

**CEDARVILLE TOWNSHIP**

**GREENE COUNTY, OHIO**

**BIENNIAL AUDIT**

**JANUARY 1, 2004 - DECEMBER 31, 2005**





**Auditor of State  
Betty Montgomery**

Board of Trustees  
Cedarville Township  
3325 Fishworm Road  
Cedarville, Ohio 45314

We have reviewed the *Independent Auditor's Report* of Cedarville Township, Greene County, prepared by Kennedy, Cottrell + Associates, LLC for the audit period January 1, 2004 through December 31, 2005. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

June 28, 2006

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**Cedarville Township, Greene County  
January 1, 2004 to December 31, 2005**

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## INDEPENDENT AUDITOR'S REPORT

Cedarville Township  
To the Trustees of Cedarville Township

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cedarville Township, Greene County, Ohio (the Township), as of and for the years ended December 31, 2005 and 2004, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As discussed in Note 1, the accompanying financial statements and notes follow the modified cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Cedarville Township, Greene County, Ohio, as of December 31, 2005 and 2004, and the respective changes in modified cash basis financial position thereof for the years then ended in conformity with the accounting basis Note 1 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2006, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. It does not opine on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's discussion and analysis and the respective budgetary comparisons for the General, Gas Tax, Fire, and Cemetery funds are not a required part of the basic financial statements but are supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

Cedarville Township  
Independent Auditor's Report  
Page 2

This report is intended solely for the information and use of Township management, Board of Trustees and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than those specified parties.

*Kennedy, Cottrell + Associates LLC*

Kennedy, Cottrell + Associates  
June 14, 2006

**CEDARVILLE TOWNSHIP**  
Management's Discussion and Analysis  
For the Years Ended December 31, 2005 and 2004  
Unaudited

This discussion and analysis of Cedarville Township's financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2005 and 2004, within the limitations of the Township's modified cash basis of 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 2005 and 2004 are as follows:

- Net assets of governmental activities increased \$20,102, or 2.9%, in 2005, and \$113,046, or 19.6% in 2004.
- Township's funds reported combined ending fund balances of \$710,123 and \$690,021 at fiscal year-end 2005 and 2004, respectively. The majority of this balance is available for spending at the Township's discretion.
- Unreserved fund balance in the general fund, the Township's chief operating fund, was \$284,464 and \$250,694 at fiscal year-end 2005 and 2004, respectively.

**Using the Basic Financial Statements**

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's modified cash basis of accounting. Fiscal year 2004 was the Township's first year using this basis of accounting, therefore, a comparison with 2003 is not available. A comparative analysis will be presented in future years when prior year information is available.

**Report Components**

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

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

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

**Basis of Accounting**

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

**CEDARVILLE TOWNSHIP**  
Management's Discussion and Analysis  
For the Years Ended December 31, 2005 and 2004  
Unaudited

**Basis of Accounting (continued)**

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

**Reporting the Township as a Whole**

The statement of net assets and the statement of activities reflect how the Township did financially during 2005 and 2004, within the limitations of modified cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

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

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

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

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

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

**CEDARVILLE TOWNSHIP**  
Management's Discussion and Analysis  
For the Years Ended December 31, 2005 and 2004  
Unaudited

**Basis of Accounting (continued)**

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

**The Township as a Whole**

Table 1 provides a summary of the Township's net assets for 2005 compared to 2004 on a modified cash basis:

(Table 1)  
**Net Assets**

	<u>Governmental Activities</u>	
	<u>2005</u>	<u>2004</u>
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$ 546,282	\$ 528,176
Investments	<u>163,841</u>	<u>161,845</u>
Total Assets	<u>710,123</u>	<u>690,021</u>
<b>Net Assets</b>		
Restricted for:		
Expendable Trust	28,018	26,181
Non-Expendable Trust	136,993	136,993
Other Purposes	260,648	276,153
Unrestricted	<u>284,464</u>	<u>250,694</u>
Total Net Assets	<u>\$ 710,123</u>	<u>\$ 690,021</u>

**CEDARVILLE TOWNSHIP**  
Management's Discussion and Analysis  
For the Years Ended December 31, 2005 and 2004  
Unaudited

Table 2 reflects the changes in net assets in 2005, compared to 2004.

