

SUGARCREEK TOWNSHIP

GREENE COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2007 and DECEMBER 31, 2008

FISCAL YEAR AUDITED UNDER GAGAS: 2008 AND 2007

Caudill & Associates, CPA's

725 5th Street
Portsmouth, OH 45662



Mary Taylor, CPA
Auditor of State

Board of Trustees
Sugar creek Township
P. O. Box 268
2090 Ferry Road
Bellebrook, Ohio 45305

We have reviewed the *Independent Auditor's Report* of Sugar creek Township, Greene County, prepared by Caudill & Associates, CPA's, for the audit period January 1, 2007 through December 31, 2008. 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. Sugar creek Township is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 26, 2009

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Sugarcreek Township
Greene County, Ohio
For the Years Ended December 31, 2008 and December 31, 2007
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Greene County, Ohio
For the Years Ended December 31, 2008 and December 31, 2007
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Caudill & Associates, CPA's

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Board of Trustees
Sugar creek Township
Greene County, Ohio
P.O. Box 268
26 East Franklin Street
Bellebrook, OH 45305

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sugar creek Township, Greene County, Ohio, (the Township) as of and for the years ended December 31, 2007 and December 31, 2008, which collectively comprise 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 opinions 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 2, the 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 financial position-cash basis of the governmental activities, each major fund, and the aggregate remaining fund information of Sugar creek Township, Greene County, Ohio as of December 31, 2007 and December 31, 2008, and the respective changes in financial position-cash basis and the respective budgetary comparisons for the General Fund, Road and Bridge Fund, Police District Fund, Station One Fire District Fund, and Law Enforcement Trust Fund (2008 only), thereof 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 April 15, 2009, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or 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.

Sugarcreek Township
Independent Auditors' Report

The Management's Discussion and Analysis at pages 3-8 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, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

Caudill & Associates, CPAs

Caudill & Associates, CPA's

April 15, 2009

Sugarcreek Township
Management's Discussion and Analysis
For the Years Ended December 31, 2008 and December 31, 2007
Unaudited

This management's discussion and analysis of Sugarcreek Township's financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2008 and December 31, 2007, within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2008 and 2007 are as follows:

Net assets of governmental activities decreased \$518,277 or 16.7% in 2008 and \$1,431,430 or 31.6% in 2007, a significant change from 2006. The fund most affected by the decrease in cash and cash equivalents was the Cloyo Road Capital Project fund which had significant decrease in funding as debt proceeds were expended.

The Township's general receipts are primarily property and other local taxes. These receipts represent respectively 79.7% in 2008 and 85.7% in 2007, of the total cash received for governmental activities during the year. In 2008, Property and other local taxes receipts increased \$73,540 from 2007, or 2%. In 2007, property and other local taxes receipts decreased \$277,102 or 6%. Housing development decreased from 2006 to 2007, but increased from 2007 to 2008.

Using the Basic Financial Statements

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

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.

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.

Sugarcreek Township
Management's Discussion and Analysis
For the Years Ended December 31, 2008 and December 31, 2007
Unaudited

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 2008 and 2007, within the limitations of cash basis accounting. The Statement of Net Assets presents the cash balances of the governmental activities of the Township at year end. The Statement of Activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other 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, we divide the Township into one type of activity:

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

Reporting the Township's Most Significant Funds

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

Governmental Funds - Most of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not

Sugarcreek Township
Management's Discussion and Analysis
For the Years Ended December 31, 2008 and December 31, 2007
Unaudited

large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General Fund, the Road and Bridge Fund, the Police District Fund, the Station One Fire District Fund, the Law Enforcement Trust Fund (For 2008 only), and the Bond Anticipation Fund (For 2007 only).

The Township as a Whole

Table 1 provides a summary of the Township's net assets for 2008 compared to 2007, and 2007 compared to 2006 on a cash basis:

	Governmental Activities				
	2008	2007	Increase/ (Decrease)	2006	Increase/ (Decrease)
Assets					
Cash and Cash Equivalents	\$2,583,153	\$3,101,430	(\$518,277)	\$4,532,860	(\$1,431,430)
Net Assets					
Restricted for Capital Projects	26,556	82,267	(55,711)	1,614,710	(1,532,443)
Restricted for Debt Service	-	4,266	(4,266)	4,266	0
Restricted for Other Purposes	2,189,121	1,969,297	219,824	2,071,594	(102,297)
Unrestricted	367,476	1,045,600	(678,124)	842,290	203,310
Total Net Assets	\$2,583,153	\$3,101,430	(\$518,277)	\$4,532,860	(\$1,431,430)

As mentioned previously, net assets of governmental activities decreased \$518,277 or 16.7% during 2008 and decreased \$1,431,430 or 31.6% in 2007. The primary reason contributing for the decrease in the cash balance is that in year 2006, the Township increased cash balance with debt proceeds obtained for the Clio Road Project in the amount of \$1,500,000. Subsequent expenditures for the Clio Road project then contributed to the cash decrease in 2007 and 2008.

Sugarcreek Township
Management's Discussion and Analysis
For the Years Ended December 31, 2008 and December 31, 2007
Unaudited

Table 2 reflects the changes in net assets in 2008, 2007 and 2006.

	Governmental Activities 2008	Governmental Activities 2007	Governmental Activities 2006
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$317,256	\$331,465	\$365,513
Operating Grants and Contributions	631,025	581,618	165,434
Capital Grants and Contributions	281,752	-	910,486
Total Program Receipts	\$1,230,033	\$913,083	\$1,441,433
General Receipts:			
Property and Other Local Taxes	4,153,722	4,080,182	4,357,284
Grants and Entitlements Not Restricted to Specific Programs	198,617	730,286	405,646
Loan Proceeds	-	-	1,500,000
Sale of Fixed Assets	52,346	193,752	75,000
Interest	37,040	208,876	199,130
Miscellaneous	391,356	268,389	370,579
Total General Receipts	4,833,081	5,481,485	6,907,639
<i>Total Receipts</i>	<u>6,063,114</u>	<u>6,394,568</u>	<u>8,349,072</u>
Disbursements:			
General Government	803,569	898,340	530,005
Public Safety	3,896,226	3,933,305	4,487,153
Public Works	721,044	724,897	591,858
Health	37,916	39,920	41,135
Capital Outlay	976,028	492,410	381,572
Debt Service:			
Principle Retirement	70,000	1,565,000	65,000
Interest and Fiscal Charges	76,608	172,126	80,575
<i>Total Disbursements</i>	<u>6,581,391</u>	<u>7,825,998</u>	<u>6,177,298</u>
 Increase in Net Assets	 (518,277)	 (1,431,430)	 2,171,774
 Net Assets Beginning of Year	 <u>3,101,430</u>	 <u>4,532,860</u>	 <u>2,361,086</u>
 Net Assets End of Year	 <u><u>\$2,583,153</u></u>	 <u><u>\$3,101,430</u></u>	 <u><u>\$4,532,860</u></u>

Program receipts represent 20.3% of total receipts for 2008 and 14.3% for 2007 and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money.

