

CEDARVILLE TOWNSHIP

GREENE COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008



Mary Taylor, CPA

Auditor of State

Board of Trustees
Cedarville Township
78 N. Main Street
P. O. Box 13
Cedarville, Ohio 45314

We have reviewed the *Independent Auditors' Report* of Cedarville Township, Greene County, prepared by Manning & Associates CPAs, LLC, for the audit period January 1, 2008 through December 31, 2009. 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. Cedarville Township is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

April 8, 2010

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**CEDARVILLE TOWNSHIP
GREENE COUNTY**

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GREENE COUNTY**

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**MANNING & ASSOCIATES CPAS, LLC
6105 NORTH DIXIE DRIVE
DAYTON, OHIO 45414**

INDEPENDENT AUDITORS' REPORT

Cedarville Township
Greene County
78 North Main Street
Cedarville, Ohio 45314

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund and aggregate remaining fund information of Cedarville Township, Greene County, Ohio, (the Township), as of and for the years ended December 31, 2009 and 2008, which collectively comprised the Township's basic financial statements as listed in the table of contents. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 opinions.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the government activities, each major fund, and the aggregate remaining fund information of Cedarville Township, Greene County, Ohio, as of December 31, 2009 and 2008 and the respective changes in cash financial position and the respective budgetary comparison for the General, Gasoline Tax, Road and Bridge, and Fire District funds for year ended December 31, 2009 and the General, Gasoline Tax, and Fire District funds for year ended December 31, 2008, in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 18, 2010, 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. The purpose of that report is to describe the scope of our testing of internal control over the financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should read it in conjunction with this report in assessing the results of our audit.

Cedarville Township
Greene County
Independent Accountants' Report
Page 2

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and [resenting the required supplementary information. However, we did not audit the information and express no opinion on it.

Manning & Associates CPAs, LLC
Dayton, Ohio

January 18, 2010

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CEDARVILLE TOWNSHIP

GREENE COUNTY

*Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited*

This discussion and analysis of the Cedarville Township's financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2009 and 2008, within the limitations of the Township's 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 2009 are as follows:

Net assets of governmental activities increased \$44,041 or 4.6 percent in 2009. This significant change from the prior year is primarily due to not purchasing any major pieces of equipment in 2009.

The Township's general receipts are primarily property taxes. These receipts represent 55 percent of the total cash received for governmental activities during the year.

Highlights

Key highlights for 2008 are as follows:

Net assets of governmental activities increased \$90,575 or 11.7 percent in 2008. The significant change from the prior year is primarily due to reduced capital outlay purchases during 2008.

The Township's general receipts are primarily property taxes. These receipts represent 55 percent of the total cash received for governmental activities during the year.

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 cash basis of accounting. The statements are organized so the reader can understand the Township as a financial whole, or as an entire operating entity.

Report Components

The statement of net assets 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.

CEDARVILLE TOWNSHIP

GREENE COUNTY

*Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited*

Using the Basic Financial Statements, continued

Basis of Accounting

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

As a result of using the 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 cash basis of accounting.

Reporting the Township as a Whole

The statement of net assets and the statement of activities reflect how the Township did financially during 2009 and 2008, within the limitations of cash basis accounting. The statement of net assets 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 activity. 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 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 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 taxes.

In the statement of net assets and the statement of activities, the Township has one- type of activity:

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.

CEDARVILLE TOWNSHIP

GREENE COUNTY

*Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited*

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. All of the Township's activities are reported as governmental funds.

Governmental Funds - The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides to its residents. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The most significant governmental funds of the Township 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, Gasoline Tax, Road and Bridge, and Fire District Funds for year ended December 31, 2009 and the General, Gasoline Tax, and Fire District Funds for year ended December 31, 2008.

The Township as a Whole

Table 1 provides a summary of the Township's net assets for 2009, 2008, and 2007 on a cash basis:

	<u>Governmental Activities</u>		
	<u>2009</u>	<u>2008</u>	<u>2007</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	<u>\$908,547</u>	<u>\$864,506</u>	<u>\$773,932</u>
Total Assets	<u><u>\$908,547</u></u>	<u><u>\$864,506</u></u>	<u><u>\$773,932</u></u>
Net Assets			
Restricted for:			
Permanent Fund	\$178,948	\$176,734	\$170,546
Other Purposes	421,528	400,476	342,059
Unrestricted	308,071	287,296	261,327
Total Net Assets	<u><u>\$908,547</u></u>	<u><u>\$864,506</u></u>	<u><u>\$773,932</u></u>

As mentioned previously, net assets of governmental activities increased \$40,041 or 4.6 percent during 2009 and \$90,575 or 11.7 percent during 2008. All funds, except for the Fire District Fund, experienced an increase the primary reason was a decrease in expenditures, namely capital outlays. In 2009, the Fire District Fund experienced a decrease due to capital expenditures increasing by approximately \$51,600 for the purchase of a new ambulance.

**CEDARVILLE TOWNSHIP
GREENE COUNTY**

*Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited*

The Township as a Whole, continued

Table 2 reflects the changes in net assets on a cash basis in 2009, 2008, and 2007.

(Table 2)

Changes in Net Assets

	Governmental Activities		
	2009	2008	2007
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$122,179	\$114,494	\$117,307
Operating Grants and Contributions	99,653	97,671	112,192
Total Program Receipts	<u>221,832</u>	<u>212,165</u>	<u>229,499</u>
General Receipts:			
Property and Other Local Taxes	459,059	437,151	416,618
Grants and Entitlements Not Restricted to Specific Programs	116,759	127,572	88,086
Sale of Assets	12,497	0	20,550
Interest	2,604	8,724	24,495
Miscellaneous	24,667	11,180	5,154
Total General Receipts	<u>615,586</u>	<u>584,627</u>	<u>554,903</u>
Total Receipts	<u>837,418</u>	<u>796,792</u>	<u>784,402</u>
Disbursements:			
General Government	184,393	164,459	151,260
Public Safety	310,459	320,745	296,463
Public Works	140,982	102,068	124,478
Health	43,580	60,880	42,960
Capital Outlay	113,963	58,066	50,716
Total Disbursements	<u>793,377</u>	<u>706,218</u>	<u>665,877</u>
Increase (Decrease) in Net Assets	44,041	90,574	118,525
Net Assets, January 1	<u>864,506</u>	<u>773,932</u>	<u>655,407</u>
Net Assets, December 31	<u>\$908,547</u>	<u>\$864,506</u>	<u>\$773,932</u>

Program receipts represent only 27 percent of total receipts for 2009 and 2008, respectively and are primarily comprised of restricted intergovernmental receipts such as charges for emergency rescue services; township levied permissive motor vehicle license tax, charges for cemetery services/burial lots and local public works commission.

