



Green Township, Ohio

Basic Financial Statements
Years Ended December 31, 2010 and 2009
with Independent Auditors' Report



Dave Yost • Auditor of State

Board of Trustees
Green Township
6303 Harrison Ave
Cincinnati, Ohio 45247

We have reviewed the *Independent Auditors' Report* of Green Township, Hamilton County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2009 through December 31, 2010. 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. Green Township is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

May 26, 2011

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Green Township, Ohio:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Green Township, Ohio (the Township) as of and for the years ended December 31, 2010 and 2009, 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Green Township, Ohio, as of December 31, 2010 and 2009, and the respective changes in cash financial position and the respective budgetary comparisons for the General Fund, Tax Increment Financing Fund, Fire Levy Fund, Police Levy Fund, Road and Bridge Fund, Safety Services Fire and Police Fund, Safety Services Fire Fund, and Safety Services Police Fund 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 May 6, 2011, 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 on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

105 east fourth street, ste. 1500
cincinnati, oh 45202

www.cshco.com
p. 513.241.3111
f. 513.241.1212

The Management's Discussion and Analysis on pages 3 through 10 and 39 through 45, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
May 6, 2011

Green Township Hamilton County
Management's Discussion and Analysis
For the Years Ended December 31, 2010
Unaudited

This discussion and analysis of the Green Township financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2010, within the limitations of the Township's modified cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2010 are as follows:

Net assets of governmental activities increased \$7,516,347, or 39%, a significant change from 2009. The funds most affected by the increase were the General Fund and the Tax Incremental Financing Fund (TIF). A large part of the increase was due to bonds being issued in the amount of \$9,895,000 for the purpose of road and park improvements within the Township.

The General Fund Balance increased \$1,277,782 in 2010. With the passage of the Safety Services Levy in 2008, the General Fund has been able to reduce expenses related to the Police and Fire Departments in the last two years thus increasing the General Fund Balance at December 31, 2010.

The Township's general receipts are primarily property taxes and payments in lieu of taxes. These receipts represent approximately 53% of the total cash received for governmental activities during the year. Property tax receipts for 2010 remained consistent while the payment in lieu of taxes increased approximately 4% compared to 2009.

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 modified cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's modified cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

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

Reporting the Government as a Whole

The statement of net assets and the statement of activities reflect how the Township performed financially during 2010, within the limitations of modified cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activity 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 activity draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the modified cash basis of accounting, you can think of these changes as one way to measure the Township's financial condition. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial condition 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, all activity is accounted for as governmental activity:

Governmental Activities. All of the Township's basic services are reported here, including police, fire, streets and parks. Property Taxes and State and federal grants 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 all categorized as governmental funds.

Governmental Funds - 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 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 include the General Fund, Tax Incremental Financing Fund (TIF), Fire Levy Fund, Police Levy Fund, Road and Bridge Levy Fund, Safety Services Fire and Police Levy Fund, Safety Services Fire Levy Fund, Safety Services Police Levy Fund, and Bond Retirement Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

General Fund The general fund accounts 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 fund laws of Ohio.

Tax Increment Financing Fund (TIF) The tax increment financing special revenue fund accounts for payments received in lieu of taxes on property located within Green Township designated as a TIF parcel.

Fire Levy Fund The fire special revenue fund accounts for tax revenues levied for the operations of the Township Fire Department.

Police Levy Fund The police special revenue fund accounts for tax revenues levied for the operation of the Township Police Department.

Road and Bridge Levy Fund The road and bridge special revenue fund accounts for tax revenues levied for operations of the Township Public Works Department.

Safety Services Fire and Police Levy Fund This special revenue fund accounts for tax revenues levied for the operations of the Township Fire Department and Police Department.

Safety Services Fire Levy Fund The fire special revenue fund accounts for tax revenues levied for the operations of the Township Fire Department.

Green Township Hamilton County
Management's Discussion and Analysis
For the Years Ended December 31, 2010
Unaudited

Safety Services Police Levy Fund The police special revenue fund accounts for tax revenues levied for the operation of the Township Police Department.

Bond Retirement Fund The bond fund is one created by the Township issuing debt to fund permanent improvement projects, such as property acquisition for parks and road improvement projects.

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

The Township as a Whole

Table 1 provides a summary of the Township's net assets for 2010 and 2009 on a modified cash basis:

(Table 1)
Net Assets
Governmental Activities

	<u>2010</u>	<u>2009</u>
Assets		
Equity in Pooled Cash and Investments	\$ <u>26,716,904</u>	<u>19,200,557</u>
 Total Assets	 <u>26,716,904</u>	 <u>19,200,557</u>
Net Assets		
Restricted for:		
Public Safety	764,005	1,133,691
Roads and bridges	542,396	590,046
Other purposes	150,390	173,447
Capital projects	12,365,337	5,703,712
Unrestricted	<u>12,894,776</u>	<u>11,599,661</u>
Total Net Assets	\$ <u>26,716,904</u>	<u>19,200,557</u>

As mentioned previously, net assets of governmental activities increased \$7,516,347 or 39% during 2010. The primary reasons contributing to the increase in cash balances are the issuance of bonds in the amount of \$9,895,000 and increases in payments in lieu of taxes received over 2009. The Township will be using the proceeds to make various improvements throughout the Township and the amounts received from the payment in lieu of taxes will be used to pay surrounding school districts and to pay for the principal and interest of the bonds.

Green Township Hamilton County
Management's Discussion and Analysis
For the Years Ended December 31, 2010
Unaudited

Table 2 demonstrates the changes in net assets for fiscal year 2010.

(Table 2)		
Change in Net Assets		
Governmental Activities		
	<u>2010</u>	<u>2009</u>
Receipts: Program Receipts		
Charges for Services	\$ 2,604,400	\$ 2,417,789
Operating Grants	120,734	336,316
Capital Grants	1,430,491	1,028,779
Total Program Receipts	<u>4,155,625</u>	<u>3,782,884</u>
General Receipts		
Property and Other Local Taxes	8,869,594	8,899,141
Payments in Lieu of Taxes	18,043,828	17,275,238
Grants and Entitlements not Restricted	7,230,638	9,416,382
Bonds/Notes Issued	9,895,000	3,835,000
Premium on Bonds	141,547	80,311
Interest	254,204	199,473
Miscellaneous	2,207,133	885,932
Total General Receipts	<u>46,641,944</u>	<u>40,591,477</u>
Total Receipts	<u>50,797,569</u>	<u>44,374,361</u>
Disbursements		
General Government	1,538,125	1,354,031
Public Safety	11,681,335	10,725,769
Public Works	2,987,222	2,800,781
Public Health	65,462	67,470
Economic Development	281,977	234,858
Conservation-Recreation	1,118,320	1,017,115
Payment to Schools	12,282,932	11,992,725
Capital Outlay	8,247,372	6,737,735
Purchase of Land	-	1,195,660
Debt Service:		
Principal Retirement	4,685,000	3,835,000
Interest and Fiscal Charges	393,477	80,311
Total Disbursements	<u>43,281,222</u>	<u>40,041,455</u>
Change in Net Assets	7,516,347	4,332,906
Net Assets, January 1	<u>19,200,557</u>	<u>14,867,651</u>
Net Assets, December 31	<u>\$ 26,716,904</u>	<u>\$ 19,200,557</u>

Green Township Hamilton County
Management's Discussion and Analysis
For the Years Ended December 31, 2010
Unaudited

Of the general receipts, 58% of the Township's total receipts were received through property taxes and the payments in lieu of taxes. Unrestricted grants and entitlements represent 16% and decreased approximately 23% due to fewer estate tax settlements during 2010.

The increase in disbursements during 2010 over 2009 was related mainly to an increase in debt service payments for principal and interest payments on the newly issued bonds and an increase in capital outlay as relates to the various improvements being made to the Township including road and park improvements.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for other Township activities. Also included are the costs of the administrator, department heads, elected officials, as well as internal services, such as payroll, accounts payable and receivable, and purchasing.

Public Safety includes the costs of police and fire protection; Public Health is the health services provided by the county; Conservation-Recreation Activities are the costs of maintaining the parks and playing fields, the Senior Center, and the Nathaniel Green Lodge (a meeting facility); Public Works is the cost of maintaining the roads; and Capital Outlay is the cost for purchases of capital assets.

Governmental Activities

If you refer to the Statement of Activities, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for General Government, Public Safety, Public Works, and Payments to Schools at year end December 31, 2010, which account for 4%, 27%, 7%, and 28% of all governmental disbursements, respectively. The next three 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.

The Township's Funds

The Township governmental funds had receipts of \$40,761,022 and disbursements of \$43,281,222 for 2010. The greatest change within governmental funds occurred within the General and TIF Funds. The ending fund balance at December 31, 2010 for the General Fund was \$12,877,443 and the TIF Fund was \$12,365,337. The outstanding purchase orders at year end December 31, 2010 for the General Fund and TIF Fund totaled \$73,049 and \$3,759,822, respectively.

Green Township Hamilton County
Management's Discussion and Analysis
For the Years Ended December 31, 2010
Unaudited

General Fund receipts were more than disbursements by \$1,277,782 in 2010, which is a result of the General Fund spending less on safety services than in previous years. The Township began collecting on the new levy in 2009 and thus could alleviate the General Fund burden.

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 2010, the Township amended its General Fund budget several times to reflect changing circumstances. Final budgeted receipts were above original budgeted receipts due to unexpected growth in intergovernmental receipts. The difference between final budgeted receipts and actual receipts was \$6,821 for 2010.

Final disbursements were budgeted at \$4,821,716 while actual disbursements were \$4,627,700 for the General Fund in 2010. The Township had \$73,049 in outstanding purchase orders at year end 2010, but still stayed well within budgeted amounts. The result is the increase in fund balance of \$1,204,733 for 2010.

Capital Assets

The Township does keep track of its capital assets for insurance purposes but not for financial reporting.

Debt Administration

At December 31, 2010, the Township's outstanding debt included \$9,045,000 in general obligation bonds issued for various purposes. For further information regarding the Township's debt, refer to Note 9 to the basic financial statements.

Current Issues

The challenge for all Townships is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking funding. We rely heavily on local taxes and have very little industry to support the tax base. A forecast through 2014 was created based on revenue remaining level and projected expenditures increasing at the same historical level. A deficit for all funds of \$2,039,000 is projected in 2013. The Township elected officials and administrative team will be seeking ways to reduce expenditures without reducing services to the citizens. There has been an ongoing effort by all Township staff for several years to keep costs at a minimum.