Sugarcreek Township
Management's Discussion and Analysis
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Unaudited

General receipts represent 79.7% of the Township's total receipts for 2008, and of this amount, approximately 85.9% are property and other local taxes for 2008. In 2007, General receipts represent 85.7% of the Township's total receipts, and of this amount, approximately 74.4% are property and other local taxes.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These activities include costs of the auditor, clerk, and a portion of the trustees, as well as internal services such as payroll and purchasing. General government represents 12.2% in 2008 and 11.5% in 2007 of total disbursements while public safety disbursements represent 59.2% in 2008 and 50.3% in 2007 of the total. Public works represented 11.0% and 9.3% in 2008 and 2007, respectively. Public safety includes the cost of police and fire protection and public works for road maintenance.

Governmental Activities

If you look at the Statement of Activities on page 10, 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 public safety, which account for 59.2% of all governmental disbursements. General government also represents a small cost of about 12.2%. The next three columns of the Statement entitled Program Cash Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net 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.

	Total Cost of Services 2008	Net Cost of Services 2008	Total Cost of Services 2007	Net Cost of Services 2007
General Government	\$803,569	(\$785,818)	\$898,340	(\$878,080)
Public Safety	3,896,226	(3,137,347)	3,933,305	(3,245,473)
Public Works	721,044	(267,641)	724,897	(519,906)
Health	37,916	(37,916)	39,920	(39,920)
Capital Outlay	976,028	(976,028)	492,410	(492,410)
Debt Services:				
Principal Retirement	70,000	(70,000)	1,565,000	(1,565,000)
Interest and Fiscal Charges	76,608	(76,608)	172,126	(172,126)
Total Expenses	<u>\$6,581,391</u>	<u>(\$5,351,358)</u>	<u>\$7,825,998</u>	<u>(\$6,912,915)</u>

The dependence upon property tax receipts is apparent as over 81% and 88%, in 2008 and 2007, respectively, of governmental activities are supported through these general receipts.

Sugarcreek Township
Management's Discussion and Analysis
For the Years Ended December 31, 2008 and December 31, 2007
Unaudited

The Township's Funds

In 2008, total governmental funds had receipts of \$6,010,769 and disbursements of \$6,581,392. The greatest change within governmental funds occurred within the General Fund. The fund balance of the General Fund decreased \$678,124. This decrease was attributable to lower earnings in investments and a decrease in intergovernmental revenues.

In 2007, total governmental funds had receipts of \$6,200,816 and disbursements of \$7,825,998. The greatest change within governmental funds occurred within the General Fund for a large estate settlement.

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.

During 2008 and 2007, the Township amended its General Fund budget several times to reflect changing circumstances. Final budgeted receipts were not amended in 2007. In 2008, Final budgeted receipts were above original budgeted receipts due to grants and receipts expected from other governments being higher than originally expected.

Final disbursements were budgeted at \$1,176,450 and \$1,197,135 in 2008 and 2007, while actual disbursements were \$1,112,554 and \$1,177,569, respectively. The Township spent below what was projected and indicates that the Township is working hard to keep expenses to a minimum.

Capital Assets and Debt Administration

Capital Assets

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

Debt

At December 31, 2008, the Township's outstanding debt included Improvement Bonds with a balance of \$1,665,000 for building improvements. On May 16, 2006, the Township issued a short term Tax Increment Revenue Note of \$1,500,000 at a 4.14% interest rate. The note was issued for the purpose of providing funds for the construction and installation of infrastructure on Clyo Road. The note was paid on May 2007. Fire Truck ladder lease for \$21,723 remained outstanding as of December 31, 2008. For further information regarding the Township's debt, refer to Note 7 and Note 8 to the basic financial statements.

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 Theodore Hodson, Fiscal Officer, Sugarcreek Township, 2090 Ferry Road, P.O. Box 268, Bellebrook, Ohio 45305.

Sugarcreek Township
Statement of Net Assets - Cash Basis
For the year ended December 31, 2008

	Governmental Activities
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$ 2,583,153
 <u>Net Assets:</u>	
Restricted for:	
Capital Projects	\$ 26,556
Debt Service	-
Other Purposes	2,189,121
Unrestricted	367,476
 <i>Total Net Assets</i>	 \$ 2,583,153

See Accompanying Notes to the Basic Financial Statements

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

	<u>Program Cash Receipts</u>				<u>Net Receipts (Disbursements) and Changes in Net Assets</u>
Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions		
<u>Governmental Activities:</u>					
General Government	\$ 803,569	\$ 17,751	\$ -	\$ -	\$ (785,818)
Public Safety	3,896,226	231,697	512,049	15,133	(3,137,347)
Public Works	721,044	67,808	118,976	266,619	(267,641)
Health	37,916	-	-	-	(37,916)
Capital Outlay	976,028	-	-	-	(976,028)
Debt Service:					-
Principle Retirement	70,000	-	-	-	(70,000)
Interest and Fiscal Charges	76,608	-	-	-	(76,608)
<i>Total Governmental Activities</i>	<u>\$ 6,581,391</u>	<u>\$ 317,256</u>	<u>\$ 631,025</u>	<u>\$ 281,752</u>	<u>\$ (5,351,358)</u>
Property and Other Taxes Levied for General Purposes					
					4,153,722
Grants and Entitlements not Restricted to Specific Programs					
					198,617
Sale of Fixed Assets					
					52,346
Interest					
					37,040
Miscellaneous					
					391,356
<i>Total General Receipts</i>					4,833,081
Change in Net Assets					(518,277)
<i>Net Assets Beginning of Year</i>					3,101,430
<i>Net Assets End of Year</i>					<u>\$ 2,583,153</u>

See Accompanying Notes to the Basic Financial Statements

Sugarcreek Township
Statement of Net Assets - Cash Basis
For the year ended December 31, 2007

	Governmental Activities
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$ 3,101,430
 <u>Net Assets:</u>	
Restricted for:	
Capital Projects	82,267
Debt Service	4,266
Other Purposes	1,969,297
Unrestricted	1,045,600
 <i>Total Net Assets</i>	 \$ 3,101,430

See Accompanying Notes to the Basic Financial Statements

Sugarcreek Township
Statement of Activities - Cash Basis
For the Year Ended December 31, 2007

