



**Mary Taylor, CPA**  
Auditor of State



**CHIPPEWA TOWNSHIP  
WAYNE COUNTY**

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# Mary Taylor, CPA

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## Auditor of State

### INDEPENDENT ACCOUNTANTS' REPORT

Chippewa Township  
Wayne County  
14228 Galehouse Road  
P.O. Box 265  
Doylestown, Ohio 44230

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 Chippewa Township, Wayne County, Ohio, (the Township) as of and for the years ended December 31, 2008 and 2007, 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 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 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 Chippewa Township, Wayne County, Ohio, as of December 31, 2008 and 2007, and the respective changes in cash financial position and the respective budgetary comparison for the General Fund, Gasoline Tax Fund, Road and Bridge Fund and Special Levy – Fire and EMS Fund thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

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For the years ended December 31, 2008 and 2007, 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*.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 27, 2009, 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's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board 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

August 27, 2009

Chippewa Township, Wayne County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2008 and 2007  
Unaudited

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This discussion and analysis of Chippewa Township's financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2008 and 2007, 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 2008 are as follows:

Net assets of governmental activities decreased \$305,300, or 11.2 percent, a moderate change from the prior year. The funds most affected by the decrease in cash and cash equivalents were the General Fund and the Road and Bridge Fund.

The Township's general receipts are primarily property taxes. These receipts represent 47.8 percent of the total cash received for governmental activities during the year.

Key highlights for 2007 are as follows:

Net assets of governmental activities were increased \$159,225, or 6.2 percent. The funds most affected by the increase in cash and cash equivalents were the General Fund and Gasoline Tax Fund.

The Township's general receipts are primarily property taxes. These receipts represent 55.8 percent of the total cash received for governmental activities during the year.

### **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.

Chippewa Township, Wayne County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2008 and 2007  
Unaudited

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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 2008 and 2007, within the limitations of cash basis accounting. The Statement of Net Assets presents the cash balances 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 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 nonfinancial factors as well such as the Township's property tax base, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

In the Statement of Net Assets and the Statement of Activities, the governmental activities include the Township's programs and services, including general government services and road and bridge maintenance. State grants and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

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

Fund financial statements provide detailed information about the Township's major governmental funds – not the Township as a whole. The Township establishes separate funds to better manage its 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 split into two categories: governmental and fiduciary.

Governmental Funds – Most of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. For 2008 and 2007, the Township's major governmental funds are as follows: General Fund, Gasoline Tax Fund, Road and Bridge Fund and Special Levy – Fire and EMS Fund.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the Township. Fiduciary funds are not reflected on the government-wide financial statements because the resources of these funds are not available to support the Township's programs.



Chippewa Township, Wayne County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2008 and 2007  
Unaudited

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**The Township as a Whole**

Table 1 provides a summary of the Township's net assets for 2008 and 2007 compared to 2006 on a cash basis:

(Table 1)

**Net Assets**

	Governmental Activities		
	2008	2007	2006
<b>Assets</b>			
Cash and Cash Equivalents	\$2,429,652	\$2,734,952	\$2,575,727
<b>Net Assets</b>			
Restricted for:			
Capital Projects	\$62,184	\$44,528	\$75,986
Other Purposes	1,975,861	2,079,901	1,986,150
Unrestricted	391,607	610,523	514,591
Total Net Assets	\$2,429,652	\$2,734,952	\$2,576,727

As mentioned previously, net assets of governmental activities decreased \$305,300 or 11.2 percent during 2008. The primary reasons contributing to the decreases in cash balances are as follows:

- Increase in capital outlay for the purchase of property.

Net assets of governmental activities increased \$159,225 or 6.2 percent during 2007. The primary reason contributing to the increases in cash balances is as follows:

- Receipts exceeded disbursements.

Table 2 reflects the changes in net assets on a cash basis in 2008, 2007, and 2006 for governmental activities.

Chippewa Township, Wayne County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2008 and 2007  
Unaudited

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

	Governmental Activities		
	2008	2007	2006
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$175,409	\$151,630	\$64,953
Operating Grants and Contributions	129,565	128,744	136,209
Capital Grants and Contributions	327,990	36,023	65,652
Total Program Receipts	<u>632,964</u>	<u>316,397</u>	<u>266,814</u>
General Receipts:			
Property and Other Local Taxes	958,388	988,304	1,002,494
Grants and Entitlements Not Restricted to Specific Programs	335,126	318,906	328,212
Sale of Capital Assets	17,656	5,892	19,376
Interest	55,211	132,871	97,859
Miscellaneous	5,795	9,866	8,235
Total General Receipts	<u>1,372,176</u>	<u>1,455,839</u>	<u>1,456,176</u>
Total Receipts	<u>2,005,140</u>	<u>1,772,236</u>	<u>1,722,990</u>
Disbursements:			
General Government	316,869	278,964	268,754
Public Safety	726,482	693,201	606,268
Public Works	513,969	476,744	409,832
Health	52,298	2,921	5,018
Capital Outlay	700,822	161,181	155,548
Total Disbursements	<u>2,310,440</u>	<u>1,613,011</u>	<u>1,445,420</u>
Increase (Decrease) in Net Assets	(305,300)	159,225	277,570
Net Assets, January 1	<u>2,734,952</u>	<u>2,575,727</u>	<u>2,298,157</u>
Net Assets, December 31	<u>\$2,429,652</u>	<u>\$2,734,952</u>	<u>\$2,575,727</u>

Program receipts represent only 31.6 percent and 17.9 percent of total receipts for 2008 and 2007, respectively, and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money.

