

COLUMBIA TOWNSHIP

HAMILTON COUNTY

REGULAR AUDIT

FOR THE FISCAL YEARS ENDED DECEMBER 31, 2009 AND 2008

YEARS AUDITED UNDER GAGAS: 2009 AND 2008

Caudill & Associates, CPA's

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Mary Taylor, CPA
Auditor of State

Board of Trustees
Columbia Township
5686 Kenwood Road
Cincinnati, Ohio 45227

We have reviewed the *Independent Auditor's Report* of Columbia Township, Hamilton County, prepared by Caudill & Associates, CPA's, 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. Columbia Township is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

June 9, 2010

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**COLUMBIA TOWNSHIP
HAMILTON COUNTY**

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Ohio Society of Certified Public Accountants
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Independent Auditor's Report

To the Board of Trustees
Columbia Township
5686 Kenwood Road
Cincinnati, Ohio 45227

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Columbia Township (the Township), Hamilton County, Ohio, as of and for the years ended December 31, 2009 and 2008. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States *Government Auditing Standards*. Those standards require that we plan and perform the audit to 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 opinion.

As discussed in Note 2, the Township has prepared these financial statements and notes, using the cash basis of accounting. 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 governmental activities, each major fund, and the aggregate remaining fund information of Columbia Township, Hamilton County, Ohio as of December 31, 2009, and 2008, and the respective changes in cash financial position and the respective budgetary comparisons for the General Fund, the Police District Fund, the Garbage and Waste Disposal Fund, the Road District Fund, and the Ridge Fire District Fund, thereof and for the years then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 28, 2010, on our consideration of the Township's internal control over financial reporting and on 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 financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 be considered in assessing the results of our audit.

Columbia Township
Independent Auditor's Report

The Management's Discussion and Analysis on pages 3 through 9 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Caudill & Associates, CPAs

Caudill & Associates, CPAs

May 28, 2010

Columbia Township
Hamilton County
Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

This management discussion and analysis of the Columbia Township, Hamilton County, and financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2009 and December 31, 2008, within the limitations of the Township's cash basis accounting. Readers should also review the financial statements and notes to enhance their understanding of the Township's financial performance.

Key financial highlights for the fiscal year 2009 and 2008 are as follows:

- Net assets of governmental activities decreased \$686,865 or 19.46% in 2009 and increased \$57,253 or 0.02% in 2008. The fund most affected by the decrease in net assets in 2009 was the General Fund. The decrease was attributed to transfers to the Road Project Fund to complete ongoing projects.
- General cash receipts accounted for \$2,304,390 or 82.62% of all cash receipts in 2009, and \$2,318,773 or 75.77% in 2008. Program cash receipts in the form of charges for services, grants, and contributions, accounted for \$484,708 or 17.38% in 2009, and \$741,671 or 24.23% in 2008.
- The Township had \$3,475,963 and \$3,003,212 in cash disbursements related to governmental activities in 2009 and 2008 respectively; a total of \$484,708 and \$741,671 of these cash disbursements, respectively, were offset by program specific charges for services, grants, and contributions.
- The Township's most significant sources of receipts include property taxes, state and local levied taxes, and grant revenues. The township's most significant expenditures are made for police and fire protection, garbage and waste disposal, and for maintenance of Township roads and streets.

Using the Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, "*Basic Financial Statements – and Management's Discussion and analysis – for State and Local Governments*", as applicable to the Township's cash basis of accounting.

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 Government 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.

Columbia Township
Hamilton County
Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

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

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a cash basis of accounting. This 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 Government at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function 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, one should also consider other non-financial factors as well such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property and income taxes.

In the statement of net assets and the statement of activities, the Township has one type of activity classified as governmental in nature.

Governmental activities: Most of the Township's basic services are reported here, including road maintenance, and fire protection. 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.

Columbia Township
Hamilton 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. The Township's only funds are governmental funds.

Governmental Funds - All of the Township's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at fiscal year end available for spending in future periods. These funds are reported using the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The governmental fund statements provide a detailed short-term view of the Township's general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer cash basis financial resources that can be spent in the near future to finance educational programs. Since the Township is reporting on the cash basis of accounting, there are no differences in the Net Assets and fund cash balances or changes in Net Assets and changes in fund cash balances. Therefore, no reconciliation is necessary between such financial statements. See Note 2 to the financial statements in the section entitled *Government-Wide Financial Statements*.

The Government as a Whole

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

(Table 1)
Net Assets

	Governmental Activities		
	2009	2008	2007
Assets			
Cash and Cash Equivalents	\$ 2,842,601	\$ 3,529,466	\$3,472,234
Total Assets	2,842,601	3,529,466	3,472,234
Net Assets			
Restricted for:			
Capital Projects	30	81,522	30,612
Other Purposes	2,193,087	2,219,282	2,140,102
Unrestricted	649,484	1,228,662	1,301,520
Total Net Assets	\$ 2,842,601	3,529,466	\$3,472,234

As mentioned previously, net assets of governmental activities decreased \$686,865 or 19.46%, and increased by \$57,253 or 0.02%, in 2009 and 2008 respectively. Net assets decreased in 2009 mainly due to the completion of ongoing road projects.

Columbia Township
Hamilton County
Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

Table 2 reflects the changes in net assets in 2009, 2008 and 2007.

	Governmental Activities		
	2009	2008	2007
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$ 52,857	\$ 55,229	\$ 57,848
Operating Grants and Contributions	215,814	495,107	354,217
Capital Grants and Contributions	216,037	191,335	813,834
Total Program Receipts	<u>484,708</u>	<u>741,671</u>	<u>1,225,899</u>
General Receipts:			
Property Taxes	1,900,791	1,937,732	1,854,057
Grants and Entitlements Not Restricted to Specific Programs	379,814	276,116	423,401
Interest	15,043	103,353	164,937
Miscellaneous	8,742	1,572	5,907
Total General Receipts	<u>2,304,390</u>	<u>2,318,773</u>	<u>2,448,302</u>
Total Receipts	<u>2,789,098</u>	<u>3,060,444</u>	<u>3,674,201</u>
Disbursements:			
General Government	425,487	406,877	399,650
Public Safety	1,017,399	1,105,173	959,593
Health	216,700	7,422	7,190
Public Works	1,600,406	1,184,494	1,748,680
Capital Outlay	215,971	202,186	819,910
Debt Services:			
Prinicpal Retirement	-	95,000	95,000
Interst and Fiscal Charges	-	2,060	4,817
Total Disbursements	<u>3,475,963</u>	<u>3,003,212</u>	<u>4,034,840</u>
Increase (Decrease) in Net Assets	<u>(686,865)</u>	<u>57,232</u>	<u>(360,639)</u>
Beginning Net Assets	3,529,466	3,472,234	3,832,873
Net Assets, End of Year	<u>\$ 2,842,601</u>	<u>\$ 3,529,466</u>	<u>\$ 3,472,234</u>

Program receipts represent 17.38% and 24.23% of total receipts in 2009 and 2008 respectively, and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, and from grants restricted for certain capital improvements.

Columbia Township
Hamilton County
Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

General receipts represent 82.62% and 75.77% of the Township's total receipts in 2009 and 2008 respectively, and of this amount, 82.49% and 83.57% are local taxes. Other sources of general receipts include unrestricted grants and entitlements, interest revenue, and miscellaneous revenues.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Government activities. These include the general costs of administration, including salaries and wages. Disbursements classified as public safety are the costs of police and fire protection. Disbursements classified as public works include the costs of maintenance of streets and roads.