	<u>Cash</u>	<u>Charges for</u>	<u>Program Cash Receipts</u>	<u>Net Receipts</u>
	<u>Disbursements</u>	<u>Services</u>	<u>Operating</u>	<u>(Disbursements) and</u>
		<u>and Sales</u>	<u>Grants and</u>	<u>Changes in Net Assets</u>
			<u>Contributions</u>	
<u>Governmental Activities:</u>				
General Government	\$ 898,340	\$ 20,260	\$ -	\$ (878,080)
Public Safety	3,933,305	242,626	445,206	(3,245,473)
Public Works	724,897	68,579	136,412	(519,906)
Health	39,920	-	-	(39,920)
Capital Outlay	492,410	-	-	(492,410)
Debt Service:				
Principle Retirement	1,565,000	-	-	(1,565,000)
Interest and Fiscal Charges	172,126	-	-	(172,126)
<i>Total Governmental Activities</i>	<u>\$ 7,825,998</u>	<u>\$ 331,465</u>	<u>\$ 581,618</u>	<u>\$ (6,912,915)</u>
Property and Other Taxes Levied for General Purposes				4,080,182
Grants and Entitlements not Restricted to Specific Programs				730,286
Sale of Fixed Assets				193,752
Interest				208,876
Miscellaneous				268,389
<i>Total General Receipts</i>				5,481,485
Change in Net Assets				(1,431,430)
<i>Net Assets Beginning of Year</i>				4,532,860
<i>Net Assets End of Year</i>				<u>\$ 3,101,430</u>

See Accompanying Notes to the Basic Financial Statements

Sugarcreek Township
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
For the year ended December 31, 2008

	<u>General</u>	<u>Road and Bridge</u>	<u>Police District</u>
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	<u>\$ 367,476</u>	<u>\$ 285,475</u>	<u>\$ 927,762</u>
<u>Fund Balances:</u>			
Reserved:			
General Fund	\$ -	\$ -	\$ -
Special Revenue Funds	-	-	-
Unreserved:			
Undesignated (Deficit), Reported in:			
General Fund	367,476	-	-
Special Revenue Funds	-	285,475	927,762
Capital Projects Funds	-	-	-
Debt Service Fund	-	-	-
<i>Total Fund Balances</i>	<u><u>\$ 367,476</u></u>	<u><u>\$ 285,475</u></u>	<u><u>\$ 927,762</u></u>

See Accompanying Notes to the Basic Financial Statements

Sugarcreek Township
Statement of Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2008

	<u>General</u>	<u>Road and Bridge</u>	<u>Police District</u>
<u>Receipts:</u>			
Property and Other Local Taxes	\$ 176,546	\$ 560,123	\$ 1,839,660
Intergovernmental	299,322	276,323	302,367
Charges for Services	-	-	16,515
Licenses, Permits and Fees	52,646	-	844
Fines, Forfeitures and Penalties	14,963	-	1,732
Earnings on Investments	34,484	-	-
Miscellaneous	6,332	4,988	14,427
	<u>584,293</u>	<u>841,434</u>	<u>2,175,545</u>
<u>Disbursements:</u>			
Current:			
General Government	751,637	-	-
Public Safety	-	-	1,977,807
Public Works	-	611,997	-
Health	37,916	-	-
Other	-	-	-
Capital Outlay	204,991	128,528	52,890
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
	<u>994,544</u>	<u>740,525</u>	<u>2,030,697</u>
<u>Other Financing Sources (Uses):</u>			
Sale of Fixed Assets	50,127	2,219	-
Transfers In	-	-	-
Transfers Out	(118,000)	-	(61,575)
Advances In	-	-	-
Advances Out	(200,000)	-	-
	<u>(267,873)</u>	<u>2,219</u>	<u>(61,575)</u>
Net Change in Fund Balances	(678,124)	103,128	83,273
Fund Balances Beginning of Year	<u>1,045,600</u>	<u>182,347</u>	<u>844,489</u>
Fund Balances (Deficit) End of Year	<u>\$ 367,476</u>	<u>\$ 285,475</u>	<u>\$ 927,762</u>

See Accompanying Notes to the Basic Financial Statements

Station One Fire District	Law Enforcement Trust	Other Governmental Funds	Total Governmental Funds
\$ 1,577,393	\$ -	\$ 67,808	\$ 4,221,530
224,048	-	134,044	1,236,104
-	-	215,182	231,697
30	-	22,014	75,534
-	-	-	16,695
-	-	2,887	37,371
3,046	144,153	18,892	191,838
<u>1,804,517</u>	<u>144,153</u>	<u>460,827</u>	<u>6,010,769</u>
-	-	51,637	803,274
1,687,441	35,333	195,645	3,896,226
-	-	109,047	721,044
-	-	-	37,916
-	-	295	295
61,199	-	528,421	976,029
-	-	70,000	70,000
-	-	76,608	76,608
<u>1,748,640</u>	<u>35,333</u>	<u>1,031,653</u>	<u>6,581,392</u>
-	-	-	52,346
-	-	264,608	264,608
(85,033)	-	-	(264,608)
-	-	200,000	200,000
-	-	-	(200,000)
<u>(85,033)</u>	<u>-</u>	<u>464,608</u>	<u>52,346</u>
(29,156)	108,820	(106,218)	(518,277)
<u>343,259</u>	<u>177,722</u>	<u>508,013</u>	<u>3,101,430</u>
<u>\$ 314,103</u>	<u>\$ 286,542</u>	<u>\$ 401,795</u>	<u>\$ 2,583,153</u>

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

	<u>Budgeted Amounts</u>		Actual	<i>Variance Positive (Negative)</i>
	<u>Original</u>	<u>Final</u>		
<u>Receipts:</u>				
Property and Other Local Taxes	\$ 168,000	\$ 168,000	\$ 176,546	\$ 8,546
Licenses, Permits and Fees	40,000	40,000	52,646	12,646
Fines and Forfeitures	-	-	14,963	14,963
Intergovernmental	129,000	179,000	299,322	120,322
Earnings on Investments	45,000	45,000	34,484	(10,516)
Other	-	-	6,332	6,332
<i>Total Receipts</i>	<u>382,000</u>	<u>432,000</u>	<u>584,293</u>	<u>152,293</u>
<u>Disbursements:</u>				
Current:				
General Government	802,450	812,450	751,637	60,813
Health	40,000	40,000	37,916	2,084
Capital Outlay	306,000	206,000	204,991	1,009
Total Disbursements	<u>1,148,450</u>	<u>1,058,450</u>	<u>994,544</u>	<u>63,906</u>
Excess of Receipts over (Under) Disbursements	<u>(766,450)</u>	<u>(626,450)</u>	<u>(410,251)</u>	<u>216,199</u>
Other Financing Sources (Uses)				
Sale of Fixed Assets	-	-	50,127	50,127
Transfers Out	(68,000)	(118,000)	(118,000)	-
Advances Out	(150,000)	(200,000)	(200,000)	-
Other Financing Sources (Uses)	(10,000)	-	-	-
Total Other Financing Sources (Uses)	<u>(228,000)</u>	<u>(318,000)</u>	<u>(267,873)</u>	<u>50,127</u>
Net Change in Fund Balance	(994,450)	(944,450)	(678,124)	266,326
Fund Balance (Deficit) Beginning of Year	<u>1,045,600</u>	<u>1,045,600</u>	<u>1,045,600</u>	<u>-</u>
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit) End of Year	<u>\$ 51,150</u>	<u>\$ 101,150</u>	<u>\$ 367,476</u>	<u>\$ 266,326</u>