Green Township Hamilton County
Management's Discussion and Analysis
For the Years Ended December 31, 2010
Unaudited

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 Tom Straus, Fiscal Officer, Green Township, 6303 Harrison Avenue, Cincinnati, Ohio 45247.

Green Township, Hamilton County
Statement of Net Assets-Modified Cash Basis
December 31, 2010

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Investments	\$ 26,716,904
<i>Total Assets</i>	<u>26,716,904</u>
Net Assets	
Restricted for:	
Public safety	764,005
Roads and bridges	542,396
Other purposes	150,390
Capital projects	12,365,337
Unrestricted	<u>12,894,776</u>
<i>Total Net Assets</i>	<u>\$ 26,716,904</u>

See accompanying notes to the basic financial statements.

Green Township, Hamilton County
Statement of Activities-Modified Cash Basis
For the Year Ended December 31, 2010

	Program Cash Receipts				Net Disbursements (Receipts) and Changes in Net Assets
	Cash <u>Disbursements</u>	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
General Government	\$ 1,538,125	\$ 867,366	\$ 17,725	\$ -	\$ 653,034
Public Safety	11,681,335	1,279,901	13,370	-	10,388,064
Public Works	2,987,222	-	89,639	1,430,491	1,467,092
Public Health	65,462	-	-	-	65,462
Economic Development	281,977	3,930	-	-	278,047
Payment to Schools	12,282,932	-	-	-	12,282,932
Conservation-Recreation	1,118,320	453,203	-	-	665,117
Capital Outlay	8,247,372	-	-	-	8,247,372
Interest and Fiscal Charges	393,477	-	-	-	393,477
Principal Retirement	4,685,000	-	-	-	4,685,000
Total Governmental Activities	\$ 43,281,222	\$ 2,604,400	\$ 120,734	\$ 1,430,491	\$ 39,125,597

General Receipts

Property Taxes Levied for:	
General Purposes	338,403
Special Revenue	8,531,191
Payment in Lieu of Taxes	18,043,828
Grants and Entitlements not Restricted to Specific Programs	7,230,638
Bonds Issued	9,895,000
Premium on Bonds	141,547
Interest	254,204
Miscellaneous	2,207,133
Total General Receipts	46,641,944
 Change in Net Assets	 7,516,347
 <i>Net Assets Beginning of Year</i>	 <u>19,200,557</u>
 <i>Net Assets End of Year</i>	 <u>\$ 26,716,904</u>

Green Township, Hamilton County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2010

	<u>General</u>	<u>Tax Increment Financing</u>	<u>Fire Levy</u>	<u>Police Levy</u>	<u>Road and Bridge</u>
Assets					
Equity in Pooled Cash and Investments	\$ 12,877,443	\$ 12,365,337	\$ 255,825	\$ 42,258	\$ 194,459
<i>Total Assets</i>	<u>12,877,443</u>	<u>12,365,337</u>	<u>255,825</u>	<u>42,258</u>	<u>194,459</u>
Fund Balances					
Reserved					
Reserved for Encumbrances	73,049	3,759,822	23,239	-	16,073
Unreserved					
Undesignated, Reported in:					
General Fund	12,804,394	-	-	-	-
Special Revenue Funds	-	8,605,515	232,586	42,258	178,386
<i>Total Fund Balances</i>	<u>\$ 12,877,443</u>	<u>\$ 12,365,337</u>	<u>\$ 255,825</u>	<u>\$ 42,258</u>	<u>\$ 194,459</u>

See accompanying notes to the basic financial statements.

Green Township, Hamilton County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2010

<u>Safety Services Police & Fire</u>	<u>Safety Services Fire</u>	<u>Safety Services Police</u>	<u>Bond Retirement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 125,851	\$ 18,350	\$ 247,070	\$ -	\$ 590,311	\$ 26,716,904
<u>125,851</u>	<u>18,350</u>	<u>247,070</u>	<u>-</u>	<u>590,311</u>	<u>26,716,904</u>
-	-	-	-	32,405	3,904,588
-	-	-	-	-	12,804,394
<u>125,851</u>	<u>18,350</u>	<u>247,070</u>	<u>-</u>	<u>557,906</u>	<u>10,007,922</u>
<u>\$ 125,851</u>	<u>\$ 18,350</u>	<u>\$ 247,070</u>	<u>\$ -</u>	<u>\$ 590,311</u>	<u>\$ 26,716,904</u>

Green Township, Hamilton County
Statement of Cash Receipts, Disbursements and Change in Fund Balance
Governmental Funds
For the Year Ended December 31, 2010

	<u>General</u>	<u>Tax Increment Financing</u>	<u>Fire Levy</u>	<u>Police Levy</u>
Receipts				
Property and Other Local Taxes	\$ 338,403	\$ -	\$ 2,071,428	\$ 536,283
Charges for Services	575,961	-	1,151,509	-
Licenses, Permits and Fees	827,491	-	12,797	-
Fines and Forfeitures	24,928	-	-	-
Intergovernmental	3,680,683	2,248,841	294,244	76,824
Special Assessments	-	-	-	-
Interest	252,586	-	-	-
Other	132,381	1,988,758	48,761	-
Payment in Lieu of Taxes	-	18,043,828	-	-
<i>Total receipts</i>	<u>5,832,433</u>	<u>22,281,427</u>	<u>3,578,739</u>	<u>613,107</u>
Disbursements				
Current:				
General Government	1,299,093	239,032	-	-
Public Safety	1,777,935	-	3,843,355	705,841
Public Works	51,059	-	-	-
Health	65,462	-	-	-
Economic Development	177,358	-	-	-
Payment to Schools/Other	-	12,282,932	-	-
Conservation-Recreation	1,114,945	-	-	-
Capital Outlay	68,799	8,055,908	7,359	-
Debt Service				
Principal Retirement	-	850,000	-	-
Interest and Fiscal Charges	-	134,303	-	-
<i>Total Disbursements</i>	<u>4,554,651</u>	<u>21,562,175</u>	<u>3,850,714</u>	<u>705,841</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	1,277,782	719,252	(271,975)	(92,734)
Other Financing Sources				
Bonds Issued	-	5,942,373	-	-
Premium on Bonds	-	-	-	-
<i>Total Other Financing Sources</i>	<u>-</u>	<u>5,942,373</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	1,277,782	6,661,625	(271,975)	(92,734)
<i>Fund Balances Beginning of Year</i>	<u>11,599,661</u>	<u>5,703,712</u>	<u>527,800</u>	<u>134,992</u>
<i>Fund Balances End of Year</i>	<u>12,877,443</u>	<u>12,365,337</u>	<u>255,825</u>	<u>42,258</u>

See accompanying notes to the basic financial statements

Green Township, Hamilton County
Statement of Cash Receipts, Disbursements and Change in Fund Balance
Governmental Funds
For the Year Ended December 31, 2010

<u>Road and Bridge</u>	<u>Safety Services Fire & Police</u>	<u>Safety Services Fire</u>	<u>Safety Services Police</u>	<u>Bond Retirement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 925,103	\$ 3,326,494	\$ 737,457	\$ 555,880	\$ -	\$ 378,546	\$ 8,869,594
-	-	-	-	-	-	1,727,470
-	-	-	-	-	3,930	844,218
-	-	-	-	-	7,784	32,712
146,370	540,354	109,485	82,566	-	1,491,762	8,671,129
-	-	-	-	-	89,639	89,639
-	-	-	-	-	1,618	254,204
9,661	-	-	-	-	48,667	2,228,228
-	-	-	-	-	-	18,043,828
<u>1,081,134</u>	<u>3,866,848</u>	<u>846,942</u>	<u>638,446</u>	<u>-</u>	<u>2,021,946</u>	<u>40,761,022</u>
-	-	-	-	-	-	1,538,125
-	3,922,031	862,586	553,154	-	16,433	11,681,335
1,165,595	-	-	-	-	1,770,568	2,987,222
-	-	-	-	-	-	65,462
-	-	-	-	-	104,619	281,977
-	-	-	-	-	-	12,282,932
-	-	-	-	-	3,375	1,118,320
2,657	-	-	-	-	112,649	8,247,372
-	-	-	-	3,835,000	-	4,685,000
-	-	-	-	259,174	-	393,477
<u>1,168,252</u>	<u>3,922,031</u>	<u>862,586</u>	<u>553,154</u>	<u>4,094,174</u>	<u>2,007,644</u>	<u>43,281,222</u>
(87,118)	(55,183)	(15,644)	85,292	(4,094,174)	14,302	(2,520,200)
-	-	-	-	3,952,627	-	9,895,000
-	-	-	-	141,547	-	141,547
-	-	-	-	4,094,174	-	10,036,547
(87,118)	(55,183)	(15,644)	85,292	-	14,302	7,516,347
<u>281,577</u>	<u>181,034</u>	<u>33,994</u>	<u>161,778</u>	<u>-</u>	<u>576,009</u>	<u>19,200,557</u>
<u>194,459</u>	<u>125,851</u>	<u>18,350</u>	<u>247,070</u>	<u>-</u>	<u>590,311</u>	<u>26,716,904</u>

Green Township, Hamilton County
Statement of Receipts, Disbursements and Changes
In Fund Balance- Budget and Actual- Budget Basis
General Fund
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$ 370,782	\$ 338,403	\$ 338,403	\$ -
Charges for Services	95,000	122,758	575,961	453,203
Licenses, Permits and Fees	593,000	827,491	827,491	-
Fines and Forfeitures	18,200	24,952	24,928	(24)
Intergovernmental	2,948,786	3,683,879	3,680,683	(3,196)
Interest	175,000	254,000	252,586	(1,414)
Other	<u>376,785</u>	<u>587,771</u>	<u>132,381</u>	<u>(455,390)</u>
<i>Total receipts</i>	<u>4,577,553</u>	<u>5,839,254</u>	<u>5,832,433</u>	<u>(6,821)</u>
Disbursements				
Current:				
General Government	1,554,370	1,373,960	1,319,971	53,989
Public Safety	2,053,194	1,868,608	1,812,622	55,986
Public Works	81,000	65,000	51,059	13,941
Public Health	70,000	66,500	65,462	1,038
Economic Development	197,306	181,828	177,779	4,049
Conservation-Recreation	1,297,887	1,265,820	1,132,008	133,812
Capital Outlay	<u>-</u>	<u>-</u>	<u>68,799</u>	<u>(68,799)</u>
<i>Total Disbursements</i>	<u>5,253,757</u>	<u>4,821,716</u>	<u>4,627,700</u>	<u>194,016</u>
<i>Net Change in Fund Balance</i>	(676,204)	1,017,538	1,204,733	187,195
<i>Fund Balance Beginning of Year</i>	11,464,970	11,464,970	11,464,970	-
Prior Year Encumbrances Appropriated	<u>134,691</u>	<u>134,691</u>	<u>134,691</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 10,923,457</u>	<u>\$ 12,617,199</u>	<u>\$ 12,804,394</u>	<u>\$ 187,195</u>

