

**TUSCARAWAS TOWNSHIP
STARK COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2008



Mary Taylor, CPA
Auditor of State

Board of Trustees
Tuscarawas Township
956 Manchester Road SW
North Lawrence, Ohio 44666

We have reviewed the *Independent Accountants' Report* of Tuscarawas Township, Stark County, prepared by Knox & Knox, for the audit period January 1, 2008 through December 31, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

October 5, 2010

This Page is Intentionally Left Blank.

**TUSCARAWAS TOWNSHIP
STARK COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.	1
Management's Discussion and Analysis for the Years Ended December 31, 2009 and 2008.	3
Basic Financial Statements:	
Government-Wide Statements:	
Statement of Net Assets - Cash Basis - December 31, 2009.	9
Statement of Activities - Cash Basis - For the Year Ended December 31, 2009.	10
Statement of Cash Basis Assets and Fund Balances Governmental Funds - December 31, 2009.	11
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Governmental Funds For the Year Ended December 31, 2009.	12
Statement of Cash Receipts, Disbursements, and Changes In Cash Basis Fund Balances - General Fund For the Year Ended December 31, 2009.	13
Statement of Receipts, Disbursements and Changes in Fund Balance- Budget and Actual - Budget Basis - Gasoline Tax Fund For the Year Ended December 31, 2009.	14
Statement of Receipts, Disbursements and Changes in Fund Balance- Budget and Actual- Budget Basis - Road and Bridge Fund For the Year Ended December 31, 2009.	15
Statement of Receipts, Disbursements and Changes in Fund Balance- Budget and Actual- Budget Basis - Cemetery Fund For the Year Ended December 31, 2009.	16
Statement of Receipts, Disbursements and Changes in Fund Balance- Budget and Actual- Budget Basis - Fire District Fund For the Year Ended December 31, 2009.	17
Statement of Receipts, Disbursements and Changes in Fund Balance- Budget and Actual- Budget Basis - Road District Fund For the Year Ended December 31, 2009.	18

**TUSCARAWAS TOWNSHIP
STARK COUNTY**

**TABLE OF CONTENTS
(continued)**

TITLE	PAGE
Basic Financial Statements:	
Government-Wide Statements:	
Statement of Net Assets - Cash Basis - December 31, 2008.	19
Statement of Activities - Cash Basis - For the Year Ended December 31, 2008.....	20
Statement of Cash Basis Assets and Fund Balances Governmental Funds - December 31, 2008.	21
Statement of Cash Receipts, Disbursements, and Changes In Cash Basis Fund Balances - Governmental Funds For the Year Ended December 31, 2008.	22
Statement of Receipts, Disbursements and Changes in Fund Balance- Budget and Actual - Budget Basis - General Fund For the Year Ended December 31, 2008.	23
Statement of Receipts, Disbursements and Changes in Fund Balance- Budget and Actual- Budget Basis - Gasoline Tax Fund For the Year Ended December 31, 2008.	24
Statement of Receipts, Disbursements and Changes in Fund Balance- Budget and Actual- Budget Basis - Road Bridge Fund For the Year Ended December 31, 2008.	25
Statement of Receipts, Disbursements and Changes in Fund Balance- Budget and Actual- Budget Basis - Cemetery Fund For the Year Ended December 31, 2008.	26
Statement of Receipts, Disbursements and Changes in Fund Balance- Budget and Actual- Budget Basis - Fire District Fund For the Year Ended December 31, 2008.	27
Notes to Financial Statements for the Years Ended December 31, 2009 and 2008.	28
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	38

KNOX & KNOX

Accountants and Consultants

INDEPENDENT ACCOUNTANTS' REPORT

Tuscarawas Township
Stark County
956 Manchester Road SW
North Lawrence, Ohio 44666

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Tuscarawas Township, Stark County, Ohio (the Township), as of and for the years ended December 31, 2009 and 2008, which collectively comprise the Township's basic financial statements 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 audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe 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 accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Tuscarawas Township, Stark County, Ohio, as of December 31, 2009 and 2008, and the respective changes in cash financial position and the respective budgetary comparisons for the General, Gasoline Tax, Road and Bridge, Fire District, Road District and Cemetery Funds thereof for the years then ended in conformity with the basis of accounting Note 2C describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 23, 2010 , on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing and not to provide an opinion on internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

KNOX & KNOX

Orrville, Ohio
August 23, 2010

**TUSCARAWAS TOWNSHIP
STARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2009 AND 2008
UNAUDITED**

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

HIGHLIGHTS

Key highlights for 2009 and 2008 are as follows:

- In 2008, net assets of governmental activities increased slightly from the prior year, and declined in 2009..
- The Township's general receipts are primarily property taxes.

USING THE BASIC FINANCIAL STATEMENTS

The annual report is presented in a format consistent with the presentation requirements of Government 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 Township-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 other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

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

**TUSCARAWAS TOWNSHIP
STARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2009 AND 2008
UNAUDITED (continued)**

REPORTING THE GOVERNMENT AS A WHOLE

Tuscarawas Township has three elected trustees and one fiscal officer. The trustees maintain the roads in the Township and the fiscal officer maintains all financial records and minutes for the Township.