(Table 2)  
**Changes in Net Assets**

	Governmental Activities 2005	Governmental Activities 2004	Increase/ (Decrease)
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$109,560	\$126,700	(\$17,140)
Operating Grants and Contributions	98,422	97,587	\$835
Total Program Receipts	<u>207,982</u>	<u>224,287</u>	<u>(16,305)</u>
General Receipts:			
Property and Other Local Taxes	387,706	518,109	(\$130,403)
Unrestricted Grants and Entitlements	25,507	28,355	(\$2,848)
Payments in Lieu of Taxes	40,342	39,957	\$385
Interest	16,584	6,756	\$9,828
Miscellaneous	9,666	22,907	(\$13,241)
Total General Receipts	<u>479,805</u>	<u>616,084</u>	<u>(136,279)</u>
Total Receipts	<u>687,787</u>	<u>840,371</u>	<u>(152,584)</u>
Disbursements:			
General Government	132,202	200,951	(\$68,749)
Public Safety	255,626	242,980	\$12,646
Public Works	113,984	169,922	(\$55,938)
Health	42,425	40,534	\$1,891
Other	50	-	\$50
Capital Outlay	123,398	72,938	\$50,460
Total Disbursements	<u>667,685</u>	<u>727,325</u>	<u>(59,640)</u>
Increase (Decrease) in Net Assets	20,102	113,046	(\$92,944)

The Township received \$8,065 and \$141,138 in estate taxes in fiscal years 2005 and 2004, respectively. This explains the significant decrease in Property and Other Local Taxes in 2005.

General receipts represented 69.8% and 73.3% of total receipts in fiscal years 2005 and 2004, respectively.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the costs of the trustees and clerk. Public Safety disbursements are the costs of fire protection and Public Works are the costs of maintaining the roads.

**CEDARVILLE TOWNSHIP**  
 Management's Discussion and Analysis  
 For the Years Ended December 31, 2005 and 2004  
 Unaudited

**Governmental Activities**

If you look at the Statement of Activities on pages 12 and 13, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for general government, public safety, and public works, which account for 75.1% and 84.4% of total disbursements in 2005 and 2004, respectively. The next two columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

	<b>Governmental Activities</b>			
	Total Cost Of Services	Net Cost of Services	Total Cost Of Services	Net Cost of Services
	<u>2005</u>	<u>2005</u>	<u>2004</u>	<u>2004</u>
General Government	\$ 132,202	\$ 132,202	\$ 200,951	\$ 200,951
Public Safety	255,626	173,449	242,980	153,149
Public Works	113,984	15,562	169,922	72,335
Health	42,425	15,042	40,534	3,665
Other	50	50	-	-
Capital Outlay	<u>123,398</u>	<u>123,398</u>	<u>72,938</u>	<u>72,938</u>
Total Expenses	<u>\$ 667,685</u>	<u>\$ 459,703</u>	<u>\$ 727,325</u>	<u>\$ 503,038</u>

Table 3 illustrates the reliance the Township places on general receipts such as property taxes.

**CEDARVILLE TOWNSHIP**  
Management's Discussion and Analysis  
For the Years Ended December 31, 2005 and 2004  
Unaudited

The Township's Funds

Total governmental funds had receipts of \$687,787 and \$840,371 and disbursements of \$667,635 and \$727,325 in 2005 and 2004, respectively. The greatest change within governmental funds occurred within the Fire Fund. The fund balance of the Fire Fund decreased \$ 50,751.15 as the result of increased costs for salaries and benefits and purchase of new fire equipment.

Fire Fund receipts were less than disbursements by \$ 50,752 during 2005, indicating that the Fire Fund is in a deficit spending situation. It was the recommendation of the administration that a reduction in disbursements was preferable to requesting additional funds from the taxpayers. The Trustees will be more prudent with the purchase of fire equipment.

**General Fund Budgeting Highlights**

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

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

**Contacting the Township's Financial Management**

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

**Cedarville Township, Greene County**  
*Statement of Net Assets - Modified Cash Basis*  
*December 31, 2005*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 546,282
Investments	163,841
<i>Total Assets</i>	710,123
 <b>Net Assets</b>	
Restricted for:	
Expendable	28,018
NonExpendable	136,993
Other Purposes	260,648
Unrestricted	284,464
<i>Total Net Assets</i>	\$ 710,123

See accompanying notes to the basic financial statements

**Cedarville Township, Greene County**  
*Statement of Net Assets - Modified Cash Basis*  
*December 31, 2004*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 528,176
Investments	161,845
<i>Total Assets</i>	690,021
 <b>Net Assets</b>	
Restricted for:	
Expendable	26,181
NonExpendable	136,993
Other Purposes	276,153
Unrestricted	250,694
<i>Total Net Assets</i>	\$ 690,021

