

**CLAY TOWNSHIP**

MONTGOMERY COUNTY

**REGULAR AUDIT**

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2008





Mary Taylor, CPA  
Auditor of State

Board of Trustees  
Clay Township  
8207 Arlington Road  
Brookville, Ohio 45309

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

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

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

July 26, 2010

**This Page is Intentionally Left Blank.**

**Clay Township**  
**Montgomery County**

*Table of Contents*

Title	Page
Independent Auditors' Report	1
Management's Discussion and Analysis	4
<b>Basic Financial Statements for Year Ended December 31, 2009:</b>	
<b>Government-Wide Financial Statements:</b>	
Statement of Net Assets - Cash Basis	12
Statement of Activities - Cash Basis	13
<b>Fund Financial Statements for Year Ended December 31, 2009:</b>	
<b>Governmental Funds</b>	
Statement of Cash Basis Assets and Fund Balances - Governmental Funds	14
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances - Governmental Funds	15
Statement of Receipts, Disbursements and Changes in Fund Balances - Budget and Actual - Budget Basis - General Fund	16
Statement of Receipts, Disbursements and Changes in Fund Balances - Budget and Actual - Budget Basis - Cemetery	17
Statement of Receipts, Disbursements and Changes in Fund Balances - Budget and Actual - Budget Basis - Garbage & Waste District	18
Statement of Receipts, Disbursements and Changes in Fund Balances - Budget and Actual - Budget Basis - Police District	19
Statement of Receipts, Disbursements and Changes in Fund Balances - Budget and Actual - Budget Basis - Fire District	20

**Clay Township**  
**Montgomery County**

*Table of Contents*

Title	Page
<b>Basic Financial Statements for Year Ended December 31, 2008:</b>	
<b>Government-Wide Financial Statements:</b>	
Statement of Net Assets - Cash Basis	21
Statement of Activities - Cash Basis	22
<b>Fund Financial Statements for Year Ended December 31, 2008:</b>	
<b>Governmental Funds</b>	
Statement of Cash Basis Assets and Fund Balances - Governmental Funds	23
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances - Governmental Funds	24
Statement of Receipts, Disbursements and Changes in Fund Balances - Budget and Actual - Budget Basis - General Fund	25
Statement of Receipts, Disbursements and Changes in Fund Balances - Budget and Actual - Budget Basis - Cemetery	26
Statement of Receipts, Disbursements and Changes in Fund Balances - Budget and Actual - Budget Basis - Garbage & Waste District	27
Statement of Receipts, Disbursements and Changes in Fund Balances - Budget and Actual - Budget Basis - Police District	28
Statement of Receipts, Disbursements and Changes in Fund Balances - Budget and Actual - Budget Basis - Fire District	29
Notes to the Financial Statements	31
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	46
Schedule of Findings	48
Schedule of Prior Audit Findings	52

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

**INDEPENDENT AUDITORS' REPORT**

Board of Trustees  
Clay Township  
Montgomery County  
8207 Arlington Rd.  
Brookville, Ohio 45309

We have audited the accompanying financial statements of governmental activities, each major fund, and the aggregate remaining fund information of Clay Township, Montgomery County, (the Township), as of and for the years ended December 31, 2009 and 2008, which collectively comprise the Township's basis financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the government activities, each major fund, and the aggregate remaining fund information of Clay Township, Montgomery County, Ohio, as of December 31, 2009 and 2008 and the respective changes in cash basis financial position and the respective budgetary comparisons for the General, Cemetery, Garbage and Waste Disposal District, Police District and Fire District funds in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 25, 2010, on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires 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.

Manning & Associates CPAs, LLC  
Dayton, Ohio

May 25, 2010

**This page intentionally left blank**

**Clay Township**  
**Montgomery County**  
*Management's Discussion and Analysis*  
*For the Years Ended December 31, 2009 and 2008*  
*Unaudited*

---

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

**Highlights**

Key highlights for 2009 are as follows:

Net assets of governmental activities increased \$171,280, or 18.6 percent, a significant change from the prior year. Several funds saw increases this year including the General, Cemetery, Garbage & Waste Disposal, Fire and Police funds. The JEDD had its first full year of income tax collections this year.

The Township's general receipts are primarily property taxes. These receipts represent 54.9 percent of the total cash received for governmental activities during 2009. Property tax receipts for 2009 had a slight decrease of collections compared to previous years.

Hofacker Precision Machining, a local business received an ED/GE grant in the amount of \$30,000. This grant helped to add to the business and to beautify the outside with new landscaping and paving for the parking lot.

The Township was approved for two grants from Ohio Public Works Commission (OPWC) to fund the completion Dodson Road Project Phase III and IV in the amount of \$304,652 and \$321,036; the payments were released January 2010.

Key highlights for 2008 are as follows:

Net assets of governmental activities decreased \$79,562, or 7.9 percent, a significant change from the prior year, which saw an increase in net assets. The funds most affected by the decrease in cash and cash equivalents were the General Fund and Garbage & Waste Disposal Fund. The General Fund saw a decrease in receipts and increase in disbursements in 2008.

The Township's general receipts are primarily property taxes. These receipts represent 50.8 percent of the total cash received for governmental activities during 2008. Property tax receipts for 2009 had a slight decrease of collections compared to previous years.

The Township received \$256,965 in Ohio Public Works Commission (OPWC) grant funding to for the Dodson Road Project Phases I and II.

**Clay Township**  
**Montgomery County**  
*Management's Discussion and Analysis*  
*For the Years Ended December 31, 2009 and 2008*  
*Unaudited*

---

**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. The statements are organized so the reader can understand the Township as a financial whole, or as an entire operating entity.

**Report Components**

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

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

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

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

**Clay Township**  
**Montgomery County**  
*Management's Discussion and Analysis*  
*For the Years Ended December 31, 2009 and 2008*  
*Unaudited*

---

**Reporting the Government as a Whole. (Continued)**

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

In the statement of net assets and the statement of activities, we report governmental activities which include the Township's basic services, including general governmental services, police protection, fire protection, garbage and waste, and road maintenance. State and federal grants, property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

In the statement of net assets and the statement of activities, the Township consists of one type activity:

**Governmental activities:** The Township's basic services are reported here, including general governmental services, emergency rescue services, fire protection and road maintenance. State and federal grants, property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

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

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

**Governmental Funds** – The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) are combined and presented in total in a single column. The Township's major governmental funds for 2009 are the General Fund, Cemetery Fund, Garbage and Waste Disposal District Fund, Police District Fund and Fire District Fund. The Township's major governmental funds for 2008 are the General Fund, Cemetery Fund, Garbage and Waste Disposal District Fund, Police District Fund, Fire District Fund and Capital Projects (OPWC) Fund.

**Clay Township**  
**Montgomery County**  
*Management's Discussion and Analysis*  
*For the Years Ended December 31, 2009 and 2008*  
*Unaudited*

---

**The Government as a Whole**

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

(Table 1)  
**Net Assets**

	Governmental Activities		
	2009	2008	2007
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	1,093,806	922,526	1,002,088
Total Assets	\$1,093,806	\$922,526	\$1,002,088
<b>Net Assets</b>			
Restricted for:			
Capital Projects	1,147	1,147	1,147
Other Purposes	730,046	568,177	598,226
Unrestricted	362,613	353,202	402,715
Total Net Assets	\$1,093,806	\$922,526	\$1,002,088

As mentioned previously, net assets of governmental activities increased \$171,280 or 18.6 percent during 2009. The primary reason contributing to the increase in cash balances was an increase in tax collections in 2009, which was the first full year of income tax collections for the JEDD.

In 2008, net assets of governmental activities decreased \$79,562, or 7.9 percent, a significant change from the prior year, which saw an increase in net assets. The funds most affected by the decrease in cash and cash equivalents were the General Fund and Garbage & Waste Disposal Fund. The General Fund saw a decrease in receipts and increase in disbursements in 2008.

**Clay Township**  
**Montgomery County**  
*Management's Discussion and Analysis*  
*For the Years Ended December 31, 2009 and 2008*  
*Unaudited*

Table 2 reflects the changes in net assets during 2009, 2008 and 2007 for governmental activities.

