

COLUMBIA TOWNSHIP  
HAMILTON COUNTY  
REGULAR AUDIT  
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2007 AND 2006  
YEARS AUDITED UNDER GAGAS: 2007 AND 2006

CAUDILL & ASSOCIATES CPA's

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725 5<sup>TH</sup> Street  
Portsmouth, Ohio 45662





# Mary Taylor, CPA

Auditor of State

Board of Trustees  
Columbia Township  
5686 Kenwood Road  
Cincinnati, Ohio 45227

We have reviewed the *Independent Auditor's Report* of Columbia Township, Hamilton County, prepared by Caudill & Associates, CPA's, for the audit period January 1, 2006 through December 31, 2007. 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. Columbia Township is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA  
Auditor of State

November 5, 2008

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**COLUMBIA TOWNSHIP  
HAMILTON COUNTY**

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# Caudill & Associates, CPA's

725 5<sup>th</sup> Street  
Portsmouth, OH 45662

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants  
Kentucky Society of Certified Public Accountants

## Independent Auditor's Report

To the Board of Trustees  
Columbia Township  
5686 Kenwood Road  
Cincinnati, Ohio 45227

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Columbia Township, Hamilton County, (the Township), as of and for the years ended December 31, 2007 and 2006. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in Note 2, the Township has prepared these financial statements and notes, using the cash basis of accounting. 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 Columbia Township, Hamilton County, Ohio as of December 31, 2007, and 2006, and the respective changes in cash financial position and the respective budgetary comparisons for the General Fund, the Police District Fund, the Garbage and Waste Disposal Fund, the Road District Fund, thereof and for the years then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2008, on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Columbia Township  
Independent Auditor's Report  
Page 2

The Management's Discussion and Analysis on pages 3 through 9 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

*Caudill & Associates, CPAs*

Caudill & Associates, CPAs

July 31, 2008

Columbia Township  
Hamilton County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2007 and 2006  
Unaudited

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This management discussion and analysis of the Columbia Township, Hamilton County, and financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2007 and December 31, 2006, within the limitations of the Township's cash basis accounting. Readers should also review the financial statements and notes to enhance their understanding of the Township's financial performance.

**Key financial highlights for the fiscal year 2007 and 2006 are as follows:**

- Net assets of governmental activities decreased \$360,639 or 9.4% in 2007 and increased \$9,332 or 0.2% in 2006. The fund most affected by the decrease in net assets in 2007 was the Road District Fund. The Road District Fund had two major projects Ridgewood I and Ridgewood II in 2007.
- General cash receipts accounted for \$2,448,302 or 66.63% of all cash receipts in 2007, and \$2,417,275 or 76.81% in 2006. Program cash receipts in the form of charges for services, grants, and contributions, accounted for \$1,225,899 or 33.37% in 2007, and \$729,674 or 23.19% in 2006.
- The Township had \$4,034,840 and \$3,137,617 in cash disbursements related to governmental activities in 2007 and 2006 respectively; a total of \$1,225,899 and \$729,674 of these cash disbursements, respectively, were offset by program specific charges for services, grants, and contributions.
- The Township's most significant sources of receipts include property taxes, state and local levied taxes, and grant revenues. The township's most significant expenditures are made for police and fire protection, garbage and waste disposal, and for maintenance of Township roads and streets.

**Using the Financial Statements**

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, "*Basic Financial Statements – and Management's Discussion and analysis – for State and Local Governments*", 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 Government 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.

Columbia Township  
Hamilton County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2007 and 2006  
Unaudited

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

### **Basis of Accounting**

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

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

### **Reporting the Township as a Whole**

The statement of net assets and the statement of activities reflect how the Township did financially during 2007 and 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 Government 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, one 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, the Township has one type of activity classified as governmental in nature.

**Governmental activities:** Most of the Township's basic services are reported here, including road maintenance, and fire protection. 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.

Columbia Township  
Hamilton County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2007 and 2006  
Unaudited

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**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 Township's only funds are governmental funds.

**Governmental Funds** - All of the Township's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at fiscal year end available for spending in future periods. These funds are reported using the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The governmental fund statements provide a detailed short-term view of the Township's general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer cash basis financial resources that can be spent in the near future to finance educational programs. Since the Township is reporting on the cash basis of accounting, there are no differences in the Net Assets and fund cash balances or changes in Net Assets and changes in fund cash balances. Therefore, no reconciliation is necessary between such financial statements. See Note 2 to the financial statements in the section entitled *Government-Wide Financial Statements*.

**The Government as a Whole**

Table 1 provides a summary of the Government's net assets for 2007 compared to 2006 and 2005 on a cash basis:

(Table 1)  
**Net Assets**

	Governmental Activities		
	2007	2006	2005
<b>Assets</b>			
Cash and Cash Equivalents	\$ 3,472,234	\$ 3,832,873	\$3,823,541
Total Assets	3,472,234	3,832,873	3,823,541
<b>Net Assets</b>			
Restricted for:			
Debt Service			634
Capital Projects	30,612		
Other Purposes	2,040,101	2,148,946	1,985,538
Unrestricted	1,401,521	1,683,927	1,837,369
Total Net Assets	\$ 3,472,234	3,832,873	\$3,823,541

As mentioned previously, net assets of governmental activities decreased \$360,639 or 9.4% percent, and increased by \$9,332 or 0.2%, in 2007 and 2006 respectively. Net assets decreased in 2007 mainly due to two major projects (Ridgewood I and Ridgewood II) in the Road and District Fund.

Columbia Township  
Hamilton County  
Management's Discussion and Analysis  
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Unaudited

Table 2 reflects the changes in net assets in 2007, 2006 and 2005.

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

	Governmental Activities		
	2007	2006	2005
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$ 57,848	\$ 54,255	\$ -
Operating Grants and Contributions	354,217	303,007	90,684
Capital Grants and Contributions	813,834	372,412	207,220
Total Program Receipts	<u>1,225,899</u>	<u>729,674</u>	<u>297,904</u>
General Receipts:			
Property Taxes	1,854,057	2,009,656	2,206,084
Grants and Entitlements Not Restricted to Specific Programs	423,401	211,949	597,421
Interest	164,937	186,448	141,948
Miscellaneous	5,907	9,222	228,398
Sale of Fixed Assets	-	-	22,001
Total General Receipts	<u>2,448,302</u>	<u>2,417,275</u>	<u>3,195,852</u>
Total Receipts	<u>3,674,201</u>	<u>3,146,949</u>	<u>3,493,756</u>
Disbursements:			
General Government	399,650	517,634	409,669
Public Safety	959,593	1,227,036	1,345,460
Health	7,190	7,401	7,007
Public Works	1,748,680	1,096,472	908,358
Capital Outlay	819,910	191,504	207,303
Debt Services:			
Prinicpal Retirement	95,000	90,000	95,069
Interst and Fiscal Charges	4,817	7,570	-
Total Disbursements	<u>4,034,840</u>	<u>3,137,617</u>	<u>2,972,866</u>
Increase (Decrease) in Net Assets	<u>(360,639)</u>	<u>9,332</u>	<u>520,890</u>
Beginning Net Assets	3,832,873	3,823,541	3,302,651
Net Assets, End of Year	<u>\$ 3,472,234</u>	<u>\$ 3,832,873</u>	<u>\$ 3,823,541</u>

Columbia Township  
Hamilton County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2007 and 2006  
Unaudited

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Program receipts represent 33.37% and 23.19% of total receipts in 2007 and 2006 respectively, and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, and from grants restricted for certain capital improvements.