See accompanying notes to the basic financial statements

**Cedarville Township, Greene County**  
*Statement of Activities - Modified Cash Basis*  
For the Year Ended December 31, 2005

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Total Governmental Activities
<b>Governmental Activities</b>				
General Government	\$ 132,202	\$ -	\$ -	\$ (132,202)
Public Safety	255,626	82,177	-	(173,449)
Public Works	113,984	-	98,422	(15,562)
Health	42,425	27,383	-	(15,042)
Other	50	-	-	(50)
Capital Outlay	123,398	-	-	(123,398)
<i>Total Governmental Activities</i>	<u>\$ 667,685</u>	<u>\$ 109,560</u>	<u>\$ 98,422</u>	<u>\$ (459,703)</u>

**General Receipts**

Property and Other Local Taxes	387,706
Unrestricted Grants and Entitlements	25,507
Payments in Lieu of Taxes	40,342
Interest	16,584
Miscellaneous	9,666
<i>Total General Receipts</i>	479,805
Change in Net Assets	20,102
<i>Net Assets Beginning of Year</i>	690,021
<i>Net Assets End of Year</i>	<u>\$ 710,123</u>

See accompanying notes to the basic financial statements

**Cedarville Township, Greene County**  
*Statement of Activities - Modified Cash Basis*  
For the Year Ended December 31, 2004

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Total Governmental Activities
<b>Governmental Activities</b>				
General Government	\$ 200,951	\$ -	\$ -	\$ (200,951)
Public Safety	242,980	89,831	-	(153,149)
Public Works	169,922	-	97,587	(72,335)
Health	40,534	36,869	-	(3,665)
Capital Outlay	72,938	-	-	(72,938)
<i>Total Governmental Activities</i>	<u>\$ 727,325</u>	<u>\$ 126,700</u>	<u>\$ 97,587</u>	<u>\$ (503,038)</u>

**General Receipts**

Property and Other Local Taxes	518,109
Unrestricted Grants and Entitlements	28,355
Payments in Lieu of Taxes	39,957
Interest	6,756
Miscellaneous	22,907
<i>Total General Receipts</i>	<u>616,084</u>
Change in Net Assets	113,046
<i>Net Assets Beginning of Year</i>	<u>576,975</u>
<i>Net Assets End of Year</i>	<u>\$ 690,021</u>

See accompanying notes to the basic financial statements

**Cedarville Township, Greene County**  
*Statement of Modified Cash Basis Assets and Fund Balances*  
*Governmental Funds*  
*December 31, 2005*

	General	Gas Tax	Fire Fund	Cemetery Fund	Cemetery Bequest	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>							
Equity in Pooled Cash and Cash Equivalents	\$ 284,464	\$ 65,109	\$ 81,370	\$ 82,036	\$ 1,170	\$ 32,133	\$ 546,282
Investments	-	-	-	-	163,841	-	163,841
<i>Total Assets</i>	<u>284,464</u>	<u>65,109</u>	<u>81,370</u>	<u>82,036</u>	<u>165,011</u>	<u>32,133</u>	<u>710,123</u>
<b>Fund Balances</b>							
Reserved for Endowments	-	-	-	-	165,011	-	165,011
Unreserved, Reported in:							
General Fund	284,464	-	-	-	-	-	284,464
Special Revenue Funds	-	65,109	81,370	82,036	-	32,133	260,648
<i>Total Fund Balances</i>	<u>\$ 284,464</u>	<u>\$ 65,109</u>	<u>\$ 81,370</u>	<u>\$ 82,036</u>	<u>\$ 165,011</u>	<u>\$ 32,133</u>	<u>\$ 710,123</u>

See accompanying notes to the basic financial statements

**Cedarville Township, Greene County**  
*Statement of Modified Cash Basis Assets and Fund Balances*  
 Governmental Funds  
 December 31, 2004

	General	Fire Fund	Cemetery Fund	Cemetery Bequest	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Equity in Pooled Cash and Cash Equivalents	\$ 250,694	\$ 132,122	\$ 80,528	\$ 1,329	\$ 63,503	\$ 528,176
Investments	-	-	-	161,845	-	161,845
<i>Total Assets</i>	<u>250,694</u>	<u>132,122</u>	<u>80,528</u>	<u>163,174</u>	<u>63,503</u>	<u>690,021</u>
<b>Fund Balances</b>						
Reserved for Endowments	-	-	-	163,174	-	163,174
Unreserved, Reported in:						
General Fund	250,694	-	-	-	-	250,694
Special Revenue Funds	-	132,122	80,528	-	63,503	276,153
<i>Total Fund Balances</i>	<u>\$ 250,694</u>	<u>\$ 132,122</u>	<u>\$ 80,528</u>	<u>\$ 163,174</u>	<u>\$ 63,503</u>	<u>\$ 690,021</u>