(Table 2)  
Changes in Net Assets

	Governmental Activities		
	2009	2008	2007
Program Receipts:			
Charges for Services and Sales	397,476	404,457	349,859
Operating Grants and Contributions	236,301	232,048	234,348
Capital Grants and Contributions	0	256,965	109,751
Total Program Receipts	<u>633,777</u>	<u>893,470</u>	<u>693,958</u>
General Receipts:			
Property and Other Local Taxes	1,140,826	1,149,470	1,151,868
Grants and Entitlements Not Restricted to Specific Programs	125,847	79,383	131,695
Sale of Fixed Assets	3,723	0	0
Earnings on Investments	1,798	15,059	43,182
Miscellaneous	171,442	124,063	93,427
Total General Receipts	<u>1,443,636</u>	<u>1,367,975</u>	<u>1,420,172</u>
Total Receipts	<u>2,077,413</u>	<u>2,261,445</u>	<u>2,114,130</u>
Disbursements:			
General Government	235,884	311,068	189,644
Public Safety	1,078,619	1,050,600	988,411
Public Works	514,678	646,729	532,282
Health	38,531	30,313	25,507
Capital Outlay	8,097	272,297	113,612
Debt Service			
Principal	29,079	27,585	12,091
Interest	1,245	2,415	2,909
Total Disbursements	<u>1,906,133</u>	<u>2,341,007</u>	<u>1,864,456</u>
Increase in Net Assets	171,280	(79,562)	249,674
Net Assets, January 1	922,526	1,002,088	752,414
Net Assets, December 31	<u>\$1,093,806</u>	<u>\$922,526</u>	<u>\$1,002,088</u>

**Clay Township**  
**Montgomery County**  
*Management's Discussion and Analysis*  
*For the Years Ended December 31, 2009 and 2008*  
*Unaudited*

---

**Governmental Activities Receipts**

Program receipts represent 30.5 and 39.5 percent of total receipts for 2009 and 2008, respectively; and are primarily comprised of restricted intergovernmental receipts and charges for garbage and waste disposal services; township levied permissive motor vehicle license tax, charges for cemetery services/burial lots and grants from OPWC.

General receipts represent 69.5 and 60.5 percent of the Township's total receipts for 2009 and 2008, respectively; and of this amount, over 79 percent and 84 percent, are local taxes in 2009 and 2008, respectively. State and federal grants and entitlements, interest and miscellaneous income make up the balance of the Township's general receipts of 21 percent and 16 percent, respectively for 2009 and 2008.

**Governmental Activities Disbursements**

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the administrative costs for the purchasing, cemetery upkeep, zoning compliance, board of trustees, fiscal officer as well as other internal services. Since these costs do not represent direct services to residents, we try to control these costs which are 12.3 percent and 13.3 percent for years 2009 and 2008, respectively.

Disbursements for Public Safety, Public Works and Public Health Services represent the costs for staffing and maintaining police and fire protection services, the costs of maintaining public roads and the costs for maintaining the cemeteries located in the Township. Capital outlay represents the cost of road improvements and projects.

**Governmental Activities**

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for Public Safety and Public Works, which account for 56.7 percent and 27 percent of all governmental disbursements, for 2009; and 44.9 percent and 27.6 percent of all governmental disbursements 2008, respectively. General government also represents significant costs, which account for 12.3 percent and 13.3 percent of all government disbursements, for 2009 and 2008, respectively. The next three columns of the Statement entitled Program Cash Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

**Clay Township**  
**Montgomery County**  
*Management's Discussion and Analysis*  
*For the Years Ended December 31, 2009 and 2008*  
*Unaudited*

(Table 3)

	<b>Governmental Activities</b>					
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2009	2009	2008	2008	2007	2007
General Government	235,884	207,391	311,068	284,027	189,644	175,061
Public Safety	1,078,619	943,461	1,050,600	920,578	988,411	882,159
Public Works	514,678	112,371	646,729	228,445	532,282	122,318
Public Health Services	38,531	(29,288)	30,313	(30,845)	25,507	(27,901)
Capital Outlay	8,097	8,097	272,297	15,332	113,612	3,861
Debt Service						
Principal	29,079	29,079	27,585	27,585	12,091	12,091
Interest	1,245	1,245	2,415	2,415	2,909	2,909
Total Expenses	<u>1,906,133</u>	<u>1,272,356</u>	<u>2,341,007</u>	<u>1,447,537</u>	<u>1,864,456</u>	<u>1,170,498</u>

The dependence upon property tax receipts is apparent as over 66 percent and 62 percent for 2009 and 2008, respectively, of governmental activities were supported through these general receipts.

**The Government's Funds**

Total governmental funds had receipts of \$2,077,413 and \$2,261,445 for 2009 and 2008, respectively, and disbursements of \$1,906,133 and \$2,341,007 for 2009 and 2008, respectively. The greatest changes occurred within the General, Cemetery, and Police District funds.

**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.

During 2009, the Township amended its General Fund budget to reflect changing circumstances. In 2009, the difference between the final budgeted receipts and actual receipts was \$66,421, the Township received more than budgeted. Final budgeted receipts were \$209,203 and actual receipts were \$275,624 for 2009.

During 2008, the Township amended its General Fund budget to reflect changing circumstances. In 2008, the difference between the final budgeted receipts and actual receipts was \$111,271, the Township received more than budgeted. Final budgeted receipts were \$157,316 and actual receipts were \$268,587 for 2008.

Final disbursements for 2009, for the General Fund were budgeted at \$565,500 while actual disbursements were \$266,213. Final disbursements for 2008 were budgeted at \$503,500 while actual disbursements were \$318,100. The Township takes due diligence in keeping spending to a respectable level in order to assure funds for future projects.

**Clay Township**  
**Montgomery County**  
*Management's Discussion and Analysis*  
*For the Years Ended December 31, 2009 and 2008*  
*Unaudited*

---

**Capital Assets and Debt Administration**

**Capital Assets**

The Township does not currently keep tracks of its capital assets and infrastructure. The Township uses an inventory system for each department.

**Debt**

At December 31, 2009, the Township's outstanding debt totaled \$1,245 in cemetery land acquisition notes.

**Current Issues**

The challenge for all Governments is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on local taxes and have very little industry to support the tax base. During these difficult economic times the Township plans to watch very carefully the spending in each department.

**Contacting the Government's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Government's finances and to reflect the Government'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 Holly Buchanan, Fiscal Officer, Clay Township, 8207 Arlington Road, Brookville, Ohio 45309.

**Clay Township**  
**Montgomery County**  
*Statement of Net Assets - Cash Basis*  
*December 31, 2009*

	Governmental Activities	Total
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$ 1,093,806	\$ 1,093,806
<i>Total Assets</i>	1,093,806	1,093,806
 <b>Net Assets</b>		
Restricted For:		
Capital Projects	1,147	1,147
Other Purposes	730,046	730,046
Unrestricted	362,613	362,613
<i>Total Net Assets</i>	\$ 1,093,806	\$ 1,093,806

See accompanying notes to the basic financial statements

**Clay Township**  
**Montgomery County**  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2009*

	Cash Disbursements	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>					
General Government	\$ 235,884	\$ 25,401	\$ 3,092	\$ 0	\$ (207,391)
Public Safety	1,078,619	886	134,272	0	(943,461)
Public Works	514,678	303,370	98,937	0	(112,371)
Health	38,531	67,819	0	0	29,288
Capital Outlay	8,097	0	0	0	(8,097)
Debt Service:					
Principal	29,079	0	0	0	(29,079)
Interest	1,245	0	0	0	(1,245)
<i>Total Governmental Activities</i>	<u>\$ 1,906,133</u>	<u>\$ 397,476</u>	<u>\$ 236,301</u>	<u>\$ 0</u>	<u>\$ (1,272,356)</u>

**General Receipts**

Property Taxes	\$ 1,140,826
Grants and Entitlements not Restricted to Specific Programs	125,847
Sale of Fixed Assets	3,723
Earnings on Investments	1,798
Miscellaneous	171,442
<i>Total General Receipts</i>	<u>1,443,636</u>
Change in Net Assets	171,280
<i>Net Assets Beginning of Year</i>	<u>922,526</u>
<i>Net Assets End of Year</i>	<u>\$ 1,093,806</u>

See accompanying notes to the basic financial statements

**Clay Township**  
**Montgomery County**  
*Statement of Cash Basis Assets and Fund Balances*  
*Governmental Funds*  
*December 31, 2009*