General receipts represent 66.63% and 76.81% of the Township's total receipts in 2007 and 2006 respectively, and of this amount, 75.72% and 83.13% are local taxes. Other sources of general receipts include unrestricted grants and entitlements, interest revenue, and miscellaneous revenues.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Government activities. These include the general costs of administration, including salaries and wages. Disbursements classified as public safety are the costs of police and fire protection. Disbursements classified as public works include the costs of maintenance of streets and roads.

The Statement of Activities shows the cost of program services and the charges for services, grants, and contributions offsetting those services. Table 3 (next) shows the total cost of services and the net cost of services. That is, it identifies the cost of those services supported by tax revenue and unrestricted state entitlements

(Table 3)

	<b>Governmental Activities</b>			
	Total Cost Of Services	Net Cost of Services	Total Cost Of Services	Net Cost of Services
	<u>2007</u>	<u>2007</u>	<u>2006</u>	<u>2006</u>
General Government	\$ 399,650	\$ 341,802	\$ 517,634	\$ 463,379
Public Safety	959,593	827,228	1,227,036	1,130,580
Public Works	1,748,680	1,348,033	1,096,472	686,310
Health	7,190	(57,252)	7,401	(38,591)
Capital Outlay	819,910	249,313	191,504	68,695
Debt Services:				
Principal Retirement	95,000	95,000	90,000	90,000
Interest and Fiscal Changes	4,817	4,817	7,570	7,570
Total Expenses	<u>\$ 4,034,840</u>	<u>\$ 2,808,941</u>	<u>\$ 3,137,617</u>	<u>\$ 2,407,943</u>

The dependence upon property tax receipts and state and unrestricted state entitlements is apparent as over 69.61%, and 76.74% of governmental activities for 2007 and 2006 respectively, are supported through these general receipts.

Columbia Township  
Hamilton County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2007 and 2006  
Unaudited

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**The Township's Funds**

Total governmental fund had receipts of \$4,259,169 and \$3,386,675 in 2007 and 2006 respectively, and had disbursements of \$4,619,808 and \$3,377,343 in 2007 and 2006 respectively.

In Fiscal year 2007, the greatest change in the governmental funds occurred within the General Fund, and the Road District Fund.

During that year, the fund balance of the General Fund decreased \$282,406 as the result of transfers made to the Road Project Fund and the Permanent Improvement Fund for capital improvements.

The Road District fund balance decreased \$297,708 fueled by two major road projects in the year i.e Ridgewood I and Ridgewood II.

In Fiscal year 2006, major changes in fund balances occurred within the General Fund, and the Road District Fund.

The General Fund balance decreased from \$1,837,369 to \$1,683,926 mainly because of reduced intergovernmental receipts.

The Road District Fund balance increased \$479,340 to \$597,662, mainly due to reduced public works expenditures.

**General Fund Budgeting Highlights**

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

During 2007, the Township amended its General Fund budgeted appropriations to reflect changing circumstances. Final actual receipts were slightly more than final budgeted receipts.

Final disbursements (excluding transfers-out) for 2007 were budgeted at \$460,512, while actual disbursements (excluding transfers-out) were \$406,840

Final disbursements (excluding transfers-out) for 2006 were budgeted at \$594,342, while actual disbursements (excluding transfers-out) were \$532,185.

The Township disbursed 88.34%, and 89.54% of budgeted expenditures in 2007 and 2006 respectively. The Township kept disbursements below budgeted expenditures as required by the Ohio Revised Code.

Columbia Township  
Hamilton County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2007 and 2006  
Unaudited

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**Capital Assets and Debt Administration**

Capital Assets

The Township maintains detailed records of all its capital assets. The Township does not record capital assets in the accompanying basic financial statements, but records payments for capital assets as disbursements.

Debt

As of December 31, 2007, the Township's outstanding debt was \$95,000 in general obligation bonds issued for improvements to the Township administration building and garage. For further information regarding the Township's debt, refer to Note 10 to the financial statements.

**Current Issues**

The challenge for all Governments is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on local taxes and have very little industries to support the tax base. The newly prepared financial forecast predicts a balanced budget each of the next several years if there are no decreases in the property taxes and no cuts in the Local Government funds, which are now being received as the Trustees have been very prudent in their planning and spending.

**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 Paul Davis, Fiscal Officer, or to Mr. Michael Lemon, Township Administrator, Columbia Township, Hamilton County, 5686 Kenwood Road, Cincinnati, Ohio 45227.

**COLUMBIA TOWNSHIP**  
**HAMILTON COUNTY**  
*Statement of Net Assets - Cash Basis*  
*December 31, 2007*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 3,472,234
<i>Total Assets</i>	<i>\$ 3,472,234</i>
 <b>Net Assets</b>	
Restricted for:	
Capital Projects	\$ 30,612
Debt Service	-
Other Purposes	2,040,101
Unrestricted	1,401,521
<i>Total Net Assets</i>	<i>\$ 3,472,234</i>

See accompanying notes to the financial statements

**Columbia Township**  
**Hamilton County**  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2007*

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Net Cash Disbursements
<b>Governmental Activities</b>					
General Government	\$ 399,650	\$ 57,848	\$ -	\$ -	\$ (341,802)
Public Safety	959,593	-	132,365	-	(827,228)
Public Works	1,748,680	-	157,410	243,237	(1,348,033)
Health	7,190	-	64,442	-	57,252
Capital Outlay	819,910	-	-	570,597	(249,313)
Debt Services:					
Principal Retirement	95,000	-	-	-	(95,000)
Interest and Fiscal Charges	4,817	-	-	-	(4,817)
<i>Total Governmental Activities</i>	<u>\$ 4,034,840</u>	<u>\$ 57,848</u>	<u>\$ 354,217</u>	<u>\$ 813,834</u>	<u>\$ (2,808,941)</u>
			<b>General Receipts</b>		
			Property Taxes Levied for:		
			General Purposes	\$ 455,663	
			Police District	683,774	
			Garbage & Waste Disposal	448,379	
			Road District	266,241	
			Grants and Entitlements not Restricted to		
			Specific Programs	423,401	
			Interest	164,937	
			Miscellaneous	5,907	
			<i>Total General Receipts</i>	2,448,302	
			Change in Net Assets	(360,639)	
			<i>Net Assets Beginning of Year</i>	3,832,873	
			<i>Net Assets End of Year</i>	<u>\$ 3,472,234</u>	

