

**CEDARVILLE TOWNSHIP**

GREENE COUNTY

**REGULAR AUDIT**

FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006





Mary Taylor, CPA  
Auditor of State

Board of Trustees  
Cedarville Township  
78 North Main Street  
Cedarville, Ohio 45314

We have reviewed the *Independent Accountants' Report* of Cedarville Township, Greene County, prepared by Manning & Associates CPAs, LLC, for the audit period January 1, 2006 through December 31, 2007. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

October 8, 2008

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**CEDARVILLE TOWNSHIP  
GREENE COUNTY**

TABLE OF CONTENTS

Title	Page
Independent Accountants' Report	1
Management Discussion and Analysis	4
<b>Basic Financial Statements for Year Ended December 31, 2007:</b>	
<b>Government-Wide Financial Statements:</b>	
Statement of Net Assets - Modified Cash Basis	10
Statement of Activities - Modified Cash Basis	11
<b>Fund Financial Statements for Ended December 31, 2007:</b>	
<b>Governmental Funds</b>	
Statement of Modified Cash Basis Assets and Fund Balances - Governmental Funds	12
Statement of Cash Receipts, Disbursements and Changes in Modified Cash Basis Fund Balances - Governmental Funds	13
Statement of Receipts, Disbursements and Changes in Fund Cash Balances - Budget and Actual - Budget Basis - General Fund	14
Statement of Receipts, Disbursements and Changes in Fund Cash Balances - Budget and Actual - Budget Basis - Gasoline Tax	15
Statement of Receipts, Disbursements and Changes in Fund Cash Balances - Budget and Actual - Budget Basis - Fire District	16
<b>Basic Financial Statements for Year Ended December 31, 2006:</b>	
<b>Government-Wide Financial Statements:</b>	
Statement of Net Assets - Modified Cash Basis	17
Statement of Net Assets - Modified Cash Basis	18

**CEDARVILLE TOWNSHIP  
GREENE COUNTY**

TABLE OF CONTENTS

Title	Page
<b>Fund Financial Statements for Ended December 31, 2006:</b>	
<b>Governmental Funds</b>	
Statement of Modified Cash Basis Assets and Fund Balances - Governmental Funds	19
Statement of Cash Receipts, Disbursements and Changes in Modified Cash Basis Fund Balances - Governmental Funds	20
Statement of Receipts, Disbursements and Changes in Fund Cash Balances - Budget and Actual - Budget Basis - General Fund	21
Statement of Receipts, Disbursements and Changes in Fund Cash Balances - Budget and Actual - Budget Basis - Gasoline Tax	22
Statement of Receipts, Disbursements and Changes in Fund Cash Balances - Budget and Actual - Budget Basis - Fire District	23
Notes to the Financial Statements	25
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	39
Schedule of Findings	41

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

**INDEPENDENT ACCOUNTANTS' REPORT**

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

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund and aggregate remaining fund information of Cedarville Township, Greene County, Ohio, (the Township), as of and for the years ended December 31, 2007 and 2006, which collectively comprised the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the government activities, each major fund, and the aggregate remaining fund information of Cedarville Township, Greene County, Ohio, as of December 31, 2007 and 2006 and the respective changes in cash financial position and the respective budgetary comparison for the General, Gasoline Tax, and Fire District funds thereof for the years then end in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 4, 2008, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Cedarville Township  
Greene County  
Independent Accountants' Report  
Page 2

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

Manning & Associates CPAs, LLC  
Dayton, Ohio

April 4, 2008

**CEDARVILLE TOWNSHIP  
CLARK COUNTY**

*Management's Discussion and Analysis  
For the Years Ended December 31, 2007 and 2006  
Unaudited*

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This discussion and analysis of the Cedarville Township's financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2007 and 2006, within the limitations of the Township's modified cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

**Highlights**

Key highlights for 2007 are as follows:

Net assets of governmental activities increased \$118,525 or 18 percent in 2007. This significant change from the prior year is primarily due to not purchasing any major pieces of equipment in 2007.

The Township's general receipts are primarily property taxes. These receipts represent 53 percent of the total cash received for governmental activities during the year.

**Highlights**

Key highlights for 2006 are as follows:

Net assets of governmental activities decreased \$54,716 or 8 percent in 2006. The significant change from the prior year is primarily due to capital outlay purchases during 2006.

The Township's general receipts are primarily property taxes. These receipts represent 50 percent of the total cash received for governmental activities during the year.

**Using the Basic Financial Statements**

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's modified cash basis of accounting. The statements are organized so the reader can understand the Township as a financial whole, or as an entire operating entity.

**Report Components**

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

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

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

**CEDARVILLE TOWNSHIP  
CLARK COUNTY**

*Management's Discussion and Analysis  
For the Years Ended December 31, 2007 and 2006  
Unaudited*

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**Using the Basic Financial Statements**, continued

**Basis of Accounting**

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

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

**Reporting the Township as a Whole**

The statement of net assets and the statement of activities reflect how the Township did financially during 2007 and 2006, within the limitations of modified cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

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

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

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

**CEDARVILLE TOWNSHIP  
CLARK COUNTY**

*Management's Discussion and Analysis  
For the Years Ended December 31, 2007 and 2006  
Unaudited*

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

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

Governmental Funds - Most of the Township's activities are reported in the governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides to its residents. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The most significant governmental funds of the Township are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds include the General, Gasoline Tax, and Fire District Funds.