	<u>General</u>	<u>Cemetery</u>	<u>Garbage &amp; Waste District</u>	<u>Police District</u>	<u>Fire District</u>	<u>Other Govnmntal Funds</u>	<u>Total Govnmntal Funds</u>
<b>Assets</b>							
Equity in Pooled Cash and Equivalents	\$ 362,613	\$ 125,765	\$ 22,380	\$ 392,046	\$ 24	\$ 190,978	\$ 1,093,806
<i>Total Assets</i>	<u>362,613</u>	<u>125,765</u>	<u>22,380</u>	<u>392,046</u>	<u>24</u>	<u>190,978</u>	<u>1,093,806</u>
<b>Fund Balances</b>							
Unreserved:							
General Fund	362,613	0	0	0	0	0	362,613
Special Revenue Funds	0	125,765	22,380	392,046	24	189,831	730,046
Capital Projects Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,147</u>	<u>1,147</u>
<i>Total Fund Balances</i>	<u>\$ 362,613</u>	<u>\$ 125,765</u>	<u>\$ 22,380</u>	<u>\$ 392,046</u>	<u>\$ 24</u>	<u>\$ 190,978</u>	<u>\$ 1,093,806</u>

See accompanying notes to the basic financial statements

**Clay Township**  
**Montgomery County**  
*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2009*

	<u>General</u>	<u>Cemetery</u>	<u>Garbage &amp; Waste Disp District</u>	<u>Police District</u>	<u>Fire District</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Receipts</b>							
Property and Other Local Taxes	\$ 64,826	\$ 0	\$ 0	\$ 399,949	\$ 550,745	\$ 125,306	\$ 1,140,826
Charges for Services	0	0	270,492	0	0	0	270,492
Licenses, Permits and Fees	12,702	52,619	0	0	0	0	65,321
Fines and Forfeitures	6,724	0	0	0	0	886	7,610
Intergovernmental	125,847	0	0	54,704	79,568	139,982	400,101
Special Assessments	0	0	0	0	0	900	900
Earnings on Investments	1,117	0	0	0	0	681	1,798
Miscellaneous	64,408	15,200	0	43,505	0	63,529	186,642
<i>Total Receipts</i>	<u>\$ 275,624</u>	<u>\$ 67,819</u>	<u>\$ 270,492</u>	<u>\$ 498,158</u>	<u>\$ 630,313</u>	<u>\$ 331,284</u>	<u>\$ 2,073,690</u>
<b>Disbursements</b>							
Current:							
General Government	\$ 235,884	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 235,884
Public Safety	0	0	0	448,315	630,304	0	1,078,619
Public Works	0	0	255,529	0	0	259,149	514,678
Health	0	38,531	0	0	0	0	38,531
Capital Outlay	5,005	0	0	0	0	3,092	8,097
Debt Service:							
Principal Retirement	24,284	4,795	0	0	0	0	29,079
Interest and Fiscal Charges	1,040	205	0	0	0	0	1,245
<i>Total Disbursements</i>	<u>\$ 266,213</u>	<u>\$ 43,531</u>	<u>\$ 255,529</u>	<u>\$ 448,315</u>	<u>\$ 630,304</u>	<u>\$ 262,241</u>	<u>\$ 1,906,133</u>
<i>Receipts Over(Under) Disbursements</i>	<u>\$ 9,411</u>	<u>\$ 24,288</u>	<u>\$ 14,963</u>	<u>\$ 49,843</u>	<u>\$ 9</u>	<u>\$ 69,043</u>	<u>\$ 167,557</u>
<b>Other Financing Sources (Uses)</b>							
Sale of Fixed Assets	0	0	0	0	0	3,723	3,723
<i>Net Change in Fund Balances</i>	9,411	24,288	14,963	49,843	9	72,766	171,280
<i>Fund Balances Beginning of Year</i>	<u>\$ 353,202</u>	<u>\$ 101,477</u>	<u>\$ 7,417</u>	<u>\$ 342,203</u>	<u>\$ 15</u>	<u>\$ 118,212</u>	<u>\$ 922,526</u>
<i>Fund Balances End of Year</i>	<u>\$ 362,613</u>	<u>\$ 125,765</u>	<u>\$ 22,380</u>	<u>\$ 392,046</u>	<u>\$ 24</u>	<u>\$ 190,978</u>	<u>\$ 1,093,806</u>

See accompanying notes to the basic financial statements

**Clay Township**  
**Montgomery 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>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$ 60,000	\$ 60,000	\$ 64,826	\$ 4,826
Licenses, Permits, and Fees	10,000	10,000	12,702	2,702
Fines and Forfeitures	5,000	5,000	6,724	1,724
Intergovernmental	117,000	117,000	125,847	8,847
Earnings on Investments	3,000	3,000	1,117	(1,883)
Miscellaneous	11,703	11,703	64,408	52,705
<i>Total Receipts</i>	<u>\$ 206,703</u>	<u>\$ 206,703</u>	<u>\$ 275,624</u>	<u>\$ 68,921</u>
<b>Disbursements</b>				
Current:				
General Government	\$ 460,500	\$ 435,176	\$ 235,884	\$ 199,292
Capital Outlay	20,000	20,000	5,005	14,995
Debt Service:				
Principal Retirement	0	24,284	24,284	0
Interest and Fiscal Charges	0	1,040	1,040	0
<i>Total Disbursements</i>	<u>\$ 480,500</u>	<u>\$ 480,500</u>	<u>\$ 266,213</u>	<u>\$ 214,287</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(273,797)</u>	<u>(273,797)</u>	<u>9,411</u>	<u>283,208</u>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(5,000)	(5,000)	0	5,000
Advances Out	0	0	0	0
Other Financing Sources	2,500	2,500	0	(2,500)
Other Financing Uses	(80,000)	(80,000)	0	80,000
<i>Total Other Financing Sources (Uses)</i>	<u>(82,500)</u>	<u>(82,500)</u>	<u>0</u>	<u>82,500</u>
<i>Net Change in Fund Balance</i>	(356,297)	(356,297)	9,411	365,708
<i>Fund Balance Beginning of Year</i>	<u>353,202</u>	<u>353,202</u>	<u>353,202</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ (3,095)</u>	<u>\$ (3,095)</u>	<u>\$ 362,613</u>	<u>\$ 365,708</u>

See accompanying notes to the basic financial statements

**Clay Township**  
**Montgomery County**  
*Statement of Receipts, Disbursements and Changes in*  
*Fund Balance - Budget and Actual - Budget Basis*  
*Cemetery Fund*  
*For the Year Ended December 31, 2009*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Licenses, Permits, and Fees	\$ 50,000	\$ 50,000	\$ 52,619	\$ 2,619
Miscellaneous	15,000	15,000	15,200	200
<i>Total Receipts</i>	<u>\$ 65,000</u>	<u>\$ 65,000</u>	<u>\$ 67,819</u>	<u>\$ 2,819</u>
<b>Disbursements</b>				
Current:				
Health	\$ 129,000	\$ 124,000	\$ 38,531	\$ 85,469
Capital Outlay	37,000	37,000	0	37,000
Debt Service:				
Principal Retirement	0	4,795	4,795	0
Interest and Fiscal Charges	0	205	205	0
<i>Total Disbursements</i>	<u>\$ 166,000</u>	<u>\$ 166,000</u>	<u>\$ 43,531</u>	<u>\$ 122,469</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(101,000)</u>	<u>(101,000)</u>	<u>24,288</u>	<u>125,288</u>
<i>Net Change in Fund Balance</i>	(101,000)	(101,000)	24,288	125,288
<i>Fund Balance Beginning of Year</i>	<u>101,477</u>	<u>101,477</u>	<u>101,477</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 477</u></u>	<u><u>\$ 477</u></u>	<u><u>\$ 125,765</u></u>	<u><u>\$ 125,288</u></u>

See accompanying notes to the basic financial statements

**Clay Township**  
**Montgomery County**  
*Statement of Receipts, Disbursements and Changes in*  
*Fund Balance - Budget and Actual - Budget Basis*  
*Garbage & Waste District*  
*For the Year Ended December 31, 2009*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Charges for Services	\$ 280,000	\$ 280,000	\$ 270,492	\$ (9,508)
<i>Total Receipts</i>	<u>\$ 280,000</u>	<u>\$ 280,000</u>	<u>\$ 270,492</u>	<u>\$ (9,508)</u>
<b>Disbursements</b>				
Current:				
Public Works	\$ 286,500	\$ 286,500	\$ 255,529	\$ 30,971
<i>Total Disbursements</i>	<u>\$ 286,500</u>	<u>\$ 286,500</u>	<u>\$ 255,529</u>	<u>\$ 30,971</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(6,500)</u>	<u>(6,500)</u>	<u>14,963</u>	<u>21,463</u>
<i>Net Change in Fund Balance</i>	(6,500)	(6,500)	14,963	21,463
<i>Fund Balance Beginning of Year</i>	<u>7,417</u>	<u>7,417</u>	<u>7,417</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 917</u></u>	<u><u>\$ 917</u></u>	<u><u>\$ 22,380</u></u>	<u><u>\$ 21,463</u></u>

