



Mary Taylor, CPA
Auditor of State

**CAESARSCREEK TOWNSHIP
GREENE COUNTY**

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GREENE COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Caesarscreek Township
Greene County
2034 E. Spring Valley-Paintersville Road
Xenia, Ohio 45385

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Caesarscreek Township, Greene County, (the Township), as of and for the years ended December 31, 2006 and 2005, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinions.

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 financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Caesarscreek Township, Greene County, as of December 31, 2006 and 2005, and the respective changes in cash financial position thereof and the respective budgetary comparisons for the General, Gas Tax, Road and Bridge and Fire Levy Funds, thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

For the years ended December 31, 2006 and 2005, the Township revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.

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In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2007, 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. 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 Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

December 17, 2007

**CAESARSCREEK TOWNSHIP
GREENE COUNTY**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
(UNAUDITED)**

This discussion and analysis of the Ohio Local Township's financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2006, 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 2006 are as follows:

- Net assets of governmental activities increased by \$4,080 from the prior year. The fund most affected by the increase in cash and cash equivalents was the Gas Fund, which realized the greatest increase due to increase in gas taxes.
- The Township's general receipts are primarily property taxes and grants and entitlements. These receipts represent approximately 96 percent of the total cash received for governmental activities during the year. Property tax receipts for 2006 increased slightly compared to 2005 as development within the township remained much the same.
- The Intergovernmental receipts were down by approximately \$9,000 which is a situation that must be watched.
- The Fire and EMS cost went up by 56% for coverage by Xenia Township. In 2005 the Township paid \$32,960 and in 2006 the Township paid \$35,460 for such. This will continue to increase as service is more expensive. The Township also paid Jefferson Township \$8,000 a year for partial coverage.

These items are the only significant changes in 2006.

Using the Basic Financial Statements

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

Report Components

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

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

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

**CAESARSCREEK TOWNSHIP
GREENE COUNTY**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
(UNAUDITED)
(Continued)**

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 2006, 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.

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 reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property and income taxes.

In the statement of net assets and the statement of activities, we divide the Township into two types of activities:

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

There were no business-type activities.

**CAESARSCREEK TOWNSHIP
GREENE COUNTY**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
(UNAUDITED)
(Continued)**

Reporting the Government's Most Significant Funds

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

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 non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General Fund, Gas Tax Fund, Road and Bridge Fund, Fire Levy Fund and the Improvement Project Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. We describe this relationship in reconciliations presented with the governmental fund financial statements.

The Government as a Whole

Please refer to the 2005 and 2006 financial statements for a comparison of net assets.

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.

Final budgeted receipts were higher than original budgeted receipts due to unexpected tax and intergovernmental receipts. Final budgeted receipts were about 27% less than actual receipts due to even more tax and intergovernmental revenue being received.

Budgetary activity is reflected in the budget and actual statements which is part of the financial statements presented.

Current Issues

The challenge for all Townships is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on local taxes and have no industry to support the tax base.

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 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 Marklyn B. Bone, Fiscal Officer, Ceasarscreek Township, 2034 E. Spring Valley- Paintersville Road, Xenia, Ohio 45385.

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**CAESARSCREEK TOWNSHIP
GREENE COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2006**

	<u>Governmental Activities</u>
Assets	
Cash and Cash Equivalents	\$57,917
Investments	231,692
Total Assets	<u>289,609</u>
Net Assets	
Restricted for:	
Capital Projects	33,870
Other Purposes	205,290
Unrestricted	50,449
Total Net Assets	<u>\$289,609</u>

See accompanying notes to the basic financial statements.

**CAESARSCREEK TOWNSHIP
GREENE COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2006**

	Program Cash Receipts			Net (Disbursements) Receipts and Changes In Net Assets
Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	
Governmental Activities				
General Government	\$113,012			(\$113,012)
Public Works	128,463	\$2,114	\$5,465	(120,884)
Health	5,982			(5,982)
Capital Outlay	34,024			(34,024)
Total Governmental Activities	\$281,481	\$2,114	\$5,465	(273,902)
General Receipts				
Property Taxes				136,724
Grants and Entitlements not Restricted to Specific Programs				138,043
Earnings on Investments				544
Miscellaneous				2,671
Total General Receipts				277,982
Change in Net Assets				4,080
Net Assets Beginning of Year				285,529
Net Assets End of Year				\$289,609

See accompanying notes to the basic financial statements.