**The Township as a Whole**

Table 1 provides a summary of the Township's net assets for 2007 and 2006 on a modified cash basis:

	<u>Governmental Activities</u>	
	<u>2007</u>	<u>2006</u>
Assets		
Equity in Pooled Cash and Cash Equivalents	\$560,118	\$447,524
Investments	213,814	207,883
Total Assets	<u>\$773,932</u>	<u>\$655,407</u>
Net Assets		
Restricted for:		
Permanent Fund	\$170,546	\$165,696
Other Purposes	342,059	245,318
Unrestricted	<u>261,327</u>	<u>244,393</u>
Total Net Assets	<u>\$773,932</u>	<u>\$655,407</u>

As mentioned previously, net assets of governmental activities increased \$118,525 or 18 percent during 2007. All funds experienced an increase the primary reason was a decrease in expenditures, namely capital outlays.

**CEDARVILLE TOWNSHIP**  
**CLARK COUNTY**  
*Management's Discussion and Analysis*  
*For the Years Ended December 31, 2007 and 2006*  
*Unaudited*

**The Township as a Whole**, continued

Table 2 reflects the changes in net assets on a modified cash basis in 2007 and 2006.

(Table 2)

Changes in Net Assets

	Governmental	
	Activities	
	2007	2006
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$117,307	\$131,271
Operating Grants and Contributions	112,192	99,493
Total Program Receipts	229,499	230,764
General Receipts:		
Property and Other Local Taxes	416,618	362,392
Grants and Entitlements Not Restricted to Specific Programs	88,086	86,490
Sale of Assets	20,550	0
Interest	24,495	25,195
Miscellaneous	5,154	15,540
Total General Receipts	554,903	489,617
Total Receipts	784,402	720,381
Disbursements:		
General Government	151,260	128,956
Public Safety	296,463	306,875
Public Works	124,478	157,352
Health	42,960	69,724
Capital Outlay	50,716	112,190
Total Disbursements	665,877	775,097
Increase (Decrease) in Net Assets	118,525	(54,716)
Net Assets, January 1	655,407	710,123
Net Assets, December 31	\$773,932	\$655,407

General receipts represent 70 percent and 68 percent of the Township's total receipts in both 2007 and 2006, respectively. Property and other local taxes represent 75 percent and 74 percent of general receipts for 2007 and 2006, respectively. Grants and entitlements represent 16 percent and 18 percent of general receipts for 2007 and 2006. Other receipts are somewhat unpredictable revenue sources.

**CEDARVILLE TOWNSHIP  
CLARK COUNTY**

*Management's Discussion and Analysis  
For the Years Ended December 31, 2007 and 2006  
Unaudited*

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**The Township as a Whole**, continued

Disbursements for general government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the costs of the Trustees and Fiscal Officer. Public safety disbursements are the costs of fire protection and public works are the costs of maintaining the roads.

**Governmental Activities**

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for general government, public safety, public works, and capital outlay, which account for 23, 45, 19, and 8 percent in 2007, and 17, 40, 20, and 14 percent in 2006, of all governmental disbursements. The next two columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

Governmental Activities

	Total Cost of Services 2007	Net Cost of Services 2007	Total Cost of Services 2006	Net Cost of Services 2006
General Government	\$151,260	\$137,566	\$128,956	\$113,590
Public safety	296,463	200,850	306,875	204,470
Public Works	124,478	12,286	157,352	57,859
Health	42,960	34,960	69,724	56,224
Capital Outlay	50,716	50,716	112,190	112,190
Total Expenses	\$665,877	\$436,378	\$775,097	\$544,333

The dependence upon property tax receipts is apparent as over 75 percent of governmental activities are supported through these general receipts.

**The Township's Funds**

Total governmental funds had receipts of \$784,402 in 2007, and \$720,381 in 2006, and disbursements of \$665,877 in 2007 and \$775,097 in 2006. The changes in the governmental activities indicate that with decreased expenses and increased receipts the net assets have increased \$118,525 in 2007. In 2006, net assets decreased \$54,716, due primarily by the increase in capital outlay.

**CEDARVILLE TOWNSHIP  
CLARK COUNTY**

*Management's Discussion and Analysis  
For the Years Ended December 31, 2007 and 2006  
Unaudited*

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**The Township's Funds**, continued

In 2007, General Fund receipts were more than disbursements by \$16,934 indicating that the General Fund is in a positive spending situation. In 2006, General Fund receipts were less than disbursements by \$54,716 indicating that the General Fund was in a deficit spending situation. It was the recommendation of the administration that they would not be requesting additional funds from the taxpayers. The balance in the General Fund is in good condition, but the Trustees will review spending for the future. Capital expenditures are usually planned and budgeted months in advance.

**General Fund Budgeting Highlights**

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

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

**Contacting the Township's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Bob Ankeney, Fiscal Officer, Cedarville Township, 78 N. Main Street, Cedarville, Ohio 45314.

