



Mary Taylor, CPA
Auditor of State

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Moorefield Township
Clark County
1616 Moorefield Road
Springfield, Ohio 45503

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 Moorefield Township, Clark County, (the Township), as of and for the years ended December 31, 2009 and 2008, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As discussed in Note 2, the accompanying financial statements and notes follow 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 basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Moorefield Township, Clark County, as of December 31, 2009 and 2008, and the respective changes in cash basis financial position and the respective budgetary comparisons for the General, Road and Bridge, and Fire District funds thereof for the years then ended, as well as the Ambulance and Emergency Medical Services Funds for the year ended December 31, 2008, in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 1, 2010, 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

June 1, 2010

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)**

This discussion and analysis of the financial performance of Moorefield Township in Clark County, Ohio provides an overall review of the Township's financial activities for the year ended December 31, 2009, 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 Moorefield Township's financial performance.

Highlights

Key highlights for 2009 are as follows:

- Net assets of governmental activities increased \$375,150 or 19 percent, a very substantial change from the prior year 2008. The Funds that greatly were affected by this increase were the General Fund, Gasoline Fund, Road and Bridge Fund and Ambulance and Emergency Medical Services. The receipts from Estate Tax, Intergovernmental, Gasoline Tax, Tangible Personal Property Tax, FMEA, and EMS were the funds with the greatest increase. Hotel/ Bed tax was a new revenue account which gave the township added revenue. One of the most significant events for 2009 was that the Township received a Local Public Works Commission grant for Montego Drive. Along with the grant money from OPWC, the Township also received revenue from the Clark County Engineering and Utilities Departments and Hoppes Builders totaling \$1,075,000 for this road project.
- The Township's general receipts are primarily from property tax. These receipts represent \$1,306,627 or 40 percent of the total cash received for governmental activities during the year. Even though there was a reduction of Local Government revenue, there was an increase in the Tangible Personal Property tax which was to be gradually phased out over several years. Other than these funds, the existing tax levies remain in place and continue to generate revenue for the township.
- The Township invested money in a new account called Certificate of Deposit Account Registry Service (CDARS.) The reason for adding the new account was that the interest rates for checking and MMADDA were .5 and .2% and CDARS was 1.75%. The Township invested \$1,000,000.00 from the General, Fire District and Ambulance and Emergency Medical Services Funds. Including the interest from CDARS the Township still had a very substantial decrease of \$35,232 in interest revenue from all three funds, which is 64 percent less than what the township received in 2008. The reason for this decrease was due to the economy still failing and the interest rate falling to below .5%.

Using the Basic Financial Statements

This annual report was presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34 (GASB 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.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)
(Continued)**

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. Moorefield 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; only funds considered major will be discussed. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Government as a Whole

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

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

In the statement of net assets and the statement of activities, some government entities have two types of activities. These activities are either government or business-type. Moorefield Township has only governmental activities and has no business-type activities. These governmental activities will be addressed in this report.

The Township's basic services are reported as governmental activities which include police, fire, streets, parks, state and federal grants, and property taxes. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)
(Continued)**

Reporting the Township's Most Significant Funds

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

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. Township fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General Fund, the Road and Bridge Fund, Ohio Public Works Commission (OPWC) and the Fire District. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. Moorefield Township describes this relationship in reconciliations presented with the governmental fund financial statements.

The Government as a Whole

Table 1 provides a summary of Moorefield Township's net assets for 2009 compared to 2008 cash basis:

**(Table 1)
Net Assets**

| | Governmental Activities | |
|---------------------------|--------------------------------|--------------------|
| | 2008 | 2009 |
| Assets | | |
| Cash and Cash Equivalents | \$1,969,144 | \$2,344,294 |
| Total Assets | <u>1,969,144</u> | <u>2,344,294</u> |
| Net Assets | | |
| Restricted for: | | |
| Expendable | 426 | 444 |
| Nonexpendable | 1,000 | 1,000 |
| Other Purposes | 1,399,314 | 1,701,382 |
| Unrestricted | 568,404 | 641,468 |
| Total Net Assets | <u>\$1,969,144</u> | <u>\$2,344,294</u> |

The explanation for the increase in net assets of \$375,150 between 2008 and 2009 is due to several reasons. The most significant factor is that in 2009 the Township received a Local Public Works Commission grant of \$832,500 and less money was spent on road repair due to the grant. Also over \$28,000 more in estate tax was received. The Township passed a Hotel/Bed Tax which brought in almost \$15,000. Gasoline Tax revenues were up by about \$12,000 for 2009. Other factors for an increase in revenue for 2009 was the fee increase for EMS.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)
(Continued)**

The primary reasons contributing to the decreases/increases in cash balances are as follows:

- Estate Tax revenue increased \$28,000 or 32 percent.
- EMS revenue increased \$31,148 or 13.8 percent from 2008 due to the increase of total EMS runs and fee increase.
- The Road and Bridge Fund increased \$59,770 increase or 36 percent.
- The Fire District had a 9% increase or \$87,746.
- Gasoline fund increased \$11,600 of 9.2 percent, due to rise in gas tax.
- FEMA fund received \$69,920 but expended out over \$97,000 in labor and repairs.
- MMADDA savings, checking & CDARS interest decreased by \$35,232 or 64 percent decrease due lower interest rates for most of 2009.
- Fines for traffic violations decreased \$5,118 due to illness of the deputy on duty.

Table 2 reflects the changes in net assets for 2009 and 2008.

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

| | Governmental Activities 2008 | Governmental Activities 2009 |
|---|---|---|
| Receipts: | | |
| Program Receipts: | | |
| Charges for Services and Sales | \$254,411 | \$ 281,580 |
| Operating Grants and Contributions | 195,140 | 206,441 |
| Capital Grants and Contributions and interest | | 1,144,920 |
| Total Program Receipts | <u>449,551</u> | <u>1,632,941</u> |
| General Receipts: | | |
| Property and Other Local Taxes | 1,298,916 | 1,306,627 |
| Grants and Entitlements | 154,371 | 189,463 |
| Sale of Fixed Assets | | 25,297 |
| Cable Franchise Fees | 81,486 | 91,933 |
| Interest | 54,662 | 19,430 |
| Miscellaneous | 5,232 | 14,917 |
| Total General Receipts | <u>1,594,667</u> | <u>1,647,667</u> |
| Total Program & General Receipts | <u>2,044,218</u> | <u>3,280,608</u> |
| Disbursements: | | |
| General Government | 351,293 | 198,222 |
| Public Safety | 689,540 | 735,117 |
| Public Works | 550,106 | 1,721,850 |
| Health | 19,883 | 11,106 |
| Conservation-Recreation | 30,557 | 18,310 |
| Other | | 129 |
| Capital Outlay | 432,257 | 220,722 |
| Total Disbursements | <u>2,073,636</u> | <u>2,905,456</u> |
| Increase/Decrease in Net Assets | <u>(29,418)</u> | <u>375,152</u> |

(Continued)

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)
(Continued)**

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

| | Governmental Activities 2008 | Governmental Activities 2009 |
|-------------------------------|---|---|
| Encumbrance | | |
| Net Assets, January 1, 2008 | 1,998,562 | |
| Net Assets, December 31, 2008 | <u>\$1,969,144</u> | |
| Net Assets, January 1, 2009 | | 1,969,144 |
| Net Assets, December 31, 2009 | | <u>\$2,344,294</u> |

Program receipts represent 50 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license, gas tax money, Ohio Public Works Commission (OPWC) funds and other fees.