**CAESARSCREEK TOWNSHIP
GREENE COUNTY**

**STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
DECEMBER 31, 2006**

	<u>General</u>	<u>Gas Tax</u>	<u>Road and Bridge</u>	<u>Fire Levy</u>	<u>Improvement Project</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Assets							
Cash, Cash Equivalents and Investments	\$50,449	\$86,485	\$34,776	\$59,690	\$33,870	\$24,339	\$289,609
Total Assets	<u>50,449</u>	<u>86,485</u>	<u>34,776</u>	<u>59,690</u>	<u>33,870</u>	<u>24,339</u>	<u>289,609</u>
Fund Balances							
Reserved:							
Reserved for Encumbrances	2,950			17,730			20,680
Unreserved:							
Undesignated (Deficit), Reported in:							
General Fund	47,499						47,499
Special Revenue Funds		86,485	34,776	41,960		24,339	187,560
Capital Projects Funds					33,870		33,870
Total Fund Balances	<u>\$50,449</u>	<u>\$86,485</u>	<u>\$34,776</u>	<u>\$59,690</u>	<u>\$33,870</u>	<u>\$24,339</u>	<u>\$289,609</u>

See accompanying notes to the basic financial statements.

**CAESARSCREEK TOWNSHIP
GREENE COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>General</u>	<u>Gas Tax</u>	<u>Road and Bridge</u>	<u>Fire Levy</u>	<u>Improvement Project</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Receipts							
Property and Other Local Taxes	\$34,781		\$55,070	\$41,728		\$5,145	\$136,724
Licenses, Permits and Fees	2,114						2,114
Intergovernmental	29,329	\$86,201	12,367	5,365		10,246	143,508
Earnings on Investments	498	35				11	544
Miscellaneous	2,285		386				2,671
Total Receipts	<u>69,007</u>	<u>86,236</u>	<u>67,823</u>	<u>47,093</u>		<u>15,402</u>	<u>285,561</u>
Disbursements							
Current:							
General Government	69,143	4,356		39,395		118	113,012
Public Works	2,972	54,794	61,372			9,325	128,463
Health	5,982						5,982
Capital Outlay	13,373				\$20,651		34,024
Total Disbursements	<u>91,470</u>	<u>59,150</u>	<u>61,372</u>	<u>39,395</u>	<u>20,651</u>	<u>9,443</u>	<u>281,481</u>
Excess of Receipts Over (Under) Disbursements	<u>(22,463)</u>	<u>27,086</u>	<u>6,451</u>	<u>7,698</u>	<u>(20,651)</u>	<u>5,959</u>	<u>4,080</u>
Other Financing Sources (Uses)							
Transfers-In			11,350				11,350
Transfers-Out	(11,350)						(11,350)
Total Other Financing Sources (Uses)	<u>(11,350)</u>		<u>11,350</u>				
Net Change in Fund Balances	(33,813)	27,086	17,801	7,698	(20,651)	5,959	4,080
Fund Balances Beginning of Year	<u>84,262</u>	<u>59,399</u>	<u>16,975</u>	<u>51,992</u>	<u>54,521</u>	<u>18,380</u>	<u>285,529</u>
Fund Balances End of Year	<u>\$50,449</u>	<u>\$86,485</u>	<u>\$34,776</u>	<u>\$59,690</u>	<u>\$33,870</u>	<u>\$24,339</u>	<u>\$289,609</u>

See accompanying notes to the basic financial statements.