**CEDARVILLE TOWNSHIP**  
**GREENE COUNTY**  
*Statement of Net Assets - Modified Cash Basis*  
*December 31, 2007*

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	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 560,118
Investments	<u>213,814</u>
<i>Total Assets</i>	<u><u>\$ 773,932</u></u>
 <b>Net Assets</b>	
Restricted for:	
Permanent Fund	\$ 170,546
Other Purposes	342,059
Unrestricted	<u>261,327</u>
<i>Total Net Assets</i>	<u><u>\$ 773,932</u></u>

See accompanying notes to the basic financial statements

**CEDARVILLE TOWNSHIP  
GREENE COUNTY**

*Statement of Activities - Modified Cash Basis  
For the Year Ended December 31, 2007*

		Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>				
General Government	\$ 151,260	\$ 13,694	\$ 0	\$ (137,566)
Public Safety	296,463	95,613	0	(200,850)
Public Works	124,478	0	112,192	(12,286)
Health	42,960	8,000	0	(34,960)
Capital Outlay	50,716	0	0	(50,716)
<i>Total Governmental Activities</i>	\$ 665,877	\$ 117,307	\$ 112,192	\$ (436,378)
<b>General Receipts</b>				
Property Taxes				\$ 416,618
Grants and Entitlements not Restricted to Specific Programs				88,086
Earnings on Investments				24,495
Sales of Assets				20,550
Miscellaneous				5,154
<i>Total General Receipts</i>				554,903
Change in Net Assets				118,525
<i>Net Assets Beginning of Year</i>				655,407
<i>Net Assets End of Year</i>				\$ 773,932

See accompanying notes to the basic financial statements

**CEDARVILLE TOWNSHIP  
GREENE COUNTY**

*Statement of Modified Cash Basis Assets and Fund Balances*

*Governmental Funds*

*December 31, 2007*

	<u>General</u>	<u>Gasoline Tax</u>	<u>Fire District</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 252,931	\$ 133,823	\$ 90,868	\$ 82,499	\$ 560,121
Investments	<u>8,396</u>	<u>0</u>	<u>0</u>	<u>205,415</u>	<u>213,811</u>
<i>Total Assets</i>	<u><u>\$ 261,327</u></u>	<u><u>\$ 133,823</u></u>	<u><u>\$ 90,868</u></u>	<u><u>\$ 287,914</u></u>	<u><u>\$ 773,932</u></u>
<b>Fund Balances</b>					
Unreserved:					
Undesignated (Deficit), Reported in:					
General Fund	\$ 261,327	\$ 0	\$ 0	\$ 0	\$ 261,327
Special Revenue Funds	0	133,823	90,868	117,368	342,059
Permanent Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>170,546</u>	<u>170,546</u>
<i>Total Fund Balances</i>	<u><u>\$ 261,327</u></u>	<u><u>\$ 133,823</u></u>	<u><u>\$ 90,868</u></u>	<u><u>\$ 287,914</u></u>	<u><u>\$ 773,932</u></u>

See accompanying notes to the basic financial statements

**CEDARVILLE TOWNSHIP**  
**GREENE COUNTY**

*Statement of Cash Receipts, Disbursements and Changes in Modified Cash Basis Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2007*

	General	Gasoline Tax	Fire District	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>					
Property and Other Local Taxes	\$ 129,793	\$ 0	\$ 233,054	\$ 53,771	\$ 416,618
Charges for Services	0	0	95,613	0	95,613
Licenses, Permits and Fees	13,694	0	0	0	13,694
Intergovernmental	68,217	88,980	13,307	19,774	190,278
Earnings on Investments	15,676	3,698	0	5,121	24,495
Miscellaneous	2,588	0	12,566	8,000	23,154
<i>Total Receipts</i>	<u>\$ 229,968</u>	<u>\$ 92,678</u>	<u>\$ 354,540</u>	<u>\$ 86,666</u>	<u>\$ 763,852</u>
<b>Disbursements</b>					
Current:					
General Government	\$ 151,260	\$ 0	\$ 0	\$ 0	\$ 151,260
Public Safety	139	0	296,324	0	296,463
Public Works	34,565	40,841	0	49,072	124,478
Health	37,520	0	0	5,440	42,960
Capital Outlay	100	0	50,616	0	50,716
<i>Total Disbursements</i>	<u>\$ 223,584</u>	<u>\$ 40,841</u>	<u>\$ 346,940</u>	<u>\$ 54,512</u>	<u>\$ 665,877</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>6,384</u>	<u>51,837</u>	<u>7,600</u>	<u>32,154</u>	<u>97,975</u>
Other Financing Sources					
Sale of Assets	10,550	0	10,000	0	20,550
<i>Total Other Financing Sources</i>	<u>10,550</u>	<u>0</u>	<u>10,000</u>	<u>0</u>	<u>20,550</u>
<i>Net Change in Fund Balances</i>	16,934	51,837	17,600	32,154	118,525
<i>Fund Balances Beginning of Year</i>	<u>244,393</u>	<u>81,986</u>	<u>73,268</u>	<u>255,760</u>	<u>655,407</u>
<i>Fund Balances End of Year</i>	<u>\$ 261,327</u>	<u>\$ 133,823</u>	<u>\$ 90,868</u>	<u>\$ 287,914</u>	<u>\$ 773,932</u>