General receipts represent 50 percent of the Township's total receipts, and of this amount, over 79 percent are local taxes. State and federal grants and entitlements, sale of fixed assets, interest and miscellaneous receipts make up the balance of the Township's general receipts.

Disbursements for General Government represent the overhead costs of running Moorefield Township and the support services provided for the other Township activities. These include administrative costs, as well as internal services such as payroll and purchasing. Since these costs do not represent direct services to residents, the Township tries to limit these costs to 25 percent of General Fund unrestricted receipts.

Public Safety is the cost of police and fire protection; Conservation-Recreation is the cost of maintaining the parks and playing fields; Public Works are the care and maintenance of roads and other associated cost to maintain roads and services; and Capital Outlay is the purchase of vehicles and road construction.

Some of the reasons for increased/decreased expenditures were the following:

- Since the Township received an OPWC grant for construction of the new connection of both Montego Drives and maintenance of the existing Montego Drive, other road projects throughout the township were not considered for repairs. The total cost that the Township paid from Township funds was \$123,433.
- At the firehouse there were new ceramic floors installed, the bay area floors were refinished and an electronic sign installed.
- Excessive repairs of vehicles.
- The purchase of a 2010 truck for the Road and Bridge Department at a cost of \$114,412.
- Fuel costs decreased in 2009 due to lower petroleum costs.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)
(Continued)**

Governmental Activities

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for general government, public safety and public works, which account for 6.8 percent, 25.3 percent and 59.3 percent of all governmental disbursements, respectively. The next three columns of the Statement titled Program Cash Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3 for 2009 and 2008.

**(Table 3)
Governmental Activities**

| | Total Cost Of Services 2009 | Net Cost Of Services 2009 | Total Cost Of Services 2008 | Net Cost Of Services 2008 |
|-------------------------|--|--|--|--|
| General Government | \$ 198,223 | \$198,191 | \$ 351,293 | \$ 351,222 |
| Public Safety | 735,118 | 465,507 | 689,540 | 445,011 |
| Public Works | 1,721,850 | 435,433 | 550,106 | 350,682 |
| Health | 11,106 | 11,106 | 19,883 | 19,683 |
| Conservation-Recreation | 18,310 | 18,310 | 30,557 | 30,557 |
| Capital Outlay | 220,722 | 150,802 | 432,257 | 432,257 |
| Other | 129 | (6,832) | | (5,327) |
| Total Expenses | \$2,905,458 | \$1,272,517 | \$2,073,636 | \$1,624,085 |

The dependence upon general receipts is apparent, as approximately 44 percent of governmental activities are supported through these general receipts.

The Government's Funds

Total governmental funds had receipts of \$3,280,608 and disbursements of \$2,905,458. The changes within governmental funds occurred within all funds. This was in part due to the fact that the Road and Bridge Fund was able to maintain itself for 2009. The Fire District increased \$87,746 due partly because there were no large equipment purchases for 2009. The allotted road funds (Motor Vehicle License Tax, Gasoline Tax, and Permissive Motor Vehicle License Tax) were used extensively to pay for repairs and supplies instead of just the Road and Bridge fund in 2009. For 2009 the fund balance of the General Fund increased \$73,064 from the 2008 carry over. The Ambulance and Emergency Medical Services fund increased \$31,147 for 2009 due to higher charges for EMS runs. All funds had a healthy carry over for 2009.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)
(Continued)**

General Fund Budgeting Highlights

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

During 2009, Moorefield Township amended its General budget to reflect changing circumstances. Final budgeted receipts exceeded the original budgeted receipts due to tax increases and sale of fixed assets.

Final disbursements for 2009 were budgeted at \$763,794. Actual disbursements were \$342,303. Receipts exceeded expectations as previously noted allowing the Township to carry forward \$73,064 for 2010. The Government kept spending very close to budgeted amounts as demonstrated by the minor reported variances. The beginning budget for 2010 is \$641,468.

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. Moorefield Township relies heavily on local taxes and has some industry to support the tax base. The Moorefield Township budget for the coming year predicts revenues and spending levels to be similar to 2009, with the exception of possibly purchasing necessary motor vehicles.

Contacting the Government's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of Moorefield 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 Janet L. Dyer, Fiscal Officer, Moorefield Township, 1616 Moorefield Road, Springfield, Ohio 45503.

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**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2009**

| | Governmental Activities |
|---|------------------------------------|
| Assets: | |
| Equity in Pooled Cash and Cash Equivalents | \$2,344,294 |
| Total Assets | 2,344,294 |
| Net Assets: | |
| Restricted for: | |
| Permanent Fund Purpose: Perpetual Maintenance of Cemetery | |
| Expendable | 444 |
| Non-expendable | 1,000 |
| Other Purposes | 1,701,382 |
| Unrestricted | 641,468 |
| Total Net Assets | \$2,344,294 |

See accompanying notes to the basic financial statements.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009**

| | <u>Program Cash Receipts</u> | | | <u>Net (Disbursements) Receipts and Changes in Net Assets</u> | |
|---|-------------------------------|---|---|---|------------------------------------|
| | <u>Cash Disbursements</u> | <u>Charges for Services and Sales</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants, Contributions and Interest</u> | <u>Governmental Activities</u> |
| Governmental Activities: | | | | | |
| General Government | \$198,223 | \$32 | | | (\$198,191) |
| Public Safety | 735,118 | 267,528 | \$2,083 | | (465,507) |
| Public Works | 1,721,850 | 14,020 | 197,397 | \$1,075,000 | (435,433) |
| Health | 11,106 | | | | (11,106) |
| Conservation-Recreation | 18,310 | | | | (18,310) |
| Other | 129 | | 6,961 | | 6,832 |
| Capital Outlay | 220,722 | | | 69,920 | (150,802) |
| Total Governmental Activities | <u>\$2,905,458</u> | <u>\$281,580</u> | <u>\$206,441</u> | <u>\$1,144,920</u> | <u>(1,272,517)</u> |
| General Receipts: | | | | | |
| Property Taxes | | | | | 1,306,627 |
| Grants and Entitlements not Restricted to Specific Programs | | | | | 189,463 |
| Sale of Fixed Assets | | | | | 25,297 |
| Cable Franchise Fees | | | | | 91,933 |
| Earnings on Investments | | | | | 19,430 |
| Miscellaneous | | | | | 14,917 |
| Total General Receipts | | | | | <u>1,647,667</u> |
| Change in Net Assets | | | | | 375,150 |
| Net Assets Beginning of Year | | | | | <u>1,969,144</u> |
| Net Assets End of Year | | | | | <u>\$2,344,294</u> |

See accompanying notes to the basic financial statements.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2009**

| | <u>General</u> | <u>Road and Bridge</u> | <u>Fire District</u> | <u>OPWC</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|------------------|--------------------------------|--------------------------|-------------|---|---|
| Assets: | | | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$641,468 | \$224,822 | \$1,081,364 | | \$396,640 | \$2,344,294 |
| Total Assets | <u>641,468</u> | <u>224,822</u> | <u>1,081,364</u> | | <u>396,640</u> | <u>2,344,294</u> |
| Fund Balances: | | | | | | |
| Unreserved: | | | | | | |
| Undesignated (Deficit), Reported in: | | | | | | |
| General Fund | 641,468 | | | | | 641,468 |
| Special Revenue Funds | | 224,822 | 1,081,364 | | 395,196 | 1,701,382 |
| Capital Projects Funds | | | | | | |
| Permanent Fund | | | | | 1,444 | 1,444 |
| Total Fund Balances | <u>\$641,468</u> | <u>\$224,822</u> | <u>\$1,081,364</u> | <u>\$0</u> | <u>\$396,640</u> | <u>\$2,344,294</u> |