General receipts represent 68.4 percent and 82.1 percent of the Township's total receipts for 2008 and 2007, respectively, and of this amount, over 69.8 percent and 67.9 percent, respectively, are local taxes. State grants and entitlements make up the majority of the balance of the Township's general receipts (24.4 percent and 21.9 percent). Other receipts are very insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the costs of the fiscal officer and trustees as well as internal services such as payroll and purchasing.

Chippewa Township, Wayne County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2008 and 2007  
Unaudited

Disbursements for Public Safety are the costs of providing fire service to the Township's residents. Disbursements for Public Works are the costs of constructing, maintaining, and repairing Township roads and bridges.

**Governmental Activities**

If you look at the Statement of Activities on page 10 and 19, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities in 2008 and 2007 are for public safety, which accounts for 31.4 and 43.0 percent, respectively, of all governmental disbursements. In addition, capital outlay represents a significant cost about 30.3 percent for 2008. Public works also represents a significant cost, about 22.2 and 29.6 percent for 2008 and 2007, respectively. The next two columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

**Governmental Activities**

	Total Cost of Services 2008	Total Cost of Services 2007	Total Cost of Services 2006	Net Cost of Services 2008	Net Cost of Services 2007	Net Cost of Services 2006
General Government	\$ 316,869	\$ 278,964	\$ 268,754	\$ (316,869)	\$ (278,964)	\$ (268,754)
Public Safety	726,482	693,201	606,268	(302,522)	(577,644)	(541,315)
Public Works	513,969	476,744	409,832	(314,211)	(276,899)	(207,971)
Health	52,298	2,921	5,018	(51,598)	(2,921)	(5,018)
Other				8,546	995	
Capital Outlay	700,822	161,181	155,548	(700,822)	(161,181)	(155,548)
<b>Total</b>	<b>\$2,310,440</b>	<b>\$1,613,011</b>	<b>\$1,445,420</b>	<b>(\$1,677,476)</b>	<b>(\$1,296,614)</b>	<b>(\$1,178,606)</b>

The dependence upon property tax receipts is apparent as over 72.6 percent and 80.4 percent of governmental activities are supported through these general receipts for 2008 and 2007, respectively.

**The Township's Funds**

Total governmental funds had receipts and other sources of \$2,005,140 and \$1,772,236 and disbursements of \$2,310,440 and \$1,613,011 for 2008 and 2007, respectively. The greatest change within governmental funds for 2008 occurred within the Road and Bridge Fund. The fund balance of the Road and Bridge Fund decreased \$234,215 during 2008 as the result of capital outlay purchases. The greatest change within governmental funds for 2007 occurred within the Gasoline Tax Fund. The fund balance increased \$108,753 during 2007 as a result of receipts exceeding disbursements.

Chippewa Township, Wayne County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2008 and 2007  
Unaudited

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**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 2007, the Township did not amend its General Fund budget to reflect changing circumstances. Final budgeted receipts were below actual receipts due to not budgeting for all anticipated intergovernmental receipts and interest. During 2008, the Township amended its appropriations to account for the purchase of land. Final budgeted receipts were below actual receipts due to not budgeting for all zoning receipts and intergovernmental revenue.

Final disbursements were budgeted at \$652,200 and \$558,200, for 2008 and 2007, respectively, while actual disbursements were \$548,572 and \$282,335 for 2008 and 2007, respectively.

**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.

**Contacting the Township's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Laurie Farlow, Fiscal Officer, Chippewa Township, 14288 Galehouse Road, P.O. Box 265, Doylestown, Ohio 44230.

**Chippewa Township**  
**Wayne County**  
*Statement of Net Assets - Cash Basis*  
*December 31, 2008*

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	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$2,429,652</u>
<b>Net Assets</b>	
Restricted for:	
Capital Projects	\$62,184
Other Purposes	1,975,861
Unrestricted	<u>391,607</u>
<i>Total Net Assets</i>	<u><u>\$2,429,652</u></u>

See accompanying notes to the basic financial statements



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

	General	Gasoline Tax	Road and Bridge	Special Levy - Fire and EMS	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Equity in Pooled Cash and Cash Equivalents	<u>\$391,607</u>	<u>\$511,271</u>	<u>\$253,207</u>	<u>\$757,540</u>	<u>\$516,027</u>	<u>\$2,429,652</u>
<b>Fund Balances</b>						
Unreserved:						
Undesignated (Deficit), Reported in:						
General Fund	\$391,607					\$391,607
Special Revenue Funds		\$511,271	\$253,207	\$757,540	\$453,843	1,975,861
Capital Projects Funds					62,184	62,184
<i>Total Fund Balances</i>	<u>\$391,607</u>	<u>\$511,271</u>	<u>\$253,207</u>	<u>\$757,540</u>	<u>\$516,027</u>	<u>\$2,429,652</u>