See accompanying notes to the basic financial statements

Green Township, Hamilton County
Statement of Receipts, Disbursements and Changes
in Fund Balance-Budget and Actual-Budget Basis-TIF Fund
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$ 2,152,974	\$ 2,248,841	\$ 2,248,841	\$ -
Payment in Lieu of Taxes	17,315,739	18,043,828	18,043,828	-
Other	<u>531,287</u>	<u>1,889,383</u>	<u>1,988,758</u>	<u>99,375</u>
<i>Total receipts</i>	<u>20,000,000</u>	<u>22,182,052</u>	<u>22,281,427</u>	<u>99,375</u>
Disbursements				
Current:				
General Government	245,000	239,032	239,032	-
Payment to Schools	12,155,000	12,282,932	12,282,932	-
Capital Outlay	16,821,781	12,353,313	11,815,730	537,583
Debt Service:				
Principal and interest	<u>-</u>	<u>984,303</u>	<u>984,303</u>	<u>-</u>
<i>Total Disbursements</i>	<u>29,221,781</u>	<u>25,859,580</u>	<u>25,321,997</u>	<u>537,583</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(9,221,781)</u>	<u>(3,677,528)</u>	<u>(3,040,570)</u>	<u>636,958</u>
Other Financing Sources				
Transfers in	4,641,547	2,878,555	-	(2,878,555)
Proceeds of Bonds	<u>-</u>	<u>-</u>	<u>5,942,373</u>	<u>5,942,373</u>
<i>Total Other Financing Sources</i>	<u>4,641,547</u>	<u>2,878,555</u>	<u>5,942,373</u>	<u>3,063,818</u>
<i>Net Change in Fund Balance</i>	(4,580,234)	(798,973)	2,901,803	3,700,776
<i>Fund Balance Beginning of Year</i>	2,406,501	2,406,501	2,406,501	-
Prior Year Encumbrances Appropriated	<u>3,297,211</u>	<u>3,297,211</u>	<u>3,297,211</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 1,123,478</u>	<u>\$ 4,904,739</u>	<u>\$ 8,605,515</u>	<u>\$ 3,700,776</u>

See accompanying notes to the basic financial statements.

Green Township, Hamilton County
Statement of Receipts, Disbursements and Changes
in Fund Balance-Budget and Actual-Budget Basis-Fire Levy
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$ 2,047,994	\$ 2,071,428	\$ 2,071,428	\$ -
Charges for Services	1,300,000	1,125,541	1,151,509	25,968
Licenses, Permits and Fees	10,000	12,797	12,797	-
Intergovernmental	290,745	294,244	294,244	-
Other	<u>16,750</u>	<u>48,761</u>	<u>48,761</u>	<u>-</u>
<i>Total receipts</i>	<u>3,665,489</u>	<u>3,552,771</u>	<u>3,578,739</u>	<u>25,968</u>
Disbursements				
Current:				
Public Safety	4,168,356	3,913,393	3,866,594	46,799
Capital Outlay	<u>7,730</u>	<u>7,483</u>	<u>7,359</u>	<u>124</u>
<i>Total Disbursements</i>	<u>4,176,086</u>	<u>3,920,876</u>	<u>3,873,953</u>	<u>46,923</u>
<i>Net Change in Fund Balance</i>	(510,597)	(368,105)	(295,214)	72,891
<i>Fund Balance Beginning of Year</i>	356,478	356,478	356,478	-
<i>Prior Year Encumbrances Appropriated</i>	<u>171,322</u>	<u>171,322</u>	<u>171,322</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 17,203</u>	<u>\$ 159,695</u>	<u>\$ 232,586</u>	<u>\$ 72,891</u>

See accompanying notes to the basic financial statements.

Green Township, Hamilton County
Statement of Receipts, Disbursements and Changes
in Fund Balance-Budget and Actual-Budget Basis-Police Levy
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$ 530,170	\$ 536,283	\$ 536,283	\$ -
Intergovernmental	<u>75,916</u>	<u>76,824</u>	<u>76,824</u>	<u>-</u>
<i>Total receipts</i>	<u>606,086</u>	<u>613,107</u>	<u>613,107</u>	<u>-</u>
Disbursements				
Current:				
Public Safety	<u>706,080</u>	<u>705,841</u>	<u>705,841</u>	<u>-</u>
<i>Total Disbursements</i>	<u>706,080</u>	<u>705,841</u>	<u>705,841</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(99,994)	(92,734)	(92,734)	-
<i>Fund Balance Beginning of Year</i>	<u>134,992</u>	<u>134,992</u>	<u>134,992</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 34,998</u>	<u>\$ 42,258</u>	<u>\$ 42,258</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements.

Green Township, Hamilton County
Statement of Receipts, Disbursements and Changes
in Fund Balance-Budget and Actual-Budget Basis-Safety Services-Police and Fire
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$ 3,278,102	\$ 3,326,494	\$ 3,326,494	\$ -
Intergovernmental	<u>534,608</u>	<u>540,354</u>	<u>540,354</u>	<u>-</u>
<i>Total receipts</i>	<u>3,812,710</u>	<u>3,866,848</u>	<u>3,866,848</u>	<u>-</u>
Disbursements				
Current:				
Public Safety	<u>3,935,710</u>	<u>3,925,865</u>	<u>3,922,031</u>	<u>3,834</u>
<i>Total Disbursements</i>	<u>3,935,710</u>	<u>3,925,865</u>	<u>3,922,031</u>	<u>3,834</u>
<i>Net Change in Fund Balance</i>	(123,000)	(59,017)	(55,183)	3,834
<i>Fund Balance Beginning of Year</i>	<u>181,034</u>	<u>181,034</u>	<u>181,034</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 58,034</u>	<u>\$ 122,017</u>	<u>\$ 125,851</u>	<u>\$ 3,834</u>

See accompanying notes to the basic financial statements.

Green Township, Hamilton County
Statement of Receipts, Disbursements and Changes
in Fund Balance-Budget and Actual-Budget Basis-Safety Services- Police
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$ 548,340	\$ 555,880	\$ 555,880	\$ -
Intergovernmental	<u>81,556</u>	<u>82,566</u>	<u>82,566</u>	<u>-</u>
<i>Total receipts</i>	<u>629,896</u>	<u>638,446</u>	<u>638,446</u>	<u>-</u>
Disbursements				
Current:				
Public Safety	<u>729,896</u>	<u>580,400</u>	<u>553,154</u>	<u>27,246</u>
<i>Total Disbursements</i>	<u>729,896</u>	<u>580,400</u>	<u>553,154</u>	<u>27,246</u>
<i>Net Change in Fund Balance</i>	(100,000)	58,046	85,292	27,246
<i>Fund Balance Beginning of Year</i>	<u>161,778</u>	<u>161,778</u>	<u>161,778</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 61,778</u>	<u>\$ 219,824</u>	<u>\$ 247,070</u>	<u>\$ 27,246</u>

See accompanying notes to the basic financial statements.

Green Township, Hamilton County
Statement of Receipts, Disbursements and Changes
in Fund Balance-Budget and Actual-Budget Basis-Safety Services- Fire
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$ 727,463	\$ 737,457	\$ 737,457	\$ -
Intergovernmental	<u>108,202</u>	<u>109,485</u>	<u>109,485</u>	<u>-</u>
<i>Total receipts</i>	<u>835,665</u>	<u>846,942</u>	<u>846,942</u>	<u>-</u>
Disbursements				
Current:				
Public Safety	<u>868,000</u>	<u>875,000</u>	<u>862,586</u>	<u>12,414</u>
<i>Total Disbursements</i>	<u>868,000</u>	<u>875,000</u>	<u>862,586</u>	<u>12,414</u>
<i>Net Change in Fund Balance</i>	(32,335)	(28,058)	(15,644)	12,414
<i>Fund Balance Beginning of Year</i>	<u>33,994</u>	<u>33,994</u>	<u>33,994</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 1,659</u>	<u>\$ 5,936</u>	<u>\$ 18,350</u>	<u>\$ 12,414</u>

See accompanying notes to the basic financial statements.

Green Township, Hamilton County
Statement of Receipts, Disbursements and Changes
in Fund Balance-Budget and Actual-Budget Basis-Road and Bridge
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$ 896,666	\$ 925,103	\$ 925,103	\$ -
Intergovernmental	144,942	146,370	146,370	-
Other	<u>20,950</u>	<u>9,100</u>	<u>9,661</u>	<u>561</u>
<i>Total receipts</i>	<u>1,062,558</u>	<u>1,080,573</u>	<u>1,081,134</u>	<u>561</u>
Disbursements				
Current:				
Public Works	1,340,876	1,257,456	1,181,668	75,788
Capital Outlay	<u>3,250</u>	<u>3,263</u>	<u>2,657</u>	<u>606</u>
<i>Total Disbursements</i>	<u>1,344,126</u>	<u>1,260,719</u>	<u>1,184,325</u>	<u>76,394</u>
<i>Net Change in Fund Balance</i>	<u>(281,568)</u>	<u>(180,146)</u>	<u>(103,191)</u>	<u>76,955</u>
<i>Fund Balance Beginning of Year</i>	200,589	200,589	200,589	-
Prior Year Encumbrances Appropriated	<u>80,988</u>	<u>80,988</u>	<u>80,988</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 9</u>	<u>\$ 101,431</u>	<u>\$ 178,386</u>	<u>\$ 76,955</u>

See accompanying notes to the basic financial statements.

Green Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2010

Note 1 – Reporting Entity

Green Township, Hamilton County, Ohio (the Township), is a body politic and corporate established in 1809 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 three-member Board of Trustees, each of whom is elected for overlapping terms of four years. The Township has an elected Township Fiscal Officer and a Township Administrator who is appointed by the Board of Trustees. All Department Heads report to the Township Administrator.

The reporting entity is comprised solely of the primary government.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. For the Township this includes providing police protection, fire and emergency medical services, road maintenance and repairs, parks and recreation, planning, zoning, and economic development. The Board of Trustees and Township Administrator have direct responsibility for these activities.

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, (GAAP), 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.

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.

Green Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2010

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. Governmental activities generally are financed through taxes, intergovernmental 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. Green 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 funds. 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 all considered governmental.

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 funds are the General Fund, Tax Increment Financing (TIF) Fund, Fire Levy Fund, Police Levy Fund, Road and Bridge Levy Fund, Safety Services Fire and Police Fund, Safety Services Fire, Safety Services Police and Bond Retirement 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 and other resources whose use is restricted to a particular purpose.