See accompanying notes to the basic financial statements.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

| | <u>General</u> | <u>Road and Bridge</u> | <u>Fire District</u> | <u>OPWC</u> | <u>Other Governmental Funds</u> | <u>Total</u> |
|---|------------------|--------------------------------|--------------------------|------------------|---|--------------------|
| Receipts: | | | | | | |
| Property and Other Local Taxes | \$93,331 | \$688,704 | \$524,592 | | | \$1,306,627 |
| Charges for Services | | | | | \$257,637 | 257,637 |
| Licenses, Permits and Fees | 91,965 | | | | 6,623 | 98,588 |
| Fines and Forfeitures | 9,891 | | | | | 9,891 |
| Intergovernmental | 188,394 | 206 | 6,936 | \$1,075,000 | 267,318 | 1,537,854 |
| Special Assessments | 6,196 | | | | | 6,196 |
| Earnings on Investments | 19,088 | | | | 342 | 19,430 |
| Miscellaneous | 6,502 | 9,764 | 1,622 | | 1,200 | 19,088 |
| Total Receipts | <u>415,367</u> | <u>698,674</u> | <u>533,150</u> | <u>1,075,000</u> | <u>533,120</u> | <u>3,255,311</u> |
| Disbursements: | | | | | | |
| Current: | | | | | | |
| General Government | 198,223 | | | | | 198,223 |
| Public Safety | 109,670 | | 420,956 | | 204,492 | 735,118 |
| Public Works | 9,406 | 564,470 | | 1,075,000 | 72,974 | 1,721,850 |
| Health | 3,609 | | | | 7,497 | 11,106 |
| Conservation-Recreation | 18,310 | | | | | 18,310 |
| Capital Outlay | 2,956 | 99,434 | 24,745 | | 93,587 | 220,722 |
| Total Disbursements | <u>342,174</u> | <u>663,904</u> | <u>445,701</u> | <u>1,075,000</u> | <u>378,550</u> | <u>2,905,329</u> |
| Excess of Receipts Over (Under) Disbursements | <u>73,193</u> | <u>34,770</u> | <u>87,449</u> | | <u>154,570</u> | <u>349,982</u> |
| Other Financing Sources (Uses): | | | | | | |
| Sale of Fixed Assets | | 25,000 | 297 | | | 25,297 |
| Other Financing Uses | (129) | | | | | (129) |
| Total Other Financing Sources (Uses) | <u>(129)</u> | <u>25,000</u> | <u>297</u> | | | <u>25,168</u> |
| Net Change in Fund Balances | 73,064 | 59,770 | 87,746 | | 154,570 | 375,150 |
| Fund Balances Beginning of Year | <u>568,404</u> | <u>165,052</u> | <u>993,618</u> | | <u>242,070</u> | <u>1,969,144</u> |
| Fund Balances End of Year | <u>\$641,468</u> | <u>\$224,822</u> | <u>\$1,081,364</u> | <u>\$0</u> | <u>\$396,640</u> | <u>\$2,344,294</u> |

See accompanying notes to the basic financial statements.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL-BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | <u>(Negative)</u> |
| Receipts: | | | | |
| Property and Other Local Taxes | \$80,781 | \$90,690 | \$93,331 | \$2,641 |
| Licenses, Permits and Fees | 82,000 | 82,000 | 91,965 | 9,965 |
| Fines and Forfeitures | 19,000 | 19,000 | 9,891 | (9,109) |
| Intergovernmental | 25,894 | 192,269 | 188,394 | (3,875) |
| Special Assessments | 7,200 | 7,200 | 6,196 | (1,004) |
| Earnings on Investments | 54,000 | 54,000 | 19,088 | (34,912) |
| Miscellaneous | | | 6,502 | 6,502 |
| Total receipts | <u>268,875</u> | <u>445,159</u> | <u>415,367</u> | <u>(29,792)</u> |
| Disbursements: | | | | |
| Current: | | | | |
| General Government | 298,294 | 485,665 | 198,223 | 287,442 |
| Public Safety | 169,000 | 169,000 | 109,670 | 59,330 |
| Public Works | 11,000 | 11,000 | 9,406 | 1,594 |
| Health | 27,000 | 27,000 | 3,609 | 23,391 |
| Conservation-Recreation | 61,000 | 61,000 | 18,310 | 42,690 |
| Capital Outlay | 17,500 | 10,000 | 2,956 | 7,044 |
| Total Disbursements | <u>583,794</u> | <u>763,665</u> | <u>342,174</u> | <u>421,491</u> |
| Excess of Receipts Over (Under) Disbursements | <u>(314,919)</u> | <u>(318,506)</u> | <u>73,193</u> | <u>391,699</u> |
| Other Financing Sources (Uses): | | | | |
| Other Financing Uses | | (129) | (129) | |
| Total Other Financing Sources (Uses) | | <u>(129)</u> | <u>(129)</u> | |
| Net Change in Fund Balance | (314,919) | (318,635) | 73,064 | 391,699 |
| Unencumbered Cash Balance Beginning of Year | <u>568,404</u> | <u>568,404</u> | <u>568,404</u> | |
| Unencumbered Cash Balance End of Year | <u>\$253,485</u> | <u>\$249,769</u> | <u>\$641,468</u> | <u>\$391,699</u> |

See accompanying notes to the basic financial statements.

**MOOREFIELD TOWNSHIP
CLARK 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, 2009**

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Receipts: | | | | |
| Property and Other Local Taxes | \$608,903 | \$691,431 | \$688,704 | (\$2,727) |
| Intergovernmental | | | 206 | 206 |
| Miscellaneous | 601 | 601 | 9,764 | 9,163 |
| Total receipts | <u>609,504</u> | <u>692,032</u> | <u>698,674</u> | <u>6,642</u> |
| Disbursements: | | | | |
| Current: | | | | |
| Public Works | 574,556 | 642,760 | 564,470 | 78,290 |
| Capital Outlay | 200,000 | 131,796 | 99,434 | 32,362 |
| Total Disbursements | <u>774,556</u> | <u>774,556</u> | <u>663,904</u> | <u>110,652</u> |
| Excess of Receipts Over (Under) Disbursements | <u>(165,052)</u> | <u>(82,524)</u> | <u>34,770</u> | <u>117,294</u> |
| Other Financing Sources (Uses): | | | | |
| Sale of Fixed Assets | | 25,000 | 25,000 | 25,000 |
| Net Change in Fund Balance | (165,052) | (57,524) | 59,770 | 117,294 |
| Unencumbered Cash Balance Beginning of Year | <u>165,052</u> | <u>165,052</u> | <u>165,052</u> | |
| Unencumbered Cash Balance End of Year | <u>\$0</u> | <u>\$107,528</u> | <u>\$224,822</u> | <u>\$117,294</u> |