See accompanying notes to the basic financial statements

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

	General	Gasoline Tax	Road and Bridge	Special Levy - Fire & EMS	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>						
Property and Other Local Taxes	\$68,078		\$331,544	\$445,242	\$148,960	\$993,824
Charges for Services					78,898	78,898
Licenses, Permits and Fees	48,806				2,200	51,006
Fines and Forfeitures	1,277				225	1,502
Intergovernmental	167,941	\$111,139	44,787	389,577	79,180	792,624
Interest	41,221	9,552			5,120	55,893
Other	2,333		405	3,056	7,943	13,737
<i>Total Receipts</i>	<u>329,656</u>	<u>120,691</u>	<u>376,736</u>	<u>837,875</u>	<u>322,526</u>	<u>1,987,484</u>
<b>Disbursements</b>						
Current:						
General Government	316,869					316,869
Public Safety	1,405			557,826	167,251	726,482
Public Works		27,821	396,571		89,577	513,969
Health	52,298					52,298
Capital Outlay	178,000		214,380	308,442		700,822
<i>Total Disbursements</i>	<u>548,572</u>	<u>27,821</u>	<u>610,951</u>	<u>866,268</u>	<u>256,828</u>	<u>2,310,440</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(218,916)</u>	<u>92,870</u>	<u>(234,215)</u>	<u>(28,393)</u>	<u>65,698</u>	<u>(322,956)</u>
<b>Other Financing Sources</b>						
Sale of Capital Assets					17,656	17,656
<i>Total Other Financing Sources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>17,656</u>	<u>17,656</u>
<i>Net Change in Fund Balances</i>	<u>(218,916)</u>	<u>92,870</u>	<u>(234,215)</u>	<u>(28,393)</u>	<u>83,354</u>	<u>(305,300)</u>
<i>Fund Balances Beginning of Year</i>	<u>610,523</u>	<u>418,401</u>	<u>487,422</u>	<u>785,933</u>	<u>432,673</u>	<u>2,734,952</u>
<i>Fund Balances End of Year</i>	<u>\$391,607</u>	<u>\$511,271</u>	<u>\$253,207</u>	<u>\$757,540</u>	<u>\$516,027</u>	<u>\$2,429,652</u>
Reserve for Encumbrances, December 31	<u>\$0</u>	<u>\$2,364</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,364</u>

See accompanying notes to the basic financial statements



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

	Budgeted Amounts		Actual	(Optional)
	Original	Final		Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$74,600	\$74,600	\$68,078	(\$6,522)
Licenses, Permits and Fees	25,000	25,000	48,806	23,806
Fines and Forfeitures	16,480	16,480	1,277	(15,203)
Intergovernmental	135,564	135,564	167,941	32,377
Interest	50,000	50,000	41,221	(8,779)
Other	1,243	1,243	2,333	1,090
<i>Total Receipts</i>	<u>302,887</u>	<u>302,887</u>	<u>329,656</u>	<u>26,769</u>
<b>Disbursements</b>				
Current:				
General Government	388,000	388,000	316,869	71,131
Public Safety	28,300	28,300	1,405	26,895
Health	55,900	71,900	52,298	19,602
Capital Outlay	80,000	164,000	178,000	(14,000)
<i>Total Disbursements</i>	<u>552,200</u>	<u>652,200</u>	<u>548,572</u>	<u>103,628</u>
<i>Excess of Receipts Under Disbursements</i>	<u>(249,313)</u>	<u>(349,313)</u>	<u>(218,916)</u>	<u>130,397</u>
<i>Fund Balance Beginning of Year</i>	610,523	610,523	610,523	0
<i>Fund Balance End of Year</i>	<u>\$361,210</u>	<u>\$261,210</u>	<u>\$391,607</u>	<u>\$130,397</u>

See accompanying notes to the basic financial statements

**Chippewa Township**  
**Wayne County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Gasoline Tax Fund*  
*For the Year Ended December 31, 2008*

	Budgeted Amounts		Actual	(Optional)
	Original	Final		Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Intergovernmental	\$51,474	\$51,474	\$111,139	\$59,665
Interest	450	450	9,552	9,102
<i>Total Receipts</i>	<u>51,924</u>	<u>51,924</u>	<u>120,691</u>	<u>68,767</u>
<b>Disbursements</b>				
Current:				
Public Works	87,200	87,200	27,821	59,379
<i>Total Disbursements</i>	<u>87,200</u>	<u>87,200</u>	<u>27,821</u>	<u>59,379</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(35,276)</u>	<u>(35,276)</u>	<u>92,870</u>	<u>128,146</u>
<i>Fund Balance Beginning of Year</i>	418,401	418,401	418,401	0
<i>Fund Balance End of Year</i>	<u>\$383,125</u>	<u>\$383,125</u>	<u>\$511,271</u>	<u>\$128,146</u>

See accompanying notes to the basic financial statements

**Chippewa Township**  
**Wayne 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, 2008*

	Budgeted Amounts		Actual	(Optional)
	Original	Final		Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$335,940	\$335,900	\$331,544	(\$4,356)
Intergovernmental			44,787	44,787
Other	2,251	2,251	405	(1,846)
<i>Total Receipts</i>	<u>338,191</u>	<u>338,151</u>	<u>376,736</u>	<u>38,585</u>
<b>Disbursements</b>				
Current:				
Public Works	493,000	476,528	396,571	79,957
Capital Outlay	100,000	166,472	214,380	(47,908)
<i>Total Disbursements</i>	<u>593,000</u>	<u>643,000</u>	<u>610,951</u>	<u>32,049</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(254,809)</u>	<u>(304,849)</u>	<u>(234,215)</u>	<u>70,634</u>
<i>Fund Balance Beginning of Year</i>	487,422	487,422	487,422	0
<i>Fund Balance End of Year</i>	<u>\$232,613</u>	<u>\$182,573</u>	<u>\$253,207</u>	<u>\$70,634</u>

See accompanying notes to the basic financial statements

**Chippewa Township  
Wayne County**

*Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual - Budget Basis  
Special Levy - Fire and EMS Fund  
For the Year Ended December 31, 2008*