See Accompanying Notes to the Basic Financial Statements

Sugarcreek Township
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Road and Bridge Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>		Actual	<i>Variance Positive (Negative)</i>
	<u>Original</u>	<u>Final</u>		
<u>Receipts:</u>				
Property and Other Local Taxes	\$ 531,000	\$ 531,000	\$ 560,123	\$ 29,123
Intergovernmental	58,723	258,723	276,323	17,600
Other	4,277	4,277	4,988	711
<i>Total Receipts</i>	<u>594,000</u>	<u>794,000</u>	<u>841,434</u>	<u>47,434</u>
<u>Disbursements:</u>				
Current:				
Public Works	701,050	701,050	611,997	89,053
Capital Outlay	<u>210,000</u>	<u>210,000</u>	<u>128,528</u>	<u>81,472</u>
<i>Total Disbursements</i>	<u>911,050</u>	<u>911,050</u>	<u>740,525</u>	<u>170,525</u>
Excess of Receipts Over (Under) Disbursements	<u>(317,050)</u>	<u>(117,050)</u>	<u>100,909</u>	<u>217,959</u>
<u>Other Financing Sources (Uses):</u>				
Sale of Fixed Assets	<u>-</u>	<u>-</u>	<u>2,219</u>	<u>2,219</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>2,219</u>	<u>2,219</u>
Net Change in Fund Balance	(317,050)	(117,050)	103,128	220,178
Fund Balance Beginning of Year	<u>182,347</u>	<u>182,347</u>	<u>182,347</u>	<u>-</u>
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance End of Year	<u>\$ (134,703)</u>	<u>\$ 65,297</u>	<u>\$ 285,475</u>	<u>\$ 220,178</u>

See Accompanying Notes to the Basic Financial Statements

Sugarcreek Township
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Police District Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<i>Variance Positive (Negative)</i>
	<u>Original</u>	<u>Final</u>		
<u>Receipts:</u>				
Property and Other Local Taxes	\$ 1,725,000	\$ 1,725,000	\$ 1,839,660	\$ 114,660
Charges for Services	15,000	15,000	16,515	1,515
Licenses, Permits and Fees	1,000	1,000	844	(156)
Fines and Forfeitures	1,000	1,000	1,732	732
Intergovernmental	198,880	198,880	302,367	103,487
Other	-	-	14,427	14,427
<i>Total Receipts</i>	<u>1,940,880</u>	<u>1,940,880</u>	<u>2,175,545</u>	<u>234,665</u>
<u>Disbursements:</u>				
Current:				
Public Safety	2,160,400	2,162,925	1,977,807	185,118
Capital Outlay	120,500	63,500	52,890	10,610
<i>Total Disbursements</i>	<u>2,280,900</u>	<u>2,226,425</u>	<u>2,030,697</u>	<u>195,728</u>
Excess of Receipts Over (Under) Disbursements	<u>(340,020)</u>	<u>(285,545)</u>	<u>144,848</u>	<u>430,393</u>
<u>Other Financing Sources (Uses):</u>				
Transfers Out	(61,604)	(61,603)	(61,575)	28
Other Financing Uses	(7,500)	(400)	-	400
Total Other Financing Sources (Uses)	<u>(69,104)</u>	<u>(62,003)</u>	<u>(61,575)</u>	<u>428</u>
Net Change in Fund Balance	(409,124)	(347,548)	83,273	430,821
Fund Balance Beginning of Year	844,489	844,489	844,489	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance End of Year	<u>\$ 435,365</u>	<u>\$ 496,941</u>	<u>\$ 927,762</u>	<u>\$ 430,821</u>

See Accompanying Notes to the Basic Financial Statements

Sugarcreek Township
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Station One Fire District Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<i>Variance Positive (Negative)</i>
	<u>Original</u>	<u>Final</u>		
<u>Receipts:</u>				
Property and Other Local Taxes	\$ 1,486,000	\$ 1,486,000	\$ 1,577,393	\$ 91,393
Licenses, Permits and Fees	2,000	2,000	30	(1,970)
Intergovernmental	198,000	198,000	224,048	26,048
Other	20,380	20,380	3,046	(17,334)
<i>Total Receipts</i>	<u>1,706,380</u>	<u>1,706,380</u>	<u>1,804,517</u>	<u>98,137</u>
<u>Disbursements:</u>				
Current:				
Public Safety	1,667,926	1,708,556	1,687,441	21,115
Capital Outlay	73,060	61,380	61,199	181
<i>Total Disbursements</i>	<u>1,740,986</u>	<u>1,769,936</u>	<u>1,748,640</u>	<u>21,296</u>
Excess of Receipts Over (Under) Disbursements	<u>(34,606)</u>	<u>(63,556)</u>	<u>55,877</u>	<u>119,433</u>
<u>Other Financing Sources (Uses):</u>				
Transfers Out	(83,083)	(85,083)	(85,033)	50
Other Financing Uses	(30,900)	-	-	-
Total Other Financing Sources (Uses)	<u>(113,983)</u>	<u>(85,083)</u>	<u>(85,033)</u>	<u>50</u>
Net Change in Fund Balance	(148,589)	(148,639)	(29,156)	119,483
Fund Balance Beginning of Year	<u>343,259</u>	<u>343,259</u>	<u>343,259</u>	<u>-</u>
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 194,670</u>	<u>\$ 194,620</u>	<u>\$ 314,103</u>	<u>\$ 119,483</u>

See Accompanying Notes to the Basic Financial Statements

Sugarcreek Township
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Law Enforcement Trust
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<i>Variance Positive (Negative)</i>
	<u>Original</u>	<u>Final</u>		
<u>Receipts:</u>				
Intergovernmental	\$ 20,000	\$ 20,000	\$ -	\$ (20,000)
Other	120,000	120,000	144,153	24,153
<i>Total Receipts</i>	<u>140,000</u>	<u>140,000</u>	<u>144,153</u>	<u>4,153</u>
<u>Disbursements:</u>				
Current:				
Public Safety	305,000	305,000	35,333	269,667
<i>Total Disbursements</i>	<u>305,000</u>	<u>305,000</u>	<u>35,333</u>	<u>269,667</u>
Excess of Receipts Over (Under) Disbursements	<u>(165,000)</u>	<u>(165,000)</u>	<u>108,820</u>	<u>273,820</u>
Net Change in Fund Balance	(165,000)	(165,000)	108,820	273,820
Fund Balance Beginning of Year	<u>177,722</u>	<u>177,722</u>	<u>177,722</u>	<u>-</u>
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 12,722</u>	<u>\$ 12,722</u>	<u>\$ 286,542</u>	<u>\$ 273,820</u>