See accompanying notes to the basic financial statements

**Clay Township**  
**Montgomery County**  
*Statement of Receipts, Disbursements and Changes in*  
*Fund Balance - Budget and Actual - Budget Basis*  
*Police District*  
*For the Year Ended December 31, 2009*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$ 358,899	\$ 358,899	\$ 399,949	\$ 41,050
Intergovernmental	50,000	50,000	54,704	4,704
Miscellaneous	25,000	25,000	43,505	18,505
<i>Total Receipts</i>	<u>\$ 433,899</u>	<u>\$ 433,899</u>	<u>\$ 498,158</u>	<u>\$ 64,259</u>
<b>Disbursements</b>				
Current:				
Public Safety	\$ 751,000	\$ 751,000	\$ 448,315	\$ 302,685
<i>Total Disbursements</i>	<u>\$ 751,000</u>	<u>\$ 751,000</u>	<u>\$ 448,315</u>	<u>\$ 302,685</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(317,101)</u>	<u>(317,101)</u>	<u>49,843</u>	<u>366,944</u>
<i>Net Change in Fund Balance</i>	(317,101)	(317,101)	49,843	366,944
<i>Fund Balance Beginning of Year</i>	<u>342,203</u>	<u>342,203</u>	<u>342,203</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 25,102</u></u>	<u><u>\$ 25,102</u></u>	<u><u>\$ 392,046</u></u>	<u><u>\$ 366,944</u></u>

See accompanying notes to the basic financial statements

**Clay Township**  
**Montgomery County**  
*Statement of Receipts, Disbursements and Changes in*  
*Fund Balance - Budget and Actual - Budget Basis*  
*Fire District*  
*For the Year Ended December 31, 2009*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$ 618,475	\$ 618,475	\$ 550,745	\$ (67,730)
Intergovernmental	80,000	80,000	79,568	(432)
<i>Total Receipts</i>	<u>\$ 698,475</u>	<u>\$ 698,475</u>	<u>\$ 630,313</u>	<u>\$ (68,162)</u>
<b>Disbursements</b>				
Current:				
Public Safety	\$ 643,490	\$ 643,490	\$ 630,304	\$ 13,186
<i>Total Disbursements</i>	<u>\$ 643,490</u>	<u>\$ 643,490</u>	<u>\$ 630,304</u>	<u>\$ 13,186</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>54,985</u>	<u>54,985</u>	<u>9</u>	<u>(54,976)</u>
<i>Net Change in Fund Balance</i>	54,985	54,985	9	(54,976)
<i>Fund Balance Beginning of Year</i>	<u>15</u>	<u>15</u>	<u>15</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 55,000</u></u>	<u><u>\$ 55,000</u></u>	<u><u>\$ 24</u></u>	<u><u>\$ (54,976)</u></u>

See accompanying notes to the basic financial statements

**Clay Township**  
**Montgomery County**  
*Statement of Net Assets - Cash Basis*  
*December 31, 2008*

---

	Governmental Activities	Total
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$ 922,526	\$ 922,526
<i>Total Assets</i>	922,526	922,526
 <b>Net Assets</b>		
Restricted For:		
Capital Projects	1,147	1,147
Other Purposes	568,177	568,177
Unrestricted	353,202	353,202
<i>Total Net Assets</i>	\$ 922,526	\$ 922,526

See accompanying notes to the basic financial statements

**Clay Township**  
**Montgomery County**  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2008*

	Cash Disbursements	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>					
General Government	\$ 311,068	\$ 27,041	\$ 0	\$ 0	\$ (284,027)
Public Safety	1,050,600	325	129,697	0	(920,578)
Public Works	646,729	315,933	102,351	0	(228,445)
Health	30,313	61,158	0	0	30,845
Capital Outlay	272,297	0	0	256,965	(15,332)
Debt Service:					
Principal	27,585	0	0	0	(27,585)
Interest	2,415	0	0	0	(2,415)
<i>Total Governmental Activities</i>	<u>\$ 2,341,007</u>	<u>\$ 404,457</u>	<u>\$ 232,048</u>	<u>\$ 256,965</u>	<u>\$ (1,447,537)</u>

**General Receipts**

Property Taxes	\$ 1,149,470
Grants and Entitlements not Restricted to Specific Programs	79,383
Earnings on Investments	15,059
Miscellaneous	124,063
<i>Total General Receipts</i>	<u>1,367,975</u>
Change in Net Assets	(79,562)
<i>Net Assets Beginning of Year</i>	<u>1,002,088</u>
<i>Net Assets End of Year</i>	<u>\$ 922,526</u>

See accompanying notes to the basic financial statements

**Clay Township**  
**Montgomery County**  
*Statement of Cash Basis Assets and Fund Balances*  
*Governmental Funds*  
*December 31, 2008*

	<u>General</u>	<u>Cemetery</u>	<u>Garbage &amp; Waste District</u>	<u>Police District</u>	<u>Fire District</u>	<u>Capital Projects (OPWC)</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>								
Equity in Pooled Cash and Equivalents	\$ 353,202	\$ 101,477	\$ 7,417	\$ 342,203	\$ 15	\$ 1,147	\$ 117,065	\$ 922,526
<i>Total Assets</i>	<u>353,202</u>	<u>101,477</u>	<u>7,417</u>	<u>342,203</u>	<u>15</u>	<u>1,147</u>	<u>117,065</u>	<u>922,526</u>
<b>Fund Balances</b>								
Unreserved:								
General Fund	353,202	0	0	0	0	0	0	353,202
Special Revenue Funds	0	101,477	7,417	342,203	15	0	117,065	568,177
Capital Projects Fund	0	0	0	0	0	1,147	0	1,147
<i>Total Fund Balances</i>	<u>\$ 353,202</u>	<u>\$ 101,477</u>	<u>\$ 7,417</u>	<u>\$ 342,203</u>	<u>\$ 15</u>	<u>\$ 1,147</u>	<u>\$ 117,065</u>	<u>\$ 922,526</u>

See accompanying notes to the basic financial statements

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

	General	Cemetery	Garbage & Waste Disp District	Police District	Fire District	Capital Projects (OPWC)	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>								
Property and Other Local Taxes	\$ 85,841	\$ 0	\$ 0	\$ 402,937	\$ 539,770	\$ 0	\$ 120,922	\$ 1,149,470
Charges for Services	0	0	276,764	0	0	0	0	276,764
Licenses, Permits and Fees	17,490	51,108	0	0	0	0	0	68,598
Fines and Forfeitures	8,610	0	0	0	0	0	325	8,935
Intergovernmental	79,383	0	0	55,095	74,602	256,965	141,520	607,565
Special Assessments	0	0	0	0	0	0	941	941
Earnings on Investments	9,893	0	0	0	0	0	5,166	15,059
Miscellaneous	67,370	10,050	0	10,657	0	0	46,036	134,113
<i>Total Receipts</i>	<u>\$ 268,587</u>	<u>\$ 61,158</u>	<u>\$ 276,764</u>	<u>\$ 468,689</u>	<u>\$ 614,372</u>	<u>\$ 256,965</u>	<u>\$ 314,910</u>	<u>\$ 2,261,445</u>
<b>Disbursements</b>								
Current:								
General Government	\$ 297,768	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 13,300	\$ 311,068
Public Safety	0	0	0	436,227	614,373	0	0	1,050,600
Public Works	0	0	319,905	0	0	0	326,824	646,729
Health	0	30,313	0	0	0	0	0	30,313
Capital Outlay	332	15,000	0	0	0	256,965	0	272,297
Debt Service:								
Principal Retirement	18,390	9,195	0	0	0	0	0	27,585
Interest and Fiscal Charges	1,610	805	0	0	0	0	0	2,415
<i>Total Disbursements</i>	<u>\$ 318,100</u>	<u>\$ 55,313</u>	<u>\$ 319,905</u>	<u>\$ 436,227</u>	<u>\$ 614,373</u>	<u>\$ 256,965</u>	<u>\$ 340,124</u>	<u>\$ 2,341,007</u>
<i>Receipts Over(Under) Disbursements</i>	<u>\$ (49,513)</u>	<u>\$ 5,845</u>	<u>\$ (43,141)</u>	<u>\$ 32,462</u>	<u>\$ (1)</u>	<u>\$ 0</u>	<u>\$ (25,214)</u>	<u>\$ (79,562)</u>
<i>Net Change in Fund Balances</i>	(49,513)	5,845	(43,141)	32,462	(1)	0	(25,214)	(79,562)
<i>Fund Balances Beginning of Year</i>	<u>\$ 402,715</u>	<u>\$ 95,632</u>	<u>\$ 50,558</u>	<u>\$ 309,741</u>	<u>\$ 16</u>	<u>\$ 1,147</u>	<u>\$ 142,279</u>	<u>\$ 1,002,088</u>
<i>Fund Balances End of Year</i>	<u><u>\$ 353,202</u></u>	<u><u>\$ 101,477</u></u>	<u><u>\$ 7,417</u></u>	<u><u>\$ 342,203</u></u>	<u><u>\$ 15</u></u>	<u><u>\$ 1,147</u></u>	<u><u>\$ 117,065</u></u>	<u><u>\$ 922,526</u></u>