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$491,100	\$491,100	\$445,242	(\$45,858)
Intergovernmental		293,552	389,577	96,025
Other	6,224	6,224	3,056	(3,168)
<i>Total Receipts</i>	<u>497,324</u>	<u>790,876</u>	<u>837,875</u>	<u>46,999</u>
<b>Disbursements</b>				
Current:				
Public Safety	577,500	628,710	557,826	70,884
Capital Outlay	335,000	576,343	308,442	267,901
<i>Total Disbursements</i>	<u>912,500</u>	<u>1,205,053</u>	<u>866,268</u>	<u>338,785</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(415,176)</u>	<u>(414,177)</u>	<u>(28,393)</u>	<u>385,784</u>
<i>Fund Balance Beginning of Year</i>	785,933	785,933	785,933	0
<i>Fund Balance End of Year</i>	<u>\$370,757</u>	<u>\$371,756</u>	<u>\$757,540</u>	<u>\$385,784</u>

See accompanying notes to the basic financial statements

**Chippewa Township**  
**Wayne County**  
*Statement of Fiduciary Net Assets - Cash Basis*  
*Fiduciary Funds*  
*December 31, 2008*

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	<u>Agency</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$1,083</u>
<b>Net Assets</b>	
Restricted for:	
Other Purposes	<u>\$1,083</u>

See accompanying notes to the basic financial statements

**Chippewa Township**  
**Wayne County**  
*Statement of Net Assets - Cash Basis*  
*December 31, 2007*

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	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$2,734,952</u>
<b>Net Assets</b>	
Restricted for:	
Capital Projects	\$44,528
Other Purposes	2,079,901
Unrestricted	<u>610,523</u>
<i>Total Net Assets</i>	<u><u>\$2,734,952</u></u>

See accompanying notes to the basic financial statements



**Chippewa Township**  
**Wayne County**  
*Statement of Cash Basis Assets and Fund Balances*  
*Governmental Funds*  
*December 31, 2007*

	General	Gasoline Tax	Road and Bridge	Special Levy - Fire and EMS	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Equity in Pooled Cash and Cash Equivalents	<u>\$610,523</u>	<u>\$418,401</u>	<u>\$487,422</u>	<u>\$785,933</u>	<u>\$432,673</u>	<u>\$2,734,952</u>
<b>Fund Balances</b>						
Unreserved:						
Undesignated (Deficit), Reported in:						
General Fund	\$610,523					\$610,523
Special Revenue Funds		\$418,401	\$487,422	\$785,933	\$388,145	2,079,901
Capital Projects Funds					44,528	44,528
<b>Total Fund Balances</b>	<u>\$610,523</u>	<u>\$418,401</u>	<u>\$487,422</u>	<u>\$785,933</u>	<u>\$432,673</u>	<u>\$2,734,952</u>

See accompanying notes to the basic financial statements



**Chippewa Township**  
**Wayne County**  
*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2007*

	General	Gasoline Tax	Road and Bridge	Special Levy - Fire & EMS	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>						
Property and Other Local Taxes	\$80,661		\$319,590	\$465,850	\$155,218	\$1,021,319
Charges for Services					81,748	81,748
Licenses, Permits and Fees	29,980				350	30,330
Fines and Forfeitures	3,404				75	3,479
Intergovernmental	165,260	\$107,952	56,797	79,922	75,806	485,737
Interest	98,899	22,399			12,517	133,815
Other	62		1,923	4,381	3,550	9,916
<i>Total Receipts</i>	<u>378,266</u>	<u>130,351</u>	<u>378,310</u>	<u>550,153</u>	<u>329,264</u>	<u>1,766,344</u>
<b>Disbursements</b>						
Current:						
General Government	278,964					278,964
Public Safety	450			495,334	197,417	693,201
Public Works		21,598	370,720		84,426	476,744
Health	2,921					2,921
Capital Outlay				123,831	37,350	161,181
<i>Total Disbursements</i>	<u>282,335</u>	<u>21,598</u>	<u>370,720</u>	<u>619,165</u>	<u>319,193</u>	<u>1,613,011</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>95,931</u>	<u>108,753</u>	<u>7,590</u>	<u>(69,012)</u>	<u>10,071</u>	<u>153,333</u>
<b>Other Financing Sources</b>						
Sale of Capital Assets					5,892	5,892
<i>Total Other Financing Sources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,892</u>	<u>5,892</u>
<i>Net Change in Fund Balances</i>	95,931	108,753	7,590	(69,012)	15,963	159,225
<i>Fund Balances Beginning of Year</i>	<u>514,592</u>	<u>309,648</u>	<u>479,832</u>	<u>854,945</u>	<u>416,710</u>	<u>2,575,727</u>
<i>Fund Balances End of Year</i>	<u>\$610,523</u>	<u>\$418,401</u>	<u>\$487,422</u>	<u>\$785,933</u>	<u>\$432,673</u>	<u>\$2,734,952</u>

See accompanying notes to the basic financial statements

**Chippewa Township**  
**Wayne County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*General Fund*  
*For the Year Ended December 31, 2007*