CEDARVILLE TOWNSHIP

GREENE COUNTY

*Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited*

The Township as a Whole, continued

General receipts represent 73 percent and 73 percent of the Township's total receipts in both 2009 and 2008, respectively. Property and other local taxes represent 75 percent and 75 percent of general receipts for 2009 and 2008, respectively. Grants and entitlements represent 19 percent and 22 percent of general receipts for 2009 and 2008. Other receipts are 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 Trustees and Fiscal Officer. Public safety disbursements are the costs of fire protection and public works are the costs of maintaining the roads.

Governmental Activities

If you look at the Statement of Activities, 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. The major program disbursements for governmental activities are for general government, public safety, public works, and capital outlay, which account for 23, 39, 18, and 14 percent in 2009, and 23, 45, 14, and 8 percent in 2008, of all governmental disbursements. The next two columns of the Statement entitled Program 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 Receipt (Disbursement) 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					
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2009	2009	2008	2008	2007	2007
General Government	\$184,393	\$169,914	\$164,459	\$149,040	\$151,260	\$137,566
Public safety	310,459	217,959	320,745	231,170	296,463	200,850
Public Works	140,982	41,329	102,068	4,397	124,478	12,286
Health	43,580	28,380	60,880	51,380	42,960	34,960
Capital Outlay	113,963	113,963	58,066	58,066	50,716	50,716
Total Expenses	<u>\$793,377</u>	<u>\$571,545</u>	<u>\$706,218</u>	<u>\$494,053</u>	<u>\$665,877</u>	<u>\$436,378</u>

The dependence upon property tax receipts is apparent as over 72 percent and 70 percent for 2009 and 2008, respectively, of governmental activities are supported through these general receipts.

The Township's Funds

Total governmental funds had receipts of \$837,418 in 2009, and \$796,792 in 2008, and disbursements of \$793,377 in 2009 and \$706,218 in 2008. The changes in the governmental activities indicate that with decreased expenses and increased receipts the net assets have increased \$44,041 and \$90,574 in 2009 and 2008, respectively.

CEDARVILLE TOWNSHIP

GREENE COUNTY

*Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited*

The Township's Funds, continued

In 2009, General Fund receipts were more than disbursements by \$20,775 indicating that the General Fund is in a positive spending situation. In 2008, General Fund receipts were more than disbursements by \$25,969 indicating that the General Fund is in a positive spending situation. It was the recommendation of the administration that they would not be requesting additional funds from the taxpayers. The balance in the General Fund is in good condition, but the Trustees will review spending for the future. Capital expenditures are usually planned and budgeted months in advance.

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.

For 2009 and 2008, the Township amended its budget to reflect changing circumstances. Actual receipts of \$837,418 were over the budgeted amount of \$798,628 for 2009 due to unexpected estate taxes and grants. Actual receipts of \$796,792 were under the budgeted amount of \$803,370 for 2008 due to the unexpected decline in receipts of interest and property taxes. .

Disbursements for 2009 were appropriated at \$1,485,972 while actual disbursements were \$793,377. Disbursements for 2008 were appropriated at \$1,400,789 while actual disbursements were \$706,218. The Township appropriates all available revenues but spends conservatively. The Township keeps a close monitoring on all disbursements to prevent having to request additional funds from taxpayers.

Current Issues

The challenge for all governments 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 Bob Ankeney, Fiscal Officer, Cedarville Township, 78 N. Main Street, Cedarville, Ohio 45314.

**CEDARVILLE TOWNSHIP
GREENE COUNTY**

*Statement of Net Assets - Cash Basis
December 31, 2009*

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ <u>908,547</u>
<i>Total Assets</i>	\$ <u><u>908,547</u></u>
Net Assets	
Restricted for:	
Permanent Fund	\$ 178,948
Other Purposes	421,528
Unrestricted	<u>308,071</u>
<i>Total Net Assets</i>	\$ <u><u>908,547</u></u>

See accompanying notes to the basic financial statements

**CEDARVILLE TOWNSHIP
GREENE COUNTY**

*Statement of Activities - Cash Basis
For the Year Ended December 31, 2009*

		Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
General Government	\$ 184,393	\$ 14,479	\$ 0	\$ (169,914)
Public Safety	310,459	92,500	0	(217,959)
Public Works	140,982	0	99,653	(41,329)
Health	43,580	15,200	0	(28,380)
Capital Outlay	113,963	0	0	(113,963)
<i>Total Governmental Activities</i>	\$ 793,377	\$ 122,179	\$ 99,653	\$ (571,545)

General Receipts

Property Taxes	\$ 459,059
Grants and Entitlements not Restricted to Specific Programs	116,759
Earnings on Investments	2,604
Sales of Assets	12,497
Miscellaneous	24,667
	615,586
<i>Total General Receipts</i>	615,586
Change in Net Assets	44,041
<i>Net Assets Beginning of Year</i>	864,506
<i>Net Assets End of Year</i>	\$ 908,547

See accompanying notes to the basic financial statements

**CEDARVILLE TOWNSHIP
GREENE COUNTY**

*Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2009*

	<u>General</u>	<u>Gasoline Tax</u>	<u>Road and Bridge</u>	<u>Fire District</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets						
Equity in Pooled Cash and Cash Equivalents	\$ 308,071	\$ 173,796	\$ 117,044	\$ 69,771	\$ 239,865	\$ 908,547
<i>Total Assets</i>	<u>\$ 308,071</u>	<u>\$ 173,796</u>	<u>\$ 117,044</u>	<u>\$ 69,771</u>	<u>\$ 239,865</u>	<u>\$ 908,547</u>
Fund Balances						
Unreserved:						
Undesignated (Deficit), Reported in:						
General Fund	\$ 308,071	\$ 0	\$ 0	\$ 0	\$ 0	\$ 308,071
Special Revenue Funds	0	173,796	117,044	69,771	60,917	421,528
Permanent Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>178,948</u>	<u>178,948</u>
<i>Total Fund Balances</i>	<u>\$ 308,071</u>	<u>\$ 173,796</u>	<u>\$ 117,044</u>	<u>\$ 69,771</u>	<u>\$ 239,865</u>	<u>\$ 908,547</u>