**CAESARSCREEK TOWNSHIP
GREENE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL-BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$20,300	\$31,575	\$34,781	\$3,206
Licenses, Permits and Fees			2,114	2,114
Intergovernmental	14,650	22,314	29,329	7,015
Earnings on Investments			498	498
Miscellaneous	50	550	2,285	1,735
Total receipts	<u>35,000</u>	<u>54,439</u>	<u>69,007</u>	<u>14,568</u>
Disbursements				
Current:				
General Government	101,000	101,000	69,143	31,857
Public Works	15,000	15,000	2,972	12,028
Health	11,000	11,000	5,982	5,018
Capital Outlay	22,373	22,373	16,323	6,050
Total Disbursements	<u>149,373</u>	<u>149,373</u>	<u>94,420</u>	<u>54,953</u>
Excess of Receipts Over (Under) Disbursements	<u>(114,373)</u>	<u>(94,934)</u>	<u>(25,413)</u>	<u>69,521</u>
Other Financing Sources (Uses)				
Transfers-Out			(11,350)	(11,350)
Net Change in Fund Balances	(114,373)	(94,934)	(36,763)	58,171
Fund Balance Beginning of Year	<u>84,262</u>	<u>84,262</u>	<u>84,262</u>	
Fund Balance End of Year	<u>(\$30,111)</u>	<u>(\$10,672)</u>	<u>\$47,499</u>	<u>\$58,171</u>

See accompanying notes to the basic financial statements.

**CAESARSCREEK TOWNSHIP
GREENE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL-BUDGET BASIS
GAS TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$60,000	\$60,000	\$86,201	\$26,201
Earnings on Investments			35	35
Total receipts	<u>60,000</u>	<u>60,000</u>	<u>86,236</u>	<u>26,236</u>
Disbursements				
Current:				
General Government	6,200	6,200	4,356	1,844
Public Works	<u>113,197</u>	<u>113,197</u>	<u>54,794</u>	<u>58,403</u>
Total Disbursements	<u>119,397</u>	<u>119,397</u>	<u>59,150</u>	<u>60,247</u>
Excess of Receipts Over (Under) Disbursements	(59,397)	(59,397)	27,086	86,483
Fund Balance Beginning of Year	<u>59,399</u>	<u>59,399</u>	<u>59,399</u>	
Fund Balance End of Year	<u><u>\$2</u></u>	<u><u>\$2</u></u>	<u><u>\$86,485</u></u>	<u><u>\$86,483</u></u>

See accompanying notes to the basic financial statements.

**CAESARSCREEK TOWNSHIP
GREENE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL-BUDGET BASIS
ROAD AND BRIDGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$38,344	\$38,344	\$55,070	\$16,726
Intergovernmental	5,478	5,478	12,367	6,889
Miscellaneous	12,178	12,178	386	(11,792)
Total receipts	<u>56,000</u>	<u>56,000</u>	<u>67,823</u>	<u>11,823</u>
Disbursements				
Current:				
Public Works	66,896	66,896	61,372	5,524
Total Disbursements	<u>66,896</u>	<u>66,896</u>	<u>61,372</u>	<u>5,524</u>
Excess of Receipts Over (Under) Disbursements	<u>(10,896)</u>	<u>(10,896)</u>	<u>6,451</u>	<u>17,347</u>
Other Financing Sources (Uses)				
Transfers-In			11,350	11,350
Net Change in Fund Balance	(10,896)	(10,896)	17,801	28,697
Fund Balance Beginning of Year	<u>16,975</u>	<u>16,975</u>	<u>16,975</u>	
Fund Balance End of Year	<u><u>\$6,079</u></u>	<u><u>\$6,079</u></u>	<u><u>\$34,776</u></u>	<u><u>\$28,697</u></u>

See accompanying notes to the basic financial statements.

**CAESARSCREEK TOWNSHIP
GREENE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL-BUDGET BASIS
FIRE LEVY FUND
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$36,700	\$38,000	\$41,728	\$3,728
Intergovernmental	4,300	4,300	5,365	1,065
Total receipts	<u>41,000</u>	<u>42,300</u>	<u>47,093</u>	<u>4,793</u>
Disbursements				
Current:				
General Government	<u>89,463</u>	<u>89,463</u>	<u>57,125</u>	<u>32,338</u>
Net Change in Fund Balance	(48,463)	(47,163)	(10,032)	37,131
Fund Balance Beginning of Year	<u>51,992</u>	<u>51,992</u>	<u>51,992</u>	
Fund Balance End of Year	<u><u>\$3,529</u></u>	<u><u>\$4,829</u></u>	<u><u>\$41,960</u></u>	<u><u>\$37,131</u></u>

See accompanying notes to the basic financial statements.

**CAESARSCREEK TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006**

1. REPORTING ENTITY

The Caesarscreek Township, Greene County, Ohio 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 Fiscal Officer.