The Township has no proprietary or agency types of funds.

Green Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2010

C. Basis of Accounting

The Township's financial statements are prepared using the modified 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 disbursed rather than when a liability is incurred.

As a result of the use of the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued 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, certified by the county auditor, is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, department, and object level for the General Fund. All other funds are established at the department level.

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. Interest in the pool is presented as "Equity in Pooled Cash and Investments".

Investments of the cash management pool are presented on the financial statements as cash equivalents. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

Green Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2010

During 2010, the Township invested in nonnegotiable Certificates of Deposit, U.S. Treasury and Agency Securities, a money market fund, and STAR Ohio. The nonnegotiable Certificates of Deposit and the U.S. Treasury and Agency Securities are reported at cost. The Township's money market fund investment is recorded at the amount reported by Fifth Third Bank on December 31, 2010.

STAR Ohio is an investment pool, managed by the Ohio State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2010.

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 2010 were \$252,586 and \$1,618 assigned to other Township funds.

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 and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

H. Inter-fund Receivables/Payables

The Township reports advances-in and advances-out for inter-fund loans. The Township had no inter-fund loans in 2010. These items are not reflected as assets and liabilities in the accompanying financial statements.

I. Accumulated Leave

Upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's modified cash basis of accounting.

J. Employer Contributions to Cost-Sharing Pension Plans

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

K. Long-Term Obligations

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

Green Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2010

L. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

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

M. Fund Balance Reserves

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

N. Inter-fund Transactions

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

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund and major special revenue funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the modified cash basis are outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (modified cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$73,049 for the General Fund, \$3,759,822 for the TIF fund, \$23,239 for the Fire Levy Fund and \$16,073 for the Road and Bridge Fund in 2010.

Note 4 – 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 withdraw 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.

Green Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2010

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 investments (1) or (2) and repurchase agreements secured by such obligations, provided that investment in securities described in this division are made only through eligible institutions.
7. The State Treasurer's investment pool (STAR Ohio).
8. Commercial paper and bankers acceptances, with appropriate limitations based upon completion of ORC training requirements.

Protection of the Township's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by collateral pledged to the Township by the financial institution, or by a collateral pool, established by the financial institution to secure the repayment of all public monies deposited with the institution.

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.

Green Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2010

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Township or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Investments

As of December 31, 2010, the Township had the following investments:

<u>Investment Type</u>	<u>Carrying Value</u>	<u>Maturity (in Years)</u>		
		<u>Less than 1</u>	<u>1-2</u>	<u>3-5</u>
US Treasury and Agency Securities	\$ 18,044,531	783,186	3,006,050	14,255,295
Money Market	1,794,551	1,794,551	-	-
STAR Ohio	2,418,381	2,418,381	-	-
	<u>\$ 22,257,463</u>	<u>4,996,118</u>	<u>3,006,050</u>	<u>14,255,295</u>

At year end 2010, 81% of the Township's investments are in government sponsored enterprise notes (i.e., federal agencies) that are subject to concentration of credit risk. These include Federal National Mortgage Association, Federal Home Loan Bank, and Federal Home Loan Mortgage Corporation securities which have all been rated Aaa by Moody's and AAA by Standards and Poor's.

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 2010, \$4,341,944 of the Township's bank balance of \$4,591,944 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

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

Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Township's investment policy addresses interest rate risk by requiring that the Township's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

Green Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2010

Note 5 – Property Taxes

Property Taxes include amounts levied against all real property, public utility property, and certain tangible personal property located in the Township. Real property tax receipts received in 2010 represent the collection of 2009 taxes. Real property taxes received in 2010 were levied after October 1, 2009, on the assessed values as of January 1, 2009, 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 2010 represent the collection of 2009 taxes. Public utility real and tangible personal property taxes received in 2010 became a lien on December 31, 2008, were levied after October 1, 2008, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received during 2010 (other than public utility property tax) represent the collection of 2009 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The tangible personal property taxes received from telephone companies in 2010 were levied after April 1, 2009, on the value as of December 31, 2009. Payments made by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all Township operations for the years ended December 31, 2010 was \$11.71 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2010 property tax receipts were based are as follows:

Real Property – Residential, Agricultural, Commercial, Industrial and Other	\$ 1,160,547,000
Tangible Personal Property	897,200
Public Utility (Personal Property)	<u>32,583,180</u>
Total Valuation	\$ <u>1,194,027,380</u>

Real property taxes are payable annually or semi-annually. If paid annually, the payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Township. The County Auditor periodically remits to the Township its portion of the taxes collected.

Green Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2010

Note 6 – Risk Management

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

The Township insures against injuries to employees through the Ohio Bureau of Workers' Compensation. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is based on accident history and administrative costs.

During 2010 the Township contracted with Cincinnati Insurance Company for property and casualty coverage. Coverage is provided by National Union Fire Insurance Company for liability. Scottsdale Indemnity Company holds the liability coverage for the Law Enforcement Operations.

Legal Liability	\$ 3,000,000	Per Occurrence
Automobile Liability	1,000,000	Per Occurrence
Law Enforcement Operations	3,000,000	Per Occurrence
Wrongful Acts	50,000	Per Occurrence
Property	14,034,086	Total Coverage
Boiler and Machinery	1,881,798	Limit

There were no significant reductions in coverage from prior years and claims have not exceeded insurance coverage in any of the past three years. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is based on accident history and administrative costs.

The Township has elected to provide employee medical/surgical benefits through OMERESA – Health Span. Employees contribute 10% or 12% of the monthly premium cost with the Township the remainder. The premiums vary with the employee depending on type of coverage selected (single, family). The Township provides dental insurance to all employees as a function of this health care plan, through Dental Care Plus. Again employees share 10% or 12% of the cost of the monthly premium with the Township paying the remainder. The Township provides life insurance at no cost to the employee and provides a benefit of \$15,000 for each employee.

Note 7 – 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 pension plan is a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan is a defined contribution plan; and the Combined Plan a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan, 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. 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.

Green Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2010

OPERS provides retirement, disability, and 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 including post-employment health care coverage. 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, Attention: Finance Director, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Employee and employer contribution rates are expressed as a percentage of the covered payroll of active members. For the year ended December 31, 2010, the members of all three plans were required to contribute the following percentages of their annual covered salaries.

Members except those in public safety and law enforcement	10.00%
Members in public safety	10.50%
Members in law enforcement	11.10%

The Township's contribution rate for pension benefits for 2010 was 14 percent, except for those plan members in law enforcement or public safety. For those classifications, the Township's pension contributions were 17.87 percent of covered payroll for 2010. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2010, 2009, and 2008, were \$793,779, \$755,423, and \$785,520, respectively. The full amount has been contributed for 2010, 2009, and 2008. Contributions to the member-directed plan for 2010 were \$732,505 by the Township and \$501,679 submitted by the plan members.

B. Ohio Police and Fire Pension Fund

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

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations while the Township is required to contribute 24 percent for firefighters. Contributions are authorized by State statute. The Township's contributions to the Fund for firefighters were \$885,477, \$732,505, and \$664,767 for the years ended December 31, 2010, 2009, and 2008. The full amount has been contributed for 2010, 2009, and 2008.

Note 8 – Post-Employment Benefits

A. Ohio Public Employees Retirement System

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

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. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2010, local employers contributed at a rate of 14.00% of covered payroll, and public safety and law enforcement employers contributed at 17.87%. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for state and local employer units and 18.1% of covered payroll for law and public safety employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 5.5% from January 1 through February 28, 2010 and 5.0% from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73% from January 1 through February 28, 2010 and 4.23% from March 1 through December 31, 2010.

The OPERS Board of Trustees is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Actual employer contributions which were used to fund post-employment benefits were \$256,710 for 2010, \$400,024 for 2009 and \$358,225 for 2008.

Green Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2010

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, January 1, 2008, January 1, 2009 and January 1, 2010, which allowed additional funds to be allocated to the health care plan.

B. Ohio Police and Fire Pension Fund

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

OP&F provides access to post-retirement healthcare coverage for 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. The healthcare coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide healthcare coverage to eligible participants and to establish and amend benefits 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 OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 24.00% of covered payroll for fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2010, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. The Township's actual contributions that were used to fund post-employment benefits were \$248,819 in 2010, \$281,021 in 2009 and \$186,780 in 2008, for firefighters.

Green Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2010

Note 9 – Long-Term Obligations

The changes in the Township's long-term obligations during 2010 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General Obligation Bonds					
2010 Various Purpose Bonds	\$ -	9,895,000	850,000	9,045,000	815,000

On February 16, 2010, the Township issued unvoted Various Purpose General Obligation Bonds in the amount of \$9,895,000 for the purpose of retiring outstanding notes and for the various improvements within the Township including road and park improvements. These bonds were issued for a ten year period with a final maturity date of December 1, 2020. Interest rates vary from 2% to 3.5%. Debt service payments made by the Township will be from service payments in lieu of taxes made by property owners pursuant to Section 5709.73 of the Ohio Revised Code.

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2010, are as follows:

Year Ending December 31,	Principal	Interest	Total
2011	\$ 815,000	\$ 251,606	\$ 1,066,606
2012	830,000	235,306	1,065,306
2013	845,000	218,706	1,063,706
2014	860,000	201,806	1,061,806
2015	880,000	182,457	1,062,457
2016-2020	4,815,000	502,825	5,317,825
	\$ 9,045,000	\$ 1,592,706	\$ 10,637,706

Note 10 – Short-Term Obligations

The Township's short-term debt activity for the year ended December 31, 2010, was as follows:

	Interest Rate	Balance January 1, 2010	Additions	Reductions	Balance December 31, 2010
<u>Bond Anticipation Notes</u>					
Note issued 4/22/09 due 2/16/10	1.18%	\$ 3,835,000	-	3,835,000	-

These notes were retired during 2010 with the issuance of the Various Purpose General Obligation Bonds issued February 16, 2010.

Note 11 – Joint Economic Development District

Green Township participates in a Joint Economic Development District (JEDD) with the City of Cheviot. The JEDD is located entirely within Green Township, Hamilton County. The purpose of the JEDD is to facilitate the development of jobs and employment opportunities along with improving the welfare of people in the State of Ohio and the area of the contracting parties. The JEDD creates a Board of Directors which consists of a Municipal Member, a Township member, a member who represents the owners of the businesses within the JEDD, a member who represents the persons working within the JEDD, and one member who is selected by the above members who serves as chairperson.