See accompanying notes to the basic financial statements

**CEDARVILLE TOWNSHIP
GREENE COUNTY**

*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2009*

	General	Gasoline Tax	Road and Bridge	Fire District	Other Governmental Funds	Total Governmental Funds
Receipts						
Property and Other Local Taxes	\$ 143,581	\$ 0	\$ 66,329	\$ 249,149	\$ 0	\$ 459,059
Charges for Services	0	0	0	92,500	0	92,500
Licenses, Permits and Fees	14,479	0	0	0	0	14,479
Intergovernmental	84,266	93,429	3,757	6,550	28,410	216,412
Earnings on Investments	292	94	0	0	2,218	2,604
Miscellaneous	10,420	0	0	14,247	15,200	39,867
<i>Total Receipts</i>	<u>\$ 253,038</u>	<u>\$ 93,523</u>	<u>\$ 70,086</u>	<u>\$ 362,446</u>	<u>\$ 45,828</u>	<u>\$ 824,921</u>
Disbursements						
Current:						
General Government	\$ 184,393	\$ 0	\$ 0	\$ 0	\$ 0	\$ 184,393
Public Safety	0	0	0	294,873	15,586	310,459
Public Works	0	92,681	33,389	0	14,912	140,982
Health	43,580	0	0	0	0	43,580
Capital Outlay	4,290	0	0	109,673	0	113,963
<i>Total Disbursements</i>	<u>\$ 232,263</u>	<u>\$ 92,681</u>	<u>\$ 33,389</u>	<u>\$ 404,546</u>	<u>\$ 30,498</u>	<u>\$ 793,377</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>20,775</u>	<u>842</u>	<u>36,697</u>	<u>(42,100)</u>	<u>15,330</u>	<u>31,544</u>
Other Financing Sources						
Sale of Assets	0	0	0	12,497	0	12,497
<i>Total Other Financing Sources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>12,497</u>	<u>0</u>	<u>12,497</u>
<i>Net Change in Fund Balances</i>	20,775	842	36,697	(29,603)	15,330	44,041
<i>Fund Balances Beginning of Year</i>	<u>287,296</u>	<u>172,954</u>	<u>80,347</u>	<u>99,374</u>	<u>224,535</u>	<u>864,506</u>
<i>Fund Balances End of Year</i>	<u><u>\$ 308,071</u></u>	<u><u>\$ 173,796</u></u>	<u><u>\$ 117,044</u></u>	<u><u>\$ 69,771</u></u>	<u><u>\$ 239,865</u></u>	<u><u>\$ 908,547</u></u>

See accompanying notes to the basic financial statements

**CEDARVILLE TOWNSHIP
GREENE COUNTY**

*Statement of Receipts, Disbursements and Changes
In Fund Balances - Budget and Actual - Budget Basis*

General Fund

For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Positive (Negative)
Receipts				
Property and Other Local Taxes	\$ 136,000	\$ 143,933	\$ 143,581	\$ (352)
Licenses, Permits, and Fees	15,000	15,000	14,479	(521)
Intergovernmental	77,000	77,000	84,266	7,266
Earnings on Investments	2,000	2,000	292	(1,708)
Other	5,000	5,000	10,420	5,420
<i>Total receipts</i>	<u>\$ 235,000</u>	<u>\$ 242,933</u>	<u>\$ 253,038</u>	<u>\$ 10,105</u>
Disbursements				
Current:				
General Government	\$ 353,796	\$ 360,729	\$ 184,393	\$ 176,336
Public Safety	60,000	60,000	0	60,000
Public Works	50,000	50,000	0	50,000
Health	51,500	52,500	43,580	8,920
Capital Outlay	5,000	5,000	4,290	710
<i>Total Disbursements</i>	<u>\$ 520,296</u>	<u>\$ 528,229</u>	<u>\$ 232,263</u>	<u>\$ 295,966</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(285,296)</u>	<u>(285,296)</u>	<u>20,775</u>	<u>306,071</u>
Other Financing Sources				
Other Financing Uses	<u>(2,000)</u>	<u>(2,000)</u>	<u>0</u>	<u>2,000</u>
<i>Net Change in Fund Balance</i>	<u>(287,296)</u>	<u>(287,296)</u>	<u>20,775</u>	<u>308,071</u>
<i>Fund Balance Beginning of Year</i>	<u>287,296</u>	<u>287,296</u>	<u>287,296</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 308,071</u></u>	<u><u>\$ 308,071</u></u>

See accompanying notes to the basic financial statements

**CEDARVILLE TOWNSHIP
GREENE COUNTY**

*Statement of Receipts, Disbursements and Changes
In Fund Balances - Budget and Actual - Budget Basis*

Gasoline Tax

For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Intergovernmental	\$ 89,500	\$ 96,099	\$ 93,429	\$ (2,670)
Earnings on Investments	500	500	94	(406)
<i>Total receipts</i>	<u>\$ 90,000</u>	<u>\$ 96,599</u>	<u>\$ 93,523</u>	<u>\$ (3,076)</u>
Disbursements				
Current:				
Public Works	\$ 262,954	\$ 262,954	\$ 92,681	\$ 170,273
<i>Total Disbursements</i>	<u>\$ 262,954</u>	<u>\$ 262,954</u>	<u>\$ 92,681</u>	<u>\$ 170,273</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(172,954)</u>	<u>(166,355)</u>	<u>842</u>	<u>167,197</u>
<i>Net Change in Fund Balance</i>	(172,954)	(166,355)	842	167,197
<i>Fund Balance Beginning of Year</i>	<u>172,954</u>	<u>172,954</u>	<u>172,954</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 6,599</u>	<u>\$ 173,796</u>	<u>\$ 167,197</u>

See accompanying notes to the basic financial statements

**CEDARVILLE TOWNSHIP
GREENE COUNTY**

*Statement of Receipts, Disbursements and Changes
In Fund Balances - Budget and Actual - Budget Basis*