See accompanying notes to the basic financial statements

**Clay Township**  
**Montgomery County**  
*Statement of Receipts, Disbursements and Changes in*  
*Fund Balance - Budget and Actual - Budget Basis*  
*General Fund*  
*For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$ 76,000	\$ 66,000	\$ 85,841	\$ 19,841
Licenses, Permits, and Fees	15,000	9,816	17,490	7,674
Fines and Forfeitures	13,000	8,000	8,610	610
Intergovernmental	120,000	55,000	79,383	24,383
Earnings on Investments	25,000	8,000	9,893	1,893
Miscellaneous	70,000	10,000	67,370	57,370
<i>Total Receipts</i>	<u>\$ 319,000</u>	<u>\$ 156,816</u>	<u>\$ 268,587</u>	<u>\$ 111,771</u>
<b>Disbursements</b>				
Current:				
General Government	\$ 461,500	\$ 441,500	\$ 297,768	\$ 143,732
Capital Outlay	30,000	30,000	332	29,668
Debt Service:				
Principal Retirement	0	18,390	18,390	0
Interest and Fiscal Charges	0	1,610	1,610	0
<i>Total Disbursements</i>	<u>\$ 491,500</u>	<u>\$ 491,500</u>	<u>\$ 318,100</u>	<u>\$ 173,400</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(172,500)</u>	<u>(334,684)</u>	<u>(49,513)</u>	<u>285,171</u>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(1,000)	(1,000)	0	1,000
Advances Out	0	(1,000)	0	1,000
Other Financing Sources	0	500	0	(500)
Other Financing Uses	(10,000)	(10,000)	0	10,000
<i>Total Other Financing Sources (Uses)</i>	<u>(11,000)</u>	<u>(11,500)</u>	<u>0</u>	<u>11,500</u>
<i>Net Change in Fund Balance</i>	(183,500)	(346,184)	(49,513)	296,671
<i>Fund Balance Beginning of Year</i>	<u>402,715</u>	<u>402,715</u>	<u>402,715</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 219,215</u>	<u>\$ 56,531</u>	<u>\$ 353,202</u>	<u>\$ 296,671</u>

See accompanying notes to the basic financial statements

**Clay Township**  
**Montgomery County**  
*Statement of Receipts, Disbursements and Changes in*  
*Fund Balance - Budget and Actual - Budget Basis*  
*Cemetery Fund*  
*For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Licenses, Permits, and Fees	\$ 40,000	\$ 45,000	\$ 51,108	\$ 6,108
Miscellaneous	45,000	5,000	10,050	5,050
<i>Total Receipts</i>	<u>\$ 85,000</u>	<u>\$ 50,000</u>	<u>\$ 61,158</u>	<u>\$ 11,158</u>
<b>Disbursements</b>				
Current:				
Health	\$ 154,000	\$ 117,000	\$ 30,313	\$ 86,687
Capital Outlay	18,600	18,600	15,000	3,600
Debt Service:				
Principal Retirement	0	9,195	9,195	0
Interest and Fiscal Charges	0	805	805	0
<i>Total Disbursements</i>	<u>\$ 172,600</u>	<u>\$ 145,600</u>	<u>\$ 55,313</u>	<u>\$ 90,287</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(87,600)</u>	<u>(95,600)</u>	<u>5,845</u>	<u>101,445</u>
<i>Net Change in Fund Balance</i>	(87,600)	(95,600)	5,845	101,445
<i>Fund Balance Beginning of Year</i>	<u>95,632</u>	<u>95,632</u>	<u>95,632</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 8,032</u></u>	<u><u>\$ 32</u></u>	<u><u>\$ 101,477</u></u>	<u><u>\$ 101,445</u></u>

See accompanying notes to the basic financial statements

**Clay Township**  
**Montgomery County**  
*Statement of Receipts, Disbursements and Changes in*  
*Fund Balance - Budget and Actual - Budget Basis*  
*Garbage & Waste District*  
*For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Charges for Services	\$ 275,000	\$ 275,000	\$ 276,764	\$ 1,764
<i>Total Receipts</i>	<u>\$ 275,000</u>	<u>\$ 275,000</u>	<u>\$ 276,764</u>	<u>\$ 1,764</u>
<b>Disbursements</b>				
Current:				
Public Works	\$ 325,500	\$ 325,500	\$ 319,905	\$ 5,595
<i>Total Disbursements</i>	<u>\$ 325,500</u>	<u>\$ 325,500</u>	<u>\$ 319,905</u>	<u>\$ 5,595</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(50,500)</u>	<u>(50,500)</u>	<u>(43,141)</u>	<u>7,359</u>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	0	0	0	0
Advances Out	0	0	0	0
Other Financing Sources	0	0	0	0
Other Financing Uses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(50,500)	(50,500)	(43,141)	7,359
<i>Fund Balance Beginning of Year</i>	<u>50,558</u>	<u>50,558</u>	<u>50,558</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 58</u></u>	<u><u>\$ 58</u></u>	<u><u>\$ 7,417</u></u>	<u><u>\$ 7,359</u></u>

See accompanying notes to the basic financial statements

**Clay Township**  
**Montgomery County**  
*Statement of Receipts, Disbursements and Changes in*  
*Fund Balance - Budget and Actual - Budget Basis*  
*Police District*  
*For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$ 411,000	\$ 317,891	\$ 402,937	\$ 85,046
Intergovernmental	55,000	55,000	55,095	95
Miscellaneous	23,000	10,000	10,657	657
<i>Total Receipts</i>	<u>\$ 489,000</u>	<u>\$ 382,891</u>	<u>\$ 468,689</u>	<u>\$ 85,798</u>
<b>Disbursements</b>				
Current:				
Public Safety	\$ 700,500	\$ 700,500	\$ 436,227	\$ 264,273
<i>Total Disbursements</i>	<u>\$ 700,500</u>	<u>\$ 700,500</u>	<u>\$ 436,227</u>	<u>\$ 264,273</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(211,500)</u>	<u>(317,609)</u>	<u>32,462</u>	<u>350,071</u>
<i>Net Change in Fund Balance</i>	(211,500)	(317,609)	32,462	350,071
<i>Fund Balance Beginning of Year</i>	<u>309,741</u>	<u>309,741</u>	<u>309,741</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 98,241</u></u>	<u><u>\$ (7,868)</u></u>	<u><u>\$ 342,203</u></u>	<u><u>\$ 350,071</u></u>

See accompanying notes to the basic financial statements

**Clay Township**  
**Montgomery County**  
*Statement of Receipts, Disbursements and Changes in*  
*Fund Balance - Budget and Actual - Budget Basis*  
*Fire District*  
*For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$ 510,000	\$ 532,366	\$ 539,770	\$ 7,404
Intergovernmental	75,000	75,000	74,602	(398)
<i>Total Receipts</i>	<u>\$ 585,000</u>	<u>\$ 607,366</u>	<u>\$ 614,372</u>	<u>\$ 7,006</u>
<b>Disbursements</b>				
Current:				
Public Safety	\$ 577,016	\$ 607,382	\$ 614,373	\$ (6,991)
<i>Total Disbursements</i>	<u>\$ 577,016</u>	<u>\$ 607,382</u>	<u>\$ 614,373</u>	<u>\$ (6,991)</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>7,984</u>	<u>(16)</u>	<u>(1)</u>	<u>15</u>
<i>Net Change in Fund Balance</i>	7,984	(16)	(1)	15
<i>Fund Balance Beginning of Year</i>	<u>16</u>	<u>16</u>	<u>16</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 8,000</u>	<u>\$ 0</u>	<u>\$ 15</u>	<u>\$ 15</u>

See accompanying notes to the basic financial statements

**This page intentionally left blank**

**Clay Township**  
**Montgomery County**

*Notes to the Financial Statements*  
*For the Years Ended December 31, 2009 and 2008*

---

**Note 1 – Reporting Entity**

Clay Township, Montgomery County, Ohio (the Township), is a body politic and corporate established in 1835 to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Township Fiscal Officer.