The proceeds of the JEDD are used to pay a portion of the costs associated with the construction and improvement of roads, the provision of public services such as police and fire protection, and to provide for improvements in connector roads that benefit the JEDD.

The joint venture between the governmental entities is defined in the following manner:

- Green Township receives 80% of the net income tax revenues collected.
- The City of Cheviot receives 20% of the net income tax revenues collected.

The City of Cheviot administers and collects income tax for the JEDD and reports monthly and quarterly to the contracting parties.

Note 12 – Contingent Liabilities

A. Litigation

Green Township is a party to legal proceedings seeking damages. The Township management is of the opinion that the ultimate disposition of the various claims and legal proceedings will not have a material effect, if any, on the financial condition of the Township.

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

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

Highlights

Key highlights for 2009 are as follows:

Net assets of governmental activities increased \$4,332,906, or 29 percent, a significant change from 2008. The funds most affected by the increase were the General Fund and the Tax Incremental Financing Fund (TIF).

The General Fund Balance increased \$4,063,713 in 2009. The Township realized a need for addition funding to reduce the expenses incurred by the Police and Fire Departments within the General Fund in 2008. A Levy was passed in 2008 for Safety Services of 1.9 mills and collection began in 2009 which reduced the need for the General Fund to support those services.

The Safety Service Fire and Police Levy Fund Balance increased \$107,844 in 2009. This increase was due to the passage of a safety services levy.

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. 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 Government as a Whole

The statement of net assets and the statement of activities reflect how the Township performed financially during 2009, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activity 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 activity 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, all activity is accounted for as governmental activity:

Governmental Activities. All of the Township's basic services are reported here, including police, fire, streets and parks. Property Taxes and State and federal grants 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 all categorized as governmental funds.

Governmental Funds - The Township's activities are categorized 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 include the General Fund, Tax Incremental Financing Fund (TIF), Fire Levy Fund, Police Levy Fund, Road and Bridge Levy Fund, Safety Services Fire and Police Levy Fund, Safety Services Fire Levy Fund, Safety Services Police Levy Fund, and Bond Retirement Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

General Fund The general fund accounts 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 fund laws of Ohio.

Tax Increment Financing Fund (TIF) The tax increment financing special revenue fund accounts for payments received in lieu of taxes on property located within Green Township designated as a TIF parcel.

Fire Levy Fund The fire special revenue fund accounts for tax revenues levied for the operations of the Township Fire Department.

Police Levy Fund The police special revenue fund accounts for tax revenues levied for the operation of the Township Police Department.

Road and Bridge Levy Fund The road and bridge special revenue fund accounts for tax revenues levied for operations of the Township Public Works Department.

Safety Services Fire and Police Levy Fund This special revenue fund accounts for tax revenues levied for the operations of the Township Fire Department and Police Department.

Safety Services Fire Levy Fund The fire special revenue fund accounts for tax revenues levied for the operations of the Township Fire Department.

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

Safety Services Police Levy Fund The police special revenue fund accounts for tax revenues levied for the operation of the Township Police Department.

Bond Retirement Fund The bond fund is one created by the Township issuing debt to fund permanent improvement projects, such as property acquisition for parks and road improvement projects.

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

The Township as a Whole

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

(Table 1)
Net Assets
Governmental Activities

	<u>2009</u>	<u>2008</u>
Assets		
Equity in Pooled Cash and Investments	\$ <u>19,200,557</u>	<u>14,867,651</u>
 Total Assets	 <u>19,200,557</u>	 <u>14,867,651</u>
 Net Assets		
Restricted for:		
Public Safety	1,133,691	1,193,054
Roads and bridges	590,046	440,310
Other purposes	173,447	171,746
Capital projects	5,703,712	5,526,593
Unrestricted	<u>11,599,661</u>	<u>7,535,948</u>
Total Net Assets	\$ <u>19,200,557</u>	<u>14,867,651</u>

As mentioned previously, net assets of governmental activities increased \$4,332,906 or 29 percent during 2009. The primary reasons contributing to the increase in cash balances are the passage of a new Safety Services Fire and Police Levy, increased TIF revenues of approximately \$1,800,000 which is a direct result of increasing activity in the TIF district and increased intergovernmental revenues, specifically estate taxes which increased \$2,500,000 from 2008 to 2009.

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

Table 2 reflects the changes in net assets in 2009 and 2008

(Table 2)
Changes in Net Assets
Governmental Activities

	<u>2009</u>	<u>2008</u>
Program Receipts		
Charges for Services	\$ 2,417,789	1,846,917
Operating Grants	336,316	59,447
Capital Grants	1,028,779	1,505,409
Total Program Receipts	<u>3,782,884</u>	<u>3,411,773</u>
General Receipts		
Property and Other Local Taxes	8,899,141	7,820,461
Payments in Lieu of Taxes	17,275,238	15,477,196
Grants and Entitlements not Restricted	9,416,382	6,477,559
Notes Issued	3,835,000	3,835,000
Premium on notes	80,311	145,325
Sale of Capital Assets	-	10,161
Interest	199,473	322,086
Miscellaneous	885,932	1,860,341
Total General Receipts	<u>40,591,477</u>	<u>35,948,129</u>
Total Receipts	<u>44,374,361</u>	<u>39,359,902</u>
Disbursements		
General Government	1,354,031	1,444,668
Public Safety	10,725,769	9,775,720
Public Works	2,800,781	4,181,187
Public Health	67,470	64,746
Economic Development	234,858	228,164
Conservation-Recreation	1,017,115	1,075,412
Payments to Schools	11,992,725	10,558,643
Capital Outlay	6,737,735	4,232,351
Purchase of Land	1,195,660	1,275,826
Debt Service:		
Principal Retirement	3,835,000	3,835,000
Interest and Fiscal Charges	80,311	145,325
Total Disbursements	<u>40,041,455</u>	<u>36,817,042</u>
Change in Net Assets	4,332,906	2,542,860
Net Assets, January 1	<u>14,867,651</u>	<u>12,324,791</u>
Net Assets, December 31	<u>\$ 19,200,557</u>	<u>14,867,651</u>

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

Of the general receipts, 22 percent of the Township's total receipts are received through local taxes. Payments in Lieu of Taxes, which are receipts representing the schools share of taxes for the TIF Fund, equal 42 percent and grants and entitlements receipts represent 23 percent for the year ended December 31, 2009.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for other Township activities. Also included are the costs of the administrator, department heads, elected officials, as well as internal services, such as payroll and purchasing.

Public Safety includes the costs of police and fire protection; Public Health is the health services provided by the county; Conservation-Recreation Activities are the costs of maintaining the parks and playing fields, the Senior Center, and the Nathaniel Green Lodge (a meeting facility); Public Works is the cost of maintaining the roads; and Capital Outlay is the cost for purchases of capital assets.

Governmental Activities

If you refer to the Statement of Activities, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for General Government, Public Safety, Public Works, and Payments to Schools for the year ended December 31, 2009, which account for 3, 27, 7, and 30 percent of all governmental disbursements, respectively. The next three 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.

The dependence upon property tax receipts is apparent as you review the Statement of Activities, in that over 22 percent of governmental activities are supported by property taxes.

The Township's Funds

The Township governmental funds had receipts of \$40,459,050 and disbursements of \$40,041,455 for 2009. As stated earlier, the greatest change within governmental funds occurred within the General and the Safety Services Fire and Police Levy funds. The ending fund balance for the General Fund was \$11,599,661 for 2009.

General Fund receipts were more than disbursements by \$4,063,713 in 2009, which is a result of the General Fund spending less on safety services than in previous years. The Township began collecting on the new levy in 2009 and thus could alleviate the General Fund burden.

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 2009, the Township amended its General Fund budget several times to reflect changing circumstances. Final budgeted receipts were above original budgeted receipts due to unexpected growth in tax receipts and intergovernmental receipts. The difference between final budgeted receipts and actual receipts was \$192,018 for 2009 due to increased estate tax collections.

Final disbursements were budgeted at \$4,347,677 while actual disbursements were \$3,830,436 for the General Fund in 2009. The Township had \$134,691 in outstanding purchase orders at year end 2009, but still stayed well within budgeted amounts. The result is the increase in fund balance of \$3,929,021 for 2009.

Capital Assets

The Township does keep track of its capital assets for insurance purposes but not for financial reporting.

Debt Administration

At December 31, 2009, the Township's outstanding debt included \$3,835,000 in bond anticipation notes issued for road Improvements and property purchase. For further information regarding the Township's debt, refer to Note 9 to the basic financial statements.

Current Issues

The challenge for all Townships is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking funding. We rely heavily on local taxes and have very little industry to support the tax base. A forecast through 2013 was created based on revenue remaining level and projected expenditures increasing at the same historical level. A deficit for all funds of \$3,000,000 is projected in 2013. The Township elected officials and administrative team will be seeking ways to reduce expenditures without reducing services to the citizens. There has been an ongoing effort by all Township staff for several years to keep costs at a minimum.

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 Tom Straus, Fiscal Officer, Green Township, 6303 Harrison Avenue, Cincinnati, Ohio 45247.

Green Township, Hamilton County
Statement of Net Assets-Cash Basis
December 31, 2009

	Governmental Activities
Assets	
Equity in Pooled Cash and Investments	\$ 19,200,557
<i>Total Assets</i>	19,200,557
Net Assets	
Restricted for:	
Public safety	1,133,691
Roads and bridges	590,046
Other purposes	173,447
Capital projects	5,703,712
Unrestricted	11,599,661
<i>Total Net Assets</i>	\$ 19,200,557

See accompanying notes to the basic financial statements

Green Township, Hamilton County
Statement of Activities-Cash Basis
For the Year Ended December 31, 2009

	Program Cash Receipts				Net Disbursements (Receipts) and Changes in Net Assets
	Cash <u>Disbursements</u>	Charges for Services <u>and Sales</u>	Operating Grants and <u>Contributions</u>	Capital Grants and Contributions	Governmental <u>Activities</u>
Governmental Activities					
General Government	\$ 1,354,031	\$ 614,098	\$ 39,393	\$ -	\$ 700,540
Public Safety	10,725,769	1,433,576	6,895	-	9,285,298
Public Works	2,800,781	-	289,828	1,028,779	1,482,174
Health	67,470	-	-	-	67,470
Economic Development	234,858	3,894	-	-	230,964
Payments to Schools/Other	11,992,725	-	-	-	11,992,725
Conservation-Recreation	1,017,115	366,221	200	-	650,694
Capital Outlay	6,737,735	-	-	-	6,737,735
Purchase of Land	1,195,660	-	-	-	1,195,660
Interest and Fiscal Charges	80,311	-	-	-	80,311
Principal Retirement	3,835,000	-	-	-	3,835,000
Total Governmental Activities	\$ 40,041,455	\$ 2,417,789	\$ 336,316	\$ 1,028,779	\$ 36,258,571
General Receipts					
Property Taxes Levied for:					
General Purposes					\$ 330,499
Special Revenue					8,568,642
Payment in Lieu of Taxes					17,275,238
Grants and Entitlements not Restricted to Specific Programs					9,416,382
Notes Issued					3,835,000
Premium on Notes					80,311
Interest					199,473
Miscellaneous					885,932
Total General Receipts					40,591,477
Change in Net Assets					4,332,906
Net Assets Beginning of Year					14,867,651
Net Assets End of Year					\$ 19,200,557