The Statement of Activities shows the cost of program services and the charges for services, grants, and contributions offsetting those services. Table 3 (next) shows the total cost of services and the net cost of services. That is, it identifies the cost of those services supported by tax revenue and unrestricted state entitlements

(Table 3)

	Governmental Activities			
	Total Cost Of Services	Net Cost of Services	Total Cost Of Services	Net Cost of Services
	2009	2009	2008	2008
General Government	\$ 425,487	\$ 372,630	\$ 406,877	\$ 351,648
Public Safety	1,017,399	900,227	1,105,173	1,005,381
Public Works	1,600,406	1,533,006	1,184,494	840,608
Health	216,700	137,548	7,422	(71,728)
Capital Outlay	215,971	47,844	202,186	38,572
Debt Services:				
Principal Retirement		-	95,000	95,000
Interest and Fiscal Changes		-	2,060	2,060
Total Expenses	<u>\$ 3,475,963</u>	<u>\$ 2,991,255</u>	<u>\$ 3,003,212</u>	<u>\$ 2,261,541</u>

The dependence upon property tax receipts and state and unrestricted state entitlements is apparent as over 86.06%, and 75.30% of governmental activities for 2009 and 2008 respectively, are supported through these general receipts.

The Township's Funds

Total governmental funds had receipts of \$2,789,098 and \$3,041,965 in 2009 and 2008 respectively, and had disbursements of \$3,475,963 and \$3,003,212 in 2009 and 2008 respectively.

In Fiscal year 2009, the greatest change in the governmental funds occurred within the General Fund and the Police District Fund.

During that year, the fund balance of the General Fund decreased \$586,631 as the result of transfers made to the Road Project Fund for project completions. The Police District Fund increased \$111,518 as the results of additional grants for equipment.

In Fiscal year 2008, the greatest change in the governmental funds occurred within the General Fund with a decrease of \$53,899.

Columbia Township
Hamilton County
Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

The General Fund balance decreased from \$1,301,520 to \$1,247,621 mainly because of reduced intergovernmental receipts.

The Road District Fund balance decreased from \$299,954 to \$288,302, mainly due to the completion of two main road projects, Ridgewood I, and Ridgewood II.

General Fund Budgeting Highlights

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

During 2009, the Township amended its General Fund budgeted appropriations to reflect changing circumstances. Final actual receipts did not deviate from the final budgeted receipts.

Final disbursements (excluding transfers-out) for 2009 were budgeted at \$506,474, while actual disbursements (excluding transfers-out) were \$444,596.

Final disbursements (excluding transfers-out) for 2008 were budgeted at \$511,652, while actual disbursements (excluding transfers-out) were \$437,296.

The Township disbursed 87.78%, and 85.47% of budgeted expenditures in 2009 and 2008 respectively.

Capital Assets and Debt Administration

Capital Assets

The Township maintains detailed records of all its capital assets. The Township does not record capital assets in the accompanying basic financial statements, but records payments for capital assets as disbursements.

Debt

As of December 31, 2009, the Township did not have outstanding debt. For further information regarding the Township's debt, refer to Note 10 to the financial statements.

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 industries to support the tax base. The newly prepared financial forecast predicts a balanced budget each of the next several years if there are no decreases in the property taxes and no cuts in the Local Government funds, which are now being received as the Trustees have been very prudent in their planning and spending.

Columbia Township
Hamilton County
Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

Contacting the Government'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 Paul Davis, Fiscal Officer, or to Mr. Michael Lemon, Township Administrator Columbia Township, Hamilton County, 5686 Kenwood Road, Cincinnati, Ohio 45227.

COLUMBIA TOWNSHIP
HAMILTON COUNTY
Statement of Net Assets - Cash Basis
December 31, 2009

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 2,842,601
<i>Total Assets</i>	2,842,601
 Net Assets	
Restricted for:	
Capital Projects	30
Other Purposes	2,193,087
Unrestricted	649,484
<i>Total Net Assets</i>	\$ 2,842,601

See accompanying notes to the financial statements

Columbia Township
Hamilton 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	Capital Grants and Contributions	Net Cash Disbursements
Governmental Activities					
General Government	\$ 425,487	\$ 52,857	\$ -	\$ -	\$ (372,630)
Public Safety	1,017,399	-	117,172	-	(900,227)
Public Works	1,600,406	-	19,490	47,910	(1,533,006)
Health	216,700	-	79,152	-	(137,548)
Capital Outlay	215,971	-	-	168,127	(47,844)
Debt Services:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
<i>Total Governmental Activities</i>	<u>\$ 3,475,963</u>	<u>\$ 52,857</u>	<u>\$ 215,814</u>	<u>\$ 216,037</u>	<u>\$ (2,991,255)</u>

General Receipts

Property Taxes Levied for:	
General Purposes	\$ 206,299
Police District	667,430
Garbage & Waste Disposal	259,112
Road District	440,497
Ridge Fire District	327,453
Grants and Entitlements not Restricted to Specific Programs	379,814
Interest	15,043
Miscellaneous	8,742
<i>Total General Receipts</i>	2,304,390
Change in Net Assets	(686,865)
<i>Net Assets Beginning of Year</i>	3,529,466
<i>Net Assets End of Year</i>	<u>\$ 2,842,601</u>

See accompanying notes to the financial statements

Columbia Township
Hamilton County
Statement of Net Assets - Cash Basis
December 31, 2008

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 3,529,466
<i>Total Assets</i>	3,529,466
 Net Assets	
Restricted for:	
Capital Projects	81,522
Other Purposes	2,219,282
Unrestricted	1,228,662
<i>Total Net Assets</i>	\$ 3,529,466

See accompanying notes to the financial statements

Columbia Township
Hamilton County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2008

		Program Cash Receipts			Net (Disbursements)Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Net Cash Disbursements
Governmental Activities					
General Government	\$ 406,877	\$ 55,229	\$ -	\$ -	\$ (351,648)
Public Safety	1,105,173	-	99,792	-	(1,005,381)
Public Works	1,184,494	-	316,165	27,721	(840,608)
Health	7,422	-	79,150	-	71,728
Capital Outlay	202,186	-	-	163,614	(38,572)
Debt Services:					
Principal Retirement	95,000	-	-	-	(95,000)
Interest and Fiscal Charges	2,060	-	-	-	(2,060)
<i>Total Governmental Activities</i>	<u>\$ 3,003,212</u>	<u>\$ 55,229</u>	<u>\$ 495,107</u>	<u>\$ 191,335</u>	<u>\$ (2,261,541)</u>
		General Receipts			
		Property Taxes Levied for:			
					\$ 216,764
					714,028
					462,630
					279,543
					264,767
		Grants and Entitlements not Restricted to Specific Programs			276,137
					103,353
					1,551
		<i>Total General Receipts</i>			2,318,773
		Change in Net Assets			57,232
		<i>Net Assets Beginning of Year</i>			3,472,234
		<i>Net Assets End of Year</i>			<u>\$ 3,529,466</u>