See accompanying notes to the basic financial statements.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL-BUDGET BASIS
FIRE DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|------------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Receipts: | | | | |
| Property and Other Local Taxes | \$446,355 | \$520,630 | \$524,592 | \$3,962 |
| Intergovernmental | 5,401 | 5,401 | 6,936 | 1,535 |
| Miscellaneous | | | 1,622 | 1,622 |
| Total receipts | <u>451,756</u> | <u>526,031</u> | <u>533,150</u> | <u>7,119</u> |
| Disbursements: | | | | |
| Current: | | | | |
| Public Safety | 1,420,629 | 1,420,629 | 420,956 | 999,673 |
| Capital Outlay | 24,745 | 24,745 | 24,745 | |
| Total Disbursements | <u>1,445,374</u> | <u>1,445,374</u> | <u>445,701</u> | <u>999,673</u> |
| Excess of Receipts Over (Under) Disbursements | <u>(993,618)</u> | <u>(919,343)</u> | <u>87,449</u> | <u>1,006,792</u> |
| Other Financing Sources (Uses): | | | | |
| Sale of Fixed Assets | | | 297 | 297 |
| Net Change in Fund Balance | (993,618) | (919,343) | 87,746 | 1,007,089 |
| Unencumbered Cash Balance Beginning of Year | <u>993,618</u> | <u>993,618</u> | <u>993,618</u> | |
| Unencumbered Cash Balance End of Year | <u><u>\$0</u></u> | <u><u>\$74,275</u></u> | <u><u>\$1,081,364</u></u> | <u><u>\$1,007,089</u></u> |

See accompanying notes to the basic financial statements.

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**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

1. REPORTING ENTITY

Moorefield Township is a township government established in Clark County, Ohio 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.

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, fire and ambulance services, and cemetery maintenance. Police protection is provided by a full time county deputy who is paid for by Township funds. Extra police protection is provided by the Clark County Sheriff Department at no extra cost to the Township. However, during summer months the Township pays for an extra duty deputy for several nights of service each week.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 2. C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The Township does not have any business-type activities therefore does not apply FASB statements issued after November 30, 1989, to its business-type activities. Following are the more significant of the Township's accounting policies.

A. Basis of Presentation

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

1. Government-Wide Financial Statements

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

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

2. Fund Financial Statements

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

B. Fund Accounting

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

1. Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other non exchange transactions as governmental funds. The Township's major governmental funds are the General Fund, the Road and Bridge Fund, Ohio Public Works Commission (OPWC) and the Fire District Fund (Fire and EMS). 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 Road and Bridge, OPWC, and Fire District Funds are restricted to the purpose of the funds according to general laws of Ohio.

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

C. Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the financial records of the Township 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.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

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

The appropriations 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 certificated of estimated resources in effect at the time final appropriations were passed by the Township.

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

E. Cash and Investments

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

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

During 2009, the Township invested in nonnegotiable certificates of deposit and a money market fund. The nonnegotiable certificate of deposit is reported at cost. The Township's money market fund investment is recorded at the amount reported by Security National Bank on December 31, 2009.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to all interest bearing funds were \$19,430 including interest from the primary checking account.

F. Restricted Assets

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

G. 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.

H. 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 6 and 7, the employer contributions include portions for pension benefits.

I. Fund Balance Reserves

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

3. 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 all funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis).

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. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

4. DEPOSITS AND INVESTMENTS (Continued)

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;
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.

A. Deposits

At December 31, 2009, the carrying amounts of the Township's deposits were \$2,344,294, and the bank balance was \$2,359,127. 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, 2009 \$2,109,127 of the Township's bank balance 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.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

4. DEPOSITS AND INVESTMENTS (Continued)

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.

5. PROPERTY TAXES

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2009 represent the collection of 2008 taxes. Real property taxes received in 2009 were levied after October 1, 2008, on the assessed values as of January 1, 2009, 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 2009 represent the collection of 2008 taxes. Public utility real and tangible personal property taxes received in 2008 became a lien on December 31, 2007, were levied after October 1, 2008, 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 assessments were reduced to 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, 2009 was 5.05 mills. The assessed values of real property, public utility property, and tangible personal property upon, which 2009 property tax receipts were based, were a total value of \$264,032,190.

6. 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.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

6. DEFINED BENEFIT PENSION PLAN (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.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the years ended December 31, 2009 and 2008, members in state and local classifications contributed 10 percent of covered payroll. The Township's contribution rate was 14 percent of covered payroll. For the period January 1, through March 31, 2009, a portion of the Township's contribution equal to 7 percent of covered payroll was allocated to fund the healthcare plan; for the period April 1 through December 31, 2009 this amount was decreased to 5.5 percent. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the Township of 14 percent.

The required contributions of the Township share and the contributions of the employees for pension obligations to the traditional and combined plans for the year ending December 31, 2009 was \$87,379. The full amount has been contributed for 2009.

7. POST EMPLOYMENT 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 Post employment 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 2009 local government employer contribution rate was 14 percent (14%) of covered payroll. 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, 2008, include a rate of return on investments of 6.5 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.30 percent based on additional annual pay increases. Health care premiums were assumed to increase between 1.00 and 6.00 percent annually for the next eight years and 4.00 percent annually after eight years.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

7. POST EMPLOYMENT BENEFITS (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.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2008. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs.

8. CONTINGENT LIABILITIES

The Board of Moorefield Township Trustees received a notice from the U.S. EPA, stating that the Township had been named a Potentially Responsible Party in the CERCLA remediation of the Tremont City Landfill site in Clark County, Ohio. The amount of any potential claim cannot be determined at this time.

9. RISK MANAGEMENT

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

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

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

A. Casualty and Property Coverage

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

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

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

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

9. RISK MANAGEMENT (Continued)

B. Financial Position

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

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

At December 31, 2008 and 2007, respectively, liabilities above include approximately \$12.1 and \$12.5 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$10.9 and \$11.6 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2008 and 2007, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township's share of these unpaid claims collectible in future years is approximately \$26,385.

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

| Contributions to OTARMA | |
|--------------------------------|----------|
| 2007 | \$27,661 |
| 2008 | \$30,680 |

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

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**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
UNAUDITED**

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

Highlights

Key highlights for 2008 are as follows:

- Net assets of governmental activities decreased \$29,418 or 1.5 percent, a notable change from the prior year 2007. However, the fund most affected by the decrease in cash and cash equivalents was the General Fund, which realized the greatest burden of increased costs in 2008; however, cost decrease affected most funds. The General Fund was used to ease the burden of the Road and Bridge costs causing a decrease in the General Fund.
- The Township's general receipts are primarily from property tax. These receipts represent \$1,298,916 or 63.5 percent of the total cash received for governmental activities during the year. Even though there was a reduction of the tangible personal property tax and Local Government revenue, which are being gradually phased out over several years, property taxes increased for 2008. Other than the reduction in the tangible personal property tax and Local Government, the existing tax levies remain in place and continue to generate revenue for the township.
- The Township had a substantial decrease of over \$49,367 in interest revenue from a Public Funds MMADDA which is 47.5 percent less than what the township received in 2007. The reason for this decrease was due to the economy failing and the interest rate falling to below 1%.

Using the Basic Financial Statements

This annual report was presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34 (GASB 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.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
UNAUDITED
(Continued)**

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. Moorefield 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; only funds considered major will be discussed. 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 basis of accounting.