Green Township, Hamilton County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2009

	<u>General</u>	<u>Tax Increment Financing</u>	<u>Fire Levy</u>	<u>Police Levy</u>
Assets				
Equity in Pooled Cash and Investments	\$ 11,599,661	\$ 5,703,712	\$ 527,800	\$ 134,992
<i>Total Assets</i>	<u>11,599,661</u>	<u>5,703,712</u>	<u>527,800</u>	<u>134,992</u>
Fund Balances				
Reserved				
Reserved for Encumbrances	134,691	3,297,211	171,322	-
Unreserved				
Undesignated, Reported in:				
General Fund	11,464,970	-	-	-
Special Revenue Funds	<u>-</u>	<u>2,406,501</u>	<u>356,478</u>	<u>134,992</u>
<i>Total Fund Balances</i>	<u>\$ 11,599,661</u>	<u>\$ 5,703,712</u>	<u>\$ 527,800</u>	<u>\$ 134,992</u>

Green Township, Hamilton County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2009

<u>Road and Bridge</u>	<u>Safety Services Police & Fire</u>	<u>Safety Services Fire</u>	<u>Safety Services Police</u>	<u>Bond Retirement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 281,577	\$ 181,034	\$ 33,994	\$ 161,778	\$ -	\$ 576,009	\$ 19,200,557
<u>281,577</u>	<u>181,034</u>	<u>33,994</u>	<u>161,778</u>	<u>-</u>	<u>576,009</u>	<u>19,200,557</u>
80,988	-	-	-	-	13,440	3,697,652
-	-	-	-	-	-	11,464,970
<u>200,589</u>	<u>181,034</u>	<u>33,994</u>	<u>161,778</u>	<u>-</u>	<u>562,569</u>	<u>4,037,935</u>
<u>\$ 281,577</u>	<u>\$ 181,034</u>	<u>\$ 33,994</u>	<u>\$ 161,778</u>	<u>\$ -</u>	<u>\$ 576,009</u>	<u>\$ 19,200,557</u>

Green Township, Hamilton County
Statement of Cash Receipts, Disbursements and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2009

	<u>General</u>	<u>Tax Increment Financing</u>	<u>Fire Levy</u>	<u>Police Levy</u>
Receipts				
Property and Other Local Taxes	\$ 330,499	\$ -	\$ 2,084,492	\$ 539,708
Charges for Services	501,325	-	1,282,472	-
Licenses, Permits and Fees	594,203	-	8,412	-
Fines and Forfeitures	19,895	-	-	-
Intergovernmental	5,955,320	2,155,974	294,111	76,790
Special Assessments	-	-	-	-
Interest	198,276	-	-	-
Other	159,939	672,027	18,830	-
Payment in Lieu of Taxes	-	17,275,238	-	-
<i>Total receipts</i>	<u>7,759,457</u>	<u>20,103,239</u>	<u>3,688,317</u>	<u>616,498</u>
Disbursements				
Current:				
General Government	1,354,031	-	-	-
Public Safety	971,717	-	3,803,132	629,519
Public Works	118,272	-	-	-
Health	67,470	-	-	-
Economic Development	170,016	-	-	-
Payment to Schools\Other	-	11,992,725	-	-
Conservation-Recreation	1,014,238	-	-	-
Capital Outlay	-	6,737,735	-	-
Purchase of Land	-	1,195,660	-	-
Debt Service				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
<i>Total Disbursements</i>	<u>3,695,744</u>	<u>19,926,120</u>	<u>3,803,132</u>	<u>629,519</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	4,063,713	177,119	(114,815)	(13,021)
Other Financing Sources				
Notes Issued	-	-	-	-
Premium on Notes	-	-	-	-
<i>Total Other Financing Sources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	4,063,713	177,119	(114,815)	(13,021)
<i>Fund Balances Beginning of Year</i>	<u>7,535,948</u>	<u>5,526,593</u>	<u>642,615</u>	<u>148,013</u>
<i>Fund Balances End of Year</i>	<u>\$ 11,599,661</u>	<u>\$ 5,703,712</u>	<u>\$ 527,800</u>	<u>\$ 134,992</u>

Green Township, Hamilton County
Statement of Cash Receipts, Disbursements and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2009

<u>Road and Bridge</u>	<u>Safety Services Fire & Police</u>	<u>Safety Services Fire</u>	<u>Safety Services Police</u>	<u>Bond Retirement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 928,376	\$ 3,335,515	\$ 740,793	\$ 559,996	\$ -	\$ 379,762	\$ 8,899,141
-	-	-	-	-	-	1,783,797
-	-	-	-	-	3,894	606,509
-	-	-	-	-	7,588	27,483
146,607	540,775	110,380	81,578	-	1,299,763	10,661,298
-	-	-	-	-	77,191	77,191
-	-	-	-	-	1,197	199,473
23,389	-	-	-	-	54,735	928,920
-	-	-	-	-	-	17,275,238
<u>1,098,372</u>	<u>3,876,290</u>	<u>851,173</u>	<u>641,574</u>	<u>-</u>	<u>1,824,130</u>	<u>40,459,050</u>
-	-	-	-	-	-	1,354,031
-	3,768,446	910,955	623,975	-	18,025	10,725,769
996,640	-	-	-	-	1,685,869	2,800,781
-	-	-	-	-	-	67,470
-	-	-	-	-	64,842	234,858
-	-	-	-	-	-	11,992,725
-	-	-	-	-	2,877	1,017,115
-	-	-	-	-	-	6,737,735
-	-	-	-	-	-	1,195,660
-	-	-	-	3,835,000	-	3,835,000
-	-	-	-	80,311	-	80,311
<u>996,640</u>	<u>3,768,446</u>	<u>910,955</u>	<u>623,975</u>	<u>3,915,311</u>	<u>1,771,613</u>	<u>40,041,455</u>
101,732	107,844	(59,782)	17,599	(3,915,311)	52,517	417,595
-	-	-	-	3,835,000	-	3,835,000
-	-	-	-	80,311	-	80,311
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,915,311</u>	<u>-</u>	<u>3,915,311</u>
101,732	107,844	(59,782)	17,599	-	52,517	4,332,906
<u>179,845</u>	<u>73,190</u>	<u>93,776</u>	<u>144,179</u>	<u>-</u>	<u>523,492</u>	<u>14,867,651</u>
<u>\$ 281,577</u>	<u>\$ 181,034</u>	<u>\$ 33,994</u>	<u>\$ 161,778</u>	<u>\$ -</u>	<u>\$ 576,009</u>	<u>\$ 19,200,557</u>

Green Township, Hamilton County
Statement of Receipts, Disbursements and Changes
In Fund Balance- Budget and Actual- Budget Basis
General Fund
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$ 314,455	\$ 330,127	\$ 330,499	\$ 372
Charges for Services	644,405	148,934	501,325	352,391
Licenses, Permits and Fees	2,100	594,573	594,203	(370)
Fines and Forfeitures	20,480	20,073	19,895	(178)
Intergovernmental	4,961,749	5,773,261	5,955,320	182,059
Interest	360,000	196,800	198,276	1,476
Other	598,811	503,671	159,939	(343,732)
<i>Total receipts</i>	<u>6,902,000</u>	<u>7,567,439</u>	<u>7,759,457</u>	<u>192,018</u>
Disbursements				
Current:				
General Government	1,502,895	1,406,086	1,377,941	28,145
Public Safety	1,566,222	1,381,000	1,066,381	314,619
Public Works	234,317	234,317	118,282	116,035
Health	67,470	67,470	67,470	-
Economic Development	179,132	176,783	170,016	6,767
Conservation-Recreation	1,248,486	1,082,021	1,030,345	51,676
<i>Total Disbursements</i>	<u>4,798,522</u>	<u>4,347,677</u>	<u>3,830,435</u>	<u>517,242</u>
<i>Net Change in Fund Balance</i>	2,103,478	3,219,762	3,929,022	709,260
<i>Fund Balance Beginning of Year</i>	7,366,689	7,366,689	7,366,689	-
Prior Year Encumbrances Appropriated	169,259	169,259	169,259	-
<i>Fund Balance End of Year</i>	<u>\$ 9,639,426</u>	<u>\$ 10,755,710</u>	<u>\$ 11,464,970</u>	<u>\$ 709,260</u>

See accompanying notes to the basic financial statements

Green Township, Hamilton County
Statement of Receipts, Disbursements and Changes
in Fund Balance-Budget and Actual-Budget Basis-TIF Fund
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$ 1,954,199	\$ 2,155,974	\$ 2,155,974	\$ -
Payment in Lieu of Taxes	15,941,514	17,275,238	17,275,238	-
Other	504,287	681,735	672,027	(9,708)
<i>Total receipts</i>	<u>18,400,000</u>	<u>20,112,947</u>	<u>20,103,239</u>	<u>(9,708)</u>
Disbursements				
Current:				
Payment to schools/Other	10,755,000	11,992,725	11,992,725	-
Capital Outlay/Land Purchase	8,645,000	11,343,910	11,230,606	113,304
<i>Total Disbursements</i>	<u>19,400,000</u>	<u>23,336,635</u>	<u>23,223,331</u>	<u>113,304</u>
<i>Net Change in Fund Balance</i>	<u>(1,000,000)</u>	<u>(3,223,688)</u>	<u>(3,120,092)</u>	<u>103,596</u>
<i>Fund Balance Beginning of Year</i>	2,753,835	2,753,835	2,753,835	-
Prior Year Encumbrances Appropriated	<u>2,772,758</u>	<u>2,772,758</u>	<u>2,772,758</u>	-
<i>Fund Balance End of Year</i>	<u>\$ 4,526,593</u>	<u>\$ 2,302,905</u>	<u>\$ 2,406,501</u>	<u>\$ 103,596</u>

See accompanying notes to the basic financial statements.