See accompanying notes to the financial statements

**COLUMBIA TOWNSHIP
HAMILTON COUNTY**
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2009

	General	Police District Fund	Garbage & Waste Disposal Fund	Road District Fund	Ridge FD Fund	Road Project Fund	Other Governmental Funds	Total Governmental Funds
Assets								
Equity in Pooled Cash and Cash Equivalents	\$ 660,990	\$ 569,531	\$ 586,579	\$ 320,488	\$ 177,362	\$ 30	\$ 527,621	\$ 2,842,601
<i>Total Assets</i>	<u>660,990</u>	<u>569,531</u>	<u>586,579</u>	<u>320,488</u>	<u>177,362</u>	<u>30</u>	<u>527,621</u>	<u>2,842,601</u>
Fund Balances								
Reserved:								
Reserved for Encumbrances	11,506	41,463	2,097	18,357	-	-	55,234	128,657
Unreserved:								
Undesignated (Deficit), Reported in:								
General Fund	649,484	-	-	-	-	-	-	649,484
Special Revenue Funds	-	528,068	584,482	302,131	177,362	-	472,387	2,064,430
Capital Projects Funds	-	-	-	-	-	30	-	30
<i>Total Fund Balances</i>	<u>\$ 660,990</u>	<u>\$ 569,531</u>	<u>\$ 586,579</u>	<u>\$ 320,488</u>	<u>\$ 177,362</u>	<u>\$ 30</u>	<u>\$ 527,621</u>	<u>\$ 2,842,601</u>

See accompanying notes to the financial statements

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

	General	Police District Fund	Garbage & Waste Disposal Fund	Road District Fund	Ridge Fire District Fund	Road Project Fund	Other Governmental Funds	Total Governmental Funds
Receipts								
Property and Other Local Taxes	\$ 62,325	\$ 667,430	\$ 440,497	\$ 259,112	\$ 327,453	\$ -	\$ 143,974	\$ 1,900,791
Fines and Forfeitures	3,220	-	-	-	-	-	-	3,220
Intergovernmental	157,712	117,172	79,152	47,911	46,380	-	363,338	811,665
Licenses, Fees and Permits	49,637	-	-	-	-	-	-	49,637
Interest	13,791	-	-	-	-	-	1,252	15,043
Miscellaneous	1,001	-	10	6,335	-	-	1,396	8,742
<i>Total Cash Receipts</i>	<u>287,686</u>	<u>784,602</u>	<u>519,659</u>	<u>313,358</u>	<u>373,833</u>	<u>-</u>	<u>509,960</u>	<u>2,789,098</u>
Disbursements								
Current:								
General Government	425,487	-	-	-	-	-	-	425,487
Public Safety	-	673,084	-	-	319,444	-	24,871	1,017,399
Public Works	-	-	509,800	301,724	-	522,722	266,160	1,600,406
Health	7,600	-	-	-	-	-	209,100	216,700
Capital Outlay	-	-	-	332	-	-	215,639	215,971
<i>Total Cash Disbursements</i>	<u>433,087</u>	<u>673,084</u>	<u>509,800</u>	<u>302,056</u>	<u>319,444</u>	<u>522,722</u>	<u>715,770</u>	<u>3,475,963</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(145,401)</u>	<u>111,518</u>	<u>9,859</u>	<u>11,302</u>	<u>54,389</u>	<u>(522,722)</u>	<u>(205,810)</u>	<u>(686,865)</u>
Other Financing Sources (Uses)								
Transfers In	-	-	-	-	-	441,230	-	441,230
Transfers Out	(441,230)	-	-	-	-	-	-	(441,230)
Advances In	-	-	29,349	20,883	-	-	-	50,232
Advances Out	-	-	-	-	-	-	(50,232)	(50,232)
<i>Total Other Financing Sources (Uses)</i>	<u>(441,230)</u>	<u>-</u>	<u>29,349</u>	<u>20,883</u>	<u>-</u>	<u>441,230</u>	<u>(50,232)</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	<u>(586,631)</u>	<u>111,518</u>	<u>39,208</u>	<u>32,185</u>	<u>54,389</u>	<u>(81,492)</u>	<u>(256,042)</u>	<u>(686,865)</u>
<i>Fund Balances Beginning of Year</i>	<u>1,247,621</u>	<u>458,013</u>	<u>547,372</u>	<u>288,302</u>	<u>122,973</u>	<u>81,522</u>	<u>783,663</u>	<u>3,529,466</u>
<i>Fund Balances End of Year</i>	<u>\$ 660,990</u>	<u>\$ 569,531</u>	<u>\$ 586,580</u>	<u>\$ 320,487</u>	<u>\$ 177,362</u>	<u>\$ 30</u>	<u>\$ 527,621</u>	<u>\$ 2,842,601</u>

See accompanying notes to the financial statements

COLUMBIA TOWNSHIP - HAMILTON COUNTY

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

For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$ 62,325	\$ 62,325	\$ 62,325	\$ -
Licenses, Permits and Fees	49,637	49,637	49,637	-
Fines and Forfeitures	3,219	3,219	3,219	-
Intergovernmental	102,717	157,712	157,712	-
Earnings on Investments	13,792	13,792	13,792	-
Miscellaneous	1,001	1,001	1,001	-
<i>Total receipts</i>	<u>232,691</u>	<u>287,686</u>	<u>287,686</u>	<u>-</u>
Disbursements				
Current:				
General Government	495,474	495,474	436,992	58,482
Health	9,000	9,000	7,604	1,396
Capital Outlay	2,000	2,000	-	2,000
Total Disbursements	<u>506,474</u>	<u>506,474</u>	<u>444,596</u>	<u>61,878</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(273,783)</u>	<u>(218,788)</u>	<u>(156,910)</u>	<u>61,878</u>
Other Financing Sources/(Uses)				
Transfers Out	-	(225,230)	(441,230)	(216,000)
Total Other Financing Sources/(Uses)	<u>-</u>	<u>(225,230)</u>	<u>(441,230)</u>	<u>(216,000)</u>
Net Change in Fund Balance	<u>(273,783)</u>	<u>(444,018)</u>	<u>(598,140)</u>	<u>(154,122)</u>
Fund Balance Beginning of Year	1,247,621	1,247,621	1,247,621	-
Prior Year Encumbrances Appropriated	11,506	11,506	11,506	
Fund Balance End of Year	<u>\$ 985,344</u>	<u>\$ 815,109</u>	<u>\$ 660,987</u>	<u>\$ (154,122)</u>

See accompanying notes to the financial statements

COLUMBIA TOWNSHIP - HAMILTON COUNTY
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budgetary Basis
Garbage and Waste Disposal District Fund
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$ 440,497	\$ 440,497	\$ 440,497	\$ -
Intergovernmental	79,151	79,151	79,151	-
Miscellaneous	-	-	10	10
Total receipts	<u>519,648</u>	<u>519,648</u>	<u>519,658</u>	<u>10</u>
Disbursements				
Current:				
Public Works	595,591	595,591	511,900	83,691
Total Disbursements	<u>595,591</u>	<u>595,591</u>	<u>511,900</u>	<u>83,691</u>
Excess of Receipts Over (Under) Disbursements	<u>(75,943)</u>	<u>(75,943)</u>	<u>7,758</u>	<u>83,701</u>
Other Financing Sources/(Uses)				
Advances In	-	-	29,348	29,348
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>29,348</u>	<u>29,348</u>
Net Change in Fund Balance	<u>(75,943)</u>	<u>(75,943)</u>	<u>37,106</u>	<u>113,049</u>
Fund Balance Beginning of Year	547,372	547,372	547,372	
Prior Year Encumbrance Appropriated	<u>2,097</u>	<u>2,097</u>	<u>2,097</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 473,526</u>	<u>\$ 473,526</u>	<u>\$ 586,575</u>	<u>\$ 113,049</u>