	Budgeted Amounts		Actual	(Optional)
	Original	Final		Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$72,100	\$72,100	\$80,661	\$8,561
Licenses, Permits and Fees	16,000	16,000	29,980	13,980
Fines and Forfeitures	16,000	16,000	3,404	(12,596)
Intergovernmental	137,988	137,988	165,260	27,272
Interest	25,462	25,462	98,899	73,437
Other	1,207	1,207	62	(1,145)
<i>Total Receipts</i>	<u>268,757</u>	<u>268,757</u>	<u>378,266</u>	<u>109,509</u>
<b>Disbursements</b>				
Current:				
General Government	394,100	394,100	278,964	115,136
Public Safety	26,200	26,200	450	25,750
Health	21,900	21,900	2,921	18,979
Capital Outlay	64,000	64,000		64,000
<i>Total Disbursements</i>	<u>506,200</u>	<u>506,200</u>	<u>282,335</u>	<u>223,865</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(237,443)</u>	<u>(237,443)</u>	<u>95,931</u>	<u>333,374</u>
<b>Other Financing Uses</b>				
Other Financing Uses	(52,000)	(52,000)		52,000
<i>Total Other Financing Uses</i>	<u>(52,000)</u>	<u>(52,000)</u>	<u>0</u>	<u>52,000</u>
<i>Net Change in Fund Balance</i>	<u>(289,443)</u>	<u>(289,443)</u>	<u>95,931</u>	<u>385,374</u>
<i>Fund Balance Beginning of Year</i>	<u>514,592</u>	<u>514,592</u>	<u>514,592</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$225,149</u>	<u>\$225,149</u>	<u>\$610,523</u>	<u>\$385,374</u>

See accompanying notes to the basic financial statements

**Chippewa Township**  
**Wayne County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Gasoline Tax Fund*  
*For the Year Ended December 31, 2007*

	Budgeted Amounts		Actual	(Optional)
	Original	Final		Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Intergovernmental	\$49,974	\$49,974	\$107,952	\$57,978
Interest	437	437	22,399	21,962
<i>Total Receipts</i>	<u>50,411</u>	<u>50,411</u>	<u>130,351</u>	<u>79,940</u>
<b>Disbursements</b>				
Current:				
Public Works	84,200	84,200	21,598	62,602
<i>Total Disbursements</i>	<u>84,200</u>	<u>84,200</u>	<u>21,598</u>	<u>62,602</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(33,789)</u>	<u>(33,789)</u>	<u>108,753</u>	<u>142,542</u>
<i>Fund Balance Beginning of Year</i>	309,648	309,648	309,648	0
<i>Fund Balance End of Year</i>	<u>\$275,859</u>	<u>\$275,859</u>	<u>\$418,401</u>	<u>\$142,542</u>

See accompanying notes to the basic financial statements

**Chippewa Township**  
**Wayne 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, 2007*

	Budgeted Amounts		Actual	(Optional)
	Original	Final		Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$328,600	\$328,600	\$319,590	(\$9,010)
Intergovernmental			56,797	56,797
Other	2,185	2,185	1,923	(262)
<i>Total Receipts</i>	<u>330,785</u>	<u>330,785</u>	<u>378,310</u>	<u>47,525</u>
<b>Disbursements</b>				
Current:				
Public Works	474,850	474,850	370,720	104,130
Capital Outlay	65,000	65,000		65,000
<i>Total Disbursements</i>	<u>539,850</u>	<u>539,850</u>	<u>370,720</u>	<u>169,130</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(209,065)</u>	<u>(209,065)</u>	<u>7,590</u>	<u>216,655</u>
<i>Fund Balance Beginning of Year</i>	479,832	479,832	479,832	0
<i>Fund Balance End of Year</i>	<u>\$270,767</u>	<u>\$270,767</u>	<u>\$487,422</u>	<u>\$216,655</u>

See accompanying notes to the basic financial statements

**Chippewa Township  
Wayne County**

*Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual - Budget Basis  
Special Levey - Fire and EMS Fund  
For the Year Ended December 31, 2007*

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$480,300	\$480,300	\$465,850	(\$14,450)
Intergovernmental			79,922	79,922
Other	6,043	6,043	4,381	(1,662)
<i>Total Receipts</i>	<u>486,343</u>	<u>486,343</u>	<u>550,153</u>	<u>63,810</u>
<b>Disbursements</b>				
Current:				
Public Safety	527,100	554,100	495,334	58,766
Capital Outlay	378,000	351,000	123,831	227,169
<i>Total Disbursements</i>	<u>905,100</u>	<u>905,100</u>	<u>619,165</u>	<u>285,935</u>
<i>Excess of Receipts Under Disbursements</i>	<u>(418,757)</u>	<u>(418,757)</u>	<u>(69,012)</u>	<u>349,745</u>
<i>Fund Balance Beginning of Year</i>	854,945	854,945	854,945	0
<i>Fund Balance End of Year</i>	<u>\$436,188</u>	<u>\$436,188</u>	<u>\$785,933</u>	<u>\$349,745</u>

See accompanying notes to the basic financial statements

**Chippewa Township**  
**Wayne County**  
*Statement of Fiduciary Net Assets - Cash Basis*  
*Fiduciary Funds*  
*December 31, 2007*

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	<u>Agency</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$1,083</u>
<b>Net Assets</b>	
Restricted for:	
Other Purposes	<u>\$1,083</u>

See accompanying notes to the basic financial statements

Chippewa Township  
Wayne County  
Notes to the Financial Statements  
For the Years Ended December 31, 2008 and 2007

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**Note 1 – Reporting Entity**

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

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

**A. Primary Government**

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, cemetery maintenance, fire protection, and emergency medical services. In addition, the Township contracts with Marshallville Fire Department to assist in providing fire protection and emergency medical services. The Township contracts with the Wayne County Sheriff's Department to provide police protection services.

**B. Component Units**

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

Chippewa Township has no component units.

**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. 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.

Chippewa Township  
Wayne County  
Notes to the Financial Statements  
For the Years Ended December 31, 2008 and 2007  
(Continued)

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

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, except for fiduciary funds. 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. The Township does not report any business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

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

Fund Financial Statements

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental 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. The funds of the Township are divided into two categories, governmental and fiduciary.