Green Township, Hamilton County
Statement of Receipts, Disbursements and Changes
in Fund Balance-Budget and Actual-Budget Basis-Fire Levy
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$ 2,080,000	\$ 2,078,512	\$ 2,084,492	\$ 5,980
Charges for Services	1,100,000	1,275,000	1,282,472	7,472
Licenses, Permits and Fees	10,000	7,803	8,412	609
Intergovernmental	291,715	294,111	294,111	-
Other	<u>24,790</u>	<u>16,315</u>	<u>18,830</u>	<u>2,515</u>
<i>Total receipts</i>	<u>3,506,505</u>	<u>3,671,741</u>	<u>3,688,317</u>	<u>16,576</u>
Disbursements				
Current:				
Public Safety	<u>3,887,812</u>	<u>4,004,855</u>	<u>3,974,454</u>	<u>30,401</u>
<i>Total Disbursements</i>	<u>3,887,812</u>	<u>4,004,855</u>	<u>3,974,454</u>	<u>30,401</u>
<i>Net Change in Fund Balance</i>	(381,307)	(333,114)	(286,137)	46,977
<i>Fund Balance Beginning of Year</i>	381,751	381,751	381,751	-
<i>Prior Year Encumbrances Appropriated</i>	<u>260,864</u>	<u>260,864</u>	<u>260,864</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 261,308</u>	<u>\$ 309,501</u>	<u>\$ 356,478</u>	<u>\$ 46,977</u>

See accompanying notes to the basic financial statements.

Green Township, Hamilton County
Statement of Receipts, Disbursements and Changes
in Fund Balance-Budget and Actual-Budget Basis-Police Levy
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$ 550,000	\$ 538,178	\$ 539,708	\$ 1,530
Intergovernmental	<u>76,000</u>	<u>76,790</u>	<u>76,790</u>	<u>-</u>
<i>Total receipts</i>	<u>626,000</u>	<u>614,968</u>	<u>616,498</u>	<u>1,530</u>
Disbursements				
Current:				
Public Safety	<u>631,000</u>	<u>629,520</u>	<u>629,519</u>	<u>1</u>
<i>Total Disbursements</i>	<u>631,000</u>	<u>629,520</u>	<u>629,519</u>	<u>1</u>
<i>Net Change in Fund Balance</i>	(5,000)	(14,552)	(13,021)	1,531
<i>Fund Balance Beginning of Year</i>	<u>148,013</u>	<u>148,013</u>	<u>148,013</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 143,013</u>	<u>\$ 133,461</u>	<u>\$ 134,992</u>	<u>\$ 1,531</u>

See accompanying notes to the basic financial statements.

Green Township, Hamilton County
Statement of Receipts, Disbursements and Changes
in Fund Balance-Budget and Actual-Budget Basis-Safety Services-Police and Fire
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$ 3,476,000	\$ 3,330,315	\$ 3,335,515	\$ 5,200
Intergovernmental	<u>219,000</u>	<u>540,775</u>	<u>540,775</u>	<u>-</u>
<i>Total receipts</i>	<u>3,695,000</u>	<u>3,871,090</u>	<u>3,876,290</u>	<u>5,200</u>
Disbursements				
Current:				
Public Safety	<u>3,686,093</u>	<u>3,807,968</u>	<u>3,768,446</u>	<u>39,522</u>
<i>Total Disbursements</i>	<u>3,686,093</u>	<u>3,807,968</u>	<u>3,768,446</u>	<u>39,522</u>
<i>Net Change in Fund Balance</i>	8,907	63,122	107,844	44,722
<i>Fund Balance Beginning of Year</i>	<u>73,190</u>	<u>73,190</u>	<u>73,190</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 82,097</u>	<u>\$ 136,312</u>	<u>\$ 181,034</u>	<u>\$ 44,722</u>

See accompanying notes to the basic financial statements.

Green Township, Hamilton County
Statement of Receipts, Disbursements and Changes
in Fund Balance-Budget and Actual-Budget Basis-Safety Services- Police
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$ 535,000	\$ 558,832	\$ 559,996	\$ 1,164
Intergovernmental	<u>75,000</u>	<u>81,577</u>	<u>81,578</u>	<u>1</u>
<i>Total receipts</i>	<u>610,000</u>	<u>640,409</u>	<u>641,574</u>	<u>1,165</u>
Disbursements				
Current:				
Public Safety	<u>625,000</u>	<u>623,977</u>	<u>623,975</u>	<u>2</u>
<i>Total Disbursements</i>	<u>625,000</u>	<u>623,977</u>	<u>623,975</u>	<u>2</u>
<i>Net Change in Fund Balance</i>	(15,000)	16,432	17,599	1,167
<i>Fund Balance Beginning of Year</i>	<u>144,179</u>	<u>144,179</u>	<u>144,179</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 129,179</u>	<u>\$ 160,611</u>	<u>\$ 161,778</u>	<u>\$ 1,167</u>

See accompanying notes to the basic financial statements.

Green Township, Hamilton County
Statement of Receipts, Disbursements and Changes
in Fund Balance-Budget and Actual-Budget Basis-Safety Services- Fire
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$ 711,996	\$ 739,281	\$ 740,793	\$ 1,512
Intergovernmental	<u>108,004</u>	<u>110,380</u>	<u>110,380</u>	<u>-</u>
<i>Total receipts</i>	<u>820,000</u>	<u>849,661</u>	<u>851,173</u>	<u>1,512</u>
Disbursements				
Current:				
Public Safety	<u>910,000</u>	<u>910,955</u>	<u>910,955</u>	<u>-</u>
<i>Total Disbursements</i>	<u>910,000</u>	<u>910,955</u>	<u>910,955</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	<u>(90,000)</u>	<u>(61,294)</u>	<u>(59,782)</u>	<u>1,512</u>
<i>Fund Balance Beginning of Year</i>	<u>93,776</u>	<u>93,776</u>	<u>93,776</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 3,776</u>	<u>\$ 32,482</u>	<u>\$ 33,994</u>	<u>\$ 1,512</u>

See accompanying notes to the basic financial statements.

Green Township, Hamilton County
Statement of Receipts, Disbursements and Changes
in Fund Balance-Budget and Actual-Budget Basis-Road and Bridge
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$ 918,222	\$ 927,045	\$ 928,376	\$ 1,331
Licenses, Permits and Fees	130	-	-	-
Intergovernmental	146,698	146,607	146,607	-
Other	<u>10,950</u>	<u>23,089</u>	<u>23,389</u>	<u>300</u>
<i>Total receipts</i>	<u>1,076,000</u>	<u>1,096,741</u>	<u>1,098,372</u>	<u>1,631</u>
Disbursements				
Current:				
Public Works	<u>1,206,600</u>	<u>1,154,769</u>	<u>1,077,628</u>	<u>77,141</u>
<i>Total Disbursements</i>	<u>1,206,600</u>	<u>1,154,769</u>	<u>1,077,628</u>	<u>77,141</u>
<i>Net Change in Fund Balance</i>	<u>(130,600)</u>	<u>(58,028)</u>	<u>20,744</u>	<u>78,772</u>
<i>Fund Balance Beginning of Year</i>	130,613	130,613	130,613	-
<i>Prior Year Encumbrances Appropriated</i>	<u>49,232</u>	<u>49,232</u>	<u>49,232</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 49,245</u>	<u>\$ 121,817</u>	<u>\$ 200,589</u>	<u>\$ 78,772</u>

See accompanying notes to the basic financial statements.

Note 1 – Reporting Entity

Green Township, Hamilton County, Ohio (the Township), is a body politic and corporate established in 1809 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 three-member Board of Trustees, each of whom is elected for overlapping terms of four years. The Township has an elected Township Fiscal Officer and a Township Administrator who is appointed by the Board of Trustees. All Department Heads report to the Township Administrator.

The reporting entity is comprised solely of the primary government.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. For the Township this includes providing police protection, fire and emergency medical services, road maintenance and repairs, parks and recreation, planning, zoning, and economic development. The Board of Trustees and Township Administrator have direct responsibility for these activities.

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, (GAAP), 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.

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. Governmental activities generally are financed through taxes, intergovernmental 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. Green 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 funds. 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 all considered governmental.

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 non-exchange transactions as governmental funds. The Township's major funds are the General Fund, Tax Increment Financing (TIF) Fund, Fire Levy Fund, Police Levy Fund, Road and Bridge Levy Fund, Safety Services Fire and Police Fund, Safety Services Fire, Safety Services Police and Bond Retirement 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 and other resources whose use is restricted to a particular purpose.

The Township has no proprietary or agency types of funds.

C. Basis of Accounting

The Township's financial statements are prepared using the modified 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 disbursed rather than when a liability is incurred.

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

D. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the Tax Budget, the Certificate of Estimated Resources, and the Appropriations Ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The Certificate of Estimated resources establishes a limit on the amount the Township may appropriate.

The appropriations ordinance, certified by the county auditor, is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, department, and object level for the General Fund. All other funds are established at the department level.

Note 2 – Summary of Significant Accounting Policies (continued)

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

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

E. Cash and Investments

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

Investments of the cash management pool are presented on the financial statements as cash equivalents. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2009, the Township invested in nonnegotiable Certificates of Deposit, U.S. Treasury and Agency Securities, a money market fund, and STAR Ohio. The nonnegotiable Certificates of Deposit and the U.S. Treasury and Agency Securities are reported at cost. The Township’s money market fund investment is recorded at the amount reported by Fifth Third Bank on December 31, 2009.

STAR Ohio is an investment pool, managed by the Ohio State Treasurer’s Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio’s share price, which is the price the investment could be sold for on December 31, 2009.

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 2009 were \$198,276 and \$1,197 assigned to other Township funds.

Note 2 – Summary of Significant Accounting Policies (continued)

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 and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

H. Inter-fund Receivables/Payables

The Township reports advances-in and advances-out for inter-fund loans. The Township had no inter-fund loans in 2009. These items are not reflected as assets and liabilities in the accompanying financial statements.

I. Accumulated Leave

Upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's cash basis of accounting.

J. Employer Contributions to Cost-Sharing Pension Plans

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

K. Long-Term Obligations

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

L. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

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 2 – Summary of Significant Accounting Policies (continued)

M. Fund Balance Reserves

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

N. Inter-fund Transactions

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

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund and major special revenue funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$134,691 for the General Fund, \$3,297,211 for the TIF Fund, \$171,322 for the Fire Levy Fund and \$80,988 for the Road and Bridge Fund.

Note 4 – 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 withdraw on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Note 4 – Deposits and Investments (continued)

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and 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 investments (1) or (2) and repurchase agreements secured by such obligations, provided that investment in securities described in this division are made only through eligible institutions.
7. The State Treasurer's investment pool (STAR Ohio).
8. Commercial paper and bankers acceptances, with appropriate limitations based upon completion of ORC training requirements.