The statement of net assets and the statement of activities reflect how the Township did financially during 2009 and 2008, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

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

In the statement of net assets and the statement of activities, the Township reports its governmental activities. The Township's basic services are reported here. Grants and entitlements 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 GOVERNMENT'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 reported as 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 non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General Fund, Gasoline Fund, Road and Bridge Fund, Fire District, Road District, and Cemetery Fund. The programs reported in the governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

**TUSCARAWAS TOWNSHIP
STARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2009 AND 2008
UNAUDITED (continued)**

THE TOWNSHIP AS A WHOLE

Table 1 provides a summary of the Township's net assets for 2009, 2008, 2007 and 2006 on a cash basis.

(TABLE 1)
NET ASSETS

	<u>Governmental Activities</u>			
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
ASSETS				
Cash and Cash Equivalents	<u>\$715,574</u>	<u>\$901,724</u>	<u>\$773,572</u>	<u>\$676,760</u>
Total Assets	<u><u>\$715,574</u></u>	<u><u>\$901,724</u></u>	<u><u>\$773,572</u></u>	<u><u>\$676,760</u></u>
NET ASSETS				
Restricted for:				
Other Purposes	\$559,720	\$715,442	\$560,001	\$476,834
Unrestricted	<u>155,854</u>	<u>186,282</u>	<u>213,571</u>	<u>199,926</u>
Total Net Assets	<u><u>\$715,574</u></u>	<u><u>\$901,724</u></u>	<u><u>\$773,572</u></u>	<u><u>\$676,760</u></u>

**TUSCARAWAS TOWNSHIP
STARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2009 AND 2008
UNAUDITED (continued)**

Table 2 reflects the changes in net assets in 2009, 2008, 2007, and 2006.

(TABLE 2)
CHANGES IN NET ASSETS

	Governmental Activities			
	2009	2008	2007	2006
RECEIPTS:				
Program Receipts:				
Charges for Services and Sales	\$87,494	\$97,341	\$75,639	\$77,442
Operating Grants and Contributions	<u>129,756</u>	<u>123,789</u>	<u>127,480</u>	<u>130,292</u>
Total Program Receipts	<u>217,250</u>	<u>221,130</u>	<u>203,119</u>	<u>207,734</u>
General Receipts:				
Property and Other Local Taxes	556,330	536,336	551,035	535,748
Cable Franchising Fees	18,868	17,319	16,410	
Grants and Entitlements Not Restricted to Specific Programs	96,219	129,109	78,359	148,590
Interest	7,521	10,367	36,976	36,255
Miscellaneous	<u>2,000</u>	<u>7,055</u>		20,086
Total General Receipts	<u>680,938</u>	<u>700,186</u>	<u>684,914</u>	<u>740,679</u>
Total Receipts	<u>898,188</u>	<u>921,316</u>	<u>888,033</u>	<u>948,413</u>
DISBURSEMENTS:				
General Government	218,691	228,980	177,107	164,340
Public Safety	178,807	181,131	166,007	165,467
Public Works	566,250	273,777	442,801	426,897
Health	96,943	91,926		90,882
Capital Outlay	<u>23,647</u>	<u>17,352</u>	<u>5,305</u>	<u>40,678</u>
Total Disbursements	<u>1,084,338</u>	<u>793,166</u>	<u>791,220</u>	<u>888,264</u>
Increase (Decrease) in Net Assets	(186,150)	128,150	96,813	60,149
Net Assets, January 1	<u>901,724</u>	<u>773,572</u>	<u>676,759</u>	<u>616,611</u>
NET ASSETS, DECEMBER 31	<u>\$715,574</u>	<u>\$901,722</u>	<u>\$773,572</u>	<u>\$676,760</u>

**TUSCARAWAS TOWNSHIP
STARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2009 AND 2008
UNAUDITED (continued)**

Program receipts represent only 23 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, and permits during 2009.

State monies are the other major source of general receipts. Other receipts are very insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the costs of the Board of Trustees, the Fiscal Officer, as well as services such as payroll and purchasing. Since these costs do not represent direct services to residents, we try to limit these costs to the General Fund unrestricted receipts.

Public Safety are the costs of fire protection; Health Services is the maintenance of the cemeteries; Public Works is the cost of maintaining the roads.

Governmental Activities

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

(TABLE 3)
GOVERNMENTAL ACTIVITIES

	Total Cost of Services 2009	Net Cost of Services 2009	Total Cost of Services 2008	Net Cost of Services 2008	Total Cost of Services 2007	Net Cost of Services 2007
General Government	\$218,691	\$218,691	\$164,340	\$164,340	\$177,107	\$160,697
Public Safety	178,807	178,807	165,467	165,467	166,007	166,007
Public Works	566,250	412,501	426,897	296,605	442,801	315,321
Health	96,942	33,442	90,882	76,324		
Capital Outlay	23,647	23,647	40,678	40,678	5,305	5,305
Total Expenses	\$1,084,337	\$867,088	\$888,264	\$743,414	\$791,220	\$647,330

The dependence upon property tax receipts is apparent as over 81 percent of governmental activities are supported through these general receipts in 2009.