A. Primary Government

The primary government consists of all funds and the Board of Trustees that are not legally separate from the Township. The Township provides general government services and maintenance of Township roads and bridges. The Township contracts with Xenia Township and Jefferson Township for fire protection. Police protection is provided by Greene County.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

1. Government-Wide Financial Statements

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

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

**CAESARSCREEK TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Fund Financial Statements

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

B. Fund Accounting

The Township uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use.

1. 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 Fund, Gas Tax Fund, Road and Bridge Fund, Fire Levy Fund and Improvement Project Fund. The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

C. Basis of Accounting

The Township's financial statements are prepared using the 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 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.

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.

**CAESARSCREEK TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The appropriations ordinance is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, 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

Township records identify the purchase of specific investments by specific funds.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts, respectively.

During 2006, the Township invested in a repurchase agreement and in nonnegotiable certificates of deposit. The nonnegotiable certificates of deposit are reported at cost.

F. Inventory and Prepaid Items

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

G. Capital Assets

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

H. Interfund Receivables/Payables

The Township did not have any advances-in or advances-out during the fiscal year.

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 cash basis of accounting.

**CAESARSCREEK TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. 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.

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.

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.

3. CHANGE IN BASIS OF ACCOUNTING AND RESTATEMENT OF FUND EQUITY

Last year the Township implemented the cash basis reporting system as prescribed by the State Auditor's Office for fund financial statements to present each major fund in a separate column with non-major funds aggregated and presented in a single column, rather than a column for each fund type. This year the Township will again use the cash basis of accounting described in Note 2.

4. BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund and any major special revenue fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis).

**CAESARSCREEK TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(Continued)**

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.

At year end, the Township had \$231,692 in a repurchase agreement and \$65,000 in Certificates of Deposit.

\$15,000	Fire Fund	Matures	05/22/07	Interest Rate	4.88%
\$50,000	Gas and Improvement Fund	Matures	05/18/07	Interest Rate	5.02%

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 2006 represent the collection of 2005 taxes. Real property taxes received in 2006 were levied after October 1, 2005, on the assessed values as of January 1, 2005, 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.

Tangible personal property tax receipts received in 2006 represent the collection of 2006 taxes. Tangible personal property taxes received in 2005 were levied after October 1, 2005, on the true value as of December 31, 2005. 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.

**CAESARSCREEK TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(Continued)**

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. During 2006, the Township contracted with EMC (Employers Mutual Casualty Company) through Swartzel Affiliated Insurance Service, 1755 Big Hill Rd., Dayton, Ohio 45439-2201, for insurance coverage. Coverage: Blanket Building, Contents and Property in the open, \$266,381 and Business Income other than rental value, \$100,000.

Each Trustee has a bond of \$5,000 and the Fiscal Officer a bond of \$25,000.

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

The Township does not carry health insurance for its employees but will reimburse employees up to \$300 for insurance coverage.

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) 222-6705 or (800) 222-7377.

For the year ended December 31, 2006, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 9.0 percent of their annual covered salaries. The Township's contribution rate for pension benefits for 2006 was 13.70 percent.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2006 and 2005 were \$10,641 and \$10,243 respectively.

**CAESARSCREEK TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(Continued)**

9. POSTEMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans.

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, 2005, include a rate of return on investments of 6.5 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 6.30 percent based on additional annual pay increases. Health care premiums were assumed to increase between .5 and 6.00 percent annually for the next eight years and 4.00 percent annually after nine years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12 percent corridor.

The number of active contributing participants in the traditional and combined plans was 369,214. Actual employer contributions for 2006 which were used to fund postemployment benefits were \$3,495.

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.

10. SUBSEQUENT EVENT

On July 16, 2007 the Township approved purchasing a piece of land for \$36,500.

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**CAESARSCREEK TOWNSHIP
GREENE COUNTY**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
(UNAUDITED)**

This discussion and analysis of the Caesarscreek Township's financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2005, 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 2005 are as follows:

- Net assets of governmental activities decreased \$23,173, a significant change from the prior year. The fund most affected by the decrease in cash and cash equivalents was the Improvement Project Fund, which realized large capital outlay expenditures with no revenues.
- The Township's general receipts are primarily intergovernmental revenues. These receipts represent respectively 55% of the total cash received for governmental activities during the year. Property tax receipts for 2005 increased 23% compared to 2004.
- The Township constructed a Utility Shelter on township property for the use of storing equipment and machinery to slow deterioration by the elements. The cost of this building for 2005 was \$57,611.