See Accompanying Notes to the Basic Financial Statements

Sugarcreek Township
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
For the year ended December 31, 2007

	General	Road and Bridge	Police District
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$ 1,045,600	\$ 182,347	\$ 844,489
<u>Fund Balances:</u>			
Reserved:			
General Fund	\$ -	\$ -	\$ -
Special Revenue Funds	-	-	-
Unreserved:			
Undesignated (Deficit), Reported in:			
General Fund	1,045,600	-	-
Special Revenue Funds	-	182,347	844,489
Capital Projects Funds	-	-	-
Debt Service Fund	-	-	-
 <i>Total Fund Balances</i>	 \$ 1,045,600	 \$ 182,347	 \$ 844,489

See Accompanying Notes to the Basic Financial Statements

Station One Fire District	Other Governmental Funds	Total Governmental Funds
<u>\$ 343,259</u>	<u>\$ 685,735</u>	<u>\$ 3,101,430</u>
\$ -	\$ -	\$ -
-	-	-
-	-	1,045,600
343,259	599,202	1,969,297
-	82,267	82,267
-	4,266	4,266
<u>\$ 343,259</u>	<u>\$ 685,735</u>	<u>\$ 3,101,430</u>

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

	<u>General</u>	<u>Road and Bridge</u>	<u>Police District</u>
<u>Receipts:</u>			
Property and Other Local Taxes	\$ 171,406	\$ 546,390	\$ 1,810,692
Intergovernmental	756,293	69,876	239,700
Charges for Services	-	-	16,683
Licenses, Permits and Fees	46,343	15	2,265
Fines, Forfeitures and Penalties	12,827	-	2,688
Earnings on Investments	192,698	-	-
Miscellaneous	8,254	6,694	31,212
	<u>1,187,821</u>	<u>622,975</u>	<u>2,103,240</u>
<u>Disbursements:</u>			
Current:			
General Government	791,974	-	-
Public Safety	-	-	1,966,915
Public Works	-	597,803	-
Health	39,920	-	-
Capital Outlay			
Capital Outlay	194,523	2,559	127,204
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	31,220	-	-
	<u>1,057,637</u>	<u>600,362</u>	<u>2,094,119</u>
<u>Other Financing Sources (Uses):</u>			
Sale of Fixed Assets	193,058	392	153
Transfers In	-	-	-
Transfers Out	(119,932)	-	(58,531)
	<u>73,126</u>	<u>392</u>	<u>(58,378)</u>
Net Change in Fund Balances	203,310	23,005	(49,257)
Fund Balances Beginning of Year	<u>842,290</u>	<u>159,342</u>	<u>893,746</u>
Fund Balances (Deficit) End of Year	<u>\$ 1,045,600</u>	<u>\$ 182,347</u>	<u>\$ 844,489</u>

See Accompanying Notes to the Basic Financial Statements

Station One Fire District	Bond Anticipation Note	Other Governmental Funds	Total Governmental Funds
\$ 1,553,762	\$ -	\$ 68,580	\$ 4,150,830
206,696	-	154,198	1,426,763
-	-	192,183	208,866
1,257	-	33,901	83,781
-	-	401	15,916
-	-	42,401	235,099
22,158	-	11,243	79,561
<u>1,783,873</u>	<u>-</u>	<u>502,907</u>	<u>6,200,816</u>
-	-	106,366	898,340
1,654,951	-	311,439	3,933,305
-	-	127,094	724,897
-	-	-	39,920
37,147	-	130,977	492,410
-	1,500,000	65,000	1,565,000
-	62,445	78,461	172,126
<u>1,692,098</u>	<u>1,562,445</u>	<u>819,337</u>	<u>7,825,998</u>
148	-	1	193,752
-	1,562,445	189,195	1,751,640
<u>(80,664)</u>	<u>-</u>	<u>(1,492,513)</u>	<u>(1,751,640)</u>
<u>(80,516)</u>	<u>1,562,445</u>	<u>(1,303,317)</u>	<u>193,752</u>
11,259	-	(1,619,747)	(1,431,430)
<u>332,000</u>	<u>-</u>	<u>2,305,482</u>	<u>4,532,860</u>
<u>\$ 343,259</u>	<u>\$ -</u>	<u>\$ 685,735</u>	<u>\$ 3,101,430</u>

Sugarcreek Township
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
General Fund
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<i>Variance Positive (Negative)</i>
	<u>Original</u>	<u>Final</u>		
<u>Receipts:</u>				
Property and Other Local Taxes	\$ 158,000	\$ 158,000	\$ 171,406	\$ 13,406
Licenses, Permits and Fees	40,000	40,000	46,343	6,343
Fines and Forfeitures	20,000	20,000	12,827	(7,173)
Intergovernmental	126,000	126,000	756,293	630,293
Earnings on Investments	100,000	100,000	192,698	92,698
Other	37,385	37,385	8,254	(29,131)
<i>Total Receipts</i>	<u>481,385</u>	<u>481,385</u>	<u>1,187,821</u>	<u>706,436</u>
<u>Disbursements:</u>				
Current:				
General Government	730,741	793,425	791,974	1,451
Debt Service:				
Interest and Fiscal Charges	31,220	31,220	31,220	-
Health	40,000	40,000	39,920	80
Capital Outlay	130,500	203,490	194,523	8,967
<i>Total Disbursements</i>	<u>932,461</u>	<u>1,068,135</u>	<u>1,057,637</u>	<u>10,498</u>
Excess of Receipts over (Under) Disbursements	<u>(451,076)</u>	<u>(586,750)</u>	<u>130,184</u>	<u>716,934</u>
Other Financing Sources (Uses)				
Sale of Fixed Assets	-	-	193,058	193,058
Transfers Out	(55,000)	(129,000)	(119,932)	9,068
Advances In	-	-	-	-
Other Financing Sources (Uses)	(10,000)	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>(65,000)</u>	<u>(129,000)</u>	<u>73,126</u>	<u>202,126</u>
Net Change in Fund Balance	(516,076)	(715,750)	203,310	919,060
Fund Balance (Deficit) Beginning of Year	<u>842,290</u>	<u>842,290</u>	<u>842,290</u>	<u>-</u>
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit) End of Year	<u>\$ 326,214</u>	<u>\$ 126,540</u>	<u>\$ 1,045,600</u>	<u>\$ 919,060</u>