Reporting the Government as a Whole

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

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, this is one way to measure Moorefield Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other non-financial factors as well such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

In the statement of net assets and the statement of activities, some government entities have two types of activities. These activities are either government or business-type. Moorefield Township has only governmental activities and has no business-type activities. These governmental activities will be addressed in this report.

The Township's basic services are reported as governmental activities which include police, fire, streets, parks, state and federal grants, and property taxes. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
UNAUDITED
(Continued)**

Reporting the Township's Most Significant Funds

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

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. Township fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General Fund, the Road and Bridge Fund, the Fire District and the Ambulance and Emergency Medical Services. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. Moorefield Township describes this relationship in reconciliations presented with the governmental fund financial statements.

The Government as a Whole

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

**(Table 1)
Net Assets**

| | Governmental Activities | |
|---------------------------|--------------------------------|-------------|
| | 2007 | 2008 |
| Assets: | | |
| Cash and Cash Equivalents | \$1,998,562 | \$1,969,144 |
| Total Assets | 1,998,562 | 1,969,144 |
| Net Assets: | | |
| Restricted for: | | |
| Expendable | | 426 |
| Non-expendable | | 1,000 |
| Other Purposes | 1,000 | 1,399,314 |
| Unrestricted | 1,997,562 | 568,404 |
| Total Net Assets | \$1,998,562 | \$1,969,144 |

The explanation of the \$29,418 reduction in net assets between 2007 and 2008 is due to several reasons. The most significant factor is that in 2007 the township received over \$167,000 more in estate tax than in 2008. The Township also made payments for increase in salt prices for the Road and Bridge Department, for increase in fuel cost for several months and for general price increases overall. Also contributing to the decrease was the lower interest earned at lower rates for 2008 for the MMADDA savings fund. These represent the significant decrease; however, there were other revenue funds that increased some over 2008 which help to compensate for the lower revenue balance.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
UNAUDITED
(Continued)**

The primary reasons contributing to the decreases/increases in cash balances are as follows:

- MMADDA savings interest decreased by \$49,367 or 47.5 percent decrease due lower interest rates for most of 2008.
- Fines for traffic violations decreased \$2,230 due to illness of the deputy on duty.
- Estate Tax revenue decreased \$167,529 or 65.5 percent.
- EMS revenue increased \$20,159 or 9.7 percent from 2007 due to the increase in total EMS runs.
- The Road and Bridge Fund had a \$69,285 increase.
- The Fire District had a \$10,980 increase.

Table 2 reflects the changes in net assets for 2008 and 2007.

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

| | Governmental Activities 2007 | Governmental Activities 2008 |
|------------------------------------|---|---|
| Receipts: | | |
| Program Receipts: | | |
| Charges for Services and Sales | \$ 239,480 | \$ 254,411 |
| Operating Grants and Contributions | 196,886 | 195,140 |
| Total Program Receipts | 436,366 | 449,551 |
| General Receipts: | | |
| Property and Other Local Taxes | 1,205,155 | 1,298,916 |
| Grants and Entitlements | 384,934 | 154,371 |
| Sale of Fixed Assets | 50,000 | |
| Cable Franchise Fees | 76,585 | 81,486 |
| Interest | 104,029 | 54,662 |
| Miscellaneous | 3,521 | 5,232 |
| Total General Receipts | 1,824,224 | 1,594,667 |
| Total Program & General Receipts | 2,260,590 | 2,044,218 |
| Disbursements: | | |
| General Government | 222,085 | 351,293 |
| Public Safety | 684,758 | 689,540 |
| Public Works | 835,601 | 550,106 |
| Health | 24,928 | 19,883 |
| Conservation-Recreation | 14,166 | 30,557 |
| Capital Outlay | 228,424 | 432,257 |
| Total Disbursements | 2,009,962 | 2,073,636 |
| Increase/Decrease in Net Assets | 250,628 | (29,418) |

(Continued)

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
UNAUDITED
(Continued)**

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

| | Governmental Activities 2007 | Governmental Activities 2008 |
|-------------------------------|---|---|
| Encumbrance for 2007 | (129,162) | |
| Net Assets, January 1, 2007 | 1,747,833 | |
| Net Assets, December 31, 2007 | \$1,998,562 | |
| Net Assets, January 1, 2008 | | 1,998,562 |
| Net Assets, December 31, 2008 | | \$1,969,144 |

Program receipts represent only 22 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license, gas tax money, and other fees.

General receipts represent 78 percent of the Township's total receipts, and of this amount, over 81 percent are local taxes. State and federal grants and entitlements, sale of fixed assets, interest and miscellaneous receipts make up the balance of the Township's general receipts.

Disbursements for General Government represent the overhead costs of running Moorefield Township and the support services provided for the other Township activities. These include administrative costs, as well as internal services such as payroll and purchasing. Since these costs do not represent direct services to residents, we try to limit these costs to 25 percent of General Fund unrestricted receipts.

Public Safety is the cost of police and fire protection; Conservation-Recreation is the cost of maintaining the parks and playing fields; Public Works are the care and maintenance of roads and other associated cost to maintain roads and services; and Capital Outlay is the purchase of vehicles.

Some of the reasons for increased expenditures were the following:

- Increases in salaries based on resolutions made by the Board of Trustees.
- The township built a garage at Moorefield Family Park for \$23,379.
- Health Insurance premium increased \$6,794, resulting in a 6.6 percent increase from 2007.
- Excessive needed repairs of vehicles.
- The Township had extensive storm damage in September from hurricane Ike for over \$92,970.
- The purchase of a 2008 truck for the Road and Bridge Department at a cost of \$22,913.
- Salt for the roads for 2009 is at a premium because of 2008 storm damage throughout the year in salt producing areas. Consequently the cost per ton has increased over 228 percent from \$46 a ton to \$151 a ton for 2009. The \$121,688 salt bill was paid in full in 2008 for 2009 salt.
- Fuel costs increased considerably in 2008 due to the economy. The township spent almost 50 percent more in 2008 than in 2007 from \$45,298 to \$67,779 in 2008.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
UNAUDITED
(Continued)**

Governmental Activities

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for general government, public safety and public works, which account for 16 percent, 33 percent and 26 percent of all governmental disbursements, respectively. The next three 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 for 2009 and 2008.

(Table 3)

| Governmental Activities | | | | |
|--------------------------------|--|--|--|--|
| | Total Cost Of Services 2008 | Net Cost Of Services 2008 | Total Cost Of Services 2007 | Net Cost Of Services 2007 |
| General Government | \$ 351,293 | \$ 351,222 | \$ 222,085 | \$ 221,902 |
| Public Safety | 689,540 | 445,011 | 684,759 | 453,529 |
| Public Works | 550,106 | 350,682 | 835,602 | 630,647 |
| Health | 19,883 | 19,683 | 24,928 | 24,928 |
| Conservation-Recreation | 30,557 | 30,557 | 14,166 | 14,166 |
| Capital Outlay | 432,257 | 432,257 | 228,424 | 228,424 |
| Other | | (5,327) | | |
| Total Expenses | \$2,073,636 | \$1,624,085 | \$2,009,964 | \$1,573,596 |

The dependence upon general receipts is apparent as over 78 percent of governmental activities are supported through these general receipts.