See accompanying notes to the financial statements

COLUMBIA TOWNSHIP - HAMILTON COUNTY
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budgetary Basis
POLICE DISTRICT FUND
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$ 667,429	\$ 667,429	\$ 667,429	\$ -
Intergovernmental	117,172	117,172	117,172	-
Miscellaneous	-	-	-	-
Total receipts	<u>784,601</u>	<u>784,601</u>	<u>784,601</u>	<u>-</u>
Disbursements				
Current:				
Public Safety	813,000	813,000	714,543	98,457
Total Disbursements	<u>813,000</u>	<u>813,000</u>	<u>714,543</u>	<u>98,457</u>
Excess of Receipts Over (Under) Disbursements	<u>(28,399)</u>	<u>(28,399)</u>	<u>70,058</u>	<u>98,457</u>
Net Change in Fund Balance	<u>(28,399)</u>	<u>(28,399)</u>	<u>70,058</u>	<u>98,457</u>
Fund Balance Beginning of Year	458,013	458,013	458,013	
Prior Year Encumbrances Appropriated	<u>41,463</u>	<u>41,463</u>	<u>41,463</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 471,077</u>	<u>\$ 471,077</u>	<u>\$ 569,534</u>	<u>\$ 98,457</u>

See accompanying notes to the financial statements

COLUMBIA TOWNSHIP - HAMILTON COUNTY
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budgetary Basis
ROAD DISTRICT FUND
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 279,543	\$ 279,543	\$ 259,112	\$ (20,431)
Intergovernmental	27,721	27,721	47,910	20,189
Miscellaneous	1,271	1,271	6,335	5,064
Total receipts	<u>308,535</u>	<u>308,535</u>	<u>313,357</u>	<u>4,822</u>
Disbursements				
Current:				
Public Works	319,280	319,280	320,081	(801)
Capital Outlay	-	-	331	(331)
Total Disbursements	<u>319,280</u>	<u>319,280</u>	<u>320,412</u>	<u>(1,132)</u>
Excess of Receipts Over (Under) Disbursements	<u>(10,745)</u>	<u>(10,745)</u>	<u>(7,055)</u>	<u>3,690</u>
Other Financing Sources/(Uses)				
Advances In	-	-	20,883	20,883
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>20,883</u>	<u>20,883</u>
Net Change in Fund Balance	<u>(10,745)</u>	<u>(10,745)</u>	<u>13,828</u>	<u>24,573</u>
Fund Balance Beginning of Year	288,302	288,302	288,302	-
Prior Year Encumbrances Appropriated	18,357	18,357	18,357	-
Fund Balance End of Year	<u>\$ 295,914</u>	<u>\$ 295,914</u>	<u>\$ 320,487</u>	<u>\$ 24,573</u>

See accompanying notes to the financial statements

COLUMBIA TOWNSHIP - HAMILTON COUNTY
Statement of Receipts, Disbursements and Changes in Fund Balances
Budget and Actual -Budgetary Basis
RIDGE FIRE DISTRICT FUND
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$ 327,453	\$ 327,453	\$ 327,453	\$ -
Intergovernmental	46,380	46,380	46,380	-
Total receipts	<u>373,833</u>	<u>373,833</u>	<u>373,833</u>	<u>-</u>
Disbursements				
Current:				
Public Safety	319,000	319,000	319,444	(444)
Total Disbursements	<u>319,000</u>	<u>319,000</u>	<u>319,444</u>	<u>(444)</u>
Excess of Receipts Over (Under) Disbursements	<u>54,833</u>	<u>54,833</u>	<u>54,389</u>	<u>(444)</u>
Net Change in Fund Balance	<u>54,833</u>	<u>54,833</u>	<u>54,389</u>	<u>(444)</u>
Fund Balance Beginning of Year	<u>122,973</u>	<u>122,973</u>	<u>122,973</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 177,806</u>	<u>\$ 177,806</u>	<u>\$ 177,362</u>	<u>\$ (444)</u>

See accompanying notes to the financial statements

**COLUMBIA TOWNSHIP
HAMILTON COUNTY**
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2008

	General	Police District Fund	Garbage & Waste Disposal Fund	Road District Fund	Ridge FD Fund	Other Governmental Funds	Total Governmental Funds
Assets							
Equity in Pooled Cash and Cash Equivalents	\$ 1,247,621	\$ 458,013	\$ 547,372	\$ 288,302	\$ 122,973	\$ 865,185	\$ 3,529,466
<i>Total Assets</i>	<u>1,247,621</u>	<u>458,013</u>	<u>547,372</u>	<u>288,302</u>	<u>122,973</u>	<u>865,185</u>	<u>3,529,466</u>
Fund Balances							
Reserved:							
Reserved for Encumbrances	18,959	-	-	58,682	-	1,330,225	1,407,866
Unreserved:							
Undesignated (Deficit), Reported in:							
General Fund	1,228,662	-	-	-	-	-	1,228,662
Special Revenue Funds	-	458,013	547,372	229,620	122,973	(546,562)	811,416
Capital Projects Funds	-	-	-	-	-	81,522	81,522
<i>Total Fund Balances</i>	<u>\$ 1,247,621</u>	<u>\$ 458,013</u>	<u>\$ 547,372</u>	<u>\$ 288,302</u>	<u>\$ 122,973</u>	<u>\$ 865,185</u>	<u>\$ 3,529,466</u>

