>	<u>\$1,007,072</u>

See accompanying notes to the basic financial statements

**Mill Township**  
*Tuscarawas County*  
*Statement of Receipts, Disbursements and Changes Fund Balances - Modified Cash Basis*  
*Governmental Funds*  
*For the Year Ended December 31, 2012*

	General	Gasoline Tax	Road and Bridge	Ambulance And Emergency Medical Services	All Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>						
Property and Other Local Taxes	\$54,703	\$0	\$74,558	\$20,104	\$0	\$149,365
Charges for Services	1	0	0	0	125	126
Intergovernmental	83,328	84,918	40,411	9,751	9,253	227,661
Earnings on Investments	554	106	0	0	21	681
Miscellaneous	0	0	3,650	0	288	3,938
<i>Total Receipts</i>	<u>138,586</u>	<u>85,024</u>	<u>118,619</u>	<u>29,855</u>	<u>9,687</u>	<u>381,771</u>
<b>Disbursements</b>						
Current:						
General Government	106,706	0	2,620	0	0	109,326
Public Safety	2,978	0	0	48,246	0	51,224
Public Works	0	40,431	86,546	0	17,816	144,793
Capital Outlay	1,283	0	0	0	0	1,283
Debt Service:						
Principal Retirement	32,200	0	0	0	0	32,200
Interest and Fiscal Charges	1,602	0	0	0	0	1,602
<i>Total Disbursements</i>	<u>144,769</u>	<u>40,431</u>	<u>89,166</u>	<u>48,246</u>	<u>17,816</u>	<u>340,428</u>
<i>Net Change in Fund Balances</i>	(6,183)	44,593	29,453	(18,391)	(8,129)	41,343
<i>Fund Balances Beginning of Year</i>	<u>206,530</u>	<u>582,953</u>	<u>70,836</u>	<u>61,158</u>	<u>44,252</u>	<u>965,729</u>
<i>Fund Balances End of Year</i>	<u>\$200,347</u>	<u>\$627,546</u>	<u>\$100,289</u>	<u>\$42,767</u>	<u>\$36,123</u>	<u>\$1,007,072</u>

See accompanying notes to the basic financial statements

**Mill Township**  
*Tuscarawas County, Ohio*  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*General Fund*  
*For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$52,510	\$52,510	\$54,703	\$2,193
Charges for Services	219	219	1	(218)
Intergovernmental	71,410	71,410	83,328	11,918
Earnings on Investments	750	750	554	(196)
Miscellaneous	10	10	0	(10)
<i>Total Receipts</i>	<u>124,899</u>	<u>124,899</u>	<u>138,586</u>	<u>13,687</u>
<b>Disbursements</b>				
Current:				
General Government	182,291	182,291	106,816	75,475
Public Safety	40,500	40,500	2,868	37,632
Health	300	300	0	300
Capital Outlay	41,000	41,000	1,283	39,717
Debt Service:				
Principal Retirement	34,100	34,100	32,200	1,900
Interest and Fiscal Charges	2,100	2,100	1,602	498
<i>Total Disbursements</i>	<u>300,291</u>	<u>300,291</u>	<u>144,769</u>	<u>155,522</u>
<i>Net Change in Fund Balance</i>	(175,392)	(175,392)	(6,183)	169,209
<i>Unencumbered Fund Balance Beginning of Year</i>	<u>206,530</u>	<u>206,530</u>	<u>206,530</u>	<u>0</u>
<i>Unencumbered Fund Balance End of Year</i>	<u><u>\$31,138</u></u>	<u><u>\$31,138</u></u>	<u><u>\$200,347</u></u>	<u><u>\$169,209</u></u>