The Government's Funds

Total governmental funds had receipts of \$2,064,218 and disbursements of \$2,093,636. The greatest change within governmental funds occurred within the General Fund. For 2008 the fund balance of the General Fund decreased \$130,814 from the 2007 carry over. This was in part due to increased expenses for the Road and Bridge Department, which did not have the necessary money available to pay for its expenses. The allotted road funds (Motor Vehicle License Tax, Gasoline Tax, and Permissive Motor Vehicle License Tax) were used extensively to pay for repairs and supplies instead of just the Road and Bridge Fund in the beginning of 2008 until tax money became available, helping to offset the total Road and Bridge expenditures. Even though The General Fund receipts had a short fall of \$130,814 for 2008 compared to 2007, the General Fund has a healthy carry over for 2009.

General Fund Budgeting Highlights

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

During 2008, Moorefield Township did not amend its General budget.

Final disbursements for 2008 were budgeted at 1,160,719, but actual disbursements were only \$540,827 which allowed the Township to carry forward \$568,404 for 2009.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
UNAUDITED
(Continued)**

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. Moorefield Township relies heavily on local taxes and has some industry to support the tax base. The Moorefield Township budget for the coming year predicts revenues and spending levels to be similar to 2008.

Contacting the Government's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of Moorefield 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 Janet L. Dyer, Fiscal Officer, Moorefield Township, 1616 Moorefield Road, Springfield, Ohio 45503.

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**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2008**

| | Governmental Activities |
|---|------------------------------------|
| Assets: | |
| Equity in Pooled Cash and Cash Equivalents | \$1,969,144 |
| Total Assets | 1,969,144 |
| Net Assets: | |
| Restricted for: | |
| Permanent Fund Purpose: Perpetual Maintenance of Cemetery: | |
| Expendable | 426 |
| Non-expendable | 1,000 |
| Other Purposes | 1,399,314 |
| Unrestricted | 568,404 |
| Total Net Assets | \$1,969,144 |

See accompanying notes to the basic financial statements.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

| | Program Cash Receipts | | | Net (Disbursements) Receipts and Changes in Net Assets |
|---|---|---|------------------------------------|---|
| Cash Disbursements | Charges for Services and Sales | Operating Grants and Contributions | Governmental Activities | |
| Governmental Activities: | | | | |
| General Government | \$351,293 | \$71 | | (\$351,222) |
| Public Safety | 689,540 | 241,589 | \$2,940 | (445,011) |
| Public Works | 550,106 | 12,551 | 186,873 | (350,682) |
| Health | 19,883 | 200 | | (19,683) |
| Conservation-Recreation | 30,557 | | | (30,557) |
| Other | | | 5,327 | 5,327 |
| Capital Outlay | 432,257 | | | (432,257) |
| Total Governmental Activities | \$2,073,636 | \$254,411 | \$195,140 | (1,624,085) |
| General Receipts: | | | | |
| Property Taxes | | | | 1,298,916 |
| Grants and Entitlements not Restricted to Specific Programs | | | | 154,371 |
| Cable Franchise Fees | | | | 81,486 |
| Earnings on Investments | | | | 54,662 |
| Miscellaneous | | | | 5,232 |
| Total General Receipts | | | | 1,594,667 |
| Change in Net Assets | | | | (29,418) |
| Net Assets Beginning of Year | | | | 1,998,562 |
| Net Assets End of Year | | | | \$1,969,144 |

See accompanying notes to the basic financial statements.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2008**

| | <u>General</u> | <u>Road and Bridge</u> | <u>Fire District</u> | <u>Ambulance And Emergency Medical Services</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|------------------|--------------------------------|--------------------------|---|---|---|
| Assets: | | | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$568,404 | \$165,052 | \$993,618 | \$153,203 | \$88,867 | \$1,969,144 |
| Total Assets | <u>568,404</u> | <u>165,052</u> | <u>993,618</u> | <u>153,203</u> | <u>88,867</u> | <u>1,969,144</u> |
| Fund Balances: | | | | | | |
| Unreserved: | | | | | | |
| Undesignated (Deficit), Reported in: | | | | | | |
| General Fund | 568,404 | | | | | 568,404 |
| Special Revenue Funds | | 165,052 | 993,618 | 153,203 | 87,441 | 1,399,314 |
| Permanent Fund | | | | | 1,426 | 1,426 |
| Total Fund Balances | <u>\$568,404</u> | <u>\$165,052</u> | <u>\$993,618</u> | <u>\$153,203</u> | <u>\$88,867</u> | <u>\$1,969,144</u> |

See accompanying notes to the basic financial statements.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008**

| | <u>General</u> | <u>Road and Bridge</u> | <u>Fire District</u> | <u>Ambulance And Emergency Medical Services</u> | <u>Other Governmental Funds</u> | <u>Total</u> |
|---|------------------|--------------------------------|--------------------------|---|---|--------------------|
| Receipts: | | | | | | |
| Property and Other Local Taxes | \$93,676 | \$684,241 | \$520,999 | | | \$1,298,916 |
| Charges for Services | | | | \$226,489 | | 226,489 |
| Licenses, Permits and Fees | 81,557 | | | | \$5,044 | 86,601 |
| Fines and Forfeitures | 15,100 | | | | | 15,100 |
| Intergovernmental | 156,943 | 418 | 5,277 | | 186,873 | 349,511 |
| Special Assessments | 6,307 | | | | | 6,307 |
| Earnings on Investments | 53,255 | | | | 1,407 | 54,662 |
| Miscellaneous | 3,175 | 632 | 1,425 | | 1,400 | 6,632 |
| Total Receipts | <u>410,013</u> | <u>685,291</u> | <u>527,701</u> | <u>226,489</u> | <u>194,724</u> | <u>2,044,218</u> |
| Disbursements: | | | | | | |
| Current: | | | | | | |
| General Government | 351,293 | | | | | 351,293 |
| Public Safety | 100,894 | | 387,559 | 201,087 | | 689,540 |
| Public Works | 8,459 | 380,647 | | | 161,000 | 550,106 |
| Health | 6,245 | | | | 13,638 | 19,883 |
| Conservation-Recreation | 30,557 | | | | | 30,557 |
| Capital Outlay | 23,379 | 255,359 | 129,162 | | 24,357 | 432,257 |
| Total Disbursements | <u>520,827</u> | <u>636,006</u> | <u>516,721</u> | <u>201,087</u> | <u>198,995</u> | <u>2,073,636</u> |
| Excess of Receipts Over (Under) Disbursements | <u>(110,814)</u> | <u>49,285</u> | <u>10,980</u> | <u>25,402</u> | <u>(4,271)</u> | <u>(29,418)</u> |
| Other Financing Sources (Uses): | | | | | | |
| Transfers In | | 20,000 | | | | 20,000 |
| Transfers Out | (20,000) | | | | | (20,000) |
| Total Other Financing Sources (Uses) | <u>(20,000)</u> | <u>20,000</u> | | | | |
| Net Change in Fund Balances | (130,814) | 69,285 | 10,980 | 25,402 | (4,271) | (29,418) |
| Fund Balances Beginning of Year | <u>699,218</u> | <u>95,767</u> | <u>982,638</u> | <u>127,801</u> | <u>93,138</u> | <u>1,998,562</u> |
| Fund Balances End of Year | <u>\$568,404</u> | <u>\$165,052</u> | <u>\$993,618</u> | <u>\$153,203</u> | <u>\$88,867</u> | <u>\$1,969,144</u> |