Using the Basic Financial Statements

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

Report Components

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

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

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

Basis of Accounting

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

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

**CAESARSCREEK TOWNSHIP
GREENE COUNTY**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
(UNAUDITED)
(Continued)**

Reporting the Government as a Whole

The statement of net assets and the statement of activities reflect how the Township did financially during 2005, 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 activity draws from the Township's general receipts.

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

In the statement of net assets and the statement of activities, we reflect the Township's financial data in the governmental funds.

Governmental activities - All of the Township's basic services are reported here, including fire, and road and bridge. 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.

There were no business activities.

Reporting the Government's Most Significant Funds

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

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 non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General Fund, Gas Tax Fund, Road and Bridge Fund, Fire Levy Fund and Improvement Project Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. We describe this relationship in reconciliations presented with the governmental fund financial statements.

**CAESARSCREEK TOWNSHIP
GREENE COUNTY**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
(UNAUDITED)
(Continued)**

The Government as a Whole

Please refer to the 2004 and 2005 financial statements for a comparison of net assets.

General Fund Budgeting Highlights

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

During 2005, the Township did not amend its General Fund budget. Final budgeted receipts were the same as original budgeted receipts. The difference between final budgeted receipts and actual receipts was \$35,053.

Final disbursements for the General Fund were budgeted at \$137,660 while actual disbursements were \$88,452.

Current Issues

The challenge for all Townships is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on local taxes and have no industry to support the tax base.

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 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 Marklyn B. Bone, Fiscal Officer, Ceasarscreek Township, 2034 E. Spring Valley-Paintersville Road, Xenia, Ohio 45385.

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CAESARSCREEK TOWNSHIP
GREENE COUNTY

STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2005

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$10,561
Investments	274,968
Total Assets	<u>285,529</u>
Net Assets	
Restricted for:	
Capital Projects	54,521
Other Purposes	146,746
Unrestricted	84,262
	<u>\$285,529</u>

See accompanying notes to the basic financial statements.

**CAESARSCREEK TOWNSHIP
GREENE COUNTY**

**STATEMENT OF ACTIVITIES - 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	Governmental Activities
Governmental Activities				
General Government	\$101,294			(\$101,294)
Public Works	134,550	\$1,880	\$11,112	(121,558)
Health	6,445			(6,445)
Human Services	2,614			(2,614)
Capital Outlay	73,724			(73,724)
Total Governmental Activities	\$318,627	\$1,880	\$11,112	(305,635)
General Receipts				
Property and Other Taxes				125,449
Grants and Entitlements not Restricted to Specific Programs				152,543
Earnings on Investments				1,181
Miscellaneous				3,289
				322,462
Total General Receipts				282,462
Change in Net Assets				(23,173)
Net Assets Beginning of Year				308,702
Net Assets End of Year				\$285,529

See accompanying notes to the basic financial statements.

**CAESARSCREEK TOWNSHIP
GREENE COUNTY**

**STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
DECEMBER 31, 2005**

	<u>General</u>	<u>Gas Tax</u>	<u>Road and Bridge</u>	<u>Fire Levy</u>	<u>Improvement Project</u>	<u>Other Funds</u>	<u>Total Governmental Funds</u>
Assets							
Equity in Pooled Cash and Cash Equivalents and Investments	\$84,262	\$59,399	\$16,975	\$51,992	\$54,521	\$18,380	\$285,529
Total Assets	<u>84,262</u>	<u>59,399</u>	<u>16,975</u>	<u>51,992</u>	<u>54,521</u>	<u>18,380</u>	<u>285,529</u>
Fund Balances							
Unreserved:							
Undesignated (Deficit), Reported in:							
General Fund	84,262						84,262
Special Revenue Funds		59,399	16,975	51,992		18,380	146,746
Capital Project Fund					54,521		54,521
Total Fund Balances	<u>\$84,262</u>	<u>\$59,399</u>	<u>\$16,975</u>	<u>\$51,992</u>	<u>\$54,521</u>	<u>\$18,380</u>	<u>\$285,529</u>

See accompanying notes to the basic financial statements.