See Accompanying Notes to the Basic Financial Statements

Sugarcreek Township
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Road and Bridge Fund
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<i>Variance Positive (Negative)</i>
	<u>Original</u>	<u>Final</u>		
<u>Receipts:</u>				
Property and Other Local Taxes	\$ 516,000	\$ 516,000	\$ 546,390	\$ 30,390
Licenses, Permits and Fees	-	-	15	15
Intergovernmental	69,700	69,700	69,876	176
Other	4,300	4,300	6,694	2,394
<i>Total Receipts</i>	<u>590,000</u>	<u>590,000</u>	<u>622,975</u>	<u>32,975</u>
<u>Disbursements:</u>				
Current:				
Public Works	641,950	680,950	597,803	83,147
Capital Outlay	52,500	13,500	2,559	10,941
<i>Total Disbursements</i>	<u>694,450</u>	<u>694,450</u>	<u>600,362</u>	<u>94,088</u>
Excess of Receipts Over (Under) Disbursements	<u>(104,450)</u>	<u>(104,450)</u>	<u>22,613</u>	<u>127,063</u>
<u>Other Financing Sources (Uses):</u>				
Sale of Fixed Assets	-	-	392	392
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>392</u>	<u>392</u>
Net Change in Fund Balance	(104,450)	(104,450)	23,005	127,455
Fund Balance Beginning of Year	<u>159,342</u>	<u>159,342</u>	<u>159,342</u>	<u>-</u>
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 54,892</u>	<u>\$ 54,892</u>	<u>\$ 182,347</u>	<u>\$ 127,455</u>

See Accompanying Notes to the Basic Financial Statements

Sugarcreek Township
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Police District Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	<i>Variance Positive (Negative)</i>
	Original	Final		
<u>Receipts:</u>				
Property and Other Local Taxes	\$ 1,725,000	\$ 1,725,000	\$ 1,810,692	\$ 85,692
Charges For Services	15,000	15,000	16,683	1,683
Licenses, Permits and Fees	1,400	1,400	2,265	865
Fines and Forfeitures	1,000	1,000	2,688	1,688
Intergovernmental	240,400	240,400	239,700	(700)
Other	3,000	3,000	31,212	28,212
<i>Total Receipts</i>	1,985,800	1,985,800	2,103,240	117,440
<u>Disbursements:</u>				
Current:				
Public Safety	2,201,401	2,182,750	1,966,915	215,835
Capital Outlay	148,995	132,495	127,204	5,291
<i>Total Disbursements</i>	2,350,396	2,315,245	2,094,119	221,126
Excess of Receipts Over (Under) Disbursements	(364,596)	(329,445)	9,121	338,566
<u>Other Financing Sources (Uses):</u>				
Sale of Fixed Assets	-	-	153	153
Transfers Out	(58,412)	(58,531)	(58,531)	-
Other Financing Uses	(45,000)	(21,500)	-	21,500
Total Other Financing Sources (Uses)	(103,412)	(80,031)	(58,378)	21,653
Net Change in Fund Balance	(468,008)	(409,476)	(49,257)	360,219
Fund Balance Beginning of Year	893,746	893,746	893,746	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance End of Year	\$ 425,738	\$ 484,270	\$ 844,489	\$ 360,219

See Accompanying Notes to the Basic Financial Statements

Sugarcreek Township
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Station One Fire District Fund
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<i>Variance Positive (Negative)</i>
	<u>Original</u>	<u>Final</u>		
<u>Receipts:</u>				
Property and Other Local Taxes	\$ 1,480,000	\$ 1,480,000	\$ 1,553,762	\$ 73,762
Licenses, Permits and Fees	2,500	2,500	1,257	(1,243)
Intergovernmental	219,500	219,500	206,696	(12,804)
Other	3,000	3,000	22,158	19,158
<i>Total Receipts</i>	<u>1,705,000</u>	<u>1,705,000</u>	<u>1,783,873</u>	<u>78,873</u>
<u>Disbursements:</u>				
Current:				
Public Safety	1,558,858	1,668,858	1,654,951	13,907
Capital Outlay	63,000	43,000	37,147	5,853
<i>Total Disbursements</i>	<u>1,621,858</u>	<u>1,711,858</u>	<u>1,692,098</u>	<u>19,760</u>
Excess of Receipts Over (Under) Disbursements	<u>83,142</u>	<u>(6,858)</u>	<u>91,775</u>	<u>98,633</u>
<u>Other Financing Sources (Uses):</u>				
Sale of Fixed Assets	-	-	148	148
Transfers Out	(80,664)	(80,664)	(80,664)	0
Other Financing Uses	(30,000)	-	-	0
Total Other Financing Sources (Uses)	<u>(110,664)</u>	<u>(80,664)</u>	<u>(80,516)</u>	<u>148</u>
Net Change in Fund Balance	(27,522)	(87,522)	11,259	98,781
Fund Balance Beginning of Year	<u>332,000</u>	<u>332,000</u>	<u>332,000</u>	<u>-</u>
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 304,478</u>	<u>\$ 244,478</u>	<u>\$ 343,259</u>	<u>\$ 98,781</u>

See Accompanying Notes to the Basic Financial Statements

Sugarcreek Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2008 and December 31, 2007

Note 1 – Reporting Entity

Sugarcreek Township, Greene County, Ohio (the “Township”), is a body politic and corporate established in 1803 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 unit.

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, fire protection, police protection, emergency medical services and cemetery maintenance.

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 cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

Following are the more significant of the Township’s accounting policies.

Sugarcreek Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2008 and December 31, 2007

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 the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the Township that are governmental and those that are considered business-type. The Township has no business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions.

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

Fund Financial Statements

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental 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. The funds of the Township are divided into one category: governmental.

Sugarcreek Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2008 and December 31, 2007

Note 2 – Summary of Significant Accounting Policies (continued)

Governmental Funds

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

General Fund – The General Fund is the operating fund of the Township and 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.

Road & Bridge Fund – Required by the Ohio Revised Code to account for property and other local taxes designated for maintenance of streets within the Township.

Police District Fund – This fund receives property tax money for providing police protection to the residents of the Township.

Station One Fire District Fund – This fund receives property tax money for providing fire protection to the residents of the Township.

Law Enforcement Trust (In 2008) – This special revenue fund received money from proceeds obtained from property seizures related to law violations.

Bond Anticipation Note (In 2007) – This fund disbursed money to pay in full, a tax increment revenue note in 2007.

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

Sugarcreek Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2008 and December 31, 2007

Note 2 – Summary of Significant Accounting Policies (continued)

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 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.

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”.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2008 and 2007 were \$34,484 and \$192,698, respectively.