See accompanying notes to the basic financial statements

**CEDARVILLE TOWNSHIP  
GREENE COUNTY**

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

*For the Year Ended December 31, 2007*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$ 115,574	\$ 115,574	\$ 129,793	\$ 14,219
Licenses, Permits, and Fees	16,000	16,000	13,694	(2,306)
Intergovernmental	47,000	47,000	68,217	21,217
Earnings on Investments	20,000	20,000	15,676	(4,324)
Other	973	973	3,138	2,165
<i>Total receipts</i>	<u>\$ 199,547</u>	<u>\$ 199,547</u>	<u>\$ 230,518</u>	<u>\$ 30,971</u>
<b>Disbursements</b>				
Current:				
General Government	\$ 293,436	\$ 293,436	\$ 151,260	\$ 142,176
Public Safety	30,000	30,000	139	29,861
Public Works	50,000	50,000	34,565	15,435
Health	48,500	48,500	37,520	10,980
Capital Outlay	20,000	20,000	100	19,900
<i>Total Disbursements</i>	<u>\$ 441,936</u>	<u>\$ 441,936</u>	<u>\$ 223,584</u>	<u>\$ 218,352</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(242,389)</u>	<u>(242,389)</u>	<u>6,934</u>	<u>249,323</u>
Other Financing Sources				
Sale of Assets	0	0	10,500	10,500
Other Financing Uses	(2,000)	(2,000)	0	2,000
<i>Net Change in Fund Balance</i>	(244,389)	(244,389)	17,434	261,823
<i>Fund Balance Beginning of Year</i>	<u>244,393</u>	<u>244,393</u>	<u>244,393</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 4</u></u>	<u><u>\$ 4</u></u>	<u><u>\$ 261,827</u></u>	<u><u>\$ 261,823</u></u>

See accompanying notes to the basic financial statements

**CEDARVILLE TOWNSHIP  
GREENE COUNTY**

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

*For the Year Ended December 31, 2007*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Intergovernmental	\$ 82,000	\$ 82,000	\$ 88,980	\$ 6,980
Earnings on Investments	<u>3,000</u>	<u>3,000</u>	<u>3,698</u>	<u>698</u>
<i>Total receipts</i>	<u>\$ 85,000</u>	<u>\$ 85,000</u>	<u>\$ 92,678</u>	<u>\$ 7,678</u>
<b>Disbursements</b>				
Current:				
Public Works	\$ <u>166,986</u>	\$ <u>166,986</u>	\$ <u>40,841</u>	\$ <u>126,145</u>
<i>Total Disbursements</i>	<u>\$ 166,986</u>	<u>\$ 166,986</u>	<u>\$ 40,841</u>	<u>\$ 126,145</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(81,986)</u>	<u>(81,986)</u>	<u>51,837</u>	<u>133,823</u>
<i>Net Change in Fund Balance</i>	(81,986)	(81,986)	51,837	133,823
<i>Fund Balance Beginning of Year</i>	<u>81,986</u>	<u>81,986</u>	<u>81,986</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 133,823</u></u>	<u><u>\$ 133,823</u></u>

See accompanying notes to the basic financial statements

**CEDARVILLE TOWNSHIP  
GREENE COUNTY**

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

*For the Year Ended December 31, 2007*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$ 211,137	\$ 211,137	\$ 233,054	\$ 21,917
Charges for Services	87,000	87,000	95,613	8,613
Intergovernmental	32,000	32,000	13,307	(18,693)
Miscellaneous	13,000	13,000	12,566	(434)
<i>Total receipts</i>	<u>\$ 343,137</u>	<u>\$ 343,137</u>	<u>\$ 354,540</u>	<u>\$ 11,403</u>
<b>Disbursements</b>				
Current:				
Public Safety	\$ 306,967	\$ 333,567	\$ 296,324	\$ 37,243
Capital Outlay	99,438	72,838	50,616	22,222
<i>Total Disbursements</i>	<u>\$ 406,405</u>	<u>\$ 406,405</u>	<u>\$ 346,940</u>	<u>\$ 59,465</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(63,268)</u>	<u>(63,268)</u>	<u>7,600</u>	<u>70,868</u>
Other Financing Sources				
Sale of Assets	<u>0</u>	<u>0</u>	<u>10,000</u>	<u>10,000</u>
<i>Net Change in Fund Balance</i>	(63,268)	(63,268)	17,600	80,868
<i>Fund Balance Beginning of Year</i>	70,168	70,168	70,168	0
Prior Year Encumbrances Appropriated	<u>3,100</u>	<u>3,100</u>	<u>3,100</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 10,000</u></u>	<u><u>\$ 10,000</u></u>	<u><u>\$ 90,868</u></u>	<u><u>\$ 80,868</u></u>

See accompanying notes to the basic financial statements

**CEDARVILLE TOWNSHIP**  
**GREENE COUNTY**  
*Statement of Net Assets - Modified Cash Basis*  
*December 31, 2006*

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	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 447,524
Investments	<u>207,883</u>
<i>Total Assets</i>	<u><u>\$ 655,407</u></u>
<b>Net Assets</b>	
Restricted for:	
Permanent Fund	\$ 165,696
Other Purposes	245,318
Unrestricted	<u>244,393</u>
<i>Total Net Assets</i>	<u><u>\$ 655,407</u></u>

See accompanying notes to the basic financial statements

**CEDARVILLE TOWNSHIP  
GREENE COUNTY**

*Statement of Activities - Modified Cash Basis  
For the Year Ended December 31, 2006*

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	
<b>Governmental Activities</b>				
General Government	\$ 128,956	\$ 15,366	\$ 0	(113,590)
Public Safety	306,875	102,405	0	(204,470)
Public Works	157,352	0	99,493	(57,859)
Health	69,724	13,500	0	(56,224)
Capital Outlay	112,190	0	0	(112,190)
<i>Total Governmental Activities</i>	\$ 775,097	\$ 131,271	\$ 99,493	\$ (544,333)
<b>General Receipts</b>				
Property Taxes			\$	362,392
Grants and Entitlements not Restricted to Specific Programs				86,490
Earnings on Investments				25,195
Miscellaneous				15,540
<i>Total General Receipts</i>				489,617
Change in Net Assets				(54,716)
<i>Net Assets Beginning of Year</i>				710,123
<i>Net Assets End of Year</i>			\$	655,407