**TUSCARAWAS TOWNSHIP
STARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2009 AND 2008
UNAUDITED (continued)**

The Township's Funds

In 2008, governmental funds had receipts of \$921,318 and disbursements of \$793,166. The greatest change within governmental funds occurred within the General Fund.

In 2009, General Fund receipts were less than disbursements by \$30,428 indicating that the General Fund has a negative cash flow. These changes indicate the need for continued budget constraints.

GENERAL FUND BUDGETING HIGHLIGHTS

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

The Township kept spending close to budgeted amounts as demonstrated by the reported variances.

CAPITAL ASSETS

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

DEBT

At December 31, 2009, the Township had no outstanding debt.

CURRENT ISSUES

The challenge for all Townships is to provide quality services to the public while staying within the restrictions imposed by limited funds. We rely heavily on local taxes and have very little industry to support the tax base. We reviewed our sources of revenue and determined that increases were slight. We then reviewed the disbursement history of the Township. All officials have been asked to hold their spending levels to the 2009 levels.

CONTACTING THE TOWNSHIP'S MANAGEMENT

This financial report is designed to provide our citizens and taxpayers 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 Debra Maier, Fiscal Officer, Tuscarawas Township, 956 Manchester Road SW, North Lawrence, Ohio 44666.

**TUSCARAWAS TOWNSHIP
STARK COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Governmental Activities</u>
ASSETS	
Equity in Pooled Cash and Cash Equivalents	<u>\$715,574</u>
Total Assets	<u><u>\$715,574</u></u>
NET ASSETS	
Restricted for:	
Other Purposes	\$559,721
Unrestricted	<u>155,854</u>
Total Net Assets	<u><u>\$715,574</u></u>

See accompanying notes to the basic financial statements.

**TUSCARAWAS TOWNSHIP
STARK COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR YEAR ENDED DECEMBER 31, 2009**

		Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Assets
	Cash	Charges for	Operating	Governmental
	Disbursements	Services and Sales	Grants and Contributions	Activities
GENERAL RECEIPTS				
General Government	\$218,691			(\$218,691)
Public Safety	178,808			(178,808)
Public Works	566,250	\$23,993	\$129,756	(412,501)
Health	96,943	63,500		(33,442)
Capital Outlay	23,647			(23,647)
Total Governmental Activities	\$1,084,338	\$87,494	\$129,756	(867,088)
 GENERAL RECEIPTS				
Property Taxes				556,330
Other Taxes				715
Grants Entitlements not Restricted to Specific Programs				95,504
Sale of Fixed Assets				2,000
Cable Franchising Fees				18,868
Earnings on Investments				893
Miscellaneous				6,628
 Total General Receipts				 680,938
 Change in Net Assets				 (186,150)
 Net Assets Beginning of Year				 901,724
 Net Assets End of Year				 \$715,574

See accompanying notes to the basic financial statements.

**TUSCARAWAS TOWNSHIP
STARK COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	General Fund	Gasoline Tax Fund	Road and Bridge Fund	Cemetery Fund	Fire District Fund	Road District Fund	Other Governmental Funds	Total Governmental Funds
ASSETS								
Equity in Pooled Cash and Cash Equivalents	<u>\$155,854</u>	<u>\$60,312</u>	<u>\$72,933</u>	<u>\$197,700</u>	<u>\$98,085</u>	<u>\$52,044</u>	<u>\$78,648</u>	<u>\$715,574</u>
Total Assets	<u><u>\$155,854</u></u>	<u><u>\$60,312</u></u>	<u><u>\$72,933</u></u>	<u><u>\$197,700</u></u>	<u><u>\$98,085</u></u>	<u><u>\$52,044</u></u>	<u><u>\$78,648</u></u>	<u><u>\$715,574</u></u>
FUND BALANCES								
Unreserved:								
Undesignated (Deficit), Reported in:								
General Fund	\$155,854							\$155,854
Special Revenue Funds		<u>\$60,312</u>	<u>\$72,933</u>	<u>\$197,700</u>	<u>\$98,085</u>	<u>\$52,044</u>	<u>\$78,648</u>	<u>559,721</u>
Total Fund Balances	<u><u>\$155,854</u></u>	<u><u>\$60,312</u></u>	<u><u>\$72,933</u></u>	<u><u>\$197,700</u></u>	<u><u>\$98,085</u></u>	<u><u>\$52,044</u></u>	<u><u>\$78,648</u></u>	<u><u>\$715,574</u></u>

See accompanying notes to the basic financial statements.