Note 4 – Deposits and Investments (continued)

Protection of the Township’s deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by collateral pledged to the Township by the financial institution, or by a collateral pool, established by the financial institution to secure the repayment of all public monies deposited with the institution.

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. Payment for investments may be made only upon delivery of the securities representing the investments to the Township or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Investments

As of December 31, 2009, the Township had the following investments:

<u>Investment Type</u>	<u>Carrying Value</u>	<u>Maturity (in Years)</u>	
		<u>Less than 1</u>	<u>1-2</u>
US Treasury and Agency Securities	\$ 13,583,595	2,353,185	11,230,410
Money Market	2,134,207	2,134,207	-
STAR Ohio	417,526	417,526	-
	<u>\$ 16,135,328</u>	<u>4,904,918</u>	<u>11,230,410</u>

At year end 2009, 84% of the Township’s investments are in government sponsored enterprise notes (i.e., federal agencies) that are subject to concentration of credit risk. These include Federal National Mortgage Association, Federal Home Loan Bank, and Federal Home Loan Mortgage Corporation securities which have all been rated Aaa by Moody's and AAA by Standards and Poor's.

Note 4 – Deposits and Investments (continued)

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 2009, \$2,565,229 of the Township's bank balance of \$3,245,346 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

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

Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Township's investment policy addresses interest rate risk by requiring that the Township's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

Note 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 2008 taxes. Real property taxes received in 2009 were levied after October 1, 2008, on the assessed values as of January 1, 2008, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2009 represent the collection of 2008 taxes. Public utility real and tangible personal property taxes received in 2009 became a lien on December 31, 2007, were levied after 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.

Note 5 – Property Taxes (continued)

Tangible personal property tax receipts received in 2009 (other than public utility property) represent the collection of 2008 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 256 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 21. Single county taxpayers may pay annually or semiannually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all Township operations for the years ended December 31, 2009 was \$9.81 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2009 property tax receipts were based are as follows:

Real Property – Residential, Agricultural and Other	\$ 1,160,749,320
Tangible Personal Property	1,779,410
Public Utility (Personal Property)	<u>30,433,020</u>
Total Valuation	\$ <u>1,192,961,750</u>

Real property taxes are payable annually or semi-annually. If paid annually, the payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Township. The County Auditor periodically remits to the Township its portion of the taxes collected.

Note 6 – Risk Management

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

The Township insures against injuries to employees through the Ohio Bureau of Workers' Compensation. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is based on accident history and administrative costs.

During 2009 the Township contracted with Cincinnati Insurance Company for property and casualty coverage. Coverage is provided by National Union Fire Insurance Company for liability. Scottsdale Indemnity Company holds the liability coverage for the Law Enforcement Operations.

Note 6 – Risk Management (continued)

Legal Liability	\$ 3,000,000	Per Occurrence
Automobile Liability	1,000,000	Per Occurrence
Law Enforcement Operations	3,000,000	Per Occurrence
Wrongful Acts	50,000	Per Occurrence
Property	14,034,086	Total Coverage
Boiler and Machinery	1,881,798	Limit

There were no significant reductions in coverage from prior years and claims have not exceeded insurance coverage in any of the past three years. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is based on accident history and administrative costs.

The Township has elected to provide employee medical/surgical benefits through OMERESA – Health Span. Employees contribute 10% or 12% of the monthly premium cost with the Township the remainder. The premiums vary with the employee depending on type of coverage selected (single, family). The Township provides dental insurance to all employees as a function of this health care plan, through Dental Care Plus. Again employees share 10% or 12% of the cost of the monthly premium with the Township paying the remainder. The Township provides life insurance at no cost to the employee and provides a benefit of \$15,000 for each employee.

Note 7 – 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 pension plan is a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan is a defined contribution plan; and the Combined Plan a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan, 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. 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, and 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 including post-employment health care coverage. 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, Attention: Finance Director, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Note 7 – Defined Benefit Pension Plan (continued)

Employee and employer contribution rates are expressed as a percentage of the covered payroll of active members. For the year ended December 31, 2009, the members of all three plans were required to contribute the following percentages of their annual covered salaries.

Members except those in public safety and law enforcement	10.00%
Members in public safety	10.10%
Members in law enforcement	10.10%

The Township’s contribution rate for pension benefits for 2009 was 14 percent, except for those plan members in law enforcement or public safety. For those classifications, the Township’s pension contributions were 17.63 percent of covered payroll for 2009. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township’s required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2009, 2008, and 2007, were \$755,423, \$785,520, and \$654,710, respectively. The full amount has been contributed for 2009, 2008, and 2007.

B. Ohio Police and Fire Pension Fund

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

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations while the Township is required to contribute 24 percent for firefighters. Contributions are authorized by State statute. The Township’s contributions to the Fund for firefighters were \$732,505, \$664,767, and \$630,898 for the years ended December 31, 2009, 2008, and 2007. The full amount has been contributed for 2009, 2008, and 2007.

Note 8 – Post-Employment Benefits

A. Ohio Public Employees Retirement System

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

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. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer’s contribution to OPERS is set aside for the funding of post retirement health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2009, local employers contributed at a rate of 14.00% of covered payroll, and public safety and law enforcement employers contributed at 17.63%. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for state and local employer units and 18.1% of covered payroll for law and public safety employer units. Active members do not make contributions to the OPEB Plan.

OPERS’ Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. For 2009, the employer contribution allocated to the health care plan was 7% of covered payroll for January 1 through March 31, 2009 and 5.5% from April 1 through December 31, 2009.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Note 8 – Post-Employment Benefits (continued)

Actual employer contributions which were used to fund post-employment benefits were \$400,024, \$358,225, and \$234,160 in 2009, 2008 and 2007, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, January 1, 2008 and January 1, 2009, which allowed additional funds to be allocated to the health care plan.

B. Ohio Police and Fire Pension Fund

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

OP&F provides access to post-retirement healthcare coverage for 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. The healthcare coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide healthcare coverage to eligible participants and to establish and amend benefits 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 OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 24.00% of covered payroll for fire employers. The Ohio Revised Code states that the employer contribution may not exceed 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

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

Note 8 – Post-Employment Benefits (continued)

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2009, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. The Township's actual contributions that were used to fund post-employment benefits were \$281,021, \$186,780, and \$177,282 in 2009, 2008 and 2007, respectively, for firefighters.

Note 9 – Debt

The Township's short-term debt activity for the year ended December 31, 2009, was as follows:

<u>Bond Anticipation Notes</u>	<u>Interest Rate</u>	<u>Balance January 1, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2009</u>
Note issued 4/23/08 due 4/22/09	2.10%	\$ 3,835,000	-	(3,835,000)	-
Note issued 4/22/09 due 2/16/10	1.18%	-	3,835,000	-	3,835,000
		\$ <u>3,835,000</u>	<u>3,835,000</u>	<u>(3,835,000)</u>	<u>3,835,000</u>

These notes were used to purchase park property for future development. The Township also purchased property for road improvements. All note proceeds had been spent at December 31, 2009. The bond anticipation notes are backed by the full faith and credit of the Township and mature within one year.

Note 10 – Contingent Liabilities

A. Litigation

Green Township is a party to legal proceedings seeking damages. The Township management is of the opinion that the ultimate disposition of the various claims and legal proceedings will not have a material effect, if any, on the financial condition of the Township.

Note 11 – Subsequent Event

Green Township issued bonds on February 16, 2010 in the amount of \$9,895,000 for the purpose of retiring outstanding notes and for road and park improvements within in the Township.

**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**

To the Board of Trustees
Green Township, Ohio:

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Green Township, Ohio (Township) as of and for the years ended December 31, 2010 and 2009, which collectively comprise the Township's basic financial statements and have issued our report thereon dated May 6, 2011, wherein we noted the Township uses the modified cash basis of accounting. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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 to be material weaknesses, as defined above. However, we consider the deficiency labeled as 2010-1 described in the accompanying schedule of findings and responses to be a significant deficiency in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2010-1.

We noted certain matters that we reported to management of the Township in a separate letter dated May 6, 2011.

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

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

Clark, Schaefer, Hachett & Co.

Cincinnati, Ohio
May 6, 2011

GREEN TOWNSHIP, OHIO
Schedule of Findings and Responses
Years Ended December 31, 2010 and 2009

Finding 2010-1 – Audit Adjustment and Reporting of Debt Proceeds

Ohio Revised Code Section 5705.10 states that all proceeds from the sale of public obligations as defined in Ohio Revised Code Section 133.01, except premium and accrued interest, are to be paid into a special fund for the purpose of such issue. The Township issued \$9,895,000 in various purpose general obligation bonds in 2010 for the purposes of retiring outstanding bond anticipation notes and to finance road and park improvements. The Township posted all of the proceeds from the debt issuance in the Bond Retirement Fund. However, in accordance with the Ohio Revised Code, the portion of the proceeds related to the road and park improvements should have been posted to the TIF Fund, which is the fund being used to record project disbursements.

The Township initially reflected a transfer from the Bond Retirement Fund to the TIF Fund to pay for the project disbursements in its books and records as well as the financial statements. An audit adjustment was necessary to correct both the posting of bond proceeds as well as the elimination of the transfer.

Management response: *Management concurs with the finding related to the posting of debt proceeds to a special fund. While a special fund should have been used in accordance with the Ohio Revised Code, management had no intention to misstate its financial reports but rather recorded the debt proceeds in the debt service fund and intended to make transfers to the project fund to cover project costs. All debt proceeds and project activity were recorded on the Township's books and records. In the future, debt proceeds will be properly reported in a special fund.*

GREEN TOWNSHIP, OHIO
Schedule of Prior Audit Findings
Years Ended December 31, 2010 and 2009

Financial Statement Findings

Finding 2008-1 – Audit Adjustments

During the course of our audit, we identified misstatements in the financial statements for the years under audit that were not initially identified by the Township's internal control. The audit adjustments were necessary to correct errors in the Township's receipts and disbursements related to amounts paid on the Township's behalf by the Ohio Public Works Commission (OPWC). Intergovernmental receipts and disbursements were understated by \$141,678 and \$88,695 in 2008 and 2007, respectively. The Township properly recorded many of the on-behalf payments during the two-year period but the amounts described above were inadvertently omitted.

We recommend the Township implement reporting procedures to ensure all transactions are properly reported in the financial statements.

Current Status: *This specific issue was corrected. However, a significant deficiency was reported in the current year related to an audit adjustment of the financial statements.*



Dave Yost • Auditor of State

GREEN TOWNSHIP

HAMILTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 9, 2011**