See accompanying notes to the financial statements

**Columbia Township**  
**Hamilton County**  
*Statement of Net Assets - Cash Basis*  
*December 31, 2006*

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	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 3,832,873
<i>Total Assets</i>	<u>\$ 3,832,873</u>
<b>Net Assets</b>	
Restricted for:	
Other Purposes	\$ 2,148,946
Unrestricted	<u>1,683,927</u>
<i>Total Net Assets</i>	<u>\$ 3,832,873</u>

See accompanying notes to the financial statements

**Columbia Township**  
**Hamilton 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	Capital Grants and Contributions		Net Cash Disbursements
<b>Governmental Activities</b>						
General Government	\$ 517,634	\$ 54,255	\$ -	\$ -		\$ (463,379)
Public Safety	1,227,036	-	96,456	-		(1,130,580)
Public Works	1,096,472	-	160,559	249,603		(686,310)
Health	7,401	-	45,992	-		38,591
Capital Outlay	191,504	-	-	122,809		(68,695)
Debt Services:						
Principal Retirement	90,000	-	-	-		(90,000)
Interest and Fiscal Charges	7,570	-	-	-		(7,570)
<i>Total Governmental Activities</i>	<u>\$ 3,137,617</u>	<u>\$ 54,255</u>	<u>\$ 303,007</u>	<u>\$ 372,412</u>		<u>\$ (2,407,943)</u>
			<b>General Receipts</b>			
			Property Taxes Levied for:			
			General Purposes		\$ 789,986	
			Police District		561,818	
			Garbage & Waste Disposal		391,596	
			Road District		266,256	
			Grants and Entitlements not restricted to Specific			
			Programs		211,949	
			Interest		186,448	
			Miscellaneous		9,222	
					2,417,275	
			<i>Total General Receipts</i>			
			Change in Net Assets		9,332	
			<i>Net Assets Beginning of Year</i>		3,823,541	
			<i>Net Assets End of Year</i>		<u>\$ 3,832,873</u>	

See accompanying notes to the financial statements

**COLUMBIA TOWNSHIP**  
**HAMILTON COUNTY**  
*Statement of Assets and Fund Balances - Cash Basis*  
*Governmental Funds*  
*December 31, 2007*

	General	Police District Fund	Garbage & Waste Disposal District Fund	Road District Fund	Road Project Fund	OPWC Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>								
Equity in Pooled Cash and Cash Equivalents	\$ 1,401,520	\$ 292,382	\$ 519,940	\$ 299,954	\$ 30,612	\$ -	\$ 927,826	\$ 3,472,234
Investments	-	-	-	-	-	-	-	-
<i>Total Assets</i>	<u>1,401,520</u>	<u>292,382</u>	<u>519,940</u>	<u>299,954</u>	<u>30,612</u>	<u>-</u>	<u>927,826</u>	<u>3,472,234</u>
<b>Fund Balances</b>								
Reserved:								
Reserved for Encumbrances	-	-	-	-	-	38,626	55,234	93,860
Unreserved:								
Undesignated (Deficit), Reported in:								
General Fund	1,401,520	-	-	-	-	-	-	1,401,520
Special Revenue Funds	-	292,382	519,940	299,954	-	-	872,592	1,984,868
Debt Service Fund	-	-	-	-	-	-	-	-
Capital Projects Funds	-	-	-	-	30,612	(38,626)	-	(8,014)
<i>Total Fund Balances</i>	<u>\$ 1,401,520</u>	<u>\$ 292,382</u>	<u>\$ 519,940</u>	<u>\$ 299,954</u>	<u>\$ 30,612</u>	<u>\$ -</u>	<u>\$ 927,826</u>	<u>\$ 3,472,234</u>

See accompanying notes to the financial statements

**COLUMBIA TOWNSHIP  
HAMILTON COUNTY**  
*Statement of Cash Receipts, Disbursements and Changes in Fund Balances - Cash Basis*  
*Governmental Funds*  
*For the Year Ended December 31, 2007*

	General	Police District Fund	Garbage & Waste Disposal District Fund	Road District Fund	Road Project Fund	OPWC Fund	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>								
Property and Other Local Taxes	\$ 68,110	\$ 683,774	\$ 448,379	\$ 266,241	\$ -	\$ -	\$ 387,553	\$ 1,854,057
Fines and Forfeitures	8,112	-	-	-	-	-	-	8,112
Intergovernmental	421,914	83,951	64,442	35,742	243,237	570,597	171,569	1,591,452
Licenses, Fees and Permits	49,736	-	-	-	-	-	-	49,736
Interest	155,887	-	-	-	-	-	9,050	164,937
Miscellaneous	5,643	39	-	-	-	-	225	5,907
<i>Total Cash Receipts</i>	<u>709,402</u>	<u>767,764</u>	<u>512,821</u>	<u>301,983</u>	<u>243,237</u>	<u>570,597</u>	<u>568,397</u>	<u>3,674,201</u>
<b>Disbursements</b>								
Current:								
General Government	399,650	-	-	-	-	-	-	399,650
Public Safety	-	688,410	-	-	-	-	271,183	959,593
Public Works	-	-	543,976	599,691	448,688	-	156,325	1,748,680
Health	7,190	-	-	-	-	-	-	7,190
Capital Outlay	-	-	-	-	-	570,597	249,313	819,910
Debt Service:								
Principal Retirement	-	-	-	-	-	-	95,000	95,000
Interest and Fiscal Charges	-	-	-	-	-	-	4,817	4,817
<i>Total Cash Disbursements</i>	<u>406,840</u>	<u>688,410</u>	<u>543,976</u>	<u>599,691</u>	<u>448,688</u>	<u>570,597</u>	<u>776,638</u>	<u>4,034,840</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>302,562</u>	<u>79,354</u>	<u>(31,155)</u>	<u>(297,708)</u>	<u>(205,451)</u>	<u>-</u>	<u>(208,241)</u>	<u>(360,639)</u>
<b>Other Financing Sources (Uses)</b>								
Transfers In	-	-	-	-	236,063	-	348,905	584,968
Transfers Out	(584,968)	-	-	-	-	-	-	(584,968)
<i>Total Other Financing Sources (Uses)</i>	<u>(584,968)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>236,063</u>	<u>-</u>	<u>348,905</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	<u>(282,406)</u>	<u>79,354</u>	<u>(31,155)</u>	<u>(297,708)</u>	<u>30,612</u>	<u>-</u>	<u>140,664</u>	<u>(360,639)</u>
<i>Fund Balances Beginning of Year</i>	<u>1,683,926</u>	<u>213,028</u>	<u>551,095</u>	<u>597,662</u>	<u>-</u>	<u>-</u>	<u>787,162</u>	<u>3,832,873</u>
<i>Fund Balances End of Year</i>	<u>\$ 1,401,520</u>	<u>\$ 292,382</u>	<u>\$ 519,940</u>	<u>\$ 299,954</u>	<u>\$ 30,612</u>	<u>\$ -</u>	<u>\$ 927,826</u>	<u>\$ 3,472,234</u>