See accompanying notes to the basic financial statements

**Cedarville Township, Greene County**  
*Statement of Cash Receipts, Disbursements and Changes in Modified-Cash Basis Fund Balances*  
 Governmental Funds  
 For the Year Ended December 31, 2005

	General	Gas Tax	Fire Fund	Cemetery Fund	Cemetery Bequest	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>							
Property and Other Local Taxes	\$ 117,947	\$ -	\$ 214,008	\$ -	\$ -	\$ 47,686	\$ 379,641
Charges for Services	-	-	82,177	11,000	-	-	93,177
Licenses, Permits and Fees	16,383	-	-	-	-	-	16,383
Intergovernmental	49,992	74,564	31,810	-	-	23,781	180,147
Interest	13,055	1,523	-	-	1,837	169	16,584
Other	1,578	-	277	-	-	-	1,855
<b>Total Receipts</b>	<b>198,955</b>	<b>76,087</b>	<b>328,272</b>	<b>11,000</b>	<b>1,837</b>	<b>71,636</b>	<b>687,787</b>
<b>Disbursements</b>							
Current:							
General Government	132,202	-	-	-	-	-	132,202
Public Safety	-	-	255,626	-	-	-	255,626
Public Works	-	51,582	-	-	-	62,402	113,984
Health	32,933	-	-	9,492	-	-	42,425
Capital Outlay	-	-	123,398	-	-	-	123,398
<b>Total Disbursements</b>	<b>165,135</b>	<b>51,582</b>	<b>379,024</b>	<b>9,492</b>	<b>-</b>	<b>62,402</b>	<b>667,635</b>
Excess of Receipts Over (Under) Disbursements	33,820	24,505	(50,752)	1,508	1,837	9,234	20,152
<b>Other Financing Sources (Uses)</b>							
Other Financing Uses	(50)	-	-	-	-	-	(50)
<b>Total Other Financing Sources (Uses)</b>	<b>(50)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(50)</b>
Net Change in Fund Balances	33,770	24,505	(50,752)	1,508	1,837	9,234	20,102
Fund Balances Beginning of Year	250,694	40,604	132,122	80,528	163,174	22,899	690,021
Fund Balances End of Year	\$ 284,464	\$ 65,109	\$ 81,370	\$ 82,036	\$ 165,011	\$ 32,133	\$ 710,123

See accompanying notes to the basic financial statements

**Cedarville Township, Greene County**  
*Statement of Cash Receipts, Disbursements and Changes in Modified-Cash Basis Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2004*

	General	Fire Fund	Cemetery Fund	Cemetery Bequest	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>						
Property and Other Local Taxes	\$ 121,242	\$ 208,385	\$ -	\$ -	\$ 46,343	\$ 375,970
Charges for Services	-	89,831	18,000	-	-	107,831
Licenses, Permits and Fees	18,869	-	-	-	-	18,869
Intergovernmental	182,907	36,249	-	-	87,967	307,123
Interest	5,116	-	-	1,182	458	6,756
Other	10,613	9,264	-	-	3,945	23,822
<b>Total Receipts</b>	<b>338,747</b>	<b>343,729</b>	<b>18,000</b>	<b>1,182</b>	<b>138,713</b>	<b>840,371</b>
<b>Disbursements</b>						
Current:						
General Government	200,951	-	-	-	-	200,951
Public Safety	-	242,980	-	-	-	242,980
Public Works	45,681	-	-	-	124,241	169,922
Health	34,427	-	6,107	-	-	40,534
Capital Outlay	-	72,938	-	-	-	72,938
<b>Total Disbursements</b>	<b>281,059</b>	<b>315,918</b>	<b>6,107</b>	<b>-</b>	<b>124,241</b>	<b>727,325</b>
Excess of Receipts Over (Under) Disbursements	57,688	27,811	11,893	1,182	14,472	113,046
Net Change in Fund Balances	57,688	27,811	11,893	1,182	14,472	113,046
Fund Balances Beginning of Year	193,006	104,311	68,635	161,992	49,031	576,975
Fund Balances End of Year	<u>\$ 250,694</u>	<u>\$ 132,122</u>	<u>\$ 80,528</u>	<u>\$ 163,174</u>	<u>\$ 63,503</u>	<u>\$ 690,021</u>

See accompanying notes to the basic financial statements

Cedarville Township  
Notes to the Financial Statements  
For the Year Ended December 31, 2005 and 2004

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**Note 1 – Reporting Entity**

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

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

**A. Primary Government**

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

**B. Component Units**

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

The Township has no component units.