**CAESARSCREEK TOWNSHIP
GREENE COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>General</u>	<u>Gas Tax</u>	<u>Road and Bridge</u>	<u>Fire Levy</u>	<u>Improvement Project</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Receipts							
Property and Other Local Taxes	\$31,470		\$49,828	\$39,520		\$4,631	\$125,449
Licenses, Permits and Fees	1,880						1,880
Intergovernmental	49,904	\$80,691	9,630	5,376		18,054	163,655
Earnings on Investments	1,151	22				8	1,181
Miscellaneous	1,156		2,133				3,289
Total Receipts	<u>85,561</u>	<u>80,713</u>	<u>61,591</u>	<u>44,896</u>		<u>22,693</u>	<u>295,454</u>
Disbursements							
Current:							
General Government	66,314	4,182		25,219		5,579	101,294
Public Works	5,823	51,863	66,940			9,924	134,550
Health	6,445						6,445
Conservation-Recreation						2,614	2,614
Capital Outlay	9,870				\$63,854		73,724
Total Disbursements	<u>88,452</u>	<u>56,045</u>	<u>66,940</u>	<u>25,219</u>	<u>63,854</u>	<u>18,117</u>	<u>318,627</u>
Excess of Receipts Over (Under) Disbursements	<u>(2,891)</u>	<u>24,668</u>	<u>(5,349)</u>	<u>19,677</u>	<u>(63,854)</u>	<u>4,576</u>	<u>(23,173)</u>
Fund Balances Beginning of Year	<u>87,153</u>	<u>34,731</u>	<u>22,324</u>	<u>32,315</u>	<u>118,375</u>	<u>13,804</u>	<u>308,702</u>
Fund Balances End of Year	<u>\$84,262</u>	<u>\$59,399</u>	<u>\$16,975</u>	<u>\$51,992</u>	<u>\$54,521</u>	<u>\$18,380</u>	<u>\$285,529</u>

See accompanying notes to the basic financial statements.

**CAESARSCREEK TOWNSHIP
GREENE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL-BUDGET BASIS
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>	
Receipts				
Property and Other Local Taxes	\$33,000	\$33,000	\$31,470	(\$1,530)
Licenses, Permits and Fees			1,880	1,880
Intergovernmental	17,508	17,508	49,904	32,396
Earnings on Investments			1,151	1,151
Miscellaneous			1,156	1,156
Total receipts	<u>50,508</u>	<u>50,508</u>	<u>85,561</u>	<u>35,053</u>
Disbursements				
Current:				
General Government	88,000	88,000	66,314	21,686
Public Works	18,660	18,660	5,823	12,837
Health	11,000	11,000	6,445	4,555
Capital Outlay	20,000	20,000	9,870	10,130
Total Disbursements	<u>137,660</u>	<u>137,660</u>	<u>88,452</u>	<u>49,208</u>
Excess of Receipts Over (Under) Disbursements	(87,152)	(87,152)	(2,891)	84,261
Fund Balance Beginning of Year	<u>87,153</u>	<u>87,153</u>	<u>87,153</u>	
Fund Balance End of Year	<u>\$1</u>	<u>\$1</u>	<u>\$84,262</u>	<u>\$84,261</u>

See accompanying notes to the basic financial statements.

**CAESARSCREEK TOWNSHIP
GREENE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL-BUDGET BASIS
GAS TAX 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>	
Receipts				
Intergovernmental	\$45,200	\$45,200	\$80,691	\$35,491
Earnings on Investments			22	22
Total receipts	<u>45,200</u>	<u>45,200</u>	<u>80,713</u>	<u>35,513</u>
Disbursements				
Current:				
General Government	6,200	6,200	4,182	2,018
Public Works	<u>73,731</u>	<u>73,731</u>	<u>51,863</u>	<u>21,868</u>
Total Disbursements	<u>79,931</u>	<u>79,931</u>	<u>56,045</u>	<u>23,886</u>
Excess of Receipts Over (Under) Disbursements	(34,731)	(34,731)	24,668	59,399
Fund Balance Beginning of Year	<u>34,731</u>	<u>34,731</u>	<u>34,731</u>	
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$59,399</u></u>	<u><u>\$59,399</u></u>

See accompanying notes to the basic financial statements.