See accompanying notes to the basic financial statements.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL-BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|--------------------------|--------------------------|-------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Receipts: | | | | |
| Property and Other Local Taxes | \$82,233 | \$82,233 | \$93,676 | \$11,443 |
| Licenses, Permits and Fees | 86,000 | 86,000 | 81,557 | (4,443) |
| Fines and Forfeitures | 19,000 | 19,000 | 15,100 | (3,900) |
| Intergovernmental | 130,946 | 130,946 | 156,943 | 25,997 |
| Special Assessments | 7,000 | 7,000 | 6,307 | (693) |
| Earnings on Investments | 84,300 | 84,300 | 53,255 | (31,045) |
| Miscellaneous | | | 3,175 | 3,175 |
| Total receipts | <u>409,479</u> | <u>409,479</u> | <u>410,013</u> | <u>534</u> |
| Disbursements: | | | | |
| Current: | | | | |
| General Government | 587,219 | 587,219 | 351,293 | 235,926 |
| Public Safety | 161,000 | 161,000 | 100,894 | 60,106 |
| Public Works | 11,000 | 11,000 | 8,459 | 2,541 |
| Health | 27,000 | 27,000 | 6,245 | 20,755 |
| Conservation-Recreation | 60,000 | 60,000 | 30,557 | 29,443 |
| Capital Outlay | 294,500 | 294,500 | 23,379 | 271,121 |
| Total Disbursements | <u>1,140,719</u> | <u>1,140,719</u> | <u>520,827</u> | <u>619,892</u> |
| Excess of Receipts Over (Under) Disbursements | <u>(731,240)</u> | <u>(731,240)</u> | <u>(110,814)</u> | <u>620,426</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers Out | <u>(20,000)</u> | <u>(20,000)</u> | <u>(20,000)</u> | |
| Net Change in Fund Balance | (751,240) | (751,240) | (130,814) | 620,426 |
| Unencumbered Cash Balance Beginning of Year | <u>699,218</u> | <u>699,218</u> | <u>699,218</u> | |
| Unencumbered Cash Balance End of Year | <u><u>(\$52,022)</u></u> | <u><u>(\$52,022)</u></u> | <u><u>\$568,404</u></u> | <u><u>\$620,426</u></u> |

See accompanying notes to the basic financial statements.

**MOOREFIELD TOWNSHIP
CLARK 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**

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|-----------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Receipts: | | | | |
| Property and Other Local Taxes | \$620,746 | \$620,746 | \$684,241 | \$63,495 |
| Intergovernmental | | | 418 | 418 |
| Miscellaneous | 1 | 1 | 632 | 631 |
| Total receipts | <u>620,747</u> | <u>620,747</u> | <u>685,291</u> | <u>64,544</u> |
| Disbursements: | | | | |
| Current: | | | | |
| Public Works | 436,596 | 436,596 | 380,647 | 55,949 |
| Capital Outlay | 270,000 | 270,000 | 255,359 | 14,641 |
| Total Disbursements | <u>706,596</u> | <u>706,596</u> | <u>636,006</u> | <u>70,590</u> |
| Excess of Receipts Over (Under) Disbursements | <u>(85,849)</u> | <u>(85,849)</u> | <u>49,285</u> | <u>135,134</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers In | <u>20,000</u> | <u>20,000</u> | <u>20,000</u> | |
| Net Change in Fund Balance | (65,849) | (65,849) | 69,285 | 135,134 |
| Unencumbered Cash Balance Beginning of Year | <u>95,767</u> | <u>95,767</u> | <u>95,767</u> | |
| Unencumbered Cash Balance End of Year | <u>\$29,918</u> | <u>\$29,918</u> | <u>\$165,052</u> | <u>\$135,134</u> |

See accompanying notes to the basic financial statements.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL-BUDGET BASIS
FIRE DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Receipts: | | | | |
| Property and Other Local Taxes | \$437,738 | \$458,357 | \$520,999 | \$62,642 |
| Intergovernmental | 24,120 | 3,501 | 5,277 | 1,776 |
| Miscellaneous | | | 1,425 | 1,425 |
| Total receipts | <u>461,858</u> | <u>461,858</u> | <u>527,701</u> | <u>65,843</u> |
| Disbursements: | | | | |
| Current: | | | | |
| Public Safety | 1,043,989 | 1,043,989 | 387,559 | 656,430 |
| Capital Outlay | 249,162 | 249,162 | 129,162 | 120,000 |
| Total Disbursements | <u>1,293,151</u> | <u>1,293,151</u> | <u>516,721</u> | <u>776,430</u> |
| Excess of Receipts Over (Under) Disbursements | <u>(831,293)</u> | <u>(831,293)</u> | <u>10,980</u> | <u>842,273</u> |
| Unencumbered Cash Balance Beginning of Year | 853,476 | 853,476 | 853,476 | |
| Prior Year Encumbrances Appropriated | <u>129,162</u> | <u>129,162</u> | <u>129,162</u> | |
| Unencumbered Cash Balance End of Year | <u>\$151,345</u> | <u>\$151,345</u> | <u>\$993,618</u> | <u>\$842,273</u> |

See accompanying notes to the basic financial statements.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL-BUDGET BASIS
AMBULANCE AND EMERGENCY MEDICAL SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2008**

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|-------------------|-------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Receipts: | | | | |
| Charges for Services | \$206,000 | \$206,000 | \$226,489 | \$20,489 |
| Total receipts | <u>206,000</u> | <u>206,000</u> | <u>226,489</u> | <u>20,489</u> |
| Disbursements: | | | | |
| Current: | | | | |
| Public Safety | 333,801 | 333,801 | 201,087 | 132,714 |
| Total Disbursements | <u>333,801</u> | <u>333,801</u> | <u>201,087</u> | <u>132,714</u> |
| Excess of Receipts Over (Under) Disbursements | <u>(127,801)</u> | <u>(127,801)</u> | <u>25,402</u> | <u>153,203</u> |
| Unencumbered Cash Balance Beginning of Year | 127,801 | 127,801 | 127,801 | |
| Prior Year Encumbrances Appropriated | | | | |
| Unencumbered Cash Balance End of Year | <u><u>\$0</u></u> | <u><u>\$0</u></u> | <u><u>\$153,203</u></u> | <u><u>\$153,203</u></u> |

See accompanying notes to the basic financial statements.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

1. REPORTING ENTITY

Moorefield Township is a township government established in Clark County, Ohio 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.

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, and cemetery maintenance. Police protection is provided by a full time county deputy who is paid for by Township funds. Extra police protection is provided by the Clark County Sheriff Department at no extra cost to the Township. However, during summer months the Township pays for an extra duty deputy for several night's service each week.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 2. C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The Township does not have any business-type activities therefore does not apply FASB statements issued after November 30, 1989, to its business-type activities. Following are the more significant of the Township's accounting policies.

A. Basis of Presentation

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

1. Government-Wide Financial Statements

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

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

2. Fund Financial Statements

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

B. Fund Accounting

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

1. Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other non exchange transactions as governmental funds. The Township's major governmental funds are the General Fund, the Road and Bridge Fund, the Fire District Fund (Fire and EMS), and the Ambulance and Emergency Medical Services. 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 Road and Bridge and Fire District Funds are restricted to the purpose of the funds according to general laws of Ohio.