See accompanying notes to the basic financial statements

**CEDARVILLE TOWNSHIP  
GREENE COUNTY**

*Statement of Modified Cash Basis Assets and Fund Balances*

*Governmental Funds*

*December 31, 2006*

	<u>General</u>	<u>Gasoline Tax</u>	<u>Fire District</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>					
Cash	\$ 237,079	\$ 81,986	\$ 73,268	\$ 55,195	\$ 447,528
Investments	<u>7,314</u>	<u>0</u>	<u>0</u>	<u>200,565</u>	<u>207,879</u>
<i>Total Assets</i>	<u>\$ 244,393</u>	<u>\$ 81,986</u>	<u>\$ 73,268</u>	<u>\$ 255,760</u>	<u>\$ 655,407</u>
<b>Fund Balances</b>					
Reserved:					
Reserved for Encumbrances	\$ 0	\$ 0	\$ 3,100	\$ 0	\$ 3,100
Unreserved:					
Undesignated (Deficit), Reported in:					
General Fund	244,393	0	0	0	244,393
Special Revenue Funds	0	81,986	70,168	90,064	242,218
Permanent Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>165,696</u>	<u>165,696</u>
<i>Total Fund Balances</i>	<u>\$ 244,393</u>	<u>\$ 81,986</u>	<u>\$ 73,268</u>	<u>\$ 255,760</u>	<u>\$ 655,407</u>

See accompanying notes to the basic financial statements

**CEDARVILLE TOWNSHIP  
GREENE COUNTY**

*Statement of Cash Receipts, Disbursements and Changes in Modified Cash Basis Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2006*

	<u>General</u>	<u>Gasoline Tax</u>	<u>Fire District</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Receipts</b>					
Property and Other Local Taxes	\$ 93,351	\$ 0	\$ 220,214	\$ 48,827	\$ 362,392
Charges for Services	0	0	102,405	0	102,405
Licenses, Permits and Fees	15,366	0	0	0	15,366
Intergovernmental	46,204	86,201	31,212	22,366	185,983
Earnings on Investments	21,196	3,025	0	974	25,195
Miscellaneous	1,994	0	13,546	13,500	29,040
<i>Total Receipts</i>	<u>\$ 178,111</u>	<u>\$ 89,226</u>	<u>\$ 367,377</u>	<u>\$ 85,667</u>	<u>\$ 720,381</u>
<b>Disbursements</b>					
Current:					
General Government	\$ 128,956	\$ 0	\$ 0	\$ 0	\$ 128,956
Public Safety	31,197	0	275,678	0	306,875
Public Works	20,452	72,349	0	64,551	157,352
Health	37,577	0	0	32,147	69,724
Capital Outlay	0	0	99,801	12,389	112,190
<i>Total Disbursements</i>	<u>218,182</u>	<u>72,349</u>	<u>375,479</u>	<u>109,087</u>	<u>775,097</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(40,071)</u>	<u>16,877</u>	<u>(8,102)</u>	<u>(23,420)</u>	<u>(54,716)</u>
<i>Net Change in Fund Balances</i>	(40,071)	16,877	(8,102)	(23,420)	(54,716)
<i>Fund Balances Beginning of Year</i>	<u>284,464</u>	<u>65,109</u>	<u>81,370</u>	<u>279,180</u>	<u>710,123</u>
<i>Fund Balances End of Year</i>	<u>\$ 244,393</u>	<u>\$ 81,986</u>	<u>\$ 73,268</u>	<u>\$ 255,760</u>	<u>\$ 655,407</u>

See accompanying notes to the basic financial statements

**CEDARVILLE TOWNSHIP  
GREENE COUNTY**

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

*For the Year Ended December 31, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$ 85,000	\$ 92,348	\$ 93,351	\$ 1,003
Licenses, Permits, and Fees	20,000	20,000	15,366	(4,634)
Intergovernmental	47,500	47,500	46,204	(1,296)
Earnings on Investments	14,000	14,000	21,196	7,196
Miscellaneous	33,500	33,500	1,994	(31,506)
<i>Total receipts</i>	<u>\$ 200,000</u>	<u>\$ 207,348</u>	<u>\$ 178,111</u>	<u>\$ (29,237)</u>
<b>Disbursements</b>				
Current:				
General Government	\$ 287,380	\$ 294,728	\$ 128,956	\$ 165,772
Public Safety	60,000	60,000	31,197	28,803
Public Works	50,120	50,120	20,452	29,668
Health	43,000	47,000	37,577	9,423
Capital Outlay	41,960	37,960	0	37,960
<i>Total Disbursements</i>	<u>\$ 482,460</u>	<u>\$ 489,808</u>	<u>\$ 218,182</u>	<u>\$ 271,626</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(282,460)</u>	<u>(282,460)</u>	<u>(40,071)</u>	<u>242,389</u>
Other Financing Uses	<u>(2,000)</u>	<u>(2,000)</u>	<u>0</u>	<u>2,000</u>
<i>Net Change in Fund Balance</i>	(284,460)	(284,460)	(40,071)	244,389
<i>Fund Balance Beginning of Year</i>	<u>284,464</u>	<u>284,464</u>	<u>284,464</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 4</u></u>	<u><u>\$ 4</u></u>	<u><u>\$ 244,393</u></u>	<u><u>\$ 244,389</u></u>