See accompanying notes to the basic financial statements

**Mill Township**  
*Tuscarawas County, Ohio*  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Gasoline Tax*  
*For the Year Ended December 31, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Intergovernmental	\$32,000	\$32,000	\$84,918	\$52,918
Earnings on Investments	500	500	106	(394)
Miscellaneous	32,000	32,000	0	(32,000)
<i>Total Receipts</i>	<u>64,500</u>	<u>64,500</u>	<u>85,024</u>	<u>20,524</u>
<b>Disbursements</b>				
Current:				
Public Works	159,000	159,000	40,431	118,569
<i>Total Disbursements</i>	<u>159,000</u>	<u>159,000</u>	<u>40,431</u>	<u>118,569</u>
<i>Excess (Deficiency) of Receipts Over (Under) Disbursements</i>	<u>(94,500)</u>	<u>(94,500)</u>	<u>44,593</u>	<u>139,093</u>
<b>Other Financing Sources</b>				
Sale of Notes	86	86	0	(86)
<i>Total Other Financing Sources</i>	<u>86</u>	<u>86</u>	<u>0</u>	<u>(86)</u>
<i>Net Change in Fund Balance</i>	(94,414)	(94,414)	44,593	139,007
<i>Unencumbered Fund Balance Beginning of Year</i>	<u>582,953</u>	<u>582,953</u>	<u>582,953</u>	<u>(0)</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$488,539</u>	<u>\$488,539</u>	<u>\$627,546</u>	<u>\$139,007</u>

See accompanying notes to the basic financial statements

**Mill Township**  
*Tuscarawas County, Ohio*  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Road and Bridge*  
*For the Year Ended December 31, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Property and Other Local Taxes	\$76,100	\$76,100	\$74,558	(\$1,542)
Intergovernmental	50,312	50,312	40,411	(9,901)
Miscellaneous	2,000	2,000	3,650	1,650
<i>Total Receipts</i>	<u>128,412</u>	<u>128,412</u>	<u>118,619</u>	<u>(9,793)</u>
<b>Disbursements</b>				
Current:				
General Government	3,000	3,000	2,620	380
Public Works	175,000	175,000	86,546	88,454
<i>Total Disbursements</i>	<u>178,000</u>	<u>178,000</u>	<u>89,166</u>	<u>88,834</u>
<i>Net Change in Fund Balance</i>	(49,588)	(49,588)	29,453	79,041
<i>Unencumbered Fund Balance Beginning of Year</i>	<u>70,836</u>	<u>70,836</u>	<u>70,836</u>	<u>(0)</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$21,248</u>	<u>\$21,248</u>	<u>\$100,289</u>	<u>\$79,041</u>

See accompanying notes to the basic financial statements

**Mill Township**  
*Tuscarawas County, Ohio*  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Ambulance And Emergency Medical Services*  
*For the Year Ended December 31, 2012*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$20,300	\$20,300	\$20,104	(\$196)
Intergovernmental	12,678	12,678	9,751	(2,927)
<i>Total Receipts</i>	<u>32,978</u>	<u>32,978</u>	<u>29,855</u>	<u>(3,123)</u>
<b>Disbursements</b>				
Current:				
Public Safety	43,000	43,000	48,246	(5,246)
<i>Total Disbursements</i>	<u>43,000</u>	<u>43,000</u>	<u>48,246</u>	<u>(5,246)</u>
<i>Net Change in Fund Balance</i>	(10,022)	(10,022)	(18,391)	(8,369)
<i>Unencumbered Fund Balance Beginning of Year</i>	<u>61,158</u>	<u>61,158</u>	<u>61,158</u>	<u>0</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$51,136</u>	<u>\$51,136</u>	<u>\$42,767</u>	<u>(\$8,369)</u>

See accompanying notes to the basic financial statements

**Mill Township**  
*Tuscarawas County*  
*Statement of Fiduciary Net Position - Modified Cash Basis*  
*Fiduciary Funds*  
*December 31, 2012*

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	<u>Agency</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$567</u>
<i>Total Assets</i>	<u><u>\$567</u></u>
<b>Net Position</b>	
Held in Trust for Improvements:	<u>\$567</u>
<i>Total Net Position</i>	<u><u>\$567</u></u>

See accompanying notes to the basic financial statements



**Mill Township**  
**Tuscarawas County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2013 and 2012*

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**Note 1— Reporting Entity**

Mill Township, Tuscarawas County, Ohio (the Township), is a body politic and corporate 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 also has an elected Township Fiscal Officer.

The reporting entity is comprised of the primary government.

***Primary Government***

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, and cemetery maintenance. The Township contracts with the Uhrichsville, Ohio Fire Department for fire protection. Police protection is provided by the Tuscarawas County Sheriff's Department.