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

C. Basis of Accounting

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

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

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

The appropriations 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 certificated of estimated resources in effect at the time final appropriations were passed by the Township.

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

E. Cash and Investments

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

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

During 2008, the Township invested in nonnegotiable certificate of deposit and a money market fund. The nonnegotiable certificate of deposit is reported at cost. The Township's money market fund investment is recorded at the amount reported by Security National Bank on December 31, 2008.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to all interest bearing funds were \$54,662.

F. Restricted Assets

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

G. 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.

H. 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 6 and 7, the employer contributions include portions for pension benefits.

I. 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. There was no encumbrance for the 2009 carry over.

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 all funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). As stated before there are no encumbrances outstanding at year end.

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.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)**

4. DEPOSITS AND INVESTMENTS (Continued)

Inactive deposits are public deposits that the Trustees have identified as not required for use. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories.

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;
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.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)**

4. DEPOSITS AND INVESTMENTS (Continued)

A. Deposits

At December 31, 2008, the carrying amounts of the Township's deposits were \$1,969,144, and the bank balance was \$2,014,525. 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, 2009 \$1,764,525 of the Township's bank balance 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.

5. PROPERTY TAXES

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2008 represent the collection of 2007 taxes. Real property taxes received in 2008 were levied after October 1, 2007, on the assessed values as of January 1, 2008, 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 2008 represent the collection of 2007 taxes. Public utility real and tangible personal property taxes received in 2007 became a lien on December 31, 2006, were levied after October 1, 2007, 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 2008 (other than public utility property) represent the collection of 2008 taxes. Tangible personal property taxes received in 2008 were levied after October 1, 2007, on the true value as of December 31, 2007. 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. Tangible personal property tax is being phased out by 2009.

The full tax rate for all Township operations for the year ended December 31, 2008 was 5.05 mills. The assessed values of real property, public utility property, and tangible personal property upon, which 2008 property tax receipts were based, were a total value of \$269,268,860.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)**

6. DEFINED BENEFIT PENSION PLAN

A. Ohio Public Employees Retirement System

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

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

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

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2008, members in state and local classifications contributed 10 percent of covered payroll. The Township's contribution rate for 2008 was 14 percent of covered payroll. For the year 2008, 7 percent was used to fund the post-employment healthcare plan. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the Township of 14 percent.

The required contributions of the Township share and the contributions of the employees for pension obligations to the traditional and combined plans for the year ending December 31, 2008 was \$90,321. The full amount has been contributed for 2008.

7. POST EMPLOYMENT 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 Post employment 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.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)**

7. POST EMPLOYMENT BENEFITS (Continued)

The 2008 local government employer contribution rate was 14 percent (14%) of covered payroll. 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, 2008, include a rate of return on investments of 6.5 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.30 percent based on additional annual pay increases. Health care premiums were assumed to increase between 1.00 and 6.00 percent annually for the next eight years and 4.00 percent annually after eight years.

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

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2008. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs

8. CONTINGENT LIABILITIES

The Board of Moorefield Township Trustees received a notice from the U.S. EPA, stating that the Township had been named a Potentially Responsible Party in the CERCLA remediation of the Tremont City Landfill site in Clark County, Ohio. The amount of any potential claim cannot be determined at this time.

9. RISK MANAGEMENT

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

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

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

A. Casualty and Property Coverage

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

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)**

9. RISK MANAGEMENT (Continued)

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

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

B. Financial Position

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

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

At December 31, 2008 and 2007, respectively, liabilities above include approximately \$12.1 and \$12.5 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$10.9 and \$11.6 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2008 and 2007, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township's share of these unpaid claims collectible in future years is approximately \$26,385.

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

| Contributions to OTARMA | |
|--------------------------------|----------|
| 2007 | \$27,661 |
| 2008 | \$30,680 |

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

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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*

Moorefield Township
Clark County
1616 Moorefield Road
Springfield, Ohio 44503

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 Moorefield Township, Clark County, (the Township) as of and for the year ended December 31, 2009 and 2008, which collectively comprise the Township's basic financial statements and have issued our report thereon June 1, 2010, wherein we noted the Township uses a comprehensive accounting basis other than generally accepted accounting principles. We also noted the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider findings 2009-001 and 2009-002 described in the accompanying schedule of findings to be material weaknesses.

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Telephone: (937) 285-6677 (800) 443-9274 Fax: (937) 285-6688
www.auditor.state.oh.us

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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated June 1, 2010.

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

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

June 1, 2010

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2009 AND 2008**

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| FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS |
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FINDING NUMBER 2009-001

Material Weakness

Paragraph 50 of the Governmental Accounting Standards Board (GASB) statement number 34 states that *Program-specific grants and contributions (operating and capital)* include revenues arising from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program. Some grants and contributions consist of capital assets or resources that are restricted for capital purposes—to purchase, construct, or renovate capital assets associated with a specific program. These should be reported separately from grants and contributions that may be used *either* for operating expenses or for capital expenditures of the program at the discretion of the reporting government. These categories of program revenue are specifically attributable to a program and reduce the net expense of that program to the reporting government

Auditor of State (AOS) Bulletin 2002-04, states that all local governments participating in Issue II Funds must for each project awarded, establish a capital projects fund to account for both the Issue II monies and local matching funds.

The following errors and misclassifications were noted during testing of revenues for 2009 which resulted in audit adjustments being made to the accompanying financial statements:

1. Ohio Public Works Commission grant revenues totaling \$1,075,000 were recorded as general revenues instead of a capital grant.
2. FEMA grant revenues of \$69,920 were recorded as general revenues instead of a capital grant.
3. Charges for services revenues in the cemetery fund were allocated against public works versus the health expenditure line account.
4. The Township received Issue II and matching funds totaling to \$1,075,000. The Township did not establish a capital projects fund, but recorded this activity in the General and Road and Bridge funds

The Township should develop and implement policies and procedures to verify that revenues are properly classified between general revenues and program revenues. The Township should follow AOS Bulletin 2003-04 for any Issue II funds they might receive in the future. Program revenues should also be allocated to against the correct line items in accordance with GASB statement number 34.

Officials Response:

We did not receive a response from officials to this finding.

FINDING NUMBER 2009-002

Material Weakness

Certificate of Estimated Resources

The Township did not update the accounting records to reflect approved estimated receipts. During 2008, the General Fund's final estimated receipts were understated by \$25,000. During 2009, the General Fund's final estimated receipts were understated by \$173,574 while the Road and Bridge Fund's final estimated receipts were understated by \$25,000.

These differences resulted in audit adjustments being made to the accompanying financial statements. The lack of accurately posting the estimated receipts limited the reliability of the budgetary reports generated by the system which could affect management's decision making.

To assist the Township officials in making timely financial decisions and to accurately analyze the effectiveness of its operations, the Township should update the accounting records to reflect estimated receipts approved by the County Budget Commission.

Officials Response:

We did not receive a response from officials to this finding.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2009 AND 2008**

| Finding Number | Finding Summary | Fully Corrected? | Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i> |
|----------------|--|------------------|---|
| 2007-01 | Material Weakness, posting of financial activity | No | Partially corrected, see separate letter to management. |



Mary Taylor, CPA
Auditor of State

MOOREFIELD TOWNSHIP

CLARK COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 20, 2010**