Road and Bridge

For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$ 53,242	\$ 61,245	\$ 66,329	\$ 5,084
Intergovernmental	6,758	6,758	3,757	(3,001)
<i>Total receipts</i>	<u>\$ 60,000</u>	<u>\$ 68,003</u>	<u>\$ 70,086</u>	<u>\$ 2,083</u>
Disbursements				
Current:				
Public Works	\$ 140,347	\$ 140,347	\$ 33,389	\$ 106,958
<i>Total Disbursements</i>	<u>\$ 140,347</u>	<u>\$ 140,347</u>	<u>\$ 33,389</u>	<u>\$ 106,958</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(80,347)</u>	<u>(72,344)</u>	<u>36,697</u>	<u>109,041</u>
<i>Net Change in Fund Balance</i>	(80,347)	(72,344)	36,697	109,041
<i>Fund Balance Beginning of Year</i>	<u>80,347</u>	<u>80,347</u>	<u>80,347</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 8,003</u>	<u>\$ 117,044</u>	<u>\$ 109,041</u>

See accompanying notes to the basic financial statements

**CEDARVILLE TOWNSHIP
GREENE COUNTY**

*Statement of Receipts, Disbursements and Changes
In Fund Balances - Budget and Actual - Budget Basis*

Fire District

For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 237,000	\$ 243,781	\$ 249,149	\$ 5,368
Charges for Services	89,000	89,000	92,500	3,500
Intergovernmental	16,500	16,500	6,550	(9,950)
Miscellaneous	<u>7,500</u>	<u>7,500</u>	<u>14,247</u>	<u>6,747</u>
<i>Total receipts</i>	<u>\$ 350,000</u>	<u>\$ 356,781</u>	<u>\$ 362,446</u>	<u>\$ 5,665</u>
Disbursements				
Current:				
Public Safety	\$ 335,850	\$ 335,850	\$ 294,873	\$ 40,977
Capital Outlay	<u>113,524</u>	<u>113,524</u>	<u>109,673</u>	<u>3,851</u>
<i>Total Disbursements</i>	<u>\$ 449,374</u>	<u>\$ 449,374</u>	<u>\$ 404,546</u>	<u>\$ 44,828</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(99,374)</u>	<u>(92,593)</u>	<u>(42,100)</u>	<u>50,493</u>
Other Financing Sources				
Sale of Assets	<u>0</u>	<u>0</u>	<u>12,497</u>	<u>12,497</u>
<i>Net Change in Fund Balance</i>	(99,374)	(92,593)	(29,603)	62,990
<i>Fund Balance Beginning of Year</i>	<u>99,374</u>	<u>99,374</u>	<u>99,374</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 0</u></u>	<u><u>\$ 6,781</u></u>	<u><u>\$ 69,771</u></u>	<u><u>\$ 62,990</u></u>

See accompanying notes to the basic financial statements

CEDARVILLE TOWNSHIP
GREENE COUNTY
Statement of Net Assets - Cash Basis
December 31, 2008

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ <u>864,506</u>
<i>Total Assets</i>	\$ <u><u>864,506</u></u>
Net Assets	
Restricted for:	
Permanent Fund	\$ 176,734
Other Purposes	400,476
Unrestricted	<u>287,296</u>
<i>Total Net Assets</i>	\$ <u><u>864,506</u></u>

See accompanying notes to the basic financial statements

**CEDARVILLE TOWNSHIP
GREENE COUNTY**

*Statement of Activities - Cash Basis
For the Year Ended December 31, 2008*

		<u>Program Cash Receipts</u>		<u>Net (Disbursements) Receipts and Changes in Net Assets</u>
	<u>Cash Disbursements</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities				
Permanent Fund	\$ 164,459	\$ 15,419	\$ 0	(149,040)
Public Safety	320,745	89,575	0	(231,170)
Public Works	102,068	0	97,671	(4,397)
Health	60,880	9,500	0	(51,380)
Capital Outlay	58,066	0	0	(58,066)
<i>Total Governmental Activities</i>	<u>\$ 706,218</u>	<u>\$ 114,494</u>	<u>\$ 97,671</u>	<u>(494,053)</u>
 General Receipts				
Property Taxes			\$	437,151
Grants and Entitlements not Restricted to Specific Programs				127,572
Earnings on Investments				8,724
Miscellaneous				11,180
<i>Total General Receipts</i>				584,627
Change in Net Assets				90,574
<i>Net Assets Beginning of Year</i>				<u>773,932</u>
<i>Net Assets End of Year</i>			\$	<u><u>864,506</u></u>

See accompanying notes to the basic financial statements

**CEDARVILLE TOWNSHIP
GREENE COUNTY**

*Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2008*

	<u>General</u>	<u>Gasoline Tax</u>	<u>Fire District</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Cash	\$ 287,296	\$ 172,954	\$ 99,374	\$ 304,882	\$ 864,506
<i>Total Assets</i>	<u>\$ 287,296</u>	<u>\$ 172,954</u>	<u>\$ 99,374</u>	<u>\$ 304,882</u>	<u>\$ 864,506</u>
Permanent Fund					
Unreserved:					
Undesignated (Deficit), Reported in:					
General Fund	287,296	0	0	0	287,296
Special Revenue Funds	0	172,954	99,374	128,148	400,476
Permanent Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>176,734</u>	<u>176,734</u>
<i>Total Fund Balances</i>	<u>\$ 287,296</u>	<u>\$ 172,954</u>	<u>\$ 99,374</u>	<u>\$ 304,882</u>	<u>\$ 864,506</u>

See accompanying notes to the basic financial statements

**CEDARVILLE TOWNSHIP
GREENE COUNTY**

*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds*

For the Year Ended December 31, 2008

	General	Gasoline Tax	Fire District	Other Governmental Funds	Total Governmental Funds
Receipts					
Property and Other Local Taxes	\$ 136,610	\$ 0	\$ 242,906	\$ 57,635	\$ 437,151
Charges for Services	0	0	89,575	0	89,575
Licenses, Permits and Fees	15,419	0	0	0	15,419
Intergovernmental	104,754	84,613	15,747	20,129	225,243
Earnings on Investments	2,068	447	0	6,209	8,724
Permanent Fund	2,025	0	9,155	9,500	20,680
<i>Total Receipts</i>	\$ 260,876	\$ 85,060	\$ 357,383	\$ 93,473	\$ 796,792
Disbursements					
Current:					
General Government	\$ 164,459	\$ 0	\$ 0	\$ 0	\$ 164,459
Public Safety	29,844	0	290,901	0	320,745
Public Works	0	45,929	0	56,139	102,068
Health	40,514	0	0	20,366	60,880
Capital Outlay	90	0	57,976	0	58,066
<i>Total Disbursements</i>	234,907	45,929	348,877	76,505	706,218
<i>Excess of Receipts Over (Under) Disbursements</i>	25,969	39,131	8,506	16,968	90,574
<i>Net Change in Fund Balances</i>	25,969	39,131	8,506	16,968	90,574
<i>Fund Balances Beginning of Year</i>	261,327	133,823	90,868	287,914	773,932
<i>Fund Balances End of Year</i>	\$ 287,296	\$ 172,954	\$ 99,374	\$ 304,882	\$ 864,506