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, Gasoline Tax Fund, Road and Bridge Fund, Special Levy – Fire and EMS 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 Gasoline Tax Fund is used to account for gasoline tax money which the Township can only use to pay for constructing, maintaining, and repairing Township roads. The Road and Bridge Fund is used to account for tax money which the Township can only use for constructing, maintaining, and repairing Township roads. The Special Levy – Fire and EMS Fund is used to account for tax money which the Township can only use for fire protection.

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



Chippewa Township  
Wayne County  
Notes to the Financial Statements  
For the Years Ended December 31, 2008 and 2007  
(Continued)

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

Fiduciary Funds

Fiduciary funds include pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Township's own programs. The Township has no trust funds. Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Township's agency fund accounts for unclaimed monies.

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.

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 Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the Certificate of Estimated Resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the Amended Certificate of Estimated Resources in effect at the time final appropriations were passed by the Township.

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

Chippewa Township  
Wayne County  
Notes to the Financial Statements  
For the Years Ended December 31, 2008 and 2007  
(Continued)

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

E. Cash and Investments

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

During 2008 and 2007, the Township invested in nonnegotiable certificates of deposit.

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 2008 and 2007 was \$41,221 and \$98,899, respectively.

F. Restricted Assets

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. During 2008 and 2007, the Township did not report any restricted assets.

G. Inventory and Prepaid Items

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

H. Capital Assets

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

I. Interfund Receivables/Payables

The Township reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

J. 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.

K. Employer Contributions to Cost-Sharing Pension Plans

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

L. 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.

Chippewa Township  
Wayne County  
Notes to the Financial Statements  
For the Years Ended December 31, 2008 and 2007  
(Continued)

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

**M. Net Assets**

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

**N. 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.

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

**Note 3 – Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund, Gasoline Tax Fund, Road and Bridge Fund, Special Levy – Fire and EMS Fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget.

**Note 4 – Deposits and Investments**

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

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

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

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

Chippewa Township  
Wayne County  
Notes to the Financial Statements  
For the Years Ended December 31, 2008 and 2007  
(Continued)

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**Note 4 - Deposits and Investments** (continued)

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

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

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

**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, 2008 and 2007, \$2,204,749 and \$2,667,660 of the Township's bank balance of \$2,454,749 and 2,767,660 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

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

**Investments**

At December 31, 2008 and 2007, the Township had no investments.

Chippewa Township  
Wayne County  
Notes to the Financial Statements  
For the Years Ended December 31, 2008 and 2007  
(Continued)

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**Note 5 – Property Taxes**

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Property tax receipts received in 2007 and 2008 for real and public utility property taxes represents collections of the 2006 and 2007 taxes. Property tax payments received during 2007 and 2008 for tangible personal property (other than public utility property) is for 2007 and 2008 taxes.

2007 and 2008 real property taxes are levied after October 1, 2007 and 2008 on the assessed values as of January 1, 2007 and 2008, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. 2007 and 2008 real property taxes are collected in and intended to finance 2008 and 2009.

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

Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2007 and 2008 public utility property taxes which became a lien on December 31, 2006 and 2007, are levied after October 1, 2007 and 2008, and are collected in 2008 and 2009 with real property taxes.

2007 and 2008 tangible property taxes are levied after October 1, 2006 and 2007, on the value as of December 31, 2006 and 2007. Collections are made in 2007 and 2008. Tangible personal property assessments are being phased out – the assessment percentage for all property including inventory for 2007 was 12.5 percent. This was reduced to 6.25 percent for 2008, and will be zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 3, with the remainder due September 20.

The full tax rate for all Township operations for the year ended December 31, 2007 and 2008, was \$8.20 per \$1,000 of assessed value. The assessed values of real and personal property upon which 2007 and 2008 property tax receipts were based are as follows:

	<u>2008</u>	<u>2007</u>
Real Property		
Residential/Agriculture	\$117,441,570	\$115,861,000
Other Real	3,523,040	3,511,330
Tangible Personal Property	3,229,350	3,403,200
Public Utility	5,789,400	6,826,810
Total Assessed Value	<u>\$129,983,360</u>	<u>\$129,602,340</u>

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

Chippewa Township  
Wayne County  
Notes to the Financial Statements  
For the Years Ended December 31, 2008 and 2007  
(Continued)

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**Note 6 – Risk Management**

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2008 and 2007, the Township contracted with Westfield Companies for various types of insurance coverage as follows:

<u>Type of Coverage</u>	<u>Amount of Coverage</u>
General Liability	\$3,000,000
Vehicle	1,000,000

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 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 7 – Defined Benefit Pension Plan**

**A. Ohio Public Employees Retirement System**

Plan Description - 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. While members in the State and local divisions may participate in all three plans, law enforcement (generally sheriffs, deputy sheriffs and township police) and public safety divisions exist only in the traditional plans.

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

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the years ended December 31, 2008 and 2007, members in local classifications contributed 10 percent and 9.5 percent, of covered payroll, respectively.

The Township's contribution rate for 2008 and 2007 was 14 percent and 13.85 percent, respectively. For 2008, the employer contribution allocated to the health care plan was 7 percent of covered. For the period January 1, 2007 through June 30, 2007, a portion of the Township's contribution equal to 5 percent of covered payroll was allocated to fund the postemployment healthcare plan; for the period July 1, 2007 through December 31, 2007 this amount was increased to 6 percent. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the Township of 14 percent.