***Component Units***

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board; and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Township is obligated for the debt of the organization. Component units may also include organizations for which the Township authorizes the issuance of debt or the levying of taxes or determines the budget if there is also the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Township. The Township does not have any component units.

***Joint Ventures, Jointly Governed Organizations and Public Entity Risk Pools***

The Township participates in one Public Entity Risk Pool. The Ohio Township Risk Management Authority (OTARMA) is a risk-sharing pool available to Ohio Townships. OTARMA provides property, casualty, and liability coverage. Note 7 to the basic financial statements provides additional information for this entity.

**Note 2 — Summary of Significant Accounting Policies**

As discussed further in the Basis of Accounting section of this Note, these financial statements are presented on a *modified* cash basis of accounting. This *modified* cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the *modified* cash basis of accounting. Following are the more significant of the Township's accounting policies.

***Basis of Presentation***

The Township's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Mill Township**  
**Tuscarawas County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2013 and 2012*

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***Government-Wide Financial Statements*** The statement of net position and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" receipts and disbursements. The statements distinguish between those activities of the Township that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Township has no internal service funds or business-type funds.

The statement of net position presents the cash and investment balances of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that are required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function activity is self-financing on a *modified* cash basis or draws from the Township's general receipts.

***Fund Financial Statements*** During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service funds are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type. The Township has no enterprise or internal service funds.

***Fund Accounting***

The Township uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the Township are divided into two categories, governmental and fiduciary.

***Governmental Funds*** The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The following are the Township's major governmental funds:

***General*** The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

***Gasoline Tax*** The gasoline tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

***Road and Bridge*** The road and bridge fund accounts for and reports property tax (inside millage) committed for the construction, reconstruction, resurfacing and repair of Township roads and bridges.

**Mill Township**  
**Tuscarawas County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2013 and 2012*

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***Ambulance and Emergency Medical Services*** The ambulance and emergency medical services fund receives property tax money to provide for general operating expenses or emergency medical services.

The other governmental funds of the Township account for and report grants and other resources, whose use is restricted, committed or assigned to a particular purpose.

***Fiduciary Funds*** Fiduciary funds include pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Township's own programs. The Township has no trust funds. Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Township's agency fund accounts for road opening deposits and road bonds.

***Basis of Accounting***

The Township's financial statements are prepared using the *modified* cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Township are described in the appropriate section in this note.

As a result of the use of this *modified* cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.

***Budgetary Process***

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriations ordinance is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Township.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

**Mill Township**  
**Tuscarawas County, Ohio**  
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***Cash and Investments***

Township records identify the purchase of specific investments by specific funds.

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as “Equity in Pooled Cash and Cash Equivalents”.

Investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as 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 negative receipts, respectively.

During 2013 and 2012, the Township invested in nonnegotiable certificates of deposit. Interest earnings are allocated to Township funds according to State statutes.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2013 and 2012 was \$359 and \$554, respectively which includes \$278 and \$414, respectively assigned from other Township funds.

***Restricted Assets***

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. The Township had no restricted assets.

***Inventory and Prepaid Items***

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

***Capital Assets***

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

***Interfund Receivables/Payables***

The Township reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

***Accumulated Leave***

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's *modified* cash basis of accounting.

**Mill Township**  
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***Employer Contributions to Cost-Sharing Pension Plans***

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement healthcare benefits.

***Long-Term Obligations***

The Township's *modified* cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments are reported when paid.

***Net Position***

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net position is available.

***Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which the Township is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

***Restricted*** Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

***Committed*** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of Township Trustees. Those committed amounts cannot be used for any other purpose unless the Township Trustees remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

***Assigned*** Amounts in the assigned fund balance classification are intended to be used by the Township for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

**Mill Township**  
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***Unassigned*** Unassigned fund balance is the residual classification for the general fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

***Interfund Transactions***

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general receipts. The Township has no business-type activities.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

**Note 3 — Change in Basis of Accounting and Change in Accounting Principle**

Last year the Township has implemented the *modified* cash basis of accounting described in Note 2. The fund financial statements now present each major fund in a separate column with nonmajor funds aggregated and presented in a single column, rather than a column for each fund type.