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

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

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

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

**A. Basis of Presentation**

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

**Government-Wide Financial Statements**

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

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

**Fund Financial Statements**

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

**B. Fund Accounting**

The Township uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. Funds are divided into three categories, governmental, proprietary and fiduciary. The Township has no proprietary or fiduciary funds.

**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 include the General, Fire District, Gas Tax, Cemetery, and Cemetery Bequest Funds. The Township's other governmental funds include Motor Vehicle License Tax, Road and Bridge, and Permissive Motor Vehicle License Tax funds. The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

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

**C. Basis of Accounting**

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

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

**D. Budgetary Process**

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

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

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

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

**E. Cash and Investments**

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

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

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

During 2005 and 2004, the Township invested in nonnegotiable certificates, a sweep account, and passbook savings. The nonnegotiable certificates are reported at cost.

Interest earnings are allocated to Township funds according to State statutes. Interest receipts credited to the General Fund during 2005 was \$13,055, and \$5,116 during 2004.

**F. Restricted Assets**

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

**G. Inventory and Prepaid Items**

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

**H. Capital Assets**

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

**I. Accumulated Leave**

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

**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. Restricted assets represent the Cemetery Bequest fund, which includes assets from individuals for maintaining cemetery plots.

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

**L. Fund Balance Reserves**

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

**M. Interfund Transactions**

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

The Township had no interfund transactions in 2004 or 2005.

**Note 3 – Change in Basis of Accounting and Restatement of Fund Equity**

In fiscal year 2003, the Township reported fund financial statements by fund type using the regulatory basis of accounting as prescribed by the State Auditor's Office. For the years 2005 and 2004, the Township has implemented the modified cash basis of accounting described in note 2. The fund financial statements now present each major fund in a separate column with nonmajor funds aggregated and presented in a single column, rather than a column for each fund type.

**Note 4 – Deposits and Investments**

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

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or 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.

Cedarville Township  
Notes to the Financial Statements  
For the Year Ended December 31, 2005 and 2004

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**Note 4 – Deposits and Investments (Continued)**

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

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

Cash Deposits – At December 31, 2005, the carrying amount of the Township's cash deposits was \$710,123, while the bank balance was \$738,336. At December 31, 2004, the carrying amount of the Township's cash deposits was \$690,021, while the bank balance was \$714,199. In each year, \$200,000 of the bank balance was covered by federal depository insurance and the remaining was uninsured and uncollateralized. Although all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the Township to a successful claim by the FDIC.

Cedarville Township  
Notes to the Financial Statements  
For the Year Ended December 31, 2005 and 2004

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**Note 5 – Property Taxes**

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2005 and 2004 represent the collection of 2004 and 2003 taxes, respectively. Real property taxes received in 2005 were levied after October 1, 2004, on the assessed values as of January 1, 2004, the lien date. Real property taxes received in 2004 were levied after October 1, 2003, on the assessed values as of January 1, 2003, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2005 and 2004 represent the collection of 2004 and 2003 taxes, respectively. Public utility real and tangible personal property taxes received in 2005 became a lien on December 31, 2004, were levied after October 1, 2005, and are collected with real property taxes. Public utility real and tangible personal property taxes received in 2004 became a lien on December 31, 2003, were levied after October 1, 2004. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2005 (other than public utility property) represent the collection of 2005 taxes, and the 2004 receipts represent the collection of 2004 taxes. Tangible personal property taxes received in 2005 were levied after October 1, 2004, on the true value as of December 31, 2004. Tangible personal property taxes received in 2004 were levied after October 1, 2003, on the true value as of December 31, 2003. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

Cedarville Township  
Notes to the Financial Statements  
For the Year Ended December 31, 2005 and 2004

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**Note 5 – Property Taxes (Continued)**

The full tax rate for all Township operations for the years ended December 31, 2005 and 2004, was \$9.90 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2005 and 2004 property tax receipts were based are as follows:

	2005	2004
Real Property		
Residential & Agriculture	\$30,346,420	\$29,592,680
Commercial/Industrial/Mineral	523,530	466,660
Public Utility Property		
Real	-	-
Personal	2,938,180	3,050,510
Tangible Personal Property	1,592,180	1,583,687
Total Assessed Value	\$35,400,310	\$34,693,537

**Note 6 – Risk Management**

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2005 and 2004 the Township contracted with the Ohio Township Association Risk Management Authority (OTARMA), a risk sharing pool available to Ohio Townships. OTAMRA provides property and casualty coverage for its members. OTAMRA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTAMRA. OTAMRA pays judgments, settlements, and other expenses resulting from covered claims that exceed the members' deductibles. Coverage provided by OTAMRA is as follows:

Legal Liability	\$1,000	Per Occurrence
Automobile Liability	\$NIL	Each Claim
Property	\$419,249	Total Coverage

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

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

**Note 7 – Defined Benefit Pension Plan**

**A. Ohio Public Employees Retirement System**

The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans as described below:

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

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

For the years ended December 31, 2005 and 2004, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. The Township's contribution rate for pension benefits for 2005 and 2004 was 13.55 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for OPERS pension obligations for the years ended December 31, 2005 and 2004 were \$12,880 and \$12,895 respectively.

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

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

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations while the Township is required to contribute 24 percent for firefighters. Contributions are authorized by State statute. The Township's contributions to OP&F for firefighters was \$19,386 for the year ended December 31, 2005, and \$18,450 for the year ended December 31, 2004.

**Note 8 - Postemployment Benefits**

**A. Ohio Public Employees Retirement System**

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

OPERS provides retirement, disability, and survivor benefits as well as postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*.

A portion of each employer's contribution to OPERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The 2005 and 2004 local government employer contribution rate was 13.55 percent of covered payroll (16.7 percent for public safety and law enforcement); 4.00 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2004, include a rate of return on investments of 8.00 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase between 1.00 and 6.00 percent annually for the next eight years and 4.00 percent annually after eight years.

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

The number of active contributing participants in the traditional and combined plans was 355,287. Actual employer contributions for 2004 which were used to fund postemployment benefits were \$3,802 and \$3,807 for fiscal years 2005 and 2004, respectively. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2004, (the latest information available) were \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.5 billion and \$18.7 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs.

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

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

Cedarville Township  
Notes to the Financial Statements  
For the Year Ended December 31, 2005 and 2004

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**Note 8 - Postemployment Benefits (Continued)**

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in *GASB Statement No. 12*. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. The total firefighter employer contribution rate is 24 percent of covered payroll.

Health care funding and accounting is on a pay-as-you-go basis. A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expenses. The Board defined allocation was 7.75 percent of covered payroll in 2004 and 2005. In addition, since July 1, 1992, most retirees and survivors have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The Township's actual contributions for 2005 and 2004 that were used to fund postemployment benefits were \$6,260 and \$5,958, respectively, for firefighters. The OP&F's total health care expense for the year ended December 31, 2004, the date of the last actuarial valuation available, was \$102,173,796, which was net of member contributions of \$55,665,341. The number of OP&F participants eligible to receive health care benefits as of December 31, 2004, was 10,528 for firefighters.

## **REQUIRED SUPPLEMENTAL INFORMATION**

**Cedarville Township, Greene County**  
*Required Supplemental Information*  
*Budget to Actual Comparison*  
*General Fund*  
*For the Year Ended December 31, 2005*

	<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	\$110,000	\$110,000	\$117,947	\$7,947
Licenses, Permits and Fees	10,000	10,000	16,383	6,383
Intergovernmental	75,500	75,500	49,992	(25,508)
Interest	4,500	4,500	13,055	8,555
Other	10,000	10,000	1,578	(8,422)
<i>Total receipts</i>	<u>210,000</u>	<u>210,000</u>	<u>198,955</u>	<u>(11,045)</u>
<b>Disbursements</b>				
Current:				
General Government	292,572	292,572	132,202	160,370
Public Safety	60,000	60,000	-	60,000
Public Works	50,120	50,120	-	50,120
Health	51,000	51,000	32,933	18,067
Capital Outlay	5,000	5,000	-	5,000
<i>Total Disbursements</i>	<u>458,692</u>	<u>458,692</u>	<u>165,135</u>	<u>293,557</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(248,692)</u>	<u>(248,692)</u>	<u>33,820</u>	<u>282,512</u>
<b>Other Financing Sources (Uses)</b>				
Other Financing Uses	(2,000)	(2,000)	(50)	1,950
<i>Total Other Financing Sources (Uses)</i>	<u>(2,000)</u>	<u>(2,000)</u>	<u>(50)</u>	<u>1,950</u>
<i>Net Change in Fund Balance</i>	(250,692)	(250,692)	33,770	284,462
<i>Fund Balance Beginning of Year</i>	250,694	250,694	250,694	-
Prior Year Encumbrances Appropriated	-	-	-	-
<i>Fund Balance End of Year</i>	<u>\$2</u>	<u>\$2</u>	<u>\$284,464</u>	<u>\$284,462</u>