Chippewa Township  
Wayne County  
Notes to the Financial Statements  
For the Years Ended December 31, 2008 and 2007  
(Continued)

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**Note 7 – Defined Benefit Pension Plan** (continued)

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2008, 2007, and 2006 were \$44,223, \$40,551, and \$32,522 respectively. The full amount has been contributed for 2008, 2007 and 2006.

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

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

Funding Policy – For the years ended December 31, 2008 and 2007, plan members were required to contribute 10 percent of their annual covered salary to fund pension obligations while the Township is required to contribute 24 percent for firefighters. Contributions are established by State statute. For 2007 and 2008, a portion of the Township's contribution equal to 6.75 percent of covered payroll was allocated to fund the postemployment healthcare plan. The Township's contributions to OP&F for firefighters were \$14,528 for the year ended December 31, 2008; \$14,089 for the year ended December 31, 2007 and \$10,449 for the year ended December 31, 2006. The full amount has been contributed for 2008, 2007 and 2006.

**Note 8 - Postemployment Benefits**

**A. Ohio Public Employees Retirement System**

Plan Description - OPERS maintains a cost-sharing multiple-employer defined benefit postemployment healthcare plan for qualifying members of both the traditional and combined pension plans. Members of the member-directed plan do not qualify for ancillary benefits, including postemployment healthcare. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for postemployment healthcare coverage, age and service retirees under the traditional and combined plans must have ten years or more of qualifying Ohio service credit. Healthcare coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised code permits, but does not require, OPERS to provide healthcare benefits to eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are provided separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222 – 7377.

Funding Policy – The postemployment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code 401 (h). State statute requires that public employers fund postemployment healthcare through contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postemployment healthcare.

Chippewa Township  
Wayne County  
Notes to the Financial Statements  
For the Years Ended December 31, 2008 and 2007  
(Continued)

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

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2008 and 2007, local government employers contributed 14 percent and 13.85 percent, respectively of covered payroll. Each year, The OPERS retirement board determines the portion of the employer contribution that will be set aside for funding postemployment healthcare benefits. For 2008, the amount of the employer contributions which was allocated to fund postemployment healthcare was 7 percent. The amount of the employer contributions which was allocated to fund postemployment healthcare was 5 percent of covered payroll from January 1, 2007 through June 30, 2007, and 6 percent from July 1 through December 31, 2007.

The retirement board is also authorized to establish rules for the payment of a portion of the healthcare benefits by the retiree or retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and selected coverage.

The Township's contributions allocated to fund postemployment healthcare benefits for the years ended December 31, 2008, 2007, and 2006 were \$22,111, \$16,074, and \$11,192 respectively; 100 percent has been contributed for 2008, 2007 and 2006.

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

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

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

OP&F provides access to post-retirement healthcare coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit or is a spouse or eligible dependent child of such person.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority of the OP&F Board of Trustees to provide healthcare coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5146.

Funding Policy – OP&F's postemployment healthcare plan was established and is administered as an Internal Revenue Code 401 (h) account within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees. The Ohio Revised Code sets the contribution rates for participating employers and for plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan, members, currently, 24 percent of covered payroll for fire employers.



Chippewa Township  
Wayne County  
Notes to the Financial Statements  
For the Years Ended December 31, 2008 and 2007  
(Continued)

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made to the pension plan to the 401 (h) account as the employer contribution for retiree healthcare benefits. For the year ended December 31, 2008 and 2007, the employer contribution allocated to the healthcare plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the healthcare plan each year is subject to the trustees' primary responsibility to ensure that pension benefits are adequately funded and also is limited by the provisions of Section 401 (h).

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the healthcare plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the OPEB Plan.

The Township's contributions to OP&F which were allocated to fund postemployment healthcare benefits for firefighters for the years ending December 31, 2008, 2007 and 2006 were \$4,086, \$3,962 and \$4,935, respectively, of which \$1,148, \$1,113 and \$1,594, respectively, was allocated to the healthcare plan. The full amount has been contributed for 2008, 2007, and 2006.

**Note 9 – Contingent Liabilities**

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

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# 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*

Chippewa Township  
Wayne County  
14228 Galehouse Road  
P.O. Box 265  
Doylestown, Ohio 44230

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 Chippewa Township, Wayne County, Ohio, (the Township) as of and for the years ended December 31, 2008 and 2007, which collectively comprise the Township's basic financial statements and have issued our report thereon dated August 27, 2009 wherein, we noted the Township uses a comprehensive accounting basis other than generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. 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.

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.

We consider finding 2008-002 described in the accompanying Schedule of Findings to be a significant deficiency in internal control over financial reporting.

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 internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We believe the significant deficiency described is not a material weakness.

We noted certain matters that we reported to the Township's management in a separate letter dated August 27, 2009.

#### **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 an instance of noncompliance or other matter we must report under *Government Auditing Standards* which is described in the accompanying Schedule of Findings as item 2008-001.

We also noted certain noncompliance or other matters that we reported to the Township's management in a separate letter dated August 27, 2009.

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

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



**Mary Taylor, CPA**  
Auditor of State

August 27, 2009

CHIPPEWA TOWNSHIP  
WAYNE COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2008 AND 2007

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

FINDING NUMBER 2008-001

**Noncompliance Citation**

**Ohio Rev. Code Section 505.603** states in addition to or in lieu of providing benefits to township officers and employees under section 505.60, 505.601, or 505.602 of the Revised Code, a board of township trustees may offer benefits to officers and employees through a cafeteria plan that meets the requirements of section 125 of the "Internal Revenue Code." To offer benefits through a cafeteria plan, the township must adopt a policy authorizing an officer or employee to receive a cash payment in lieu of a benefit otherwise offered to township officers or employee. This cash payment may not exceed twenty-five per cent of the cost of premiums or payments that otherwise would be paid by the board for benefits for the officer or employee.