See accompanying notes to the basic financial statements

**CEDARVILLE TOWNSHIP  
GREENE COUNTY**

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

*For the Year Ended December 31, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Intergovernmental	\$ 73,500	\$ 73,500	\$ 86,201	\$ 12,701
Earnings on Investments	<u>1,500</u>	<u>1,500</u>	<u>3,025</u>	<u>1,525</u>
<i>Total receipts</i>	<u>\$ 75,000</u>	<u>\$ 75,000</u>	<u>\$ 89,226</u>	<u>\$ 14,226</u>
<b>Disbursements</b>				
Current:				
Public Works	\$ <u>140,109</u>	\$ <u>140,109</u>	\$ <u>72,349</u>	\$ <u>67,760</u>
<i>Total Disbursements</i>	<u>140,109</u>	<u>140,109</u>	<u>72,349</u>	<u>67,760</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(65,109)</u>	<u>(65,109)</u>	<u>16,877</u>	<u>81,986</u>
<i>Net Change in Fund Balance</i>	(65,109)	(65,109)	16,877	81,986
<i>Fund Balance Beginning of Year</i>	<u>65,109</u>	<u>65,109</u>	<u>65,109</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 81,986</u>	<u>\$ 81,986</u>

See accompanying notes to the basic financial statements

**CEDARVILLE TOWNSHIP  
GREENE COUNTY**

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

*For the Year Ended December 31, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$ 201,000	\$ 201,000	\$ 220,214	\$ 19,214
Charges for Services	90,000	90,000	102,405	12,405
Intergovernmental	28,000	28,000	31,212	3,212
Miscellaneous	11,000	11,000	13,546	2,546
<i>Total receipts</i>	<u>\$ 330,000</u>	<u>\$ 330,000</u>	<u>\$ 367,377</u>	<u>\$ 37,377</u>
<b>Disbursements</b>				
Current:				
Public Safety	\$ 299,625	\$ 299,625	\$ 278,778	\$ 20,847
Capital Outlay	111,745	111,745	99,801	11,944
<i>Total Disbursements</i>	<u>411,370</u>	<u>411,370</u>	<u>378,579</u>	<u>32,791</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(81,370)</u>	<u>(81,370)</u>	<u>(11,202)</u>	<u>70,168</u>
<i>Net Change in Fund Balance</i>	(81,370)	(81,370)	(11,202)	70,168
<i>Fund Balance Beginning of Year</i>	<u>81,370</u>	<u>81,370</u>	<u>81,370</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 70,168</u>	<u>\$ 70,168</u>

See accompanying notes to the basic financial statements

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**CEDARVILLE TOWNSHIP**  
**GREENE COUNTY**

*Notes to the Financial Statements*  
*For the Years Ended December 31, 2007 and 2006*

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**Note 1 – Reporting Entity**

Cedarville Township, Greene County, Ohio (the Township), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Township Fiscal Officer.

The reporting entity is comprised of the primary government, component units and other organizations that were included to ensure that the financial statements are not misleading.

**A. Primary Government**

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

**B. Component Units**

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Township is obligated for the debt of the organization. The Township is also financially accountable for any organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Township, are accessible to the Township and are significant in amount to the Township.

The Township has no component units.

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

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

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

**CEDARVILLE TOWNSHIP  
GREENE COUNTY**

*Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006*

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**Note 2 – Summary of Significant Accounting Policies**, continued

**A. Basis of Presentation**

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

**Government-Wide Financial Statements**

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

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

**Fund Financial Statements**

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

**B. Fund Accounting**

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

**Governmental Funds**

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

**General Fund** - The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

**CEDARVILLE TOWNSHIP  
GREENE COUNTY**

*Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006*

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**Note 2 – Summary of Significant Accounting Policies**, continued

**B. Fund Accounting**, continued

**Governmental Funds**, continued

**Gasoline Tax** – receives gasoline tax money for constructing, maintaining and repairing Township roads.

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

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

**C. Basis of Accounting**

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

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

**D. Budgetary Process**

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

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

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

**CEDARVILLE TOWNSHIP**  
**GREENE COUNTY**  
*Notes to the Financial Statements*  
*For the Years Ended December 31, 2007 and 2006*

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**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 Investments**

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

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments. Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts.

During 2007 and 2006, the Township invested in nonnegotiable certificates of deposit, a sweep account, and passbook savings. The nonnegotiable certificates of deposits are reported at cost.

Interest earnings are allocated to Township funds according to state statutes. Interest receipts credited to the General Fund was \$15,676 and \$21,196 in 2007 and 2006, respectively.

**F. Restricted Assets**

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

**G. Inventory and Prepaid Items**

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

**H. Capital Assets**

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

**I. Accumulated Leave**

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

**CEDARVILLE TOWNSHIP  
GREENE COUNTY**

*Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006*

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**Note 2 – Summary of Significant Accounting Policies**, continued

**J. Employer Contributions to Cost-Sharing Pension Plans**

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

**K. Net Assets**

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

**L. Fund Balance Reserves**

The Township had no reserves in 2006 or 2007.

**M. Interfund Transactions**

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

The Township had no interfund transactions in 2006 or 2007.

**Note 3 – Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund, Gasoline Fund, and Fire District Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the modified cash basis is outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as a reservation of fund balance (modified cash basis). There were no encumbrances outstanding at year end 2007 and \$3,100 for the Fire District Fund at year end 2006.

**Note 4 – Budgetary Compliance**

Contrary to Ohio law, estimated receipts exceeded actual receipts in 2006 for the General Fund.