**CAESARSCREEK TOWNSHIP
GREENE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL-BUDGET BASIS
ROAD AND BRIDGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$42,869	\$42,869	\$49,828	\$6,959
Intergovernmental	8,296	8,296	9,630	1,334
Miscellaneous	1,835	1,835	2,133	298
Total receipts	<u>53,000</u>	<u>53,000</u>	<u>61,591</u>	<u>8,591</u>
Disbursements				
Current:				
Public Works	<u>75,324</u>	<u>75,324</u>	<u>66,940</u>	<u>8,384</u>
Total Disbursements	<u>75,324</u>	<u>75,324</u>	<u>66,940</u>	<u>8,384</u>
Excess of Receipts Over (Under) Disbursements	(22,324)	(22,324)	(5,349)	16,975
Fund Balance Beginning of Year	<u>22,324</u>	<u>22,324</u>	<u>22,324</u>	
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$16,975</u></u>	<u><u>\$16,975</u></u>

See accompanying notes to the basic financial statements.

**CAESARSCREEK TOWNSHIP
GREENE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL-BUDGET BASIS
FIRE LEVY 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>	
Receipts				
Property and Other Local Taxes	\$38,487	\$38,487	\$39,520	\$1,033
Intergovernmental	5,213	5,213	5,376	163
Total receipts	<u>43,700</u>	<u>43,700</u>	<u>44,896</u>	<u>1,196</u>
Disbursements				
Current:				
General Government	<u>76,015</u>	<u>76,015</u>	<u>25,219</u>	<u>50,796</u>
Total Disbursements	<u>76,015</u>	<u>76,015</u>	<u>25,219</u>	<u>50,796</u>
Excess of Receipts Over (Under) Disbursements	<u>(32,315)</u>	<u>(32,315)</u>	<u>19,677</u>	<u>51,992</u>
Fund Balance Beginning of Year	<u>32,315</u>	<u>32,315</u>	<u>32,315</u>	
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$51,992</u></u>	<u><u>\$51,992</u></u>

See accompanying notes to the basic financial statements.

**CAESARSCREEK TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005**

1. REPORTING ENTITY

The Caesarscreek Township, Greene County, Ohio, 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 2A, 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, 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.

1. Government-Wide Financial Statements

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

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

2. Fund Financial Statements

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

**CAESARSCREEK TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(Continued)**

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.

Governmental Funds

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

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

C. 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 resolution, 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 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.

D. 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 and Investments".

**CAESARSCREEK TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

During 2005, the Township invested in a repurchase agreement and nonnegotiable certificates of deposit. The nonnegotiable certificates of deposit are reported at cost.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2005 was \$1,151.

E. 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.

F. 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 cash basis of accounting.

G. Net Assets

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

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.

H. 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.

3. CHANGE IN BASIS OF ACCOUNTING AND RESTATEMENT OF FUND EQUITY

Last year the Township reported fund financial statements by fund type using the regulatory basis of accounting as prescribed by the State Auditor's Office. This year the Township has implemented the cash basis of accounting described in Note 2. The fund financial statements now present each major fund in a separate column with non-major funds aggregated and presented in a single column, rather than a column for each fund type.

4. BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund and any major special revenue funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis).

**CAESARSCREEK TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(Continued)**

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.

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 2005 represent the collection of 2004 taxes. Real property taxes received in 2005 were levied after October 1, 2004, on the assessed values as of January 1, 2004, 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.

Tangible personal property tax receipts received in 2005 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 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.

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. During 2006, the Township contracted with EMC (Employers Mutual Casualty Company) through Swartzel Affiliated Insurance Service, 1755 Big Hill Rd., Dayton, Ohio 45439-2201, for insurance coverage. Coverage: Blanket Building, Contents and Property in the open, \$266,381 and Business Income other than rental value, \$100,000.

Each Trustee has a bond of \$5,000 and the Fiscal Officer a bond of \$25,000.

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

**CAESARSCREEK TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(Continued)**

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) 222-6705 or (800) 222-7377.

For the year ended December 31, 2005, 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 was 9.55 percent. The Township's required contribution for pension obligation to the traditional and combined plans for the year ended December 31, 2005 was \$10,243.

9. POSTEMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans.

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 6.30 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.