See accompanying notes to the basic financial statements

**CEDARVILLE TOWNSHIP
GREENE COUNTY**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis*

General Fund

For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 130,500	\$ 130,500	\$ 136,610	\$ 6,110
Licenses, Permits, and Fees	14,000	14,000	15,419	1,419
Intergovernmental	66,500	79,650	104,754	25,104
Permanent Fund	16,403	16,403	2,068	(14,335)
Miscellaneous	5,000	5,000	2,025	(2,975)
<i>Total receipts</i>	<u>\$ 232,403</u>	<u>\$ 245,553</u>	<u>\$ 260,876</u>	<u>\$ 15,323</u>
Disbursements				
Current:				
General Government	\$ 322,230	\$ 322,430	\$ 164,459	\$ 157,971
Public Safety	60,000	60,000	29,844	30,156
Public Works	50,000	50,000	0	50,000
Health	49,500	49,500	40,514	8,986
Capital Outlay	10,000	9,800	90	9,710
<i>Total Disbursements</i>	<u>\$ 491,730</u>	<u>\$ 491,730</u>	<u>\$ 234,907</u>	<u>\$ 256,823</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(259,327)</u>	<u>(246,177)</u>	<u>25,969</u>	<u>272,146</u>
Other Financing Uses	<u>(2,000)</u>	<u>(2,000)</u>	<u>0</u>	<u>2,000</u>
<i>Net Change in Fund Balance</i>	(261,327)	(248,177)	25,969	274,146
<i>Fund Balance Beginning of Year</i>	<u>261,327</u>	<u>261,327</u>	<u>261,327</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 0</u></u>	<u><u>\$ 13,150</u></u>	<u><u>\$ 287,296</u></u>	<u><u>\$ 274,146</u></u>

See accompanying notes to the basic financial statements

**CEDARVILLE TOWNSHIP
GREENE COUNTY**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Gasoline Tax*

For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Intergovernmental	\$ 86,500	\$ 86,500	\$ 84,613	\$ (1,887)
Earnings on Investments	<u>3,500</u>	<u>3,500</u>	<u>447</u>	<u>(3,053)</u>
<i>Permanent Fund</i>	\$ <u>90,000</u>	\$ <u>90,000</u>	\$ <u>85,060</u>	\$ <u>(4,940)</u>
Disbursements				
Current:				
Public Works	\$ <u>223,823</u>	\$ <u>223,823</u>	\$ <u>45,929</u>	\$ <u>177,894</u>
<i>Total Disbursements</i>	<u>223,823</u>	<u>223,823</u>	<u>45,929</u>	<u>177,894</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(133,823)</u>	<u>(133,823)</u>	<u>39,131</u>	<u>172,954</u>
<i>Net Change in Fund Balance</i>	(133,823)	(133,823)	39,131	172,954
<i>Fund Balance Beginning of Year</i>	<u>133,823</u>	<u>133,823</u>	<u>133,823</u>	<u>0</u>
<i>Fund Balance End of Year</i>	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>	\$ <u><u>172,954</u></u>	\$ <u><u>172,954</u></u>

See accompanying notes to the basic financial statements

**CEDARVILLE TOWNSHIP
GREENE COUNTY**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis*

Fire District

For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 231,000	\$ 253,980	\$ 242,906	\$ (11,074)
Charges for Services	94,000	94,000	89,575	(4,425)
Intergovernmental	20,000	20,000	15,747	(4,253)
Permanent Fund	<u>5,000</u>	<u>5,000</u>	<u>9,155</u>	<u>4,155</u>
<i>Total receipts</i>	<u>\$ 350,000</u>	<u>\$ 372,980</u>	<u>\$ 357,383</u>	<u>\$ (15,597)</u>
Disbursements				
Current:				
Public Safety	\$ 342,200	\$ 342,220	\$ 290,901	\$ 51,319
Capital Outlay	<u>98,668</u>	<u>98,648</u>	<u>57,976</u>	<u>40,672</u>
<i>Total Disbursements</i>	<u>440,868</u>	<u>440,868</u>	<u>348,877</u>	<u>91,991</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(90,868)</u>	<u>(67,888)</u>	<u>8,506</u>	<u>76,394</u>
<i>Net Change in Fund Balance</i>	(90,868)	(67,888)	8,506	76,394
<i>Fund Balance Beginning of Year</i>	<u>90,868</u>	<u>90,868</u>	<u>90,868</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 0</u></u>	<u><u>\$ 22,980</u></u>	<u><u>\$ 99,374</u></u>	<u><u>\$ 76,394</u></u>

See accompanying notes to the basic financial statements

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CEDARVILLE TOWNSHIP
GREENE COUNTY

Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 1 – Reporting Entity

Cedarville Township, Greene 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, component units and other organizations that were included to ensure that the financial statements are not misleading.

A. 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 Cedarville Fireman's Association for fire protection. Police protection is provided by the Greene County Sherriff's Department.

B. 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. The Township is also financially accountable for any organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Township, are accessible to the Township and are significant in amount to the Township.

The Township has no component units.

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

C. Joint Ventures, Jointly Governed Organizations, and Public Entity Risk Pools

A joint venture is a legal entity or other organization that results from a contractual arrangement and is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. Under the cash basis of accounting, the Township does not report assets for equity interests in joint ventures.

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA) public entity risk pool. Note 6 to the financial statements provides additional information for this entity.

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

CEDARVILLE TOWNSHIP
GREENE COUNTY

Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This 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 cash basis of accounting. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The Township does not apply FASB statements issued after November 30, 1989, to its business-type activities and to its enterprise funds. Following are the more significant of the Township's accounting policies.

A. Basis of Presentation

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

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Township as a whole. These statements include all financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

The statement of net assets 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 each of 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 is 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 is self-financing on a 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.