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

**A. Primary Government**

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, emergency services, maintenance of Township roads and bridges, and cemetery maintenance. The Township contracts with the Village of Phillipsburg, Village of Verona, and City of Brookville for fire protection. Police protection is provided by a fully staffed police department.

**B. Component Units**

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable if the it appoints a voting majority of the organization's governing board and (1) is able to significantly influence programs or services performed or provided by the organization; or (2) 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 organization's debt. The Township is also financially accountable for organizations fiscally dependent on the Township in that it approves their budget, the issuance of their debt or the levying of taxes. Component units also include legally separate, tax-exempt entities whose resources are for direct benefit of the Township, are accessible to the Township and are significant in amount to the Township. The Township has no component units.

**C. Joint Ventures, Jointly Governed Organizations, and Public Entity Risk Pools**

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. Under the cash basis of accounting, the Township does not report assets for equity interests in joint ventures. The Township participates in two joint ventures and one public entity risk pool; Notes 7 and 12 to the financial statements provides additional information for these entities.

Jointly Governed Organizations:

Joint Economic Development District (JEDD) with the City of Clayton  
ClayPhil Waste District with the Village of Phillipsburg

Public Entity Risk Pool:

OTARMA – for rating purposes with the Bureau of Workers' Compensation

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

**Clay Township**  
**Montgomery County**

*Notes to the Financial Statements*  
*For the Years Ended December 31, 2009 and 2008*

---

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

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements and the fund financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Township's accounting policies.

**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 nonexchange transactions.

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

**Fund Financial Statements**

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

**Clay Township**  
**Montgomery County**

*Notes to the Financial Statements*  
*For the Years Ended December 31, 2009 and 2008*

---

**Note 2 – Summary of Significant Accounting Policies** (continued)

**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 governmental.

**Governmental Funds**

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Township's major governmental funds are the General, Cemetery, Garbage and Waste Disposal, Police District and Fire District funds.

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.

Cemetery Fund – is used to account for all receipts received from the sale of cemetery lots and all fees related to burials in the Township's cemetery

Garbage & Waste Disposal Fund – is used to account for all receipts of charges for services to provide Township residents with trash pickup

Police District Fund – is used to account for monies received from tax levy for the purpose of maintaining the police department

Fire District Fund – is used to account for monies received from tax levy for the purpose of maintaining the fire department

Capital Projects OPWC – received grants from Ohio Public Works Commission for construction projects within the Township

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

**C. Basis of Accounting**

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

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

**Clay Township**  
**Montgomery County**

*Notes to the Financial Statements*  
*For the Years Ended December 31, 2009 and 2008*

---

**Note 2 – Summary of Significant Accounting Policies** (continued)

**D. Budgetary Process**

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

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

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

**E. Cash and Investments**

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

Investments original maturities of three months or less at the time of purchase and investments of the cash management pool are presented on the financial statements as cash equivalents. Investments with maturities of more than three months that were not purchased from the pool are reported as investments. Investments are reported as assets. Accordingly, purchases 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, respectively. During 2009 and 2008, the Township invested in STAR Ohio, certificates of deposit and a money market account.

STAR Ohio is an investment pool, managed by the 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 and 2008.

Interest earnings are allocated to Township funds according to State statutes. Interest receipts credited to the General Fund during 2009 and 2008 were \$1,117 and \$9,893, respectively.

**Clay Township**  
**Montgomery County**  
*Notes to the Financial Statements*  
*For the Years Ended December 31, 2009 and 2008*

---

**Note 2 – Summary of Significant Accounting Policies** (continued)

**F. Restricted Assets**

The Township has no restricted assets.

**G. Inventory and Prepaid Items**

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

**H. Capital Assets**

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

**I. Accumulated Leave**

In certain circumstances, such as 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 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

**K. Net Assets**

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for road and bridge maintenance, cemetery maintenance, fire protection and emergency rescue services. The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

**Note 3 – 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, cemetery, garbage & waste, police district, and fire district fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The Township has no outstanding encumbrances at year end.

**Clay Township**  
**Montgomery County**

*Notes to the Financial Statements*  
*For the Years Ended December 31, 2009 and 2008*

---

**Note 4 – Compliance**

Ohio Rev. Code Section 5705.36 requires all subdivision to request reduced amended certificates upon determination that revenue will be less than the official certificate of estimated resources. Contrary to Ohio Law, appropriations exceeded actual receipts plus unencumbered balance in 2009 in the Motor Vehicle License, Gas Tax, Garbage, Fire, Drug Enforcement, Permissive Motor Vehicle, Lighting, JEDD and Economic Development funds by \$6,848, \$5,859, \$8,591, \$13,162, \$343, \$6,629, \$13,837 and \$29,945, respectively. In 2008 in the Motor Vehicle License, Gas Tax, Road and Bridge, Permissive Motor Vehicle, JEDD and Economic Development funds by \$5,537, \$997, \$4,739, \$4,286, \$20,273 and \$2,945, respectively.

Ohio Rev. Code Section 5705.39 states the total appropriation from each fund shall not exceed the total estimated resources. Contrary to Ohio Law, the Township's appropriations exceeded estimated resources in 2009 in the General Fund by \$3,095.

Ohio Rev. Code Section 5705.41(B) states that no subdivision or taxing unit shall expend money unless it has been appropriated. Contrary to Ohio Law, in 2008 the Township had expenditures which exceeded appropriations in the Fire District Fund by \$6,991.

**Note 5 – Deposits and Investments**

Monies held by the Township are classified by State statute into three categories.

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

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

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

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

1. United States Treasury bills, bonds, notes, or other obligation or security issued by the United States Treasury, or other obligations 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;

**Clay Township**  
**Montgomery County**  
*Notes to the Financial Statements*  
*For the Years Ended December 31, 2009 and 2008*

---

**Note 5 – Deposits and Investments** (continued)

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

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

A. Deposits

At year-ended December 31, 2009, the carrying amount of the Township's deposits was \$973,257, and the bank balance was \$1,084,259. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures" \$834,259 was exposed to custodial risk as discussed below, while \$250,000 was covered by federal depository insurance corporation. At year-ended December 31, 2008, the carrying amount of the Township's deposits was \$802,272, and the bank balance was \$979,486. Of the bank balance \$729,486 was exposed to custodial risk as discussed below, while \$250,000 was covered by federal depository insurance corporation.

Custodial credit risk is the risk that in the event of bank failure, the Township's deposits may not be returned. Such collateral, as permitted by the Ohio revised code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name or the respective depository bank and pledged as a poll of collateral against all the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the Township.

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.

**Clay Township**  
**Montgomery County**

*Notes to the Financial Statements*  
*For the Years Ended December 31, 2009 and 2008*

---

**Note 5 – Deposits and Investments** (continued)

**B. Investments**

As of December 31, 2009 and 2008, the Township had the following investments:

	Carrying Value <u>2009</u>	Carrying Value <u>2008</u>
STAR Ohio	<u>\$120,549</u>	<u>\$120,254</u>

These investments have a maturity of less than one year.

Interest rate risk arises because the fair value of investments changes as interest rates change. 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, thereby avoiding that need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

STAR Ohio carries a rating of AAA by Standard and Poor's. The Township's investment policy is limited to requiring compliance with state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

Credit Risk – the Money Market Fund carries a rating of AAA by Standard and Poor's and AAA by Moody's. The Township's Investment Policy is limited to requiring compliance with state statutes. Ohio law requires at least one nationally recognized standard rating service.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. U.S. Treasury Bills are exposed to custodial credit risk as they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the Township's name. The Township has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M) (2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee." The Township has no limit on the amount it invests in any one issuer.