**CEDARVILLE TOWNSHIP  
GREENE COUNTY**

*Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006*

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**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
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

**CEDARVILLE TOWNSHIP  
GREENE COUNTY**

*Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006*

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**Note 5– Deposits and Investments**, continued

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

**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, 2007, the carrying amounts of the Township's deposits were \$773,932 and the bank balance was \$792,284. At December 31, 2006, the carrying amounts of the Township's deposits were \$655,407 and the bank balance was \$682,183. Of the bank balance, \$300,000 in 2007 and \$200,000 in 2006 was covered by federal depository insurance corporation and \$492,284 and \$482,183 for 2007 and 2006, respectively, was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

**Investments**

As of December 31, 2006 and 2007, the Township had the following investments included above.

	Carrying Value 2007	Carrying Value 2006
Certificates of Deposit	<u>\$ 213,814</u>	<u>\$ 207,883</u>

**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 2007 represent the collection of 2006 taxes. Real property taxes received in 2007 were levied after October 1, 2006 on the assessed values as of January 1, 2006, 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.

**CEDARVILLE TOWNSHIP  
GREENE COUNTY**

*Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006*

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**Note 6 – Property Taxes**, continued

Public utility property tax receipts received in 2007 represent the collection of 2006 taxes. Public utility real and tangible personal property taxes received in 2007 became a lien on December 31, 2006, were levied after October 1, 2006, 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.

Tangible personal property tax receipts received in 2007 (other than public utility property) represent the collection of 2006 taxes. Tangible personal property taxes received in 2007 were levied after October 1, 2006, on the true value as of December 31, 2006. 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 full tax rate for all Township operations for the years ended December 31, 2006 and 2007 was \$9.90 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2006 and 2007 property tax receipts were based are as follows:

	2007	2006
Real Property		
Residential & Agricultural	\$33,805,030	\$32,879,500
Commercial/Industrial/Mineral	471,690	471,690
Public Utility Property		
Personal	3,222,470	2,988,050
Tangible Personal Property	1,048,624	527,870
Total Assessed Value	\$38,547,814	\$36,867,110

**Note 7– Risk Management**

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2006 and 2007, the Township contracted with the Ohio Township Risk Management Authority (OTARMA), a risk sharing pool available to Townships. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP) Member townships pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members’ deductibles. Coverage provided by OTARMA is as follows:

Legal Liability	\$1,000	Per Occurance
Property	419,249	Total Coverage

There were no significant reductions in coverage from prior years and claims have not exceeded insurance coverage in any of the past three years.

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

**CEDARVILLE TOWNSHIP**  
**GREENE COUNTY**

*Notes to the Financial Statements*  
*For the Years Ended December 31, 2007 and 2006*

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**Note 7– Risk Management**, continued

Casualty Coverage

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

If losses exhaust OTARMA’s retained earnings, APEEP provides *excess of funds available* coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000 (for claims prior to January 1, 2006) or \$3,000,000 (for claims on or after January 1, 2006) as noted above.

Property Coverage

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

Beginning in 2005, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provide aggregate stop-loss coverage based upon the combined members’ total insurable value. If the stop loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit.

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

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

Financial Position

OTARMA’s financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2006 and 2005 (the latest information available):

<u>Casualty Coverage</u>	<u>2006</u>	<u>2005</u>
Assets	\$32,031,312	\$30,485,638
Liabilities	<u>(11,443,952)</u>	<u>(12,344,576)</u>
Retained earnings	<u>\$20,587,360</u>	<u>\$18,141,062</u>

**CEDARVILLE TOWNSHIP  
GREENE COUNTY**

*Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006*

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**Note 7– Risk Management**, continued

<u>Property Coverage</u>	<u>2006</u>	<u>2005</u>
Assets	\$10,010,963	\$9,177,796
Liabilities	<u>(676,709)</u>	<u>(1,406,031)</u>
Retained earnings	<u>\$9,334,254</u>	<u>\$7,771,765</u>

At December 31, 2006 and 2005, respectively, casualty coverage liabilities noted above include approximately \$10.8 million and \$11.6 million of estimated incurred claims payable. The Casualty Coverage assets and retained earnings above also include approximately \$10.8 million and \$11.6 million of unpaid claims to be billed to approximately 958 member governments in the future, as of December 31, 2006 and 2005, respectively.

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

**Note 8 – Leases**

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

Future lease payments for the above leases are as follows:

<u>Year Ending December 31:</u>	<u>Amount</u>
2008	31,956
2009	31,956
2010	<u>31,956</u>
Total Minimum Lease Payments	\$95,868
Less amount representing interest	<u>7,357</u>
Present Value Minimum Lease Payments	<u>\$88,511</u>

**CEDARVILLE TOWNSHIP**  
**GREENE COUNTY**

*Notes to the Financial Statements*  
*For the Years Ended December 31, 2007 and 2006*

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**Note 9 – Defined Benefit Pension Plan**

**A. Ohio Public Employees Retirement System**

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

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

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

The members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 9.0 percent and 9.5 percent of their annual covered salaries for 2006 and 2007, respectively. The Township's contribution rate for pension benefits was 13.70 percent and 13.85 percent for 2006 and 2007, respectively. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2007, 2006 and 2005 were \$14,525, 13,699 and \$12,880, respectively. The full amount has been contributed for 2007 and 2006.

**B. Ohio Police and Fire Pension Fund**

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

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations while the Township is required to contribute 24 percent for firefighters. Contributions are authorized by State statute. The Township's contribution to the fund for firefighters was \$21,840, \$20,478, and \$19,386 for the years ended December 31, 2007, 2006, and 2005, respectively. The full amount has been contributed for 2007 and 2006.