See accompanying notes to the financial statements

**COLUMBIA TOWNSHIP
HAMILTON COUNTY**
Statement of Cash Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2008

	General	Police District Fund	Garbage & Waste Disposal Fund	Road District Fund	Ridge FD Fund	Other Governmental Funds	Total Governmental Funds
Receipts							
Property and Other Local Taxes	67,349	714,028	462,630	279,543	264,767	149,415	\$ 1,937,732
Fines and Forfeitures	6,209	-	-	-	-	-	6,209
Intergovernmental	267,772	66,412	55,015	27,721	14,124	513,035	944,079
Licenses, Fees and Permits	49,020	-	-	-	-	-	49,020
Interest	95,393	-	-	-	-	7,960	103,353
Miscellaneous	301	-	-	1,271	-	-	1,572
<i>Total Cash Receipts</i>	<u>486,044</u>	<u>780,440</u>	<u>517,645</u>	<u>308,535</u>	<u>278,891</u>	<u>670,410</u>	<u>3,041,965</u>
Disbursements							
Current:							
General Government	406,877	-	-	-	-	-	406,877
Public Safety	-	714,809	-	-	317,821	72,543	1,105,173
Public Works	-	-	460,864	299,304	-	424,326	1,184,494
Health	7,422	-	-	-	-	-	7,422
Capital Outlay	4,038	-	-	-	-	198,148	202,186
Debt Service:							
Principal Retirement	-	-	-	-	-	95,000	95,000
Interest and Fiscal Charges	-	-	-	-	-	2,060	2,060
<i>Total Cash Disbursements</i>	<u>418,337</u>	<u>714,809</u>	<u>460,864</u>	<u>299,304</u>	<u>317,821</u>	<u>792,077</u>	<u>3,003,212</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>67,707</u>	<u>65,631</u>	<u>56,781</u>	<u>9,231</u>	<u>(38,930)</u>	<u>(121,667)</u>	<u>38,753</u>
Other Financing Sources (Uses)							
Sale of Capital Assets	18,500	-	-	-	-	-	18,500
Transfers In	-	-	-	-	-	140,106	140,106
Transfers Out	(140,106)	-	-	-	-	-	(140,106)
Advances In	-	-	-	-	-	50,232	50,232
Advances Out	-	-	(29,349)	(20,883)	-	-	(50,232)
<i>Total Other Financing Sources (Uses)</i>	<u>(121,606)</u>	<u>-</u>	<u>(29,349)</u>	<u>(20,883)</u>	<u>-</u>	<u>190,338</u>	<u>18,500</u>
<i>Net Change in Fund Balances</i>	<u>(53,899)</u>	<u>65,631</u>	<u>27,432</u>	<u>(11,652)</u>	<u>(38,930)</u>	<u>68,671</u>	<u>57,253</u>
<i>Fund Balances Beginning of Year, Restated (See note 12)</i>	<u>1,301,520</u>	<u>392,382</u>	<u>519,940</u>	<u>299,954</u>	<u>161,903</u>	<u>796,514</u>	<u>3,472,213</u>
<i>Fund Balances End of Year</i>	<u>\$ 1,247,621</u>	<u>\$ 458,013</u>	<u>\$ 547,372</u>	<u>\$ 288,302</u>	<u>\$ 122,973</u>	<u>\$ 865,185</u>	<u>\$ 3,529,466</u>

See accompanying notes to the financial statements

COLUMBIA TOWNSHIP - HAMILTON COUNTY

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budgetary Basis
General Fund
For the Year Ended December 31, 2008*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$ 55,443	\$ 67,349	\$ 67,349	\$ -
Licenses, Permits and Fees	48,000	49,020	49,020	-
Fines and Forfeitures	7,900	6,209	6,209	-
Intergovernmental	140,076	267,772	267,772	-
Earnings on Investments	150,000	95,393	95,393	-
Miscellaneous	33,600	301	301	-
<i>Total receipts</i>	<u>435,019</u>	<u>486,044</u>	<u>486,044</u>	<u>-</u>
Disbursements				
Current:				
General Government	476,652	498,966	425,472	73,494
Health	9,000	8,600	7,422	1,178
Capital Outlay	2,000	4,086	4,038	48
Total Disbursements	<u>487,652</u>	<u>511,652</u>	<u>436,932</u>	<u>74,720</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(52,633)</u>	<u>(25,608)</u>	<u>49,112</u>	<u>74,720</u>
Other Financing Sources/(Uses)				
Sale of Fixed Assets	-	18,500	18,500	-
Transfers Out	(265,000)	(265,000)	(140,106)	124,894
Total Other Financing Sources/(Uses)	<u>(265,000)</u>	<u>(246,500)</u>	<u>(121,606)</u>	<u>124,894</u>
Net Change in Fund Balance	<u>(317,633)</u>	<u>(272,108)</u>	<u>(72,494)</u>	<u>199,614</u>
Fund Balance Beginning of Year, Restated (See note 12)	1,301,520	1,301,520	1,301,520	-
Prior Year Encumbrance Appropriated	18,959	18,595	18,595	-
Fund Balance End of Year	<u>\$ 1,002,846</u>	<u>\$ 1,048,007</u>	<u>\$ 1,247,621</u>	<u>\$ 199,614</u>

See accompanying notes to the financial statements

COLUMBIA TOWNSHIP - HAMILTON COUNTY
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budgetary Basis
Garbage and Waste Disposal District Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$ 432,831	\$ 462,630	\$ 462,630	\$ -
Intergovernmental	53,814	55,015	55,015	-
Miscellaneous	7,300	-	-	-
Total receipts	<u>493,945</u>	<u>517,645</u>	<u>517,645</u>	<u>-</u>
Disbursements				
Current:				
Public Works	548,615	551,903	460,864	91,039
Total Disbursements	<u>548,615</u>	<u>551,903</u>	<u>460,864</u>	<u>91,039</u>
Excess of Receipts Over (Under) Disbursements	<u>(54,670)</u>	<u>(34,258)</u>	<u>56,781</u>	<u>91,039</u>
Other Financing Sources/(Uses)				
Advances Out	-	-	(29,349)	(29,349)
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>(29,349)</u>	<u>(29,349)</u>
Net Change in Fund Balance	<u>(54,670)</u>	<u>(34,258)</u>	<u>27,432</u>	<u>61,690</u>
Fund Balance Beginning of Year	<u>519,940</u>	<u>519,940</u>	<u>519,940</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 465,270</u>	<u>\$ 485,682</u>	<u>\$ 547,372</u>	<u>\$ 61,690</u>

See accompanying notes to the financial statements

COLUMBIA TOWNSHIP - HAMILTON COUNTY
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budgetary Basis
POLICE DISTRICT FUND
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$ 663,063	\$ 714,028	\$ 714,028	\$ -
Intergovernmental	77,933	66,412	66,412	-
Miscellaneous	100	-	-	-
Total receipts	<u>741,096</u>	<u>780,440</u>	<u>780,440</u>	<u>-</u>
Disbursements				
Current:				
Public Safety	736,800	736,800	714,809	21,991
Total Disbursements	<u>736,800</u>	<u>736,800</u>	<u>714,809</u>	<u>21,991</u>
Excess of Receipts Over (Under) Disbursements	<u>4,296</u>	<u>43,640</u>	<u>65,631</u>	<u>21,991</u>
Net Change in Fund Balance	<u>4,296</u>	<u>43,640</u>	<u>65,631</u>	<u>21,991</u>
Fund Balance Beginning of Year, Restated (See note 12)	<u>392,382</u>	<u>392,382</u>	<u>392,382</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 396,678</u>	<u>\$ 436,022</u>	<u>\$ 458,013</u>	<u>\$ 21,991</u>

See accompanying notes to the financial statements

COLUMBIA TOWNSHIP - HAMILTON COUNTY
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budgetary Basis
ROAD DISTRICT FUND
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$ 237,802	\$ 279,543	\$ 279,543	\$ -
Intergovernmental	33,288	27,721	27,721	-
Miscellaneous	-	1,271	1,271	-
Total receipts	<u>271,090</u>	<u>308,535</u>	<u>308,535</u>	<u>-</u>
Disbursements				
Current:				
Public Works	382,532	479,022	357,986	121,036
Total Disbursements	<u>382,532</u>	<u>479,022</u>	<u>357,986</u>	<u>121,036</u>
Excess of Receipts Over (Under) Disbursements	<u>(111,442)</u>	<u>(170,487)</u>	<u>(49,451)</u>	<u>121,036</u>
Other Financing Sources/(Uses)				
Advances Out	-	-	(20,883)	(20,883)
Total Other Financing Sources/(Uses)	-	-	(20,883)	(20,883)
Net Change in Fund Balance	<u>(111,442)</u>	<u>(170,487)</u>	<u>(70,334)</u>	<u>100,153</u>
Fund Balance Beginning of Year	299,954	299,954	299,954	-
Prior Year Encumbrances Appropriated	58,682	58,682	58,682	-
Fund Balance End of Year	<u>\$ 247,194</u>	<u>\$ 188,149</u>	<u>\$ 288,302</u>	<u>\$ 100,153</u>