See accompanying notes to the financial statements

**COLUMBIA TOWNSHIP - HAMILTON COUNTY**

*Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual -Budgetary Basis  
General Fund*

*For the Year Ended December 31, 2007*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$ 54,310	\$ 54,310	\$ 68,110	\$ 13,800
Licenses, Permits and Fees	1,000	1,000	49,736	48,736
Fines and Forfeitures	-	-	8,112	8,112
Intergovernmental	361,294	361,294	421,914	60,620
Earnings on Investments	160,000	160,000	155,887	(4,113)
Miscellaneous	75,000	75,000	5,643	(69,357)
<i>Total receipts</i>	<u>651,604</u>	<u>651,604</u>	<u>709,402</u>	<u>57,798</u>
<b>Disbursements</b>				
Current:				
General Government	410,512	449,512	399,650	49,862
Health	9,000	9,000	7,190	1,810
Capital Outlay	2,000	2,000	-	2,000
Total Disbursements	<u>421,512</u>	<u>460,512</u>	<u>406,840</u>	<u>53,672</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>230,092</u>	<u>191,092</u>	<u>302,562</u>	<u>111,470</u>
<i>Other Financing Sources (Uses)</i>				
Transfers Out	<u>(158,900)</u>	<u>(647,510)</u>	<u>(584,968)</u>	<u>62,542</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(158,900)</u>	<u>(647,510)</u>	<u>(584,968)</u>	<u>62,542</u>
Net Change in Fund Balance	<u>71,192</u>	<u>(456,418)</u>	<u>(282,406)</u>	<u>174,012</u>
Fund Balance Beginning of Year	<u>1,683,926</u>	<u>1,683,926</u>	<u>1,683,926</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 1,755,118</u>	<u>\$ 1,227,508</u>	<u>\$ 1,401,520</u>	<u>\$ 174,012</u>

See accompanying notes to the financial statements

**COLUMBIA TOWNSHIP - HAMILTON COUNTY**

Statement of Receipts, Disbursements and Changes  
 In Fund Balance - Budget and Actual -Budgetary Basis  
 Garbage & Waste Disposal District Fund  
 For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 448,244	\$ 448,244	\$ 448,379	\$ 135
Intergovernmental	54,861	54,861	64,442	9,581
Miscellaneous	6,622	6,622	-	(6,622)
Total receipts	509,727	509,727	512,821	3,094
Disbursements				
Current:				
Public Works	515,623	556,623	543,976	12,647
Total Disbursements	515,623	556,623	543,976	12,647
Excess of Receipts Over (Under) Disbursements	(5,896)	(46,896)	(31,155)	15,741
Net Change in Fund Balance	(5,896)	(46,896)	(31,155)	15,741
Fund Balance Beginning of Year	551,095	551,095	551,095	-
Fund Balance End of Year	\$ 545,199	\$ 504,199	\$ 519,940	\$ 15,741

See accompanying notes to the financial statements

**COLUMBIA TOWNSHIP - HAMILTON COUNTY**

Statement of Receipts, Disbursements and Changes  
 In Fund Balance - Budget and Actual - Budgetary Basis  
 Police District Fund  
 For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 663,755	\$ 663,755	\$ 683,774	\$ 20,019
Intergovernmental	81,028	81,028	83,951	2,923
Miscellaneous	-	-	39	39
Total receipts	<u>744,783</u>	<u>744,783</u>	<u>767,764</u>	<u>22,981</u>
Disbursements				
Current:				
Public Safety	<u>707,100</u>	<u>707,100</u>	<u>688,410</u>	<u>18,690</u>
Total Disbursements	<u>707,100</u>	<u>707,100</u>	<u>688,410</u>	<u>18,690</u>
Excess of Receipts Over (Under) Disbursements	<u>37,683</u>	<u>37,683</u>	<u>79,354</u>	<u>41,671</u>
Net Change in Fund Balance	<u>37,683</u>	<u>37,683</u>	<u>79,354</u>	<u>41,671</u>
Fund Balance Beginning of Year	<u>213,028</u>	<u>213,028</u>	<u>213,028</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 250,711</u>	<u>\$ 250,711</u>	<u>\$ 292,382</u>	<u>\$ 41,671</u>

See accompanying notes to the financial statements

**COLUMBIA TOWNSHIP - HAMILTON COUNTY**

Statement of Receipts, Disbursements and Changes  
 In Fund Balance - Budget and Actual - Budgetary Basis  
 Road District Fund  
 For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 244,381	\$ 244,381	\$ 266,241	\$ 21,860
Intergovernmental	34,569	34,569	35,742	1,173
Total receipts	278,950	278,950	301,983	23,033
Disbursements				
Current:				
Public Works	654,899	665,899	599,691	66,208
Total Disbursements	654,899	665,899	599,691	66,208
Excess of Receipts Over (Under) Disbursements	(375,949)	(386,949)	(297,708)	89,241
Net Change in Fund Balance	(375,949)	(386,949)	(297,708)	89,241
Fund Balance Beginning of Year	597,662	597,662	597,662	-
Fund Balance End of Year	\$ 221,713	\$ 210,713	\$ 299,954	\$ 89,241

See accompanying notes to the financial statements

**COLUMBIA TOWNSHIP  
HAMILTON COUNTY**  
*Statement of Assets and Fund Balances - Cash Basis*  
*Governmental Funds*  
*December 31, 2006*

	General	Police District Fund	Garbage & Waste Disposal Fund	Road District Fund	Road Project Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>							
Equity in Pooled Cash and Cash Equivalents	\$ 1,683,926	\$ 213,028	\$ 551,095	\$ 597,662	\$ -	\$ 787,162	\$ 3,832,873
Investments	-	-	-	-	-	-	-
<i>Total Assets</i>	<u>1,683,926</u>	<u>213,028</u>	<u>551,095</u>	<u>597,662</u>	<u>-</u>	<u>787,162</u>	<u>3,832,873</u>
<b>Fund Balances</b>							
Reserved:							
Reserved for Encumbrances	-	-	-	-	390,011	306,057	696,068
Unreserved:							
Undesignated (Deficit), Reported in:							
General Fund	1,683,926	-	-	-	-	-	1,683,926
Special Revenue Funds	-	213,028	551,095	597,662	-	481,105	1,842,890
Debt Service Fund	-	-	-	-	-	-	-
Capital Projects Funds	-	-	-	-	(390,011)	-	(390,011)
<i>Total Fund Balances</i>	<u>\$ 1,683,926</u>	<u>\$ 213,028</u>	<u>\$ 551,095</u>	<u>\$ 597,662</u>	<u>\$ -</u>	<u>\$ 787,162</u>	<u>\$ 3,832,873</u>