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. 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 10 and 11, the employer contributions include portions for pension benefits and for postretirement health care benefits.

Sugarcreek Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2008 and December 31, 2007

Note 2 – Summary of Significant Accounting Policies (continued)

I. Long-Term Obligations

The Township's cash basis financial statements do not report liabilities for long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid.

J. 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.

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.

Note 3 – Compliance

- (1) Contrary to Section 5705.41(D), 58% and 45% of the expenditures tested were not properly certified in 2008 and 2007, respectfully.
- (2) Contrary to Section 5705.39, in 2008, total appropriations of the road and bridge fund exceeded estimated resources.

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 any major special revenue fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis) and outstanding year end advances are treated as an other financing source or use (budget basis) rather than as an interfund receivable or payable (cash basis). No encumbrances were outstanding at year end.

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.

Sugarcreek Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2008 and December 31, 2007

Note 5 – Deposits and Investments (Cont'd)

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;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

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

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 year end 2007, the carrying amount of the Township's deposits was \$3,101,430 and the bank balance was \$4,716,684. Of the bank balance, \$100,000 was covered by FDIC insurance, and \$4,616,684 of the Township's bank balance of \$4,716,684 was collateralized with securities held by the pledging financial institution in the Township's name.

Sugarcreek Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2008 and December 31, 2007

Note 5 – Deposits and Investments (Continued)

At year end 2008, the carrying amount of the Township's deposits was \$2,583,153 and the bank balance was \$2,637,639. Of the bank balance, \$250,000 was covered by FDIC insurance, and \$2,387,639 of the Township's bank balance of \$2,637,639 was collateralized with securities held by the pledging financial institution in the Township's name.

The Township has no deposit policy for custodial credit 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 of repayment, or by collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the raiment 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 secured.

Note 6 – Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2007 and 2008 represent the collection of 2006 and 2007 taxes. Real property taxes received in 2007 and 2008 were levied after October 1, 2006 and October 1, 2007, on the assessed values as of January 1, 2006 and January 1, 2007, 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 2007 and 2008 represent the collection of 2006 and 2007 taxes. Public utility real and tangible personal property taxes received in 2007 and 2008 became a lien on December 31, 2005, were levied after October 1, 2006 and October 1, 2007, 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 and 2008 (other than public utility property) represent the collection of 2007 and 2008 taxes. Tangible personal property taxes received in 2007 and 2008 were levied after October 1, 2006 and October 1, 2007, on the true value as of December 31, 2006 and December 31, 2007. 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 year ended December 31, 2007 and 2008, was \$21.10 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2007 and 2008 property tax receipts were based are as follows:

Sugarcreek Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2008 and December 31, 2007

Note 6 – Property Taxes (Cont’d)

	2008	2007
Real Property:		
Residential/Agricultural	\$254,292,010	\$262,631,620
Commercial/Industrial/Mineral	42,210,940	43,046,540
Tangible Personal Property:		
Business	7,442,361	6,545,549
Public Utility	9,742,850	9,585,960
Total Assessed Value	\$313,688,161	\$321,809,669

Note 7 – Debt

In August of 2005, the Township issued a General Purpose Refunding and Improvement Bond in the amount of \$1,865,000. The Bond was used to retire the Bond Anticipation Note issued in 2004. The Bond matures on December 1st, 2025.

On May 16, 2006, the Township issued a short term Tax Increment Revenue Note of \$1,500,000 at a 4.14% interest rate. The note was issued for the purpose of providing funds for the construction and installation of infrastructure on Clys Road. The note was paid in May, 2007.

The Township’s long-term debt activity for the years ended December 31, 2007 & December 31, 2008, were as follows:

	Balance 1/1/2007	Additions	Reductions	Balance 12/31/2007	Amounts due within one year
Governmental Activities:					
Tax Increment Note at 4.14%	\$1,500,000	\$0	\$1,500,000	\$0	\$0
Improvement Bond Interest at a variable rate (3% to 5%)	\$1,800,000	\$0	\$65,000	\$1,735,000	\$70,000
Total Governmental Activities	\$3,300,000	\$0	\$1,565,000	\$1,735,000	\$70,000

	Balance 1/1/2008	Additions	Reductions	Balance 12/31/2008	Amounts due within one year
Governmental Activities:					
Improvement Bond Interest at a variable rate (3% to 5%)	\$1,735,000	\$0	\$70,000	\$1,665,000	\$70,000
Total Governmental Activities	\$1,735,000	\$0	\$70,000	\$1,665,000	\$70,000

Sugarcreek Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2008 and December 31, 2007

Note 7 – Debt (Cont'd)

Amortization of the above debt, including interest, is scheduled as follows:

	Principal	Interest
Year ending December 31:		
2009	\$70,000	\$74,400
2010	75,000	72,125
2011	75,000	69,500
2012	75,000	66,688
2013	80,000	63,875
2014-2018	560,000	309,775
2019-2023	730,000	134,750
Totals	\$1,665,000	\$791,113

Note 8 – Leases

The Fire ladder truck lease purchase was entered into April of 2004 and semi-annual payments of \$11,121 began in April 2005 with final payment scheduled for October of 2009.

Future lease payments are as follows:

	Principal	Interest
Year ending December 31:		
2009	\$21,723	\$519
Totals	\$21,723	\$519

Note 9 – Risk Management

The Township is exposed to various risks of property and casualty losses, and injuries to employees. The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

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

Sugarcreek Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2008 and December 31, 2007

Note 9 – Risk Management (Cont'd)

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. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,695,000 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 PEP'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 (prior to January 1, 2006) or \$3,000,000 (on or subsequent to January 1, 2006).

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. APEEP's Guarantee Fund was responsible for losses and loss adjustment expenses exceeding operating contributions.

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 annual aggregate loss payments. Travelers provide aggregate stop-loss coverage based upon the combined members' total insurable values. If the stop loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2007 (latest information available) was \$2,014,548.

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.

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

Sugarcreek Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2008 and December 31, 2007

Note 9 – Risk Management (Cont'd)

Financial Position

OTARMA's financial statements (audited by other accountants) conform to generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2007 and 2006.

	<u>2007</u>	<u>2006</u>
Assets	\$43,210,706	\$ 42,042,275
Liabilities	(13,357,837)	(12,120,661)
Retained Earnings	\$29,852,869	\$ 29,921,614

At December 31, 2007 and 2006, respectively, liabilities above include approximately \$12.5 million and \$11.3 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$11.6 million and \$10.8 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2007 and 2006, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. This payable includes the subsequent year's contribution due if the Township terminates participation, as described in the last paragraph below.