**CAESARSCREEK TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(Continued)**

9. POSTEMPLOYMENT BENEFITS (Continued)

The number of active contributing participants in the traditional and combined plans was 376,109. Actual employer contributions for 2005 which were used to fund post-employment benefits were \$3,024.

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.

10. SUBSEQUENT EVENT

On July 16, 2007 the Township approved purchasing a piece of land for \$36,500.



Mary Taylor, CPA

Auditor of State

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

Caesarscreek Township
Greene County
2034 E. Spring Valley-Paintersville Road
Xenia, Ohio 45385

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 the Caesarscreek Township, Greene County (the Township) as of and for the years ended December 31, 2006 and 2005, which collectively comprise the Township's basic financial statements and have issued our report thereon dated December 17, 2007, wherein, we noted the Township uses a comprehensive accounting basis other than generally accepted accounting principles. We also noted the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Township's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

**Internal Control Over Financial Reporting
(Continued)**

We consider the following deficiency described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting: 2006-001.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Township's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. However, we believe significant deficiency 2006-001 described above is also a material weakness.

We noted a certain matter that we reported to the Township's management in a separate letter dated December 17, 2007.

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 that we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2006-002 and 2006-003.

We also noted a certain noncompliance or other matter not requiring inclusion in this report that we reported to the Township's management in a separate letter dated December 17, 2007.

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



Mary Taylor, CPA
Auditor of State

December 17, 2007

**CAESARSCREEK TOWNSHIP
GREENE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2006 AND 2005**

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

FINDING NUMBER 2006-001

Material Weakness

Several revenues were misclassified or posted to the incorrect fund including:

- Homestead & Rollback was not allocated among the required funds. In 2006 the variance was \$5,529 and in 2005 the variance was \$10,908.
- A grant in the amount of \$5,465 was posted to the incorrect fund and rather than posting a correcting entry, an illegal transfer was made.
- Several items were posted as intergovernmental revenues, rather than as taxes.

Audit adjustments are reflected in the statements to correct these errors. These errors could restrict management's ability to make informed decisions. The Township should develop policies and procedures to provide proper posting of receipts to the appropriate line items and funds.

FINDING NUMBER 2006-002

Noncompliance

Ohio Rev. Code Sections 135.22 states, in part, that subdivision treasurers must complete annual continuing education programs provided by the Treasurer of State. Upon successful completion of the required continuing education program, the Treasurer of State shall issue a certificate indicating that the treasurer has successfully completed the continuing education program. The continuing education requirement does not apply to a subdivision treasurer who annually provides a notice of exemption to the Auditor of State, certified by the Treasurer of State, stating that the treasurer is not subject to the continuing education requirements because the treasurer invests or deposits public funds in the following investments only:

- 1) Interim deposits pursuant to § 135.14 (B)(3) of the Ohio Revised Code;
- 2) The Ohio subdivision's fund (STAR Ohio) pursuant to §135.14(B)(6) of the Ohio Revised Code;
- 3) No-load money market mutual funds pursuant to §135.14 (B)(5) of the Ohio Revised Code

The Township had money invested in a repurchase agreement that did not qualify as one of the above exceptions during 2006 and 2005. Additionally, in 2005 the clerk did not attend the required training provided by the Treasurer of State. The clerk should either attend the annual training or invest in one of the noted exceptions and annually provide a notice of exemption to the Auditor of State.

FINDING NUMBER 2006-003

Noncompliance

Ohio Rev. Code Sections 5705.14-16 set forth the allowances for transfers from one fund of a subdivision to any other fund. However, there are certain exceptions. Generally, money may be transferred from the General Fund to any other fund of the subdivision by resolution of the taxing authority. On August 16, 2006, the Township made a transfer from the Miscellaneous Engineer Fund to the Road and Bridge Fund, which did not meet any of the exceptions. The accompanying financial statements have been corrected to properly reflect this activity. The Township should review the abovementioned sections of code prior to approving a transfer.

CAESARSCREEK TOWNSHIP
GREENE COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2006 AND 2005

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2004-001	ORC 5705.41(D) - Failure to properly certify expenditures.	No	Partially Corrected – repeated as a verbal comment.



Mary Taylor, CPA
Auditor of State

CAESARSCREEK 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
MARCH 6, 2008**