**TUSCARAWAS TOWNSHIP
STARK COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	General Fund	Gasoline Tax Fund	Road and Bridge Fund	Cemetery Fund	Fire District Fund	Road District Fund	Other Governmental Funds	Total Governmental Funds
RECEIPTS								
Property and Other Taxes	\$101,408		\$180,962		\$181,946	\$89,963	\$23,993	\$578,272
Licenses, Fees and Permits	18,868			\$35,000				53,869
Intergovernmental	96,784	\$110,688	642		338	507	19,068	228,027
Earnings on Investments	476	264					152	893
Miscellaneous	6,384		244	28,500				35,128
Total Receipts	223,921	110,953	181,848	63,500	182,284	90,470	43,213	896,188
DISBURSEMENTS								
Current:								
General Government	212,366		2,523		2,557	1,245		218,691
Public Safety					178,808			178,808
Public Works	10,932	211,252	209,818			100,000	34,248	566,250
Health	31,000			65,943				96,943
Capital Outlay	51		15,167	8,429				23,647
Total Disbursements	254,349	211,252	227,508	74,372	181,365	101,245	34,248	1,084,338
Excess of Receipts Over/(Under) Disbursements	(30,428)	(100,299)	(45,660)	(10,871)	918	(10,775)	8,966	(188,150)
OTHER FINANCING SOURCES/(USES)								
Sale of Fixed Assets			2,000					2,000
Fund Balance Beginning of Year	186,282	160,611	116,592	208,571	97,167	62,819	69,682	901,724
FUND BALANCES END OF YEAR	\$155,854	\$60,312	\$72,933	\$197,700	\$98,085	\$52,044	\$78,648	\$715,574

See accompanying notes to the basic financial statements.

**TUSCARAWAS TOWNSHIP
STARK COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS:				
Property and Other Local Taxes	\$98,743	\$98,743	\$101,408	\$2,665
Fines, Licenses, and Permits			18,868	18,868
Intergovernmental	74,386	74,386	96,784	22,398
Earnings on investments			476	476
Miscellaneous			6,384	6,384
Total Receipts	173,129	173,129	223,921	50,792
DISBURSEMENTS:				
Current:				
General Government	264,056	264,056	212,366	51,690
Public Works	30,000	30,000	10,932	19,068
Public Health	31,000	31,000	31,000	
Capital Outlay	5,500	5,500	51	5,449
Total Disbursements	330,556	330,556	254,349	76,206
Excess Receipts Over/(Under) Disbursements	(157,427)	(157,427)	(30,428)	126,998
Fund Balance Beginning of Year	186,282	186,282	186,282	
FUND BALANCE END OF YEAR	\$28,856	\$28,856	\$155,854	126,998

See accompanying notes to the basic financial statements.

**TUSCARAWAS TOWNSHIP
STARK COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GASOLINE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS:				
Intergovernmental	\$100,000	\$100,000	\$110,688	\$10,688
Earnings on investments			264	264
Total Receipts	100,000	100,000	110,953	10,953
DISBURSEMENTS:				
Current:				
Public Works	236,000	236,000	211,252	24,748
Total Disbursements	236,000	236,000	211,252	24,748
Excess Receipts Over/(Under) Disbursements	(136,000)	(136,000)	(100,299)	35,701
Fund Balance Beginning of Year	160,611	160,611	160,611	
FUND BALANCE END OF YEAR	\$24,611	\$24,611	\$60,312	\$35,701

See accompanying notes to the basic financial statements.

**TUSCARAWAS TOWNSHIP
STARK COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
ROAD AND BRIDGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS:				
Property and Other Local Taxes	\$177,772	\$177,772	\$180,962	\$3,190
Intergovernmental			642	642
Miscellaneous			244	244
Total Receipts	177,772	177,772	181,848	4,076
DISBURSEMENTS:				
Current:				
General Government	4,000	4,000	2,523	1,477
Public Works	266,200	255,352	209,818	45,534
Capital Outlay	5,000	15,848	15,167	681
Total Disbursements	275,200	275,200	227,508	47,692
Excess Receipts Over/(Under) Disbursements	(97,428)	(97,428)	(45,660)	51,768
OTHER FINANCING SOURCES (USES)				
Sale of Fixed Assets			2,000	2,000
Fund Balance Beginning of Year	116,592	116,592	116,592	
FUND BALANCE END OF YEAR	\$19,165	\$19,165	\$72,933	\$53,768

See accompanying notes to the basic financial statements.

**TUSCARAWAS TOWNSHIP
STARK COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
CEMETERY FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS:				
Licenses, Fees and Permits	\$88,000	\$88,000	\$35,000	(\$53,000)
Miscellaneous	<u> </u>	<u> </u>	28,500	<u>28,500</u>
Total Receipts	<u>88,000</u>	<u>88,000</u>	<u>63,500</u>	<u>(24,500)</u>
DISBURSEMENTS:				
Current:				
Health	101,700	101,700	65,943	35,757
Capital Outlay	<u>13,000</u>	<u>13,000</u>	<u>8,429</u>	<u>4,571</u>
Total Disbursements	<u>114,700</u>	<u>114,700</u>	<u>74,372</u>	<u>40,329</u>
Excess Receipts Over/(Under) Disbursements	(26,700)	(26,700)	(10,871)	15,829
Fund Balance Beginning of Year	<u>208,571</u>	<u>208,571</u>	<u>208,571</u>	<u> </u>
FUND BALANCE END OF YEAR	<u>\$181,871</u>	<u>\$181,871</u>	<u>\$197,700</u>	<u>\$15,829</u>

See accompanying notes to the basic financial statements.