For 2012, the Township implemented Governmental Accounting Standard Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of GASB Statement No. 54 had no effect on fund balances of the major governmental funds and all other governmental funds as previously reported.

For 2012, the Township implemented Governmental Accounting Standard Board (GASB) Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position." GASB Statement No. 63 identifies net position, rather than net assets, as the residual of all other elements presented in a statement of financial position. This change was incorporated in the Township's 2012 financial statements; however, there were no effects on beginning net position/fund balances.

**Note 4 — Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statements of Receipts, Disbursements and Changes in Fund Balance — Budget and Actual — Budgetary Basis presented for the general fund, gasoline tax fund, road and bridges fund, and ambulance and emergency medical services fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the *modified* cash basis are outstanding year end

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encumbrances are treated as disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (*modified* cash basis) (and outstanding year end advances are treated as an other financing source or use (budgetary basis) rather than as an interfund receivable or payable (*modified* cash basis)). There were no encumbrances at December 31, 2013 or 2012.

**Note 5 — Deposits and Investments**

Monies held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

**Mill Township**  
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Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity.

At year end, the Township had no undeposited cash on hand.

***Deposits***

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2013, \$780,517 of the Township's bank balance of \$1,030,517 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name. At December 31, 2012, \$771,135 of the Township's bank balance of \$1,021,135 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name. The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

As of December 31, 2013, the Township had four (4) separate nonnegotiable certificates of deposit.

**Note 6 — Property Taxes**

Property taxes include amounts levied against all real and public utility property located in the Township. Property tax revenue received during 2013 and 2012 for real and public utility property taxes represents collections of 2012 and 2011 taxes.

2013 and 2012 real property taxes are levied after October 1, 2012 and 2011, on the assessed value as of January 1, 2012 and 2011, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2013 and 2012 real property taxes are collected in and intended to finance 2014 and 2013.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2013 and 2012 public utility property taxes which became a lien December 31, 2012 and 2011, are levied after October 1, 2013 and 2012, and are collected in 2014 and 2013 with real property taxes.

The full tax rate for all Township operations for the year ended December 31, 2013 and 2012, was \$5.10 per \$1,000 of assessed value. The assessed values of real property upon which 2013 and 2012 property tax receipts were based are \$35,519,330.

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Township. The County Auditor periodically remits to the Township its portion of the taxes collected.



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**Note 7 — Risk Management**

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. York Risk Pooling Services, Inc. (formally known as American Risk Pooling Consultants, Inc.) (York or Management), functions as the administrator of the Pool and provides underwriting claims, loss control, risk management, and reinsurance services for the Pool. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2013, OTARMA retained \$350,000 for casualty claims and \$250,000 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, 2013 and 2012:

	2013	2012
Assets	\$34,954,286	\$34,771,270
Liabilities	(8,486,363)	(9,355,082)
Net Position - Unrestricted	\$26,467,923	\$25,416,188

At December 31, 2013 and 2012, respectively, the liabilities above include approximately \$7.9 and \$8.7 million of estimated incurred claims payable. The assets above also include approximately \$7.4 and \$7.8 million of unpaid claims to be billed to approximately 948 member governments in the future, as of December 31, 2013 and 2012, respectively. These amounts will be included in future contributions from members when the related claims are due for payment.

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	
2013	2012
\$11,117	\$11,445

After one year of membership, a member may withdraw on the anniversary of the date of joining OTARMA, if the member notifies OTARMA in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to the pool. Also

**Mill Township**  
**Tuscarawas County, Ohio**  
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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.

Settled claims have not exceeded coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The System administers and pays all claims.

**Note 8— Defined Benefit Pension Plan *Ohio Public Employees Retirement System***

The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. 1.) The Traditional Pension Plan (TP) - a cost-sharing, multiple-employer defined benefit pension plan. 2.) The Member-Directed Plan (MD) - a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulated retirement assets equal to the value of the member and (vested) employer contributions, plus any investment earnings. 3.) The Combined Plan (CP) - a cost-sharing, multiple employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefits similar in nature to, but less than, the Traditional Pension Plan benefits. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the MD.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional and Combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, or by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2013 and 2012, member and employer contribution rates were consistent across all three plans. The Township's 2013 and 2012 member contribution rates were 10.00% of covered payroll.