CEDARVILLE TOWNSHIP
GREENE COUNTY

Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 2 – Summary of Significant Accounting Policies, continued

B. 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. All funds of the Township are governmental.

Governmental Funds

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

General Fund - The General Fund is used to account for all financial resources, except those required to be accounted for 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 – receives gasoline tax money for constructing, maintaining and repairing Township roads.

Road and Bridge Fund – receives property tax money to pay for constructing, maintaining and repairing Township roads.

Fire District – is used to account for all receipts of property taxes and other revenues enabling the Township to provide fire protection services.

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

C. Basis of Accounting

The Township's financial statements are prepared using the 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 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.

**CEDARVILLE TOWNSHIP
GREENE COUNTY**

*Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008*

Note 2 – Summary of Significant Accounting Policies, continued

D. 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 appropriation resolution 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.

E. Cash and Investments

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 and investments of the cash management pool 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.

During 2009 and 2008, the Township invested in nonnegotiable certificates of deposit, a sweep account, and passbook savings. The nonnegotiable certificates of deposits are reported at cost.

Interest earnings are allocated to Township funds according to state statutes. Interest receipts credited to the General Fund was \$292 and \$1,665 in 2009 and 2008, respectively.

CEDARVILLE TOWNSHIP

GREENE COUNTY

Notes to the Financial Statements

For the Years Ended December 31, 2009 and 2008

Note 2 – Summary of Significant Accounting Policies, continued

F. Restricted Assets

Cash, cash equivalents, and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation.

G. 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.

H. 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.

I. 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 cash basis of accounting.

J. 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 9 and 10, the employer contributions include portions for pension benefits and for postretirement health care benefits.

K. Net Assets

Net assets are reported as restricted when there are limitations on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Restricted assets represent the Cemetery Bequest fund, which includes assets from individuals for maintaining cemetery plots.

The Township first applies restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

L. Fund Balance Reserves

The Township had no reserves in 2009 or 2008.

CEDARVILLE TOWNSHIP

GREENE COUNTY

Notes to the Financial Statements

For the Years Ended December 31, 2009 and 2008

Note 2 – Summary of Significant Accounting Policies, continued

M. Interfund Transactions

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.

The Township had no interfund transactions in 2009 or 2008.

Note 3 – 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 Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund, Gasoline Fund, and Fire District Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). There were no encumbrances outstanding at years ended 2009 and 2008.

Note 4 – Compliance

Budgetary

Ohio Rev. Code Section 5705.36 requires all subdivision to request reduced amended certificates upon determination that revenue will be less than the official certificate of estimated resources. Contrary to Ohio law, estimated receipts exceeded actual receipts in 2009 in the Motor Vehicle License and the Permissive Motor Vehicle License funds by \$318 and \$55, respectively. In 2008, the Motor Vehicle License, Gasoline Tax, Road and Bridge, Cemetery, Fire District, and Permissive Motor Vehicle License funds by \$878, \$4,940, \$2,534, \$500, \$15,597, and \$43, respectively.

Other

Ohio Rev. Code Section 5705.41 (D) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. Contrary to Ohio law, the fiscal officer did not properly appropriate all contracts or expenditures entered into by the Township for 2009 or 2008.

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.

CEDARVILLE TOWNSHIP

GREENE COUNTY

Notes to the Financial Statements

For the Years Ended December 31, 2009 and 2008

Note 5– Deposits and Investments, continued

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
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 2 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).

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. Investments may only be made through specified dealers and institutions.

CEDARVILLE TOWNSHIP
GREENE COUNTY

Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 5– Deposits and Investments, continued

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, 2009, the carrying amounts of the Township's deposits were \$908,547 and the bank balance was \$946,336. Of the bank balance, \$386,306 was covered by federal depository insurance corporation and \$560,030 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, 2008, the carrying amounts of the Township's deposits were \$864,506 and the bank balance was \$889,739. Of the bank balance \$384,610 was covered by federal depository insurance corporation and \$505,129 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.

Note 6 – Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2009 represent the collection of 2008 taxes. Real property taxes received in 2009 were levied after October 1, 2008 on the assessed values as of January 1, 2008, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2009 represent the collection of 2008 taxes. Public utility real and tangible personal property taxes received in 2009 became a lien on December 31, 2008, were levied after October 1, 2008, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

In prior years, tangible personal property used in business (except for public utilities) was assessed for ad valorem taxation purposes at twenty-five percent of its true value. As part of the phase out of the personal property tax, the assessment percentage of personal property was reduced to 6.25% for 2008. The tax was entirely phased out in 2009. Amounts paid by multi-county taxpayers are due September 20th of the year assessed. Single county taxpayers may pay annually or semi-annually the first payment due April 30th, the remainder payable by September 30th.

CEDARVILLE TOWNSHIP
GREENE COUNTY

Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 6 – Property Taxes, continued

The full tax rate for all Township operations for the years ended December 31, 2009 and 2008 was \$9.90 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2009 and 2008 property tax receipts were based are as follows:

	2009	2008
Real Property		
Residential & Agricultural	\$39,683,250	\$39,245,530
Commercial/Industrial/Mineral	567,820	567,820
Public Utility Property		
Personal	3,511,990	3,306,840
Tangible Personal Property	85,420	816,300
Total Assessed Value	<u>\$43,848,480</u>	<u>\$43,936,490</u>

Note 7– Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

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.

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

Casualty Coverage

For occurrences prior to January 1, 2006, OTARMA retains casualty risks up to \$250,000 per claim, including loss adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, and provides up to \$1,750,000 per claim and \$10,000,000 in aggregate per year. For occurrences on or after January 1, 2006, OTARMA retains casualty risk up to \$350,000 per claim, including loss adjustment expenses. OTARMA pays a percentage of its contribution to APEEP. APEEP reinsures claim exceeding \$350,000, and provides up to \$2,650,000 per claim and \$10,000,000 in aggregate per year.

If losses exhaust OTARMA's retained earnings, APEEP covers OTARMA losses up to \$5,000,000 per year, subject to an aggregate of \$10,000,000. Governments can elect additional coverage, from \$3,000,000 to \$13,000,000, General Reinsurance Corporation.