**TUSCARAWAS TOWNSHIP
STARK COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FIRE DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
RECEIPTS:				
Property and Other Local Taxes	\$178,168	\$178,168	\$181,946	\$3,778
Intergovernmental			338	338
Total Receipts	<u>178,168</u>	<u>178,168</u>	<u>182,284</u>	<u>4,116</u>
DISBURSEMENTS:				
Current:				
General Government	3,000	3,000	2,557	443
Public Safety	<u>185,240</u>	<u>185,240</u>	<u>178,808</u>	<u>6,432</u>
Total Disbursements	<u>188,240</u>	<u>188,240</u>	<u>181,365</u>	<u>6,875</u>
Excess Receipts Over/(Under) Disbursements	(10,072)	(10,072)	918	10,991
Fund Balance Beginning of Year	<u>97,167</u>	<u>97,167</u>	<u>97,167</u>	
FUND BALANCE END OF YEAR	<u><u>\$87,094</u></u>	<u><u>\$87,094</u></u>	<u><u>\$98,085</u></u>	<u><u>\$10,991</u></u>

See accompanying notes to the basic financial statements.

**TUSCARAWAS TOWNSHIP
STARK COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
ROAD DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budget Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
RECEIPTS:				
Property and Other Local Taxes	\$87,678	\$87,678	\$89,963	\$2,285
Intergovernmental			507	507
Total Receipts	<u>87,678</u>	<u>87,678</u>	<u>90,470</u>	<u>2,792</u>
DISBURSEMENTS:				
Current:				
General Government	1,500	1,500	1,245	255
Public Works	<u>120,000</u>	<u>120,000</u>	<u>100,000</u>	<u>20,000</u>
Total Disbursements	<u>121,500</u>	<u>121,500</u>	<u>101,245</u>	<u>20,255</u>
Excess Receipts Over/(Under) Disbursements	<u>(33,822)</u>	<u>(33,822)</u>	<u>(10,775)</u>	<u>23,047</u>
Fund Balance Beginning of Year	<u>62,819</u>	<u>62,819</u>	<u>62,819</u>	
FUND BALANCE END OF YEAR	<u><u>\$28,996</u></u>	<u><u>\$28,996</u></u>	<u><u>\$52,044</u></u>	<u><u>\$23,047</u></u>

See accompanying notes to the basic financial statements

**TUSCARAWAS TOWNSHIP
STARK COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Governmental Activities</u>
ASSETS	
Equity in Pooled Cash and Cash Equivalents	<u>\$901,724</u>
Total Assets	<u><u>\$901,724</u></u>
NET ASSETS	
Restricted for:	
Other Purposes	\$715,442
Unrestricted	<u>186,282</u>
Total Net Assets	<u><u>\$901,724</u></u>

See accompanying notes to the basic financial statements.

**TUSCARAWAS TOWNSHIP
STARK COUNTY**

**STATEMENT ACTIVITIES - CASH BASIS
FOR THE ENDED DECEMBER 31, 2008**

	<u>Cash Disbursements</u>	<u>Program Cash Receipts</u>		<u>Net (Disbursements) Receipts and Changes in Net Assets</u>
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
GOVERNMENTAL ACTIVITIES				
General Government	\$228,980			(\$228,980)
Public Safety	181,131			(181,131)
Public Works	273,777	\$18,758	\$123,789	(131,230)
Health	91,926	78,458		(13,468)
Capital Outlay	17,352			(17,352)
Miscellaneous		125		125
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Governmental Activities	<u>\$793,166</u>	<u>\$97,341</u>	<u>\$123,789</u>	<u>(572,036)</u>
GENERAL RECEIPTS				
Property Taxes				536,336
Grants Entitlements not Restricted to Specific Programs				129,110
Sale of Fixed Assets				2,800
Cable Franchising Fees				17,319
Earnings on Investments				10,367
Miscellaneous				<u>4,255</u>
Total General Receipts				<u>700,187</u>
Change in Net Assets				128,151
Net Assets Beginning of Year				<u>773,573</u>
Net Assets End of Year				<u>\$901,724</u>

See accompanying notes to the basic financial statements.

**TUSCARAWAS TOWNSHIP
STARK COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	General Fund	Gasoline Tax Fund	Road and Bridge Fund	Cemetery Fund	Fire District Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Equity in Pooled Cash and Cash Equivalents	<u>\$186,282</u>	<u>\$160,611</u>	<u>\$116,592</u>	<u>\$208,571</u>	<u>\$97,167</u>	<u>\$132,501</u>	<u>\$901,724</u>
Total Assets	<u>\$186,282</u>	<u>\$160,611</u>	<u>\$116,592</u>	<u>\$208,571</u>	<u>\$97,167</u>	<u>\$132,501</u>	<u>\$901,724</u>
FUND BALANCES							
Unreserved:							
Undesignated (Deficit), Reported in:							
General Fund	\$186,282						\$186,282
Special Revenue Funds	<u> </u>	<u>\$160,611</u>	<u>\$116,592</u>	<u>\$208,571</u>	<u>\$97,167</u>	<u>\$132,501</u>	<u>\$715,442</u>
Total Fund Balances	<u>\$186,282</u>	<u>\$160,611</u>	<u>\$116,592</u>	<u>\$208,571</u>	<u>\$97,167</u>	<u>\$132,501</u>	<u>\$901,724</u>

See accompanying notes to the basic financial statements.