**CEDARVILLE TOWNSHIP  
GREENE COUNTY**

*Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006*

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**Note 10 - Postemployment Benefits**

**A. Ohio Public Employees Retirement System**

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12.

A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2007 and 2006 local government employer contribution rate was 13.85 and 13.70 percent, respectively of covered payroll; 5.0 percent (January 1 through June 30) and 6.0 percent (July 1 through December 31) for 2007 and 4.5 percent for 2006, of covered payroll was the portion that was used to fund health care in 2007 and 2006, respectively.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2007, include a rate of return on investments of 6.5 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate plus an additional factor ranging from .5 to 5 percent annually for the next eight years and 4.00 percent annually after eight years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 374,979. The actuarial value of OPERS's net assets available for payment of benefits at December 31, 2006, (the latest information available) were \$12.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$30.7 billion and \$18.7 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which will allow additional funds to be allocated to the health care plan.

**B. Ohio Police and Fire Pension Fund**

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school full-time or on a 2/3 basis.

**CEDARVILLE TOWNSHIP  
GREENE COUNTY**

*Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006*

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**Note 10 - Postemployment Benefits**, continued

**B. Ohio Police and Fire Pension Fund**, continued

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in *GASB Statement No. 12*. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis.

The total firefighter contribution rate is 24 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2006 and 2007. In addition, since July 1, 1992, most retirees and survivors have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

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

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

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

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cedarville Township, Greene County, Ohio (the Township), as of and for the years ended December 31, 2007 and 2006, which collectively comprise the Township's basic financial statements and have issued our report thereon dated April 4, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Township's internal control will not prevent or detect a more-than-consequential financial statement misstatement.

We consider the following deficiency described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting: 2007-003 and 2007-004.

### **Internal Control Over Financial Reporting, continued**

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Township's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. However, of the significant deficiencies described above, we believe finding numbers 2007-003 is also material weaknesses.

We noted certain matters that we reported to the Township's management in a separate letter dated April 4, 2008.

### **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 grants agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters that we must report under *Government Auditing Standard*, which are described in the accompanying schedule of findings as items 2007-001 and 2007-002.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated April 4, 2008.

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

We intend this report for the information and use of management and the Board of Trustees. We intend it for no one other than these specified parties.

Manning & Associates CPAs, LLC  
Dayton, Ohio

April 4, 2008

**CEDARVILLE TOWNSHIP**  
**GREENE COUNTY**  
*Schedule of Findings*  
*For the Years Ended December 31, 2007 and 2006*

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

**FINDING NUMBER 2007-001**

**Ohio Rev. Code Section 5705.36 (A)(3)** allows subdivisions to request increased amended certificates of estimated resources and reduced amended certificates upon determination by the fiscal officer that revenue to be collected will be greater or less than the amount in the official certificate of estimated resources.

An increased amended certificate must be obtained from the budget commission if the legislative authority intends to appropriate and expend the excess revenue. A reduced amended certificate must be obtained if the amount of the deficiency will reduce available resources below the current level of appropriation.

During 2006 estimated receipts were more than actual in the General Fund.

<u>Estimated Resources</u>	<u>Actual Receipts</u>	<u>Variance</u>
\$207,348	\$178,111	(\$29,237)

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

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

**FINDING NUMBER 2007-002**

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

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

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

**CEDARVILLE TOWNSHIP**  
**GREENE COUNTY**  
*Schedule of Findings*  
*For the Years Ended December 31, 2007 and 2006*

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<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2007-002, continued**

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

2. **Blanket certificate** – Fiscal officers may prepare “blanket” certificates not exceeding \$5,000 (an amount established by resolution or ordinance adopted by the legislative authority, effective September 26, 2003) against any specific line item account over a period exceeding three months (three month limitation was eliminated effective September 26, 2003) or running beyond the current year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
  
3. **Super blanket certificate** – The Township may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any one line item appropriation.

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

During both 2006 and 2007, the Township issued “Then and Now” purchase orders for amounts greater than the \$3,000 limit imposed by the Ohio Revised Code. The Township also issued purchase orders after the incurrence of an expense without certifying the purchase order as a “Then and Now.”

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

**CEDARVILLE TOWNSHIP**  
**GREENE COUNTY**  
*Schedule of Findings*  
*For the Years Ended December 31, 2007 and 2006*

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<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2007-003**

Financial Reporting

As a result of the audit procedures performed, misclassifications were noted in the financial statements that required material audit adjustments. For fiscal year 2007, Sale of Assets were misclassified as Other Revenue instead of Sale of Assets in the amount of \$20,550. The Certificate of Deposit balances did not agree to the actual CD's on hand at December 31, 2006 and 2007. In 2007, the difference was \$1,988 and \$1,180 for 2006; this was due to posting of unearned interest. These financial statements have been adjusted to reflect the items above.

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

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

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

**FINDING NUMBER 2007-004**

Significant Deficiency in Internal Control – Cemetery Receipts

The Cemetery Sexton is not issuing receipts for cemetery payments unless requested. Also, there was no reconciling of cemetery collections to cemetery income. Failure to issue pre-numbered receipts could result in the failure to detect errors and omissions in a timely manner.

The Township should implement procedures in which all monies collected are receipted and the deposit amount is matched to that day's collection report by an independent party. Any discrepancies should be investigated.

Response: The Trustees will review the procedures and implement changes as deemed necessary.





**Mary Taylor, CPA**  
Auditor of State

**CEDARVILLE TOWNSHIP**

**GREENE COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
NOVEMBER 6, 2008**