CEDARVILLE TOWNSHIP
GREENE COUNTY

Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 7– Risk Management, continued

Property Coverage

Travelers reinsures specific losses exceeding \$250,000, and provides up to \$600,000,000 per occurrence. APEEP reinsures members for a specific loss exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined OTARMA members' total insurable values. If the stop loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600,000,000 per occurrence limit.

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

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

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2008 and 2007 (the latest information available):

	<u>2008</u>	<u>2007</u>
Assets	\$40,737,740	\$43,210,703
Liabilities	<u>(12,981,818)</u>	<u>(13,357,837)</u>
Retained earnings	<u>\$27,755,922</u>	<u>\$29,852,866</u>

At December 31, 2008 and 2007, respectively, casualty coverage liabilities noted above include approximately \$10.9 million and \$11.6 million of estimated incurred claims payable. The Casualty Coverage assets and retained earnings above also include approximately \$10.9 million and \$11.6 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2008 and 2007, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township's share of these unpaid claims collectible in future years is approximately \$30,470. This payable includes the subsequent year's contribution due if the Township terminates participation, as described in the last paragraph below.

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

<u>Year</u>	<u>Contribution</u>
2009	\$15,235
2008	\$15,535
2007	\$17,422

CEDARVILLE TOWNSHIP
GREENE COUNTY

Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 7– Risk Management, continued

After completing one year of membership, members may withdraw on each anniversary of the date they joined OTARMA provided they provide written notice to OTARMA 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year’s budgetary contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

Note 8 – Leases

In 2006, the Township entered into a lease agreement with Ohio Township Association Master Leasing Program for the lease of a ladder truck refurbish for a term of four years at 4.660% coupon rate, payments are due semi-annual. In 2009, the Township entered into a lease agreement with Ohio Township Association Master Leasing Program for the lease of a 2008 Horton 553 Type 3 Ambulance for a term of five years at 4.650%

Future lease payments for the above leases are as follows:

Year Ending December 31:	Amount
2010	58,967
2011	27,011
2012	27,011
2013	27,011
Total Minimum Lease Payments	<u>\$140,000</u>
Less amount representing interest	<u>12,903</u>
Present Value Minimum Lease Payments	<u><u>\$127,097</u></u>

Note 9 – Defined Benefit Pension Plan

A. Ohio Public Employees Retirement System

The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.

The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

**CEDARVILLE TOWNSHIP
GREENE COUNTY**

*Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008*

Note 9 – Defined Benefit Pension Plan, continued

A. Ohio Public Employees Retirement System, continued

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 that may be obtained 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 the years ended December 31, 2009 and December 31, 2008 members in state and local classifications contributed 10.0 percent of covered payroll. The Township's contribution rate for 2009 and 2008 was 14 percent of covered payroll. State statute sets a maximum contribution rate of the Township of 14 percent.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2009, 2008 and 2007 were \$12,633, \$12,349 and \$14,525, respectively. The full amount has been contributed for 2009, 2008, and 2007.

B. Ohio Police and Fire Pension Fund

Plan Description - The Township contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations. The Township's contribution was 19.5 percent for police officers. Contribution rates are established by State statute. For 2009 and 2008, a portion of the Township's contribution equal to 7.75 percent of covered payroll was allocated to fund the postemployment healthcare plan. The Township's required contributions to OP&F for the years ended December 31, 2009, 2008, and 2007 were \$24,139, \$22,917, and \$21,840. The full amount has been contributed for 2009, 2008, and 2007.

Note 10 – Postemployment Benefits

A. Ohio Public Employees Retirement System

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.

The Ohio Public Employees Retirement System (OPERS) maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan. For qualifying members of the Traditional Pension and Combined Plans, this plan includes a medical plan, prescription drug program, and Medicare Part B premium reimbursement. Those belonging to the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

CEDARVILLE TOWNSHIP

GREENE COUNTY

Notes to the Financial Statements

For the Years Ended December 31, 2009 and 2008

Note 10 – Postemployment Benefits, (continued)

A. Ohio Public Employees Retirement System, continued

In order to qualify for post-employment health care coverage, age-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 benefit recipients is available. The healthcare 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 OPEN benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

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 benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2009 and 2008, local government employer units contributed at 14 percent and 14 percent of covered payroll, respectively. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units. 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, OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. For 2008 through March 31, 2009, the employer contribution allocated to the health care plan was 7.0 percent and 5.5 percent from April 1 through December 31, 2009, respectively, of covered payroll. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and coverage selected.

The Township's contributions to OPERS to fund postemployment healthcare benefits for the years ended December 31, 2009, 2008, and 2007 were \$5,302, \$4,968, and \$9,586 respectively; 100 percent has been contributed for 2009, 2008, and 2007.

The OPERS Retirement Board adopted the Health Care Preservation Plan (HCPP) on September 9, 2004, was effective on January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008 which allowed additional funds to be allocated to the healthcare plan.

B. Ohio Police and Fire Pension Fund

The Township contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost-sharing multiple employer defined postemployment health care plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependants.

CEDARVILLE TOWNSHIP

GREENE COUNTY

Notes to the Financial Statements

For the Years Ended December 31, 2009 and 2008

Note 10 – Postemployment Benefits, (continued)

B. Ohio Police and Fire Pension Fund, continued

OP&F provides access to post-employment health care coverage for any person who receives or eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. The healthcare coverage provided by OP&F meets the definition of an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45.

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits are codified in Chapter 742 of the Ohio Revised Code.

The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at the rate expressed as percentages of the payroll of active pension plan members, currently 19.50 percent of covered payroll for police employers. The Ohio Revised Code states that the employer contribution may not exceed 19.50 percent of the covered payroll for police employer units. Active members do not make contributions to the OPEB plan.

OP&F maintains funds for health care in two separate accounts: One for health care benefits under IRS Code Section 115 trust and the other for Medicare Part B reimbursements administered under the Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the years ended December 31, 2009 and December 31, 2008, the employer contribution allocated to the health care plan was 8.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Section 115 and 401(h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the healthcare plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Township's contributions to OP&F to fund postemployment healthcare benefits for the years ended December 31, 2009, 2008, and 2007 were \$6,758, \$6,439, and \$6,115, respectively; 100 percent has been contributed for 2009, 2008, and 2007.