See accompanying notes to the financial statements

COLUMBIA TOWNSHIP - HAMILTON COUNTY
Statement of Receipts, Disbursements and Changes in Fund Balances
Budget and Actual -Budgetary Basis
RIDGE FIRE DISTRICT FUND
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$ 238,825	\$ 264,767	\$ 264,767	\$ -
Intergovernmental	12,156	14,124	14,124	-
Total receipts	<u>250,981</u>	<u>278,891</u>	<u>278,891</u>	<u>-</u>
Disbursements				
Current:				
Public Safety	319,000	319,000	317,821	1,179
Total Disbursements	<u>319,000</u>	<u>319,000</u>	<u>317,821</u>	<u>1,179</u>
Excess of Receipts Over (Under) Disbursements	<u>(68,019)</u>	<u>(40,109)</u>	<u>(38,930)</u>	<u>1,179</u>
Net Change in Fund Balance	<u>(68,019)</u>	<u>(40,109)</u>	<u>(38,930)</u>	<u>1,179</u>
Fund Balance Beginning of Year	<u>161,903</u>	<u>161,903</u>	<u>161,903</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 93,884</u>	<u>\$ 121,794</u>	<u>\$ 122,973</u>	<u>\$ 1,179</u>

See accompanying notes to the financial statements

Columbia Township
Hamilton County
Notes to the Financial Statements
For the Years Ended December 31, 2009 and December 31, 2008

Note 1 – Reporting Entity

Columbia Township, Hamilton 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 Fiscal Officer.

The Township provides for general government services, maintenance of Township roads and bridges, and for fire protection and emergency medical services. The Township contracts with the Little Miami Joint Fire & Rescue District, Madison Place Fire District, Ridge Fire District, Silverton Fire District, and Kenwood Fire District for emergency medical and fire protection services. The Township contracts with the Hamilton County Sheriff's Department for police protection.

The primary government consists of all departments, boards, and agencies that are not legally separate from the Township. The Township's management believes that these financial statements present all activities for which the Township is financially accountable.

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2C, 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, 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 governmental activities. Following are the more significant of the Township's accounting policies.

A. Basis of Presentation

Government-Wide Financial Statements

The Township's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities. Also presented are 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 the financial activities of the primary government. The statements distinguish between those activities of the Township that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Township has no business-type activities.

Columbia Township
Hamilton County
Notes to the Financial Statements
For the Years Ended December 31, 2009 and December 31, 2008

Note 2 – Summary of Significant Accounting Policies (Continued)

Government-Wide Financial Statements (Continued)

The statement of net assets presents the cash 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 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 a more detailed level. The focus of governmental 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.

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. Funds may be categorized as governmental, proprietary, or fiduciary. The funds of the Township are all considered governmental.

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. Governmental funds focus on the sources, uses, and balances of current financial resources.

The Township's major governmental funds are:

General Fund - This 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 that it is expended or transferred according to the general laws of Ohio.

Police District Fund – This fund receives the proceeds of two separate property tax levies which are used to pay for police protection services, including equipment, dispatch services, and other police-related costs.

Garbage & Waste Disposal Fund – This fund receives the proceeds of a property tax levy which are used to pay for garbage and waste collection services, including equipment and other related costs.

Note 2 – Summary of Significant Accounting Policies (Continued)

B. Fund Accounting (Continued)

Ridge Fire District Fund – This fund receives the proceeds of a property tax levy and certain intergovernmental receipts which are used to pay for fire protection services from the Village of Golf Manor.

Road District Fund – This fund receives the proceeds of a property tax levy and certain intergovernmental receipts which are used to pay for the engineering, labor, and materials costs for maintaining Township roads.

Road Project Fund (2009 only) – This fund receives proceeds from local utility companies for joint road and improvement projects, which are used to pay for road improvements and contractors.

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. 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.

As a result of utilizing the 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 expenses and liabilities) are not recorded in these financial statements.

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 appropriations ordinance is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, function, 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 certificated of estimated resources in effect at the time final appropriations were passed by the Township.

Note 2 – Summary of Significant Accounting Policies (Continued)

D. Budgetary Process (Continued)

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 Deposits

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”.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. The total of interest receipts credited to the General Fund during 2009 and 2008, respectfully, was \$13,791 and \$95,393.

F. 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.

G. 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.

H. Interfund Receivables and Payables

The Township reports advances-in and advances-out for interfund loans. As described in Note 11, the Township made several advance transactions during 2009 and 2008.

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 modified 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 Note 8 and Note 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

Note 2 – Summary of Significant Accounting Policies (Continued)

K. Long-Term Obligations

The Township's modified cash basis financial statements do not report liabilities for bonds or other long term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. The Township did not issue any debt in 2009 or 2008.

L. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for debt service and for state grants reported in special revenue funds.

The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

M. Fund Balance Reserves

The Township reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances.

N. Interfund Transactions

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. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements. Interfund transactions are described in Note 11.

Note 3 – Compliance

1. Contrary to ORC 5705.36, estimated receipts exceed actual receipts in the following funds for the following amounts for the year ended December 31, 2008, General Bond Retirement (\$124,409), Permanent Improvement Fund (\$485,878), and Road Projects Fund (\$226,012).
2. Contrary to ORC 5705.39, appropriations exceeded total estimated resources in the Permanent Improvement Fund and Road Projects Fund by \$22,511 and \$485,878, respectively for the year ended December 31, 2008.
3. Contrary to ORC 5705.41(B), budgetary expenditures exceeded the appropriation authority in the following funds by the following amounts for the year ended December 31, 2009: General Fund (\$135,164), Motor Vehicle License Fund (\$20,000), Gasoline Tax Fund (\$196,262), Road and Bridge Fund (\$26,727), and Permissive Motor Vehicle Fund (\$20,000). In 2008, budgetary expenditures exceeded the appropriation authority in the following funds by the following amounts for the year ended December 31, 2008: Gasoline Fund (\$14,159) and Road Projects Fund (\$375,756).

Columbia Township
Hamilton County
Notes to the Financial Statements
For the Years Ended December 31, 2009 and December 31, 2008

Note 3 – Compliance (Cont'd)

4. Contrary to 5705.41(D) (1), expenditures were not properly certified for availability prior to obligations for the years ending December 31, 2009 and December 31, 2008.

Note 4 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund and for the major special revenue funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (modified cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$11,506 for the General Fund, \$2,097 for the Garbage & Waste District Fund, \$41,463 for the Police District Fund, \$18,357 for the Road District Fund, and \$55,234 for other governmental funds.

Note 5 – Deposits and Investments

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;

Columbia Township
Hamilton County
Notes to the Financial Statements
For the Years Ended December 31, 2009 and December 31, 2008

Note 5 – Deposits and Investments (Continued)

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 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.

A. 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 and 2008, none of the Township's bank balance of \$2,912,626 and \$3,614,368, respectively was exposed to custodial credit risk because all deposits were either covered by insurance from the Federal Deposit Insurance Corporation or by collateral held by an agent in the Township's name.

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 2008 became a lien on December 31, 2007, 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.