**Ohio Rev. Code Section 505.603** further requires that no cash payment in lieu of a benefit be made unless the officer or employee provides a signed statement with the following information:

- an affirmation the individual is covered under another plan for that type of coverage
- the name of the employer (if any) that sponsors the coverage
- the name of the carrier providing the coverage
- the policy or plan number for the coverage

Although the Township's four participating elected officials provided documentation they have outside health insurance through another employer or spouse's employer, they have not provided a signed statement containing the aforementioned information. In addition, there is no documentation the plan was approved by the Internal Revenue Service as meeting the requirements of section 125 of the Internal Revenue Code.

Also, three officials are being paid in excess of their actual expenditures for medical insurance. This excess amount should be reflected as a taxable fringe benefit on the official's Form W-2 but is not being reported.

A key control in providing a cafeteria plan is to ensure all legal requirements are followed for providing the plan. To improve controls over operating the cafeteria plan, the Township should require all participants provide a signed statement with the required information and consult with the Internal Revenue Service for approval of the plan and procedures for reporting any amounts as a taxable fringe benefit.

This matter will be referred to the Internal Revenue Service for whatever action deemed necessary.

**FINDING NUMBER 2008-001 (Continued)**

**Officials' Response:** We note that this is almost identical to Finding No. 2006-002 in the prior audit. Our response at that time was to point out that the Township uses a cafeteria plan to meet the requirements of health insurance for Township employees and officers. The taxpayers save money by a cash payment to those who do not use the Township's paid health insurance of 25% of the cost of premiums that otherwise would be paid by the Township for benefits for that officer or employee. Those employees or officers who do that, save the Township 75% of those health insurance costs. In year 2009, the traditional Township insurance including dental, for a family is \$940.07 for medical and \$80.44 for dental. That totals \$1,020.52 per month. By paying 25% of the cost to induce those employees and elected officials to use insurance provided by another employer, the cost to the Township for three (3) individuals involved is \$260.00 per month, for each of the three (3). That saves the Township \$7,060.51 per each of those three (3) individuals. The total yearly savings per individual is \$9,126.12, and for all three (3) the savings to taxpayers is \$27,378.36.

The third individual is paid \$150.00 per quarter, or \$600.00 per year. The cafeteria plan payment to that individual alone saves the Township \$11,646.12 per year (\$12,246.12 less \$600.00 actually paid).

After the 2006 audit, we consulted with the Township attorney regarding that policy, and he confirmed that it was saving the Township money.

This year, our Township attorney has provided a form to be filled out by each of the employees and officers using the cafeteria plan, so that those savings to the taxpayers can continue.

We will continue to seek approval of our plan from the IRS, and we will obtain documentation of that response for you.

We shall also begin issuing 1099's for any cash payment in lieu of health insurance for which such a 1099 would be necessary. We appreciate your recommendations in this regard, and we seek to follow them. However, we also seek to continue to save the taxpayers the substantial sums of money that they are currently saving by employees and officers using the cash payment in lieu of taking the Township's health insurance policy.

**FINDING NUMBER 2008-002**

**Significant Deficiency**

**Proper Classification of Receipts**

The testing of receipts revealed that 24 transactions were not properly classified by the Township Fiscal Officer and required reclassification. Items requiring reclassification included tax, intergovernmental, and miscellaneous receipts. The required reclassifications ranged from \$17,236 to \$292,553 in 2008 and \$16,926 to \$107,952 in 2007.

The Township Fiscal Officer should review the account code classifications in the UAN system and the "Ohio Township Handbook" chart of accounts and post receipts to the proper line item account codes and fund. This will help ensure receipts are properly reflected in the financial statements. In addition, fairly presented financial statements provide the Township Trustees with the ability to analyze information in a consistent manner which aids in making informed financial decisions regarding Township operations.

**FINDING NUMBER 2008-002 (Continued)**

**Officials' Response:** We note that a similar finding appeared in the 2006 audit as Finding No. 2006-004. Our response at that time was that we had corrected those classifications of receipts as pointed out by the State Auditor's Office, and that the Fiscal Officer would continue to monitor this to assure compliance. The Township Fiscal Officer will again review the account code classifications in the UAN system and the Ohio Township Handbook Chart of Accounts, and will post receipts to the proper line item account codes and fund.

The Board of Trustees will send the Township Fiscal Officer to appropriate training provided by the Ohio Township Association and by the Auditor of the State of Ohio, in order that proper classifications of receipts will occur in the future. We appreciate the Auditor pointing these out. Each time this occurs, it results in an education opportunity for the Fiscal Officer and the Township Trustees.

**CHIPPEWA TOWNSHIP  
WAYNE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2008 AND 2007**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2006-001	Ohio Rev. Code Section 5705.41(D)	No	Partially Corrected. See the Management Letter.
2006-002	Ohio Rev. Code Section 505.603	No	Not Corrected. See Finding Number 2008-001.
2006-003	Delegation of Authority	Yes	Corrected
	Ohio Rev. Code Section 5705.41(B)	No	Partially Corrected. See the Management Letter.
2006-004	Proper Classification of Receipts	No	Not Corrected. See Finding Number 2008-002.
2006-005	Travel Reimbursements	Yes	Corrected





Mary Taylor, CPA  
Auditor of State

**CHIPPEWA TOWNSHIP**

**WAYNE 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 5, 2009**