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MANNING & ASSOCIATES CPAS, LLC
6105 NORTH DIXIE DRIVE
DAYTON, OHIO 45414

**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***

Cedarville Township
Greene County
78 North Main Street
Cedarville, Ohio 45314

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cedarville Township, Greene County, Ohio (the Township), as of and for the years ended December 31, 2009 and 2008, which collectively comprise the Township's basic financial statements and have issued our report thereon dated January 18, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider finding 2009-003 described in the accompanying schedule of findings to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed testes of its compliance with certain provisions of laws, regulations, contracts and grants agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters that we must report under *Government Auditing Standards*, and which are described in the accompanying schedule of findings as items 2009-001 and 2009-002.

We noted certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated January 18, 2010.

The Township's responses to the finding identified in our audit are described in the accompanying schedule of findings. We did not audit the Township's responses and, accordingly, we express no opinion on them.

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

Manning & Associates CPAs, LLC
Dayton, Ohio

January 18, 2010

**CEDARVILLE TOWNSHIP
GREENE COUNTY**

Schedule of Findings

For the Years Ended December 31, 2009 and 2008

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

FINDING NUMBER 2009-001

Ohio Rev. Code Section 5705.36 (A)(2) allows subdivisions to request increased amended certificates of estimated resources and reduced amended certificates upon determination by the fiscal officer that revenue to be collected will be greater or less than the amount in the official certificate of estimated resources. An increased amended certificate must be obtained from the budget commission if the legislative authority intends to appropriate and expend the excess revenue. A reduced amended certificate must be obtained if the amount of the deficiency will reduce available resources below the current level of appropriation.

The Township did not obtain an amended certificate of estimated resources for the following fund that had actual revenues less than estimated revenues.

Estimated resources exceeded actual receipts in the following funds:

Fund	Estimated Receipts	Actual Receipts	Variance
2009			
Motor Vehicle License	\$ 7,200	\$ 6,882	\$ (318)
Permissive Motor Vehicle License	6,000	5,945	(55)
2008			
Motor Vehicle License	\$ 8,000	\$ 7,122	\$ (878)
Gasoline Tax	90,000	85,060	(4,940)
Road & Bridge	67,240	64,706	(2,534)
Cemetery	10,000	9,500	(500)
Fire District	372,980	357,383	(15,597)
Permissive Motor Vehicle License	6,000	5,957	(43)

Failure to amend the certificate of estimated resources when actual revenue is less than expected (estimated) revenue could result in the Township incurring expenditures in excess of actual available resources.

In addition, budgetary information on the Township's computer records did not agree with the information filed with the County Auditor in both 2009 and 2008. Failure to record the budgetary data accurately presents an inaccurate comparison of the budgetary activity and can mislead those using the annual financial report.

Failure to provide accurate and complete financial information limits management's resources for decision making and can provide a false perception of the Township's financial position. Failure to accurately prepare and reconcile the accounting records reduces the Trustees ability to monitor financial activity, increases the likelihood that monies will be misappropriated and go detected and increases the likelihood that the Township's financial statements will be misstated.

Response: Fiscal Officer will monitor budgetary compliance more closely in the future, and utilize the UAN system for budgetary reporting.

**CEDARVILLE TOWNSHIP
GREENE COUNTY**

Schedule of Findings

For the Years Ended December 31, 2009 and 2008

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2009-002

Ohio Rev. Code Section 5705.41 (D) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41 (D)(1) and 5705.41 (D)(3), respectively, of the Ohio Revised Code.

- 1. "Then and Now" certificate** – If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Township can authorize the drawing of a warrant for the payment of the amount due. The Township has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval or expenditures by the Township.

- 2. Blanket certificate** – Fiscal officers may prepare "blanket" certificates not exceeding \$5,000 (an amount established by resolution or ordinance adopted by the legislative authority) not to extend beyond the current year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
- 3. Super blanket certificate** – The Township may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any one line item appropriation.

**CEDARVILLE TOWNSHIP
GREENE COUNTY**

Schedule of Findings

For the Years Ended December 31, 2009 and 2008

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2009-002, continued

Unless the exception noted above is used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Township's funds exceeding budgetary spending limitations, we recommend that the Township's Fiscal Officer certify that the funds are or will be available prior to the obligation by the Township. When prior certification is not possible, "then and now" certification should be used.

The Township failed to properly certify 34 percent of expenditures tested in 2009 and 31 percent of expenditures tested in 2008. The corresponding purchase orders for these expenses were issued after the incurrence of the expense without being certified as "then and now." Failure to properly certify the availability of funds can result in overspending available funds and negative cash fund balances.

Effort should be made by the Township to properly utilize the encumbrance method of accounting by certifying the availability of funds on properly approved purchase orders.

We recommend that Township obtain a proper and approved purchase order, including amounts, which contain the Fiscal Officer's certification indicated by a signature that the amount required to meet the obligation has been lawfully appropriated and authorized, prior to making a commitment. We further recommend that the Fiscal Officer issue a blanket or super blanket purchase orders for qualifying expenses if the purchase order is to be used for more than one invoice.

Response: The Fiscal Officer will review the proper use of purchase orders.

FINDING NUMBER 2009-003

Financial Reporting

As a result of the audit procedures performed, misclassifications were noted in the financial statements that required material audit adjustments. For fiscal year 2009, Sale of Assets were misclassified as Miscellaneous Revenue instead of Sale of Assets in the amount of \$12,497. These financial statements have been adjusted to reflect the item above.

Sound financial reporting is the responsibility of the Fiscal Officer and Trustees and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

Procedures should be implemented, including a final review of the annual report by Trustees to identify and correct misclassifications.

Response: The Trustees have reviewed the finding and will take responsibility to rectify the matter.

CEDARVILLE TOWNSHIP
GREENE COUNTY
Schedule of Prior Audit Findings
December 31, 2009 and 2008

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Correction Action Taken; or Finding No Longer Valid; Explain
2007-001	ORC Sec. 5705.36 (A)(3) - Failure to amend estimated receipts resulting in estimated receipts being greater than actual	No	Reissued as 2009-001
2007-002	ORC Sec. 5705.41(D) - Failure to certify availability of funds prior to incurring an expense	No	Reissued as 2009-002
2007-003	Failure to properly classify revenues and expenses	No	Reissued as 2009-003
2007-004	Failure to properly reconcile cemetery receipts and not issuing receipts for cemetery payments unless requested	Yes	



Mary Taylor, CPA
Auditor of State

CEDARVILLE TOWNSHIP

GREENE 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
MAY 6, 2010**