See accompanying notes to the basic financial statements

**Cedarville Township, Greene County**  
*Required Supplemental Information*  
*Budget to Actual Comparison*  
*Gas Tax*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Intergovernmental	64,600	64,600	74,564	9,964
Interest	400	400	1,523	1,123
<i>Total receipts</i>	<u>65,000</u>	<u>65,000</u>	<u>76,087</u>	<u>11,087</u>
<b>Disbursements</b>				
Current:				
Public Works	105,604	105,604	51,582	54,022
<i>Total Disbursements</i>	<u>105,604</u>	<u>105,604</u>	<u>51,582</u>	<u>54,022</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(40,604)</u>	<u>(40,604)</u>	<u>24,505</u>	<u>65,109</u>
<i>Net Change in Fund Balance</i>	(40,604)	(40,604)	24,505	65,109
<i>Fund Balance Beginning of Year</i>	40,604	40,604	40,604	-
Prior Year Encumbrances Appropriated	-	-	-	-
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$65,109</u>	<u>\$65,109</u>

See accompanying notes to the basic financial statements

**Cedarville Township, Greene County**  
*Required Supplemental Information*  
*Budget to Actual Comparison*  
*Fire Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$208,000	\$208,000	\$214,008	\$6,008
Charges for Services	90,000	90,000	82,177	(7,823)
Intergovernmental	20,000	20,000	31,810	11,810
Other	17,000	17,000	277	(16,723)
<i>Total receipts</i>	<u>335,000</u>	<u>335,000</u>	<u>328,272</u>	<u>(6,728)</u>
<b>Disbursements</b>				
Current:				
Public Safety	290,050	300,050	255,626	44,424
Capital Outlay	177,074	167,074	123,398	43,676
<i>Total Disbursements</i>	<u>467,124</u>	<u>467,124</u>	<u>379,024</u>	<u>88,100</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(132,124)</u>	<u>(132,124)</u>	<u>(50,752)</u>	<u>81,372</u>
<i>Net Change in Fund Balance</i>	(132,124)	(132,124)	(50,752)	81,372
<i>Fund Balance Beginning of Year</i>	132,122	132,122	132,122	-
Prior Year Encumbrances Appropriated	-	-	-	-
<i>Fund Balance End of Year</i>	<u>(\$2)</u>	<u>(\$2)</u>	<u>\$81,370</u>	<u>\$81,372</u>

See accompanying notes to the basic financial statements

**Cedarville Township, Greene County**  
*Required Supplemental Information*  
*Budget to Actual Comparison*  
*Cemetery Fund*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Receipts</b>				
Charges for Services	8,000	8,000	11,000	3,000
<i>Total receipts</i>	<u>8,000</u>	<u>8,000</u>	<u>11,000</u>	<u>3,000</u>
<b>Disbursements</b>				
Current:				
Health	38,528	38,528	9,492	29,036
Capital Outlay	50,000	50,000	-	50,000
<i>Total Disbursements</i>	<u>88,528</u>	<u>88,528</u>	<u>9,492</u>	<u>79,036</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(80,528)</u>	<u>(80,528)</u>	<u>1,508</u>	<u>82,036</u>
<i>Net Change in Fund Balance</i>	<u>(80,528)</u>	<u>(80,528)</u>	<u>1,508</u>	<u>82,036</u>
<i>Fund Balance Beginning of Year</i>	68,635	68,635	80,528	11,893
Prior Year Encumbrances Appropriated	-	-	-	-
<i>Fund Balance End of Year</i>	<u>\$ (11,893)</u>	<u>\$ (11,893)</u>	<u>\$82,036</u>	<u>\$93,929</u>

See accompanying notes to the basic financial statements

**Cedarville Township, Greene County**  
*Required Supplemental Information*  
*Budget to Actual Comparison*  
*General Fund*  
*For the Year Ended December 31, 2004*