**Note 6 – Property Taxes**

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

**Clay Township**  
**Montgomery County**

*Notes to the Financial Statements*  
*For the Years Ended December 31, 2009 and 2008*

---

**Note 6 – Property Taxes** (continued)

Public utility property tax revenue received in 2009 and 2008, represent the collection of calendar year 2008 and 2007 taxes. Public utility real and tangible personal property taxes received in 2009 and 2008, became a lien on December 31, 2007 and 2006, and are collected with real property taxes. Certain public utility tangible personal property is currently assessed at 100 percent of its true value. Public utility real property is assessed at thirty-five percent of true value; public utility property taxes are payable on the same dates as real property as described previously.

In prior years, tangible personal property used in business (except for public utilities) was assessed for ad valorem taxation purposes at twenty-five percent of its true value. As part of the phase out of the personal property tax, the assessment percentage of personal property was reduced to 6.25% for 2008. The tax was entirely phased out in 2009. Amounts paid by multi-county taxpayers are due September 20<sup>th</sup> of the year assessed. Single county taxpayers may pay annually or semi-annually the first payment due April 30<sup>th</sup>, the remainder payable by September 30<sup>th</sup>.

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

	<u>2009</u>	<u>2008</u>
Real Property		
Residential & Agricultural	\$143,527,650	\$141,508,990
Commercial & Industrial	29,454,300	28,274,020
Public Utility – Personal Property	3,883,270	3,822,660
Tangible Personal Property	781,270	5,008,090
Total Assessed Value	<u>\$177,646,490</u>	<u>\$178,613,760</u>

**Note 7 – Risk Management**

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

The Township insures against injuries to employees through the Ohio Bureau of Workers' Compensation.

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of OTARMA and provides underwriting, claims, loss control, risk management, and reinsurance services for OTARMA. OTARMA is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

**Clay Township**  
**Montgomery County**

*Notes to the Financial Statements*  
*For the Years Ended December 31, 2009 and 2008*

---

**Note 7 – Risk Management** (continued)

Casualty and Property Coverage

APEEP provides OTARMA with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2008, OTARMA retained \$350,000 for casualty claims and \$100,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

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

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2008 and 2007 (the latest information available):

	<u>2008</u>	<u>2007</u>
Assets	\$ 40,737,740	\$43,210,703
Liabilities	<u>(12,981,818)</u>	<u>(13,357,837)</u>
Net Assets	<u>\$ 27,755,922</u>	<u>\$ 29,852,866</u>

At December 31, 2008 and 2007, respectively, liabilities above include approximately \$12.1 million and \$12.5 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$10.9 and \$11.6 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2008 and 2007, respectively. These amounts will be included in future contributions from members when the related claims are due for payment.

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

**Contributions to OTARMA**

2009	\$18,756
2008	\$20,739
2007	\$19,725

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

**Clay Township**  
**Montgomery County**  
*Notes to the Financial Statements*  
*For the Years Ended December 31, 2009 and 2008*

---

**Note 8 – Defined Benefit Pension Plan**

**A. Ohio Public Employees Retirement System**

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

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

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For the years ended December 31, 2009 and December 31, 2008 members in state and local classifications contributed 10.0 percent of covered payroll. The Township's contribution rate for 2009 and 2008 was 14.0 percent of covered payroll. State statute sets a maximum contribution rate of the Township of 14 percent.

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 \$115,291, \$114,139, and \$124,154, respectively. The full amount has been contributed for 2009, 2008, and 2007.

**Note 9 – Postemployment Benefits**

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.

The Ohio Public Employees Retirement System (OPERS) maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan. For qualifying members of the Traditional Pension and Combined Plans, this plan includes a medical plan, prescription drug program, and Medicare Part B premium reimbursement. Those belonging to 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.

**Clay Township**  
**Montgomery County**

*Notes to the Financial Statements*  
*For the Years Ended December 31, 2009 and 2008*

---

**Note 9 – Postemployment Benefits** (continued)

The healthcare 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 OPEN benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

The Ohio Revised Code provides 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 benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2009 and 2008, local government employer units contributed at 14 percent and 14 percent of covered payroll, respectively. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units. Active members do not make contributions to the OPEB plan.

OPERS’ Post-employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, 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 2008 through March 31, 2009, the employer contribution allocated to the health care plan was 7.0 percent and 5.5 percent from April 1 through December 31, 2009, respectively, of covered payroll. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and coverage selected.

The Township’s contributions to OPERS to fund postemployment healthcare benefits for the years ended December 31, 2009, 2008, and 2007 were \$47,269, \$45,656, and \$79,458, respectively; 100 percent has been contributed for 2009, 2008, and 2007.

The OPERS Retirement Board adopted the Health Care Preservation Plan (HCPP) on September 9, 2004, was effective on January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008 which allowed additional funds to be allocated to the healthcare plan.

**Note 10 – Debt**

The Township’s long-term debt authority for the year ended December 31, 2009 was as follows:

<u>Governmental Activities</u>	<u>Interest Rate</u>	<u>Balance December 31, 2008</u>	<u>Reductions</u>	<u>Balance December 31, 2009</u>
Cemetery Site Acquisition Note	4.10%	\$30,324	\$29,079	\$1,245

**Clay Township**  
**Montgomery County**  
*Notes to the Financial Statements*  
*For the Years Ended December 31, 2009 and 2008*

---

**Note 10 – Debt** (continued)

The Township’s long-term debt authority for the year ended December 31, 2008 was as follows:

<u>Governmental Activities</u>	<u>Interest Rate</u>	<u>Balance December 31, 2007</u>	<u>Reductions</u>	<u>Balance December 31, 2008</u>
Cemetery Site Acquisition Note	4.10%	\$57,909	\$27,585	\$30,324

The Cemetery site acquisition note was issued for the purchase of land for a cemetery in 2000. It was refinanced in June 2005. The note is collateralized solely by the Township’s taxing authority. Amortization of the above debt, including interest, is scheduled as follows:

<u>For Year Ending December 31:</u>	<u>Cemetery Principal</u>	<u>Interest</u>
2010	\$ 1,245	\$ 51

**Note 11 – Subsequent Events**

Management has evaluated subsequent events through May 25, 2010, the date on which the financial statements were available for issue. No subsequent events which would warrant inclusion have been discovered.

The Township was approved for two grants from Ohio Public Works Commission (OPWC) to fund the completion Dodson Road Project Phase III and IV in the amount of \$304,652 and \$321,036; the payments were released January 2010.

**Note 12 – Joint Ventures**

**Joint waste district – ClayPhil waste district**

The Township and the Village of Philipsburg joined together to form a joint district for the benefit of trash collection for the residents of the Township and Village. The contract is with Dempsey Waste and was renewed in 2007 for a term of three years.

**Clay Township**  
**Montgomery County**  
*Notes to the Financial Statements*  
*For the Years Ended December 31, 2009 and 2008*

---

**Note 12 – Joint Ventures** (continued)

**Joint Economic Development District (JEDD) with the City of Clayton**

The District was established for the purpose of facilitating economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people in the District. The District will permit the City and the Township to share income tax revenues from the development of business operations within the District. After the payment of the District's obligations, the District shall distribute 85 percent of any remaining income tax receipts, at 60 percent to the Township and 40 percent to the City. The contract will terminate on December 31, 2037, and can be renewed for two additional ten year periods. Upon contract termination, all assets and liabilities of the District will be distributed 60 percent to the Township and 40 percent to the City. The Board of Directors is made up of five individuals: a representative of the City, a representative of the Township, a representative of the business owners located within the District, a representative of the people working within the District, and a representative appointed by the other four representatives who will serve as the Chairperson of the Board.

The District is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the Township. Additional information can be obtained from Joe Tuss, President, at 451 West Third Street, Dayton, Ohio 45422.

**This page intentionally left blank**

**Manning & Associates CPAs, LLC  
6105 North Dixie Drive  
Dayton, Ohio 45414**

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

Clay Township  
Montgomery County  
8207 Arlington Rd.  
Brookville, Ohio 45309

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Clay Township, Montgomery County, Ohio (the Township), as of and for the years ended December 31, 2009 and 2008, which collectively comprise the Township's basic financial statements and have issued our report thereon dated May 25, 2010, wherein we noted the Township uses a comprehensive basis of accounting other than generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies, or material weaknesses. However, as described in the accompanying schedule of findings, we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider Findings Number 2009-001 through 2009-003 to be material weaknesses.