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

<u>Contributions to OTARMA</u>	
2007	\$24,320
2008	\$26,346

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

Sugarcreek Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2008 and December 31, 2007

Note 10 – 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, 2008 and December 31, 2007, the members of all three plans were required to contribute 10 and 9.5 percent, respectively, of their gross salaries. The Township contributed an amount equaling 14 and 13.85 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2008.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2008, 2007, and 2006 were \$276,150, \$266,805 and \$246,058, respectively. The full amount has been contributed for 2008, 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% of their annual covered salary to fund pension obligations while the Township is required to contribute 19.5% and 24.0% for police and firefighters respectively. Contributions are authorized by State statute. The Township's contributions to the Fund for police and firefighters were \$162,409, \$154,524, and \$104,736 for the years ended December 31, 2008, 2007, and 2006 respectively. The full amount has been contributed for 2008, 2007 and 2006.

Sugarcreek Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2008 and December 31, 2007

Note 11 - 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 2008 local government employer contribution rate was 14 and 13.85 percent of covered payroll (24 percent for public safety and law enforcement), in 2008 and 2007, respectively; 4.00 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's actuarial review performed as of December 31, 2008, include a rate of return on investments of 6.50 percent, an annual increase in active employee total payroll of 4.00 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 between .50 and 6.00 percent annually for the next nine years and 4.00 percent annually after ten 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, not to exceed a 12% corridor.

The number of active contributing participants in the traditional and combined plans was 363,503 as of December 31, 2008. Actual employer contributions for 2007 and 2008 which were used to fund postemployment benefits were approximately \$88,712 in 2008 and \$82,434 in 2007. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2008, were \$12.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.8 billion and \$17.0 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.

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.

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.

Sugarcreek Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2008 and December 31, 2007

Note 11 - Postemployment Benefits (Continued)

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 2008 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.

The Township's actual contributions for 2007 and 2008 that were used to fund postemployment benefits were \$64,385 and \$67,671, respectively. The OP&F's total health care expense for the year ended December 31, 2007 was \$ 150,921, 000. The number of OP&F participants as of January 1, 2008 eligible to receive health care benefits was 55,654.

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.

Note 12 -Transfers

Following is a summary of transfers in and out for all funds for 2007 and 2008:

<u>2007</u>		
Fund	Transfer In	Transfer Out
General Fund	\$ -	\$ 119,932
Police District	-	58,531
Station One Fire District	-	80,664
Bond Anticipation Fund	1,562,445	-
Other Government Funds	189,195	1,492,513
Total	\$ 1,751,640	\$ 1,751,640

<u>2008</u>		
Fund	Transfer In	Transfer Out
General Fund	\$ -	\$ 118,000
Police District	-	61,575
Station One Fire District	-	85,033
Other Government Funds	264,608	-
Total	\$ 264,608	\$ 264,608

Transfers from the General Fund in 2007, were \$50,000 to the Facilities Fund, and \$69,932 to Bond Anticipation Fund. All other fund transfers were to pay debt obligations. In 2008, transfers from the General fund consisted of \$18,000 to Zoning Fund, and \$100,000 to the Facilities Fund. All other transfers were to pay debt obligations. Funds were transferred in accordance with Ohio Revised Code Sections 5705.14, 5705.15, and 5705.16 during 2007 and 2008.

Sugarcreek Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2008 and December 31, 2007

Note 13 – Advances

During 2008, the General Fund loaned the Facilities Townhouse Fund \$200,000. Interfund loans are primarily the result of time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, or (3) payments between funds are made. As of December 31, 2008, all interfund loans outstanding were repaid during 2008.

Note 14 – Contingent Liabilities

The Township is defendant in several lawsuits. Although management cannot presently determine the outcome of these suits, they believe the resolution of these matters will not materially adversely affect the Township's financial condition.

Note 15 – Subsequent Events

On January 20th, 2009, the Board of Trustees authorized the Port Authority to issue a Special Revenue Bond for the purposes of road construction, funding of a debt reserve fund and issuance costs of the bond. The amount of the bond shall not exceed \$1,900,000. The bond will be issued approximately in the last half of 2009.

Note 16 – Miscellaneous Revenue

In 2008, the Township received \$144,153 in Sale of Forfeitures obtained from the Greene County Sherriff's Department.

Caudill & Associates, CPA's

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Ohio Society of Certified Public Accountants
Kentucky Society of Certified Public Accountants

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
Sugar creek Township
Greene County
26 East Franklin Street
P.O. Box 268
Bellbrook, OH 45305

We have audited the financial statements of the government activities, each major fund, and the aggregate remaining fund information of Sugar creek Township, Greene County, Ohio (the "Township") as of and for the years ended December 31, 2008 and December 31, 2007, which collectively comprise the Township's financial statements and have issued our report thereon dated April 15, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control over Financial Reporting

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

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 a combination of control deficiencies, that adversely affects the Township'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-inconsequential financial statement misstatement.

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 internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as described above.

Sugarcreek Township
Greene 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 have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2008-001 and 2008-002.

We did note certain noncompliance and other certain matters that we reported to the Township's management in a separate letter dated April 15, 2009.

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

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

Caudill & Associates, CPA's

Caudill & Associates, CPA's

April 15, 2009

**SUGARCREEK TOWNSHIP
GREENE COUNTY**

SCHEDULE OF FINDINGS AND RESPONSES

FOR THE YEARS ENDED DECEMBER 31, 2008 AND DECEMBER 31, 2007

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2008-001

Noncompliance Citation

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.

45% of the expenditures tested in 2007 and 58% of expenditures tested in 2008 were not properly certified.

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:

Township officials will monitor the proper certifying of expenditures more closely.

**SUGARCREEK TOWNSHIP
GREENE COUNTY**

SCHEDULE OF FINDINGS AND RESPONSES

FOR THE YEARS ENDED DECEMBER 31, 2008 AND DECEMBER 31, 2007

<p>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</p>

FINDING NUMBER 2008-002

Noncompliance Citation

The Ohio Revised Code Section 5705.39 requires in part that total appropriations from each fund shall not exceed the total estimated resources. No appropriation measure is 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.

In fiscal year 2008, total appropriations for the Road and Bridge Fund exceeded the total estimated resources.

Failure to monitor appropriations against estimated resources may result in appropriations exceeding the estimated resources and further may result in expenditures in excess of available resources. The Township should monitor the appropriations against estimated resources and make modifications as necessary to the appropriations.

Township Response:

The Township will appropriately follow the auditor's recommendation and monitor appropriations and estimated resources.

**SUGARCREEK TOWNSHIP
GREENE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2008 AND DECEMBER 31, 2007**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain
2006-001	ORC Section 5705.41(D), Failure to certify funds	No	Reissued, see finding 2008-001
2006-002	ORC Section 5705.39, Appropriations exceeded estimated resources	No	Reissued, see finding 2008-002



Mary Taylor, CPA
Auditor of State

SUGARCREEK 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
SEPTEMBER 8, 2009**