See accompanying notes to the financial statements

**COLUMBIA TOWNSHIP  
HAMILTON COUNTY**

*Statement of Cash Receipts, Disbursements and Changes in Fund Balances - Cash Basis  
Governmental Funds  
For the Year Ended December 31, 2006*

	General	Police District Fund	Garbage & Waste Disposal District Fund	Road District Fund	Road Project Fund	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>							
Property and Other Local Taxes	\$ 200,138	\$ 561,818	\$ 391,596	\$ 266,256	\$ -	\$ 589,848	\$ 2,009,656
Fines and Forfeitures	6,783	-	-	-	-	-	6,783
Intergovernmental	187,486	60,481	45,992	26,174	249,603	317,632	887,368
Licenses, Fees and Permits	47,472	-	-	-	-	-	47,472
Interest	175,900	-	-	-	-	10,548	186,448
Miscellaneous	689	391	-	2,316	-	5,826	9,222
<i>Total Cash Receipts</i>	<u>618,468</u>	<u>622,690</u>	<u>437,588</u>	<u>294,746</u>	<u>249,603</u>	<u>923,854</u>	<u>3,146,949</u>
<b>Disbursements</b>							
Current:							
General Government	514,529	-	-	-	-	3,105	517,634
Public Safety	-	677,749	-	-	-	549,287	1,227,036
Public Works	-	-	411,596	166,165	344,212	174,499	1,096,472
Health	7,401	-	-	-	-	-	7,401
Capital Outlay	10,255	-	-	10,259	-	170,990	191,504
Debt Service:							
Principal Retirement	-	-	-	-	-	90,000	90,000
Interest and Fiscal Charges	-	-	-	-	-	7,570	7,570
<i>Total Cash Disbursements</i>	<u>532,185</u>	<u>677,749</u>	<u>411,596</u>	<u>176,424</u>	<u>344,212</u>	<u>995,451</u>	<u>3,137,617</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>86,283</u>	<u>(55,059)</u>	<u>25,992</u>	<u>118,322</u>	<u>(94,609)</u>	<u>(71,597)</u>	<u>9,332</u>
<b>Other Financing Sources (Uses)</b>							
Transfers In	-	-	-	-	94,609	145,117	239,726
Transfers Out	(239,726)	-	-	-	-	-	(239,726)
<i>Total Other Financing Sources (Uses)</i>	<u>(239,726)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>94,609</u>	<u>145,117</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	<u>(153,443)</u>	<u>(55,059)</u>	<u>25,992</u>	<u>118,322</u>	<u>-</u>	<u>73,520</u>	<u>9,332</u>
<i>Fund Balances Beginning of Year</i>	<u>1,837,369</u>	<u>268,087</u>	<u>525,103</u>	<u>479,340</u>	<u>-</u>	<u>713,642</u>	<u>3,823,541</u>
<i>Fund Balances End of Year</i>	<u>\$ 1,683,926</u>	<u>\$ 213,028</u>	<u>\$ 551,095</u>	<u>\$ 597,662</u>	<u>\$ -</u>	<u>\$ 787,162</u>	<u>\$ 3,832,873</u>

See accompanying notes to the financial statements

**COLUMBIA TOWNSHIP - HAMILTON COUNTY**

*Statement of Receipts, Disbursements and Changes*

*In Fund Balance - Budget and Actual -Budgetary Basis*

*General Fund*

*For the Year Ended December 31, 2006*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$ 51,605	\$ 51,605	\$ 200,138	\$ 148,533
Licenses, Permits and Fees	-	-	47,472	47,472
Fines and Forfeitures	400	400	6,783	6,383
Intergovernmental	115,677	115,677	187,486	71,809
Earnings on Investments	135,000	135,000	175,900	40,900
Miscellaneous	60,000	60,000	689	(59,311)
<i>Total receipts</i>	<u>362,682</u>	<u>362,682</u>	<u>618,468</u>	<u>255,786</u>
<b>Disbursements</b>				
Current:				
General Government	541,919	574,342	514,529	59,813
Health	9,000	9,000	7,401	1,599
Capital Outlay	2,000	11,000	10,255	745
Total Disbursements	<u>552,919</u>	<u>594,342</u>	<u>532,185</u>	<u>62,157</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(190,237)</u>	<u>(231,660)</u>	<u>86,283</u>	<u>317,943</u>
<i>Other Financing Sources (Uses)</i>				
Transfers Out	<u>(519,600)</u>	<u>(478,177)</u>	<u>(239,726)</u>	<u>238,451</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(519,600)</u>	<u>(478,177)</u>	<u>(239,726)</u>	<u>238,451</u>
Net Change in Fund Balance	<u>(709,837)</u>	<u>(709,837)</u>	<u>(153,443)</u>	<u>556,394</u>
Fund Balance Beginning of Year	<u>1,837,369</u>	<u>1,837,369</u>	<u>1,837,369</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 1,127,532</u>	<u>\$ 1,127,532</u>	<u>\$ 1,683,926</u>	<u>\$ 556,394</u>

See accompanying notes to the financial statements

**COLUMBIA TOWNSHIP - HAMILTON COUNTY**

Statement of Receipts, Disbursements and Changes  
 In Fund Balance - Budget and Actual -Budgetary Basis  
 Garbage & Waste Disposal District Fund  
 For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 389,433	\$ 389,433	\$ 391,596	\$ 2,163
Intergovernmental	29,658	29,658	45,992	16,334
Miscellaneous	15,000	15,000	-	(15,000)
<b>Total receipts</b>	<b>434,091</b>	<b>434,091</b>	<b>437,588</b>	<b>3,497</b>
Disbursements				
Current:				
Public Works	405,917	418,317	411,596	6,721
<b>Total Disbursements</b>	<b>405,917</b>	<b>418,317</b>	<b>411,596</b>	<b>6,721</b>
<b>Excess of Receipts Over (Under) Disbursements</b>	<b>28,174</b>	<b>15,774</b>	<b>25,992</b>	<b>10,218</b>
<b>Net Change in Fund Balance</b>	<b>28,174</b>	<b>15,774</b>	<b>25,992</b>	<b>10,218</b>
<b>Fund Balance Beginning of Year</b>	<b>525,103</b>	<b>525,103</b>	<b>525,103</b>	<b>-</b>
<b>Fund Balance End of Year</b>	<b>\$ 553,277</b>	<b>\$ 540,877</b>	<b>\$ 551,095</b>	<b>\$ 10,218</b>