Columbia Township
Hamilton County
Notes to the Financial Statements
For the Years Ended December 31, 2009 and December 31, 2008

Note 6 – Property Taxes (Continued)

Tangible personal property tax receipts received in 2009 (other than public utility property) represent the collection of 2009 taxes. Tangible personal property taxes received in 2009 were levied after October 1, 2008, on the true value as of December 31, 2008. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The assessed values of real property, public utility property, and tangible personal property upon which 2009 and 2008 property tax receipts were assessed, were as follows:

	2009	2008
Real Property:		
Residential/Agricultural	\$87,045,100	\$84,335,100
Commercial/Industrial/Mineral	41,347,500	39,445,300
Public Utility Property:		
Personal	3,055,000	3,095,000
Tangible Personal Property	85,450	-
Total Assessed Value	\$131,533,050	\$126,895,400

Note 7 – Risk Management

The Township has its risk management provider with the Ohio Plan. 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. Following is the various risks covered by the Ohio Plan:

<u>Company</u>	<u>Type of Coverage</u>	<u>Amount of Coverage</u>
The Ohio Plan	Company Commercial Property	\$100,000 – \$1,350,662
	General Liability	\$5,000,000 per occurrence
	Commercial Crime	\$5,000,000 per occurrence
	Vehicle	\$5,000,000 per accident
	Public Officials Liability	\$5,000,000
	Law Enforcement Liability	\$5,000,000 per incident
	Commercial Umbrella	\$5,000,000

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 (the System) a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The System administers and pays all claims.

Note 8 – Defined Benefit Pension Plan

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.

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.

For the year ended December 31, 2009, and 2008, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 10.0 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.0 percent of their annual covered salary; members in public safety contributed 10.1 percent. The Township's contribution rate for pension benefits for 2009 and 2008 was 14.00 percent, except for those plan members in law enforcement or public safety. For those classifications, the Township's pension contributions were 17.4 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to all plans for the years ended December 31, 2009, 2008, and 2007 were \$55,945, \$56,284, and \$52,149 respectively. The full amount has been contributed for 2009, 2008 and 2007.

Note 9 - Postemployment Benefits

A. Ohio Public Employees Retirement System

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

To qualify for post-employment health care coverage, age-and-service retirees under the traditional and combined plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not require, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy - The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). State Statute requires that public employers fund post-employment health care through their contributions to OPERS. A portion of each employer's contribution to the traditional and combined plans is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2009, state and local employers contributed at a rate of 14 percent of covered payroll. Each year, the OPERS Retirement Board determines the portion of the employer contributions rate that will be set aside for funding post-employment health care benefits. The amount of the employer contributions which was allocated to fund post-employment health care for 2009 was 7.0 percent from January 1, 2009 through March 31, 2009, and 5.5 percent from April 1, 2009 to December 31, 2009.

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 the coverage selected. Active members do not make contributions to the post-employment health care plan.

The Township's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2009, 2008 and 2007 were \$2,348, \$2,814 and \$3,650, respectfully; 100 percent has been contributed for 2009, 2008, and 2007.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased on January 1 of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

Columbia Township
Hamilton County
Notes to the Financial Statements
For the Years Ended December 31, 2009 and December 31, 2008

Note 10 – Bonds Payable

In 2008, the Township paid the Bonds Payable in full. The Township had not acquired any additional debt as of December 31, 2009.

Note 11 – Interfund Transfers and Advances

During 2009 and 2008 the following transfers were made:

2009

<u>TRANSFERS OUT</u>	<u>TRANSFERS IN</u>			
	Debt Service Fund	Permanent Improvement Fund	Road Project Fund	Total Transfers In
General Fund			\$ 441,230	\$ 441,230
Total Transfers Out	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 441,230</u>	<u>\$ 441,230</u>

2008

<u>TRANSFERS OUT</u>	<u>TRANSFERS IN</u>			
	Debt Service Fund	Permanent Improvement Fund	Road Project Fund	Total Transfers In
General Fund	\$ 97,060	\$ 43,046		\$ 140,106
Total Transfers Out	<u>\$ 97,060</u>	<u>\$ 43,046</u>	<u>\$ -</u>	<u>\$ 140,106</u>

Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Columbia Township
Hamilton County
Notes to the Financial Statements
For the Years Ended December 31, 2009 and December 31, 2008

Note 11 – Interfund Transfers and Advances (Cont'd)

During 2009 and 2008 the following Advances were made:

2009			
<u>ADVANCES OUT</u>	<u>ADVANCES IN</u>		
	<u>Garbage and Waste Disposal Fund</u>	<u>Road District Fund</u>	<u>Total Advances In</u>
FEMA Federal Fund	\$ 29,349	\$ 20,883	\$ 50,232
Total Transfers Out	<u>\$ 29,349</u>	<u>\$ 20,883</u>	<u>\$ 50,232</u>
2008			
<u>ADVANCES IN</u>	<u>ADVANCES OUT</u>		
	<u>Garbage and Waste Disposal Fund</u>	<u>Road District Fund</u>	<u>Total Transfers Out</u>
FEMA Federal Fund	\$ 29,349	\$ 20,883	\$ 50,232
Total Transfers Out	<u>\$ 29,349</u>	<u>\$ 20,883</u>	<u>\$ 50,232</u>

Subsidies from one fund to another with a requirement for repayment are reported as interfund advances. Interfund advances are reported as other financing sources/uses in governmental funds and are repaid in the subsequent period. Advances in were made in 2008 to the FEMA Federal Emergency Fund to cover reimbursable expenditures for an approved grant, and was repaid when the grant funds were received. The advance was paid in full during 2009.

Note 12 – Restatement of Prior Year Fund Balance

In 2007, the Township made a fund balance adjustment because of receipts being classified in the wrong fund that was verified in the 2007 audit. However, the fund balance adjustment was not carried forward to the 2007 audited financial statements and resulted in the understatement of the ending balance in the Police District Fund and an overstatement in the General Fund ending balances. A restatement is necessary to correct the amount shown in the financial statements.

	<u>General Fund</u>	<u>Police District Fund</u>
Fund Balance, December 31, 2007	\$ 1,401,520	\$ 292,382
Restatement of Equity in Pooled Cash and Cash Equivalents	(100,000)	100,000
Fund Balance, December 31 2007, as Restated	<u>\$ 1,301,520</u>	<u>\$ 392,382</u>



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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*

Board of Trustees
Columbia Township
Hamilton County
5686 Kenwood Road
Cincinnati, OH 45227

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Columbia Township (the Township), Hamilton County, as of and for the years ended December 31, 2009 and 2008, which collectively comprise the Township's financial statements, and have issued our report thereon dated May 28, 2010, wherein we noted the Township prepared its financial statements on the cash basis, a comprehensive basis of accounting other than the generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness on 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 or material weaknesses. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control we consider to be significant deficiencies.

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 financials statements will not be prevented, or detected and timely corrected. We consider finding 2009-006 described in the accompanying schedule of findings and responses to be a material weakness.

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2009-005 described in the accompanying schedule of findings and responses to be a significant deficiency.

Columbia Township
Hamilton County

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*

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings and responses as items 2009-001 through 2009-004.

The Township's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses and, accordingly, we express no opinion on them.

We intend this report solely for the information and use of management, and the Township's trustees, and is not intended to be and should not be used by anyone other than the specified parties.