The 2013 and 2012 Township's contribution rate was 14.00% of covered payroll. The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2013, 2012, and 2011 were \$13,629, \$13,507 and \$13,299 respectively. The full amount has been contributed for 2013, 2012 and 2011.

**Note 9 - Postemployment Benefits**

The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans. The Traditional Pension Plan-a cost-sharing, multiple-employer defined benefit pension plan; the Member Directed Plan-a defined contribution plan; and the Combined Plan-a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the traditional pension and the combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including post-employment health care coverage.

**Mill Township**  
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In order to qualify for post-employment health care coverage, aged and service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefits is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

The Ohio Revised Code provides statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care coverage. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2013 and 2012, state and local employers contributed at a rate of 14.0 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0 percent of covered payroll for state and local employer units. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of the post employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 1.0 percent during calendar year 2013. The portion of employer contributions allocated to health care for members in the Combined Plan was 1.0 percent during calendar year 2013. Effective January 1, 2014, the portion of employer contributions allocated to healthcare was raised to 2.0 percent for both plans, as recommended by the OPERS Actuary. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0 percent and the Combined Plan was 6.05 percent during calendar year 2012. The OPERS Board of Trustees is also authorized to established rules for the retiree or their surviving beneficiaries to pay a portion of the health care benefit provided. Payment amounts vary on the number of covered dependents and the coverage selected.

The Township's contributions for health care to the OPERS for the years ending December 31, 2013, 2012, and 2011 were \$973, \$3,859, and \$3,800, respectively, which were equal to the required contributions for each year.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension obligation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

**Mill Township**  
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**Note 10 - Notes Payable**

A summary of the note transactions for the year ended December 31, 2013, follows:

	<u>Outstanding 12/31/2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Outstanding 12/31/2013</u>	<u>Due in One Year</u>
Governmental Activities:					
Lawn Mower Loan	\$32,200	\$0	(\$32,200)	\$0	\$0
	<u>Outstanding 12/31/2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Outstanding 12/31/2012</u>	<u>Due in One Year</u>
Governmental Activities:					
Lawn Mower Loan	\$64,400	\$0	(\$32,200)	\$32,200	\$32,200

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

Mill Township  
Tuscarawas County  
P.O. Box 106  
Dennison, Ohio 44621

To the Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mill Township, Tuscarawas County, (the Township) as of and for the year ended December 31, 2013 and December 31, 2012, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements and have issued our report thereon dated September 29, 2014.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Township's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

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 internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Township's financial statements. A *significant deficiency* is a deficiency, or a 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 2013-001 described in the accompanying schedule of findings to be a material weakness.

***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, opining 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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Varney, Fink & Associates*

VARNEY, FINK & ASSOCIATES, INC.  
Certified Public Accountants

September 29, 2014

MILL TOWNSHIP  
TUSCARAWAS COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2013 AND DECEMBER 31, 2012

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

**FINDING NUMBER 2013-001**

**Material Weakness**

Sound financial reporting is the responsibility of the fiscal officer and the Township Trustees and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

Several audit adjustments moving both receipts and disbursements were made during the audit to accurately reflect account/fund balances. The adjustments ranged from \$110 to \$18,987. Below are descriptions of the errors found during the audit:

1. Cemetery mowing costs charged to Motor Vehicle License Tax Fund that should have been charged to the General Fund.
2. Fire Department costs incorrectly charged to the Gas Tax Fund that should have been charged to the Ambulance and Emergency Medical Services Fund.
3. Homestead and Rollback receipts improperly recorded in the Road and Bridge Fund that should have been recorded in the Ambulance and Emergency Medical Services Fund.
4. Local Government money for another Township was received by Mill Township and recorded in the General Fund.

These adjustments identified during the audit should be reviewed by the fiscal officer to ensure that similar errors are not made in subsequent years. In addition, the Township should adopt policies and procedures, including a final review of the financial statements by the fiscal officer and Board of Trustees to identify and correct errors and omissions.

Management's Response: We did not receive a response from Officials to the Findings reported above.

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# Dave Yost • Auditor of State

**MILL TOWNSHIP**

**TUSCARAWAS 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  
FEBRUARY 3, 2015**