### **Compliance and Other Matters**

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* and which are described in the accompanying schedule of findings as Findings Number 2009-001 and 2009-004 through 2009-006.

We also noted certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated May 25, 2010.

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

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

Manning & Associates CPAs, LLC  
Dayton, Ohio

May 25, 2010

**CLAY TOWNSHIP  
MONTGOMERY COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

---

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

**FINDING NUMBER 2009-001**

**Material Weakness**

**Auditor of State Bulletin 2000-008** states, when a local government enters into an on-behalf-of program agreement with another local government or the State (or the federal government, if applicable), whereby the local government or its residents are the beneficiaries under the agreement, the cash value benefit of the program received under the agreement should be recorded as memorandum receipts and disbursements in the year on-behalf-of disbursements are made.

The Township was the beneficiary of multiple Ohio Public Works Commission grants during the audit period which were received as on-behalf payments made directly to vendors. However, these grants were not properly recorded in either year. In 2009 the Township recorded \$321,964 of on-behalf payments which were not processed by OPWC until 2010. In 2008, \$256,965 received as on-behalf payments were not recorded by the Township.

We recommend the Township record future payments made by the grant as receipts and disbursements within the appropriate fund and such monies should be properly included in the Township's budget. An official certificate of estimated resource should be obtained for any on-behalf-payments expected, and a resolution passed to include the grant in the Township's appropriation measure under Ohio Rev. Code section 5705.40. The accompanying financial statements have been adjusted to reflect this activity for the correct amount of benefits received each year.

Response: The Township will review AOS Bulletin 2000-008, and record on-behalf payments as required.

**FINDING NUMBER 2009-002**

**Material Weakness - Financial Reporting**

As a result of the audit procedures performed, misclassifications were noted in the financial statements that required material audit adjustments.

1. Selected Miscellaneous Receipts were posted as Other Financing Sources
2. On behalf payments from Ohio Public Works Commission (OPWC) were not properly recorded and required adjustments of \$321,964 in 2009 and \$256,965 in 2008, see finding above.
3. Debt payments were recorded as capital outlay and miscellaneous expenses in both 2009 and 2008
4. Budgetary reporting of estimated resources and appropriations on the Township's financial statement did not agree with the amounts filed with the County Auditor.

**CLAY TOWNSHIP  
MONTGOMERY COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

---

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

**FINDING NUMBER 2009-002 (Continued)**

The financial statements have been adjusted to reflect the previously noted items.

Sound financial reporting is the responsibility of the Fiscal Officer and Trustees and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. Procedures should be implemented, including a final review of the annual report by Trustees to identify and correct misclassifications.

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

**FINDING NUMBER 2009-003**

**Material Weakness - Payroll Processing**

Township employees are not paid according to the hours worked during the period for which they are being paid. This is the result of the Township's policy of requiring department heads to turn in timesheets for their department at the end of each month after the employees have already been paid for that period. This policy requires that the Fiscal Officer regularly estimate the amount to be paid to each employee and to constantly adjust each estimated paycheck to reflect any differences between the amount previously paid and the amount which should have been paid based on the actual hours worked.

The Township pays most employees bi-monthly at an hourly rate. For the 1<sup>st</sup> pay cycle of the month employees are paid half of their average monthly salary. The 2<sup>nd</sup> pay cycle of the month is then adjusted for any overpayment or underpayment of regular hours, overtime, sick or vacation hours used or earned, etc. which were incorrectly paid on the previous paycheck.

This process is further complicated by some department heads not getting timesheets to the fiscal officer until after the final pay date of the month. When this happens the Fiscal Officer must estimate payroll for that department's employees for an entire month without proper documentation.

We saw no evidence to suggest that payroll estimates and calculations were being double checked or monitored. This policy, by design, creates an overly complex system where proper monitoring cannot easily be achieved. We believe that this policy creates an ideal situation for fraud to occur. While we did not note any fraudulent activity, were fraud to occur, it could easily go undetected for a long period of time.

We recommend that the Township eliminate the complexity of their current policy and implement a less complicated policy with more transparency which allows for easy monitoring of payroll expenditures and is conducive to proper oversight and control. Township Trustees should then implement controls that allow them to properly review payroll expenditures for accuracy.

Response: The Township will review its current procedures and implement changes as needed.

**CLAY TOWNSHIP  
MONTGOMERY COUNTY**

SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

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

**FINDING NUMBER 2009-004**

**Noncompliance**

**Ohio Rev. Code Section 5705.39** states that the total appropriations from each fund shall not exceed the total estimated revenue available for expenditure there from, as certified by the budget commission. No appropriation measure is to become effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate. In 2009, the General Fund had appropriations in excess of the actual resources available for expenditure, as follows:

<b>Fund</b>	<b>Available Resources</b>	<b>Appropriations</b>	<b>Variance</b>
<b>2009</b>			
General	\$ 562,405	\$ 565,500	\$ (3,095)

Failure to properly monitor and compare estimated resources and appropriations increases the likelihood that the Township will inadvertently overspend.

Response: The Township will more closely monitor budgetary compliance in the future.

**FINDING NUMBER 2009-005**

**Noncompliance**

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

In 2008 the Township had expenditures in excess of appropriations as follows:

<b>Fund</b>	<b>Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>
Fire District	\$ 607,382	\$ 614,373	\$ (6,991)

Expenditures in excess of appropriations could result in negative fund balances and lead to overspending. The Township should ensure that annual appropriations are passed timely, appropriations and expenditures are monitored, and that revisions are made as necessary.

Response: The Township will more closely monitor budgetary compliance in the future.

**CLAY TOWNSHIP  
MONTGOMERY COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

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

**FINDING NUMBER 2009-006**

**Noncompliance**

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

An increased amended certificate must be obtained from the budget commission if the legislative authority intends to appropriate and expend the excess revenue. A reduced amended certificate must be obtained if the amount of the deficiency will reduce available resources below that current level of appropriation. The following funds were determined to have estimated receipts significantly in excess of actual receipts, which were less than total fund appropriations:

<b>Fund</b>	<b>Total Resources Available</b>	<b>Final Appropriations</b>	<b>Variance</b>
<b>2009</b>			
Motor Vehicle License	\$20,152	\$27,000	(\$6,848)
Gasoline Tax	107,641	113,500	(5,859)
Garbage and Waste Dist	277,909	286,500	(8,591)
Fire District	630,328	643,490	(13,162)
Drug Enforcement	22,657	23,000	(343)
Permissive MVL	45,371	52,000	(6,629)
JEDD	90,163	104,000	(13,837)
Economic Development	55	30,000	(29,945)
<b>2008</b>			
Motor Vehicle License	\$35,843	\$41,400	(\$5,557)
Gasoline Tax	135,003	136,000	(997)
Road and Bridge	171,051	175,790	(4,739)
Permissive MVL	47,714	52,000	(4,286)
JEDD	29,727	50,000	(20,273)
Economic Development	13,355	16,300	(2,945)

The Board should monitor receipts and amend estimated receipts when necessary to keep estimated receipts in line with actual receipts and make corresponding amendments to its appropriations and disbursements.

Response: The Township has made improvements on monitoring and amending certificates of estimated resources and will continue to monitor budgetary compliance more closely.

**CLAY TOWNSHIP  
MONTGOMERY COUNTY**

SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2007 AND 2006

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Correction Action Taken; or Finding No Longer Valid; <b>Explain</b>
2007-001	ORC Sec. 5705.41(D) - Failure to certify availability of funds prior to incurring an expense	Partially	Reissued as Management Comment
2007-002	Failure to proper record on-behalf payments made to contractors.	No	Reissued as Finding Number 2009-001
2007-003	Failure to proper record revenue and expenditures	No	Reissued as Finding Number 2009-002
2007-004	Failure to deposit cash collections from waste billings and retaining for petty cash	Yes	
2007-005	Failure to properly process payroll in the actual period earned	No	Reissued as Finding Number 2009-003



Mary Taylor, CPA  
Auditor of State

CLAY TOWNSHIP  
MONTGOMERY 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  
AUGUST 5, 2010