See accompanying notes to the financial statements

**COLUMBIA TOWNSHIP - HAMILTON COUNTY**

Statement of Receipts, Disbursements and Changes  
 In Fund Balance - Budget and Actual - Budgetary Basis  
 Police District Fund  
 For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 679,539	\$ 679,539	\$ 561,818	\$ (117,721)
Intergovernmental	47,253	47,253	60,481	13,228
Miscellaneous	20,000	20,000	391	(19,609)
Total receipts	746,792	746,792	622,690	(124,102)
Disbursements				
Current:				
Public Safety	727,835	727,835	677,749	50,086
Total Disbursements	727,835	727,835	677,749	50,086
Excess of Receipts Over (Under) Disbursements	18,957	18,957	(55,059)	(74,016)
Net Change in Fund Balance	18,957	18,957	(55,059)	(74,016)
Fund Balance Beginning of Year	268,087	268,087	268,087	-
Fund Balance End of Year	\$ 287,044	\$ 287,044	\$ 213,028	\$ (74,016)

See accompanying notes to the financial statements

**COLUMBIA TOWNSHIP - HAMILTON COUNTY**

Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual -Budgetary Basis  
Road District Fund  
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 257,764	\$ 257,764	\$ 266,256	\$ 8,492
Intergovernmental	17,158	17,158	26,174	9,016
Miscellaneous	8,600	8,600	2,316	(6,284)
Total receipts	<u>283,522</u>	<u>283,522</u>	<u>294,746</u>	<u>11,224</u>
Disbursements				
Current:				
Public Works	196,144	198,099	166,165	31,934
Capital Outlay	20,000	20,000	10,259	9,741
Total Disbursements	<u>216,144</u>	<u>218,099</u>	<u>176,424</u>	<u>41,675</u>
Excess of Receipts Over (Under) Disbursements	<u>67,378</u>	<u>65,423</u>	<u>118,322</u>	<u>52,899</u>
Net Change in Fund Balance	<u>67,378</u>	<u>65,423</u>	<u>118,322</u>	<u>52,899</u>
Fund Balance Beginning of Year	<u>479,340</u>	<u>479,340</u>	<u>479,340</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 546,718</u>	<u>\$ 544,763</u>	<u>\$ 597,662</u>	<u>\$ 52,899</u>

See accompanying notes to the financial statements

Columbia Township  
Hamilton County  
Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

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**Note 1 – Reporting Entity**

Columbia Township, Hamilton 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 Fiscal Officer.

The Township provides for general government services, maintenance of Township roads and bridges, and for fire protection and emergency medical services. The Township contracts with the Little Miami Joint Fire & Rescue Department for services to the Little Miami Fire District, Madison Place Fire District and the Kenwood Fire District. It contracts with the Village of Golf Manor Fire Department for protection of the Ridge Fire District and the Deer Park - Silverton Joint Fire Department to cover the Silverton Fire District. The Township contracts with the Hamilton County Sheriff's Department for police protection.

The primary government consists of all departments, boards, and agencies that are not legally separate from the Township. The Township's management believes that 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 2C, 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. The Township does not apply FASB statements issued after November 30, 1989, to its governmental activities. Following are the more significant of the Township's accounting policies.

**A. Basis of Presentation**

Government-Wide Financial Statements

The Township's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities. Also presented are fund financial statements which provide a more detailed level of financial information. Government-Wide Financial Statements The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the Township that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Township has no business-type activities.

Columbia Township  
Hamilton County  
Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

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

Government-Wide Financial Statements (Continued)

The statement of net assets presents the cash 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 grants and contributions restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Township's general receipts.

Fund Financial Statements

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at a 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 may be categorized as governmental, proprietary, or fiduciary. The funds of the Township are all considered governmental.

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. Governmental funds focus on the sources, uses, and balances of current financial resources.

The Township's major governmental funds are:

General Fund - This 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 that it is expended or transferred according to the general laws of Ohio.

Police District Fund – This fund receives the proceeds of two separate property tax levies which are used to pay for police protection services, including equipment, dispatch services, and other police-related costs.

Garbage & Waste Disposal Fund – This fund receives the proceeds of a property tax levy which are used to pay for garbage and waste collection services, including equipment and other related costs.

Columbia Township  
Hamilton County  
Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

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

**B. Fund Accounting (Continued)**

Road District Fund – This fund receives the proceeds of a property tax levy and certain intergovernmental receipts which are used to pay for the engineering, labor, and materials costs for maintaining Township roads.

Road Project Fund – This fund receives proceeds from local utility companies for joint road and improvement projects, which are used to pay for road improvements and contractors.

OPWC Fund – This fund is used to record the Township’s Issue II grants allocations.

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

**C. Basis of Accounting**

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

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

**D. Budgetary Process**

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

The appropriations ordinance 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, function, and object level for all funds.

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

Columbia Township  
Hamilton County  
Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

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

**D. Budgetary Process (Continued)**

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 Deposits**

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”.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. The total of interest receipts credited to the General Fund during 2007 was \$155,887.

**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 and Payables**

The Township reports advances-in and advances-out for interfund loans. During 2007, no advance transactions occurred.

**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 Note 8 and Note 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

Columbia Township  
Hamilton County  
Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

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

**K. Long-Term Obligations**

The Township's cash basis financial statements do not report liabilities for bonds or other long term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. The Township did not issue any debt in 2006 or 2007.

**L. Net Assets**

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for debt service and for state grants reported in special revenue funds.

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

**M. Fund Balance Reserves**

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

**N. Interfund Transactions**

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. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

**Note 3 – Compliance**

Contrary to the Ohio Revised Code Section 5705.41(B), budgetary expenditures exceeded the appropriation authority in the Road Project fund by \$209,035 for the year ended December 31, 2007

Contrary to the Ohio Revised Code Section 5705.36, appropriations exceeded total estimated resources in the Road Project Fund by \$47,563 for the year ended December 31, 2007.

Contrary to the Ohio Revised Code Section 5705.39, appropriations were made in excess of what was available for appropriation in the amount of \$47,563 concerning the Road Project Fund in 2007.

Contrary to the Ohio Revised Code Section 9.10 and 9.11, rubber stamps were used as a signature on issued checks.

Columbia Township  
Hamilton County  
Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

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**Note 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 for the major special revenue funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (modified cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$55,234 for other governmental funds, and \$38,626 for the OPWC Fund.

**Note 5 – Deposits and Investments**

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

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

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

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

1. United States Treasury bills, bonds, notes, or 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;

Columbia Township  
Hamilton County  
Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

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

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 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.