	<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	\$105,380	\$105,380	\$121,242	\$15,862
Licenses, Permits and Fees	14,000	14,000	18,869	4,869
Intergovernmental	145,800	145,800	182,907	37,107
Interest	6,000	6,000	5,116	(884)
Other	7,000	7,000	10,613	3,613
<i>Total receipts</i>	<u>278,180</u>	<u>278,180</u>	<u>338,747</u>	<u>60,567</u>
<b>Disbursements</b>				
Current:				
General Government	296,123	296,123	200,951	95,172
Public Safety	60,000	60,000	-	60,000
Public Works	53,061	53,061	45,681	7,380
Health	50,000	50,000	34,427	15,573
Other	2,000	2,000	-	2,000
Capital Outlay	10,000	10,000	-	10,000
<i>Total Disbursements</i>	<u>471,184</u>	<u>471,184</u>	<u>281,059</u>	<u>190,125</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(193,004)</u>	<u>(193,004)</u>	<u>57,688</u>	<u>250,692</u>
<i>Net Change in Fund Balance</i>	(193,004)	(193,004)	57,688	250,692
<i>Fund Balance Beginning of Year</i>	193,006	193,006	193,006	-
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$2</u>	<u>\$2</u>	<u>\$250,694</u>	<u>\$250,692</u>

See accompanying notes to the basic financial statements

**Cedarville Township, Greene County**  
*Required Supplemental Information*  
*Budget to Actual Comparison*  
*Fire Fund*  
*For the Year Ended December 31, 2004*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$205,560	\$205,560	\$208,385	\$2,825
Charges for Services	86,456	86,456	89,831	3,375
Intergovernmental	35,637	35,637	36,249	612
Other	56,907	56,907	9,264	(47,643)
<i>Total receipts</i>	<u>384,560</u>	<u>384,560</u>	<u>343,729</u>	<u>(40,831)</u>
<b>Disbursements</b>				
Current:				
Public Safety	273,560	273,560	242,980	30,580
Capital Outlay	215,313	215,313	72,938	142,375
<i>Total Disbursements</i>	<u>488,873</u>	<u>488,873</u>	<u>315,918</u>	<u>172,955</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(104,313)</u>	<u>(104,313)</u>	<u>27,811</u>	<u>132,124</u>
<i>Net Change in Fund Balance</i>	(104,313)	(104,313)	27,811	132,124
<i>Fund Balance Beginning of Year</i>	104,311	104,311	104,311	-
Prior Year Encumbrances Appropriated	-	-	-	-
<i>Fund Balance End of Year</i>	<u>(\$2)</u>	<u>(\$2)</u>	<u>\$132,122</u>	<u>\$132,124</u>

See accompanying notes to the basic financial statements

**Cedarville Township, Greene County**  
*Required Supplemental Information*  
*Budget to Actual Comparison*  
*Cemetery Fund*  
*For the Year Ended December 31, 2004*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Receipts</b>				
Charges for Services	8,000	8,000	18,000	10,000
<i>Total receipts</i>	<u>8,000</u>	<u>8,000</u>	<u>18,000</u>	<u>10,000</u>
<b>Disbursements</b>				
Current:				
Health	36,635	36,635	6,107	30,528
Capital Outlay	40,000	40,000	-	40,000
<i>Total Disbursements</i>	<u>76,635</u>	<u>76,635</u>	<u>6,107</u>	<u>70,528</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(68,635)</u>	<u>(68,635)</u>	<u>11,893</u>	<u>80,528</u>
<i>Net Change in Fund Balance</i>	<u>(68,635)</u>	<u>(68,635)</u>	<u>11,893</u>	<u>80,528</u>
<i>Fund Balance Beginning of Year</i>	68,635	68,635	68,635	-
Prior Year Encumbrances Appropriated	-	-	-	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$80,528</u>	<u>\$80,528</u>

See accompanying notes to the basic financial statements



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Cedarville Township  
To the Cedarville Township Board of Trustees

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cedarville Township, Greene County, Ohio (the Township) as of and for the years ended December 31, 2005 and 2004, and have issued our report thereon dated June 14, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

**Compliance**

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

However, we noted other matters that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated June 14, 2006.

This report is intended solely for the information and use of Township management, Board of Trustees and other officials authorized to receive this report under Section 117.26 of the Ohio Revised Code, and is not intended to be and should not be used by anyone other than those specified parties.

*Kennedy, Cottrell + Associates LLC*

Kennedy, Cottrell + Associates  
June 14, 2006



**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**CEDARVILLE TOWNSHIP**

**GREENE COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 13, 2006**