**TUSCARAWAS TOWNSHIP
STARK COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE ENDED DECEMBER 31, 2008**

	General Fund	Gasoline Tax Fund	Road and Bridge Fund	Cemetery Fund	Fire District Fund	Other Governmental Funds	Total Governmental Funds
RECEIPTS							
Property and Other Taxes	\$99,059		\$175,561		\$175,737	\$104,738	\$555,094
Licenses, Fees and Permits	17,319			\$38,958			56,277
Intergovernmental	130,879	\$96,888	1,288		676	23,169	252,899
Special Assessments						125	125
Earnings on Investments	5,920	3,271		37		1,139	10,367
Miscellaneous	2,432		33	41,291			43,755
Total Receipts	<u>255,608</u>	<u>100,159</u>	<u>176,882</u>	<u>80,286</u>	<u>176,413</u>	<u>129,171</u>	<u>918,518</u>
DISBURSEMENTS							
Current:							
General Government	222,910		3,432		1,445	1,193	228,980
Public Safety					181,131		181,131
Public Works	27,469	11,787	172,551			61,970	273,777
Health	29,055			62,871			91,926
Capital Outlay	3,463		4,530	8,000		1,359	17,352
Total Disbursements	<u>282,897</u>	<u>11,787</u>	<u>180,513</u>	<u>70,871</u>	<u>182,576</u>	<u>64,522</u>	<u>793,166</u>
Excess of Receipts Over/(Under) Disbursements	(27,289)	88,372	(3,632)	9,415	(6,163)	64,649	125,352
OTHER FINANCING SOURCES/(USES)							
Sale of Fixed Assets			2,800				2,800
Fund Balance Beginning of Year	213,572	72,239	117,424	199,156	103,330	67,852	773,573
FUND BALANCES END OF YEAR	<u>\$186,282</u>	<u>\$160,611</u>	<u>\$116,592</u>	<u>\$208,571</u>	<u>\$97,167</u>	<u>\$132,501</u>	<u>\$901,724</u>

See accompanying notes to the basic financial statements.

**TUSCARAWAS TOWNSHIP
STARK COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budget Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
RECEIPTS:				
Property and Other Local Taxes	\$99,149	\$99,149	\$99,059	(\$90)
Fines, Licenses, and Permits	16,100	16,100	17,319	1,219
Intergovernmental	81,419	81,419	130,879	49,460
Earnings on investments	24,813	24,813	5,920	(18,893)
Miscellaneous	<u>1,500</u>	<u>1,500</u>	<u>2,432</u>	<u>932</u>
Total Receipts	<u>222,981</u>	<u>222,981</u>	<u>255,608</u>	<u>32,627</u>
DISBURSEMENTS:				
Current:				
General Government	244,997	289,997	222,910	67,087
Public Works	50,000	50,000	27,469	22,531
Public Health	30,000	30,000	29,055	945
Capital Outlay	<u>10,500</u>	<u>10,500</u>	<u>3,463</u>	<u>7,037</u>
Total Disbursements	<u>335,497</u>	<u>380,497</u>	<u>282,897</u>	<u>97,600</u>
Excess Receipts Over/(Under) Disbursements	(112,516)	(157,516)	(27,289)	130,226
Fund Balance Beginning of Year	<u>213,572</u>	<u>213,572</u>	<u>213,572</u>	<u> </u>
FUND BALANCE END OF YEAR	<u><u>\$101,056</u></u>	<u><u>\$56,056</u></u>	<u><u>\$186,282</u></u>	<u><u>130,226</u></u>

See accompanying notes to the basic financial statements.

**TUSCARAWAS TOWNSHIP
STARK COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GASOLINE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budget Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
RECEIPTS:				
Intergovernmental	\$95,000	\$95,000	\$96,888	\$1,888
Earnings on investments	<u>5,000</u>	<u>5,000</u>	<u>3,271</u>	<u>(1,729)</u>
Total Receipts	<u>100,000</u>	<u>100,000</u>	<u>100,159</u>	<u>159</u>
DISBURSEMENTS:				
Current:				
Public Works	<u>165,000</u>	<u>165,000</u>	<u>11,787</u>	<u>153,213</u>
Total Disbursements	<u>165,000</u>	<u>165,000</u>	<u>11,787</u>	<u>153,213</u>
Excess Receipts Over/(Under) Disbursements	(65,000)	(65,000)	88,372	153,372
Fund Balance Beginning of Year	<u>72,239</u>	<u>72,239</u>	<u>72,239</u>	<u> </u>
FUND BALANCE END OF YEAR	<u><u>\$7,239</u></u>	<u><u>\$7,239</u></u>	<u><u>\$160,611</u></u>	<u><u>\$153,372</u></u>

See accompanying notes to the basic financial statements.