**A. Deposits**

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2007 and 2006, none of the Township's bank balance of \$3,651,503 and \$3,930,129, respectively, was exposed to custodial credit risk because all deposits were either covered by insurance from the Federal Deposit Insurance Corporation or by collateral held by an agent in the Township's name.

**Note 6 – Property Taxes**

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2007 represent the collection of 2006 taxes. Real property taxes received in 2007 were levied after October 1, 2006, on the assessed values as of January 1, 2006, 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 2007 represent the collection of 2006 taxes. Public utility real and tangible personal property taxes received in 2006 became a lien on December 31, 2005, were levied after October 1, 2006, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2007 (other than public utility property) represent the collection of 2007 taxes. Tangible personal property taxes received in 2007 were levied after October 1, 2006, on the true value as of December 31, 2006. 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.

Columbia Township  
Hamilton County  
Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

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

The assessed values of real property, public utility property, and tangible personal property upon which 2007 and 2006 property tax receipts were assessed, were as follows:

	<b>2007</b>	<b>2006</b>
Real Property:		
Residential/Agricultural	\$84,823,120	\$82,316,670
Commercial/Industrial/Mineral	38,222,580	38,728,990
Public Utility Property:		
Personal	3,378,730	3,363,490
Tangible Personal Property	13,507,140	15,779,280
Total Assessed Value	\$139,931,570	\$140,188,430

**Note 7 – Risk Management**

Beginning October 2006, the Township switched its risk management provider to the Ohio Plan. 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. Following is the various risks covered by the Ohio Plan:

<u>Company</u>	<u>Type of Coverage</u>	<u>Amount of Coverage</u>
The Ohio Plan	Company Commercial Property	\$100,000 – \$1,232,043
	General Liability	\$5,000,000 per occurrence
	Commercial Crime	\$5,000,000 per occurrence
	Vehicle	\$5,000,000 per accident
	Public Officials Liability	\$5,000,000
	Law Enforcement Liability	\$1,000,000 per incident
	Commercial Umbrella	\$5,000,000

Settled claims have not exceeded coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

The Township pays the State Workers’ Compensation System (the 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.

**Note 8 – Defined Benefit Pension Plan**

**A. Ohio Public Employees Retirement System**

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

Columbia Township  
Hamilton County  
Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

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**Note 8 – Defined Benefit Pension Plan (Continued)**

**A. Ohio Public Employees Retirement System (Continued)**

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, 2007, and 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 and 9.5 percent of their annual covered salaries, respectively. The Township's contribution rate for pension benefits for 2007 and 2006 was 13.70 and 13.85 percent, respectively. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to all plans for the years ended December 31, 2007, 2006, and 2005 were \$52,149, \$49,840, and \$24,168 respectively. The full amount has been contributed for 2007, 2006 and 2005.

**Note 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. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. 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 the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2007 and 2006 local government employer contribution rate was 13.85 for both years, of covered payroll; 4.5 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, 2003, 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 .5 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase between .5 and 6.0 percent annually for the next nine years and 4.00 percent annually after nine years.

Columbia Township  
Hamilton County  
Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

**Note 9 - Postemployment Benefits (Continued)**

**A. Ohio Public Employees Retirement System (Continued)**

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 374,979. Actual employer contributions for 2007 and 2006 which were used to fund postemployment benefits were \$2,439 and \$2,453, respectively. The actual contribution and the actuarially required contribution amounts are the same. OPERS' net assets available for payment of benefits at December 31, 2006 (latest information available) were \$12.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$30.7 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. Members and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

**Note 10 – Bonds Payable**

The Township's long-term debt activity for the year ended December 31, 2007, was as follows:

	Interest Rate	Balance as of 12/31/06	Additions	Reductions	Balance as of 12/31/07	Amounts Due Within One Year
<u>Governmental Activities</u>						
General Obligation Township	2.94%	\$ 190,000		\$ 95,000	\$ 95,000	\$ 95,000
Building Improvement Bonds (Issued 2003, original principle of \$450,000)						
Total		<u>\$ 190,000</u>	<u>\$ -</u>	<u>\$ 95,000</u>	<u>\$ 95,000</u>	<u>\$ 95,000</u>

The general obligation bonds are supported by the full faith and credit of the Township and are payable from unvoted property tax receipts to the extent that other resources are not available to meet annual principal and interest payments.

The following is a summary of the Township's future annual debt service requirements:

General Obligation Township Building Improvement Bonds	
2008	<u>\$ 95,000</u>
Total	<u>\$ 95,000</u>

Columbia Township  
Hamilton County  
Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

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**Note 11 – Interfund Transfers**

During 2007 and 2006 the following transfers were made:

<b>2007</b>	<b>TRANSFERS IN</b>			
	Debt Service Fund	Permanent Improvement Fund	Road Project Fund	Total Transfers In
<u>TRANSFERS OUT</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Transfers In</u>
General Fund	\$ 99,816	\$ 249,088	\$ 236,064	\$ 584,968
Total Transfers Out	<u>\$ 99,816</u>	<u>\$ 249,088</u>	<u>\$ 236,064</u>	<u>\$ 584,968</u>

<b>2006</b>	<b>TRANSFERS IN</b>			
	Debt Service Fund	Permanent Improvement Fund	Road Project Fund	Total Transfers In
<u>TRANSFERS OUT</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Transfers In</u>
General Fund	\$ 96,936	\$ 48,181	\$ 94,609	\$ 239,726
Total Transfers Out	<u>\$ 96,936</u>	<u>\$ 48,181</u>	<u>\$ 94,609</u>	<u>\$ 239,726</u>

Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**Caudill & Associates, CPA's**  
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Portsmouth, OH 45662

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants  
Kentucky Society of Certified Public Accountants

**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***

Board of Trustees  
Columbia Township  
Hamilton County  
5686 Kenwood Road  
Cincinnati, OH 45227

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Columbia Township (the Township), Hamilton County, as of and for the years ended December 31, 2007 and 2006, which collectively comprise the Township's financial statements, and have issued our report thereon dated July 31, 2008, wherein we noted the Township prepared its financial statements on the cash basis, a comprehensive basis of accounting other than generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect 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 its applicable accounting basis such that there is more than a remote likelihood that a misstatement of the Township's financial statements that is more than inconsequential will not be prevented or detected by the Township's internal control. The results of our tests disclosed two instances of control deficiencies that are required to be disclosed under *Governmental Auditing Standards*, which are described in the accompanying schedule of findings and responses as items Nos. 2007-005 and 2007-006.

A material weakness is a significant deficiency, or combination of deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Township's internal control.