Caudill & Associates, CPA's

Caudill & Associates, CPA's

May 28, 2010

**COLUMBIA TOWNSHIP
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2009 AND 2008**

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

FINDING NUMBER 2009-001

Noncompliance Citation – Ohio Rev. Code Section 5705.36

The Ohio Revised Code Section 5705.36 (A)(2) allows all 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. ORC 5705.36 requires the Township to obtain an increased amended certificate of estimated resources from the budget commission if the legislative authority intends to appropriate and expend excess revenue. The Ohio Revised Code Section 5705.36 (A) (4) requires the Township to obtain a reduced amended certificate if the amount of the deficiency will reduce available resources below the current level of appropriation.

Estimated receipts exceeded actual receipts in the General Bond/Retirement Fund, Permanent Improvement Fund and the Road Projects Fund in 2008 causing actual resources to fall below the level of appropriation. In 2008, appropriations exceed available resources by \$124,409, \$485,878, and \$226,012 for the General Bond/Retirement Fund, Permanent Improvement Fund and the Road Projects Fund, respectively.

This could allow deficit spending to occur.

The Township should develop procedures to better monitor its budget and estimated resources, and to increase or reduce estimated revenues and appropriations before expending more than its available resources for any fund. Approval of modifications should be enacted and documented in the Township Minutes.

Township Response:

The Township will monitor the budget and estimated resources closer and follow the auditor's recommendation.

FINDING NUMBER 2009-002

Noncompliance Citation – Ohio Rev. Code Section 5705.39

Ohio Rev. Code Section 5705.39 states total appropriation from each fund should not exceed the total estimated revenue. No appropriation measure is to become effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.

Contrary to this requirement, appropriations for the Permanent Improvement Fund and the Road Projects Fund exceeded total estimated revenue by \$22,511 and \$485,878 in 2008 respectively.

The Township should monitor the budgetary financial reports throughout the year and amend estimated resources and appropriations, as needed by resolution.

**COLUMBIA TOWNSHIP
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2009 AND 2008**

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

FINDING NUMBER 2009-002 (Continued)

Township Response:

Amendments will be filed with the County Auditor when appropriation increases are required. No money will be expended until a certificate is received certifying the total appropriations from each fund does not exceed the total official estimate or amended official estimate.

FINDING NUMBER 2009-003

Noncompliance Citation – Ohio Rev. Code Section 5705.41(B)

Ohio Revised Code Section 5705.41(B), states that no subdivision or taxing unit is to expend money unless it has been appropriated.

Expenditures exceeded appropriations in the General Fund, Motor Vehicle License Fund, Gasoline Tax Fund, Road and Bridge Fund, and Permissive Motor Vehicle Fund in 2009 by \$135,164, \$20,000, \$196,262, \$26,727 and \$20,000 respectively. In 2008, expenditures exceeded appropriations in the Gasoline and Road Projects Fund by \$14,159 and \$375,756 respectively. We also noted that expenditures exceeded appropriations at the legal level of control in several funds tested.

Failure to limit expenditures by approving appropriations and obtaining a revised certificate of estimated resources by the County Auditor could result in deficit spending and deficit fund balances.

The Fiscal Officer should deny payment requests and not certify the availability of Funds exceeding appropriations and amending estimated resources, if necessary.

Township Response:

The Township will monitor the appropriations versus the expenditures more closely and follow the auditor's recommendation.

**COLUMBIA TOWNSHIP
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2009 AND 2008**

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

FINDING NUMBER 2009-004

Noncompliance Citation – Ohio Rev. Code Section 5705.41 (D) (1)

Ohio Rev. Code Section 5705.41 (D) (1) states no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer attached that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

The following exceptions to this basic requirement are provided by Ohio Rev. Code Section 5705.41 (D) (1):

Then and Now Certificate: If the fiscal officer can certify that both at the time that the contract or order was made and at the time that he is completing his certification, 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 taxing authority can authorize the drawing of a warrant for the payment of the amount due. The taxing authority has 30 days from the receipt of the “then and now” certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing district.

Amounts of less than \$100 for counties, or less than \$3,000 for other political subdivisions, may be paid by the fiscal officer without such affirmation of the taxing authority 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 of expenditures by the taxing authority.

The Township did not properly certify the availability of funds prior to obligation for 3 of the 37 (\$407,160) of purchases tested in 2009 and 3 of the 37 (\$352,939) of purchases tested in 2008.

We recommend the Township implement policies to ensure that all purchases first have monies certified by the Fiscal Officer before purchasing or ordering an item. We also recommend the use of a “then and now” certificate in instances of emergency or absence of proper authority.

Township Response:

Purchase orders are required for every Township purchase. Department heads, and their employees are reminded annually to acquire them before a purchase is made. The Township will incorporate the use of a “Then and Now” stamp in the future

**COLUMBIA TOWNSHIP
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2009 AND 2008**

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

FINDING NUMBER 2009-005

Misclassification of Receipts – Significant Control Deficiency

The AICPA establishes auditing standards generally accepted in the United States that certified public accountants and government auditors must follow in conducting audits of state and local governments. SAS No. 115 establishes standards, responsibilities and guidance for audits during a financial statement audit engagement for identifying and evaluating a client's internal control over financial reporting. This standard requires the auditor to report *in writing* to management and the governing body any control deficiencies found during the engagement that are considered significant deficiencies and/or material weaknesses.

During 2009 and 2008, the Township erroneously posted intergovernmental receipts. This required reclassifications to properly present the activities of the Township for both years.

We recommend the Township implement control procedures related to financial reporting that enable management to identify, prevent, detect, and correct potential misstatements in the financial statements and footnotes.

Township Response:

Township officials will monitor the allocation of receipts more closely to properly represent the activities of the Township. Township will code receipts in accordance with the Township Handbook published by the Auditor of State.

FINDING NUMBER 2009-006

System Discrepancies – Material Weakness

Estimated receipts and appropriations should be posted to the accounting system so that they reflect Trustee approved amounts per the final certificate of estimated resources and final appropriation resolution.

The Township's final certificate of estimated resources and appropriations during both 2009 and 2008 did not agree to the Township's accounting system due to budgetary adjustments that were not posted to reflect the changes in estimated resources and appropriations during 2009 and 2008.

We recommend the Township post budgetary amendments to the accounting system to reflect the actual estimated resources and appropriations approved by the Board of Trustees and that they are posted in an accurate and timely manner.

Township Response:

The Township will begin posting all budgetary amendments to the accounting system in an accurate and timely manner.

Columbia Township
Hamilton County
Schedule of Prior Audit Findings
For the Fiscal Years Ended December 31, 2009 and December 31, 2008

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2007-001	Ohio Revised Code 5705.36, Failure to secure an amended estimated resource when estimated receipts were less than actual receipts	No	Repeated as Finding 2009-001
2007-002	Ohio Revised Code 5705.39, Total appropriations exceeded estimated resources	No	Repeated as Finding 2009-002
2007-003	Ohio Revised Code 5705.41 (B), Expenditures exceed appropriations at the legal level of control	No	Repeated as Finding 2009-003
2007-004	Ohio Revised Code 9.10 and 9.11, Rubber Stamps were used	Yes	N/A
2007-005	Significant Control deficiency – Misclassification of Receipts	No	Reissued as Finding 2009-005
2007-006	Material Weakness – Lack of monthly bank reconciliations	Yes	N/A



Mary Taylor, CPA
Auditor of State

COLUMBIA TOWNSHIP

HAMILTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 22, 2010**