**TUSCARAWAS TOWNSHIP
STARK COUNTY**

**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**

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS:				
Property and Other Local Taxes	\$173,511	\$173,511	\$175,561	\$2,050
Intergovernmental	600	600	1,288	688
Miscellaneous	3,439	3,439	33	(3,406)
Total Receipts	177,550	177,550	176,882	(668)
DISBURSEMENTS:				
Current:				
General Government	4,000	4,000	3,432	568
Public Works	251,000	251,000	172,551	78,449
Capital Outlay	25,000	25,000	4,530	20,470
Total Disbursements	280,000	280,000	180,513	99,487
Excess Receipts Over/(Under) Disbursements	(102,450)	(102,450)	(3,632)	98,818
OTHER FINANCING SOURCES/(USES)				
Sale of Fixed Assets			2,800	2,800
Fund Balance Beginning of Year	117,424	117,424	117,424	
FUND BALANCE END OF YEAR	\$14,974	\$14,974	\$116,592	\$101,618

See accompanying notes to the basic financial statements.

**TUSCARAWAS TOWNSHIP
STARK COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
CEMETERY FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS:				
Licenses, Fees and Permits	\$40,000	\$40,000	\$38,958	(\$1,042)
Earnings on investments	40	40	37	(3)
Miscellaneous	19,960	19,960	41,291	21,331
Total Receipts	60,000	60,000	80,286	20,286
DISBURSEMENTS:				
Current:				
Health	93,729	93,729	62,871	30,858
Capital Outlay	8,000	13,000	8,000	5,000
Total Disbursements	101,729	106,729	70,871	35,858
Excess Receipts Over/(Under) Disbursements	(41,729)	(46,729)	9,415	56,144
Fund Balance Beginning of Year	199,156	199,156	199,156	
FUND BALANCE END OF YEAR	\$157,427	\$152,427	\$208,571	\$56,144

See accompanying notes to the basic financial statements.

**TUSCARAWAS TOWNSHIP
STARK COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FIRE DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
RECEIPTS:				
Property and Other Local Taxes	\$174,697	\$174,697	\$175,737	\$1,040
Intergovernmental	2,894	2,894	676	(2,218)
Total Receipts	<u>177,591</u>	<u>177,591</u>	<u>176,413</u>	<u>(1,178)</u>
DISBURSEMENTS:				
Current:				
General Government	3,000	3,000	1,445	1,555
Public Safety	185,340	185,340	181,131	4,209
Total Disbursements	<u>188,340</u>	<u>188,340</u>	<u>182,576</u>	<u>5,764</u>
Excess Receipts Over/(Under) Disbursements	(10,749)	(10,749)	(6,163)	4,586
Fund Balance Beginning of Year	<u>103,330</u>	<u>103,330</u>	<u>103,330</u>	<u></u>
FUND BALANCE END OF YEAR	<u>\$92,581</u>	<u>\$92,581</u>	<u>\$97,167</u>	<u>\$4,586</u>

See accompanying notes to the basic financial statements.

**TUSCARAWAS TOWNSHIP
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

1. REPORTING ENTITY

The constitution and laws of the State of Ohio establish the rights and privileges of Tuscarawas Township, Stark County (the Township) as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township.

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

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, and cemetery maintenance.

B. Component Units

The Township does not have any Component Units

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

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 statement, 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 pronouncement, in which case GASB prevails.

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.

1. Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the Township that are governmental and those that are considered business-type.

Governmental activities generally are financed through taxes, intergovernmental
TUSCARAWAS TOWNSHIP
STARK COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1. Government-Wide Financial Statements (continued)

receipts or other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Township has no business-type activities. 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 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, 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.

2. 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 fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major 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 in one category, governmental.

1. Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other non-exchange transactions as governmental funds. The Township's major governmental funds are the General Fund, Gasoline Tax Fund, Road and Bridge Fund, Fire District Levy Fund, Road District Fund and Cemetery Fund. The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio. The other governmental funds of the Township account for grants, taxes, and other resources whose use is restricted to a particular purpose.

**TUSCARAWAS TOWNSHIP
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of 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.

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 office, division, and department level, and within each, personal services.

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

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year. 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. Investment in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

**TUSCARAWAS TOWNSHIP
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Cash and Investments (continued)

During 2009 and 2008, the Township had all funds in a regular checking account with J. P. Morgan Chase Bank.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions.

F. Employer Contributions to Cost-Sharing Plans

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement healthcare benefits.

G. 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.

3. BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budget Basis presented for the General Fund, Road and Bridge Fund, Gasoline Tax Fund, Fire District Fund, Road District Fund and Cemetery Fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget.

4. DEPOSITS AND INVESTMENTS

Monies held by the Township are classified by the 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 Board has 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.