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 considered to be material weaknesses. We consider the following deficiencies, described in the accompanying schedule of findings and responses as items Nos. 2007-005 and 2007-006, to be material weaknesses in internal controls over financial reporting

Columbia Township  
Hamilton County

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*

Page 2

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed four instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying Schedule of Findings and Responses as items Nos. 2007-001, 2007-002, 2007-003 and 2007-004.

We noted certain noncompliance or other matters that we reported to the Township's management in a separate letter dated July 31, 2008.

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

This report is intended for the information and use of management, and the Township's trustees, and is not intended to be and should not be used by anyone other than these specified parties.

*Caudill & Associates, CPAs*

Caudill & Associates, CPA's

July 31, 2008

**COLUMBIA TOWNSHIP  
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS AND RESPONSES  
DECEMBER 31, 2007 AND 2006**

<b>1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2007-001**

**Noncompliance Citation – Ohio Rev. Code Section 5705.36**

The Ohio Revised Code Section 5705.36 (A)(2) allows all subdivisions to request increased amended certificates of estimated resources and reduced amended certificates upon determination by the fiscal officer that revenue to be collected will be greater or less than the amount in the official certificate of estimated resources. ORC 5705.36 requires the Township to obtain an increased amended certificate of estimated resources from the budget commission if the legislative authority intends to appropriate and expend excess revenue. The Ohio Revised Code Section 5705.36 (A) (4) requires the Township to obtain a reduced amended certificate if the amount of the deficiency will reduce available resources below the current level of appropriation.

Estimated receipts exceeded actual receipts in the Road Project Fund in 2007 and 2006 causing actual resources to fall below the level of appropriation.

This could allow deficit spending to occur.

We recommend the Fiscal Officer obtain a reduced certificate of estimated resources when it is determined that estimated receipts will be less than the actual receipts causing resources to fall below the level of appropriations. Approval of the modifications should be enacted and documented in the Township Minutes.

**Township Response:**

The Township will monitor budgetary compliance more closely.

**FINDING NUMBER 2007-002**

**Noncompliance Citation – Ohio Rev. Code Section 5705.39**

Ohio Rev. Code Section 5705.39 states total appropriation from each fund should not exceed the total estimated revenue. No appropriation measure is to become effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.

Contrary to this requirement, appropriations for the Road Project fund exceeded total estimated revenue by \$404,342 and \$47,563 in 2007 and 2006 respectively.

The Township should monitor the budgetary financial reports throughout the year and amend estimated resources and appropriations, as needed by resolution.

**Township Response:**

Amendments will be filed with the County Auditor when appropriation increases are required. No money will be expended until a certificate is received certifying the total appropriations from each fund does not exceed the total official estimate or amended official estimate.

**COLUMBIA TOWNSHIP  
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS AND RESPONSES  
DECEMBER 31, 2007 AND 2006**

<b>1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
---

**FINDING NUMBER 2007-003**

**Noncompliance Citation – Ohio Rev. Code Section 5705.41(B)**

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

Expenditures exceeded appropriations in the Road Project Fund in 2007 and 2006 by \$209,535 and \$18,095 respectively.

Failure to limit expenditures by approving appropriations and obtaining a revised certificate of estimated resources by the County Auditor could result in deficit spending and deficit fund balances.

The Fiscal Officer should deny payment requests and not certify the availability of Funds exceeding appropriations and amending estimated resources, if necessary.

**Township Response:**

The Township will deny payment requests and not certify the availability of funds exceeding appropriations.

**FINDING NUMBER 2007-004**

**Noncompliance Citation – Ohio Rev. Code Section 9.10 and 9.11**

Ohio Revised Code Section 9.10 and 9.11 state that any elected or appointed public official of this state or of any political subdivision, who is permitted or required in the performance of his duties to affix his signature on any check, draft, warrant, voucher, or other instrument for the payment of money, may adopt a facsimile thereof, in lieu of such manual signature, and affix such facsimile to any such instrument. A “facsimile signature includes, but is not limited to, the reproduction of any authorized signature by a copper plate or by a photographic, photo static, or mechanical device, but does not authorize the use of a rubber stamp signature by this official or authorized employee referred to in section 9.11 of the Ohio Revised Code.

Contrary to the requirement, rubber stamps were used as a signature for the Trustees on issued checks.

**Township Response:**

Township officials will enforce the use of a facsimile signature and do away with the use of a rubber stamp for signature purposes.

**COLUMBIA TOWNSHIP  
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS AND RESPONSES  
DECEMBER 31, 2007 AND 2006**

<b>1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2007-005**

**Misclassification of Receipts and Disbursements – Significant Control Deficiency/ Material Internal Control Weakness**

The AICPA establishes auditing standards generally accepted in the United States that certified public accountants and government auditors must follow in conducting audits of state and local governments. SAS No. 112 establishes standards, responsibilities and guidance for audits during a financial statement audit engagement for identifying and evaluating a client’s internal control over financial reporting. This new standard requires the auditor to report *in writing* to management and the governing body any control deficiencies found during the engagement that are considered significant deficiencies and/or material weaknesses.

During 2007 and 2006, the Township misclassified material intergovernmental receipts and tax revenues. This required reclassifications to properly present the activities of the Township for both years.

We recommend the Township implement control procedures related to financial reporting that enable management to identify, prevent, detect, and correct potential misstatements in the financial statements and footnotes.

**Township Response:**

Township officials will monitor the allocation of receipts more closely to properly represent the activities of the Township. Township will code receipts in accordance with the Township Handbook published by the Auditor of State.

**FINDING NUMBER 2007-006**

**Significant Deficiency/Material Weakness**

Reconciliations are an effective tool to help management determine the completeness of recorded transactions and ensure that all recorded transactions have been deposited with the financial institution. Failure to reconcile the cashbook to the bank balance increases the risk of undetected errors occurring, and increases the risk of loss of misappropriation of funds without any timely detection.

Monthly reconciliations were not performed accurately during the audit period. This led to transactions being recorded in the wrong year. The township does not present the bank reconciliations to the Board of Trustees for approval.

Inaccurate monthly reconciliations could lead to unauthorized or inaccurate transactions occurring and going undetected.

We recommend that monthly reconciliations be performed accurately and in a timely manner. Monthly reconciliations should be provided to the Township Board of Trustees by the Fiscal Officer at each regular meeting to facilitate the effective monitoring of the Township’s financial activity.

**Township Response:**

The Township will prepare more accurate monthly reconciliations and present them to the Board of Trustees on a monthly basis for effective monitoring and review.

**Columbia Township**  
**Hamilton County**  
*Schedule of Prior Audit Findings*  
*For the Fiscal Years Ended December 31, 2007 and 2006*

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Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2005-001	Non-Compliance with 5705.39	No	Reissued as Finding # 2007-002



**Mary Taylor, CPA**  
Auditor of State

**COLUMBIA TOWNSHIP**

**HAMILTON COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
NOVEMBER 18, 2008**