**TUSCARAWAS TOWNSHIP
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

4. DEPOSITS AND INVESTMENTS (continued)

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.

**TUSCARAWAS TOWNSHIP
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

4. DEPOSITS AND INVESTMENTS (continued)

A. Deposits

Custodial credit risk is the risk that in the event of bank failure, the Township may not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, the Township was exposed to custodial credit risk because deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name. Custodial risk was \$615,574 and \$801,724 at December 31, 2009 and 2008, respectively.

Ohio law requires that deposits be either insured or protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

5. PROPERTY TAXES

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2009 represent the collection of 2007 taxes. Real property taxes received in 2009 were levied after October 1, 2008, on the assessed values as of January 1, 2008, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2009 represent the collection of 2008 taxes. Public utility real and tangible personal property taxes received in 2008 became a lien on December 31, 2007 were levied after October 1, 2008, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2009 (other than public utility property) represent the collection of 2009 taxes. Tangible personal property taxes received in 2009 were levied after October 1, 2008, on the true value as of December 31, 2008. Tangible personal property is currently assessed at 6.25 percent for inventory and capital assets. 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.

**TUSCARAWAS TOWNSHIP
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

6. RISK MANAGEMENT

The Township belongs to the Ohio Government Risk Management Plan (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio. These coverage programs, referred to as Ohio Plan Risk management (OPRM"), are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss, except OPRM retain 15% of the premium and losses on the first \$250,000 casualty treaty and 10 % of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had over 650 members as of December 31, 2008. The Township participates in this coverage.

In August, 2007, OGRMP formed the Ohio Plan Healthcare Consortium ("OPHC"), as authorized by Section 9.833 of the Ohio Revised Code. The OPHC was established to provide cost effective employee benefit programs for Ohio political sub-divisions and is a self-funded, group purchasing consortium that offers medical, dental, vision and prescription drug coverage as well as life insurance for its members. The OPHC is sold through seventeen appointed independent agents in the State of Ohio. Coverage programs are developed specific to each member's healthcare needs and the related premiums for coverage are determined through the application of uniform underwriting criteria. Variable plan options are available to members. These plans vary primarily by deductibles, coinsurance levels, office visit co-pays and out-of-pocket maximums. OPHC had 40 members as of December 31, 2008. The Township participates in this coverage.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2008 and 2007 (the latest information available), and include amounts for both OPRM and OPHC:

	<u>2008</u>	<u>2007</u>
Assets	\$10,471,114	\$11,136,455
Liabilities	(5,286,781)	(4,273,553)
Net Assets	\$5,184,333	\$6,862,902

**TUSCARAWAS TOWNSHIP
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

6. RISK MANAGEMENT (continued)

You can read the complete audited financial statements for The Ohio Government Risk Management Plan at the Plan's website, www.ohioplan.org.

7. DEFINED BENEFIT PENSION PLANS

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 year at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.

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

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

For the year ended December 31, 2009, the members of all three plans were required to contribute 10 percent of their annual covered salaries. The Township's contribution rate for pensions benefits for 2009 was 14 percent. The Ohio Revised Code provides statutory authority for member and employer contributions. The Township made all required contributions for 2009 and 2008.

The Ohio Public Employees Retirement System (OPERS) provides postretirement healthcare coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Healthcare coverage for disability benefit recipients and qualified survivor benefit recipients is available. Members of the member-directed plan do not qualify for postretirement healthcare coverage. The healthcare coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB*

**TUSCARAWAS TOWNSHIP
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

8. POSTEMPLOYMENT BENEFITS (continued)

A. Ohio Public Employees Retirement System (continued)

Statement No. 12. A portion of each employer's contribution to the traditional or combined plans is set aside for funding of postretirement healthcare based on authority granted by State statute.

B. Plan Description

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

OPERS maintains a cost-sharing multiple-employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program, and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

C. Funding Policy

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2009, include a rate of return on investments of eight percent, an annual increase in active employee total payroll of four percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between one-half and six point three percent based on additional annual pay increases. Healthcare premiums were assumed to increase between one and six percent annually for the next eight years and four percent annually after eight years.

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

This page intentionally left blank.

KNOX & KNOX

Accountants and Consultants

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

Tuscarawas Township
Stark County
956 Manchester Road S. W.
North Lawrence, Ohio 44666

To the Board of Trustees:

We have audited the accompanying financial statements of Tuscarawas Township, Stark County, (the Township) as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated August 23, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of control deficiencies, resulting in more than a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and timely corrected.

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

COMPLIANCE AND OTHER MATTERS

As part of reasonably assuring whether the Township's basic financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*. the Township's internal control.

Tuscarawas Township
Stark County
Report on Internal Control Required by *Government Auditing Standards*
Page 2

We did note certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated August 23, 2010.

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

KNOX & KNOX

Orrville, Ohio
August 23, 2010

This Page is Intentionally Left Blank.



Mary Taylor, CPA
Auditor of State

TUSCARAWAS TOWNSHIP

STARK COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 4, 2010**