

COLUMBIA TOWNSHIP  
HAMILTON COUNTY  
REGULAR AUDIT  
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2011 AND 2010  
YEARS AUDITED UNDER GAGAS: 2011 AND 2010



**Caudill & Associates, CPA**

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# Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of Columbia Township, Hamilton County, prepared by Caudill & Associates, CPAs, for the audit period January 1, 2010 through December 31, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

December 10, 2012

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**COLUMBIA TOWNSHIP  
HAMILTON COUNTY**

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### Independent Auditor's Report

Columbia Township  
Hamilton County  
5686 Kenwood Road  
Cincinnati, Ohio 45227

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 the Columbia Township, Hamilton County, Ohio, (the Township) as of and for the years ended December 31, 2011 and 2010 which collectively comprise the Township's basic financial statements. 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 2, the Township has prepared these financial statements and notes using the cash basis of accounting. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Columbia Township, Hamilton County, Ohio as of December 31, 2011 and 2010, and the respective changes in cash basis financial position and the respective budgetary comparisons for the General Fund, the Police District Fund, the Garbage and Waste Disposal Fund, the Road District Fund, and the Ridge Fire District Fund, thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

Columbia Township  
Hamilton County  
Independent Auditor's Report

As described in note 3, during 2011 the Columbia Township adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 10, 2012, 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.

We conducted our audit to opine on the Township's financial statements taken as a whole. Management's Discussion & Analysis includes tables of net assets, changes in net assets and analysis of program expenditures of governmental activities. These tables provide additional information, but are not part of the basic financial statements. However, these tables are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These tables were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. Other than the aforementioned procedures applied to the tables, we applied no procedures to any other information in the Management's Discussion & Analysis, and we express no opinion or any other assurance on it.

*Caudill & Associates, CPA*

Caudill & Associates, CPA

August 10, 2012

Columbia Township  
Hamilton County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2011 and 2010  
Unaudited

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This management discussion and analysis of the Columbia Township, Hamilton County, and financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2011 and December 31, 2010, within the limitations of the Township's cash basis accounting. Readers should also review the financial statements and notes to enhance their understanding of the Township's financial performance.

**Key financial highlights for the fiscal year 2011 and 2010 are as follows:**

- Net assets of governmental activities increased \$272,712 or 9.08% in 2011 and increased \$160,038 or 5.63% in 2010. The fund most affected by the increase in net assets in 2011 was the Road District Fund. The increase was attributed to debt proceeds in the amount of \$500,000 to complete road projects.
- General cash receipts accounted for \$2,921,720 or 95.08% of all cash receipts in 2011, and \$2,401,700 or 93.37% in 2010. Program cash receipts in the form of charges for services, grants, and contributions, accounted for \$151,105 or 4.92% in 2011, and \$170,405 or 6.63% in 2010.
- The Township had \$2,800,113 and \$2,412,067 in cash disbursements related to governmental activities in 2011 and 2010 respectively; a total of \$151,105 and \$170,405 of these cash disbursements, respectively, were offset by program specific charges for services, grants, and contributions.
- The Township's most significant sources of receipts include property taxes, state and local levied taxes. The township's most significant expenditures are made for police and fire protection, garbage and waste disposal, and for maintenance of Township roads and streets.

**Using the Financial Statements**

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

**Report Components**

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

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

Columbia Township  
Hamilton County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2011 and 2010  
Unaudited

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

### **Basis of Accounting**

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

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

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

The statement of net assets and the statement of activities reflect how the Township did financially during 2011 and 2010, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the Government at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

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

In the statement of net assets and the statement of activities, the Township has one type of activity classified as governmental in nature.

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

Columbia Township  
Hamilton County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2011 and 2010  
Unaudited

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

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

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

**The Township as a Whole**

Table 1 provides a summary of the Township's net assets for 2011 compared to 2010 and 2009 on a cash basis:

(Table 1)  
**Net Assets**

	Governmental Activities		
	2011	2010	2009
<b>Assets</b>			
Cash and Cash Equivalents	\$ 3,275,350	\$ 3,002,639	\$2,842,601
Total Assets	3,275,350	3,002,639	2,842,601
<b>Net Assets</b>			
Restricted for:			
Capital Projects	34	34	30
Other Purposes	2,682,885	2,430,815	2,193,087
Unrestricted	592,431	571,790	649,484
Total Net Assets	\$ 3,275,350	3,002,639	\$2,842,601

Columbia Township  
Hamilton County  
Management's Discussion and Analysis  
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Unaudited

As mentioned previously, net assets of governmental activities increased \$272,712 or 9.08%, and increased by \$160,038 or 5.63%, in 2011 and 2010 respectively. Net assets increased in 2011 mainly due to the Township receiving \$500,000 in debt proceeds for road projects.

Table 2 reflects the changes in net assets in 2011, 2010 and 2009.

	Governmental Activities		
	2011	2010	2009
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$ 52,600	\$ 51,195	\$ 52,857
Operating Grants and Contributions	98,505	119,210	215,814
Capital Grants and Contributions	-	-	216,037
Total Program Receipts	<u>151,105</u>	<u>170,405</u>	<u>484,708</u>
General Receipts:			
Property Taxes	2,138,682	1,830,400	1,900,791
Grants and Entitlements Not Restricted to Specific Programs	257,210	556,911	379,814
Debt Proceeds	500,000		
Interest	7,541	5,500	15,043
Miscellaneous	18,287	8,889	8,742
Total General Receipts	<u>2,921,720</u>	<u>2,401,700</u>	<u>2,304,390</u>
Total Receipts	<u>3,072,825</u>	<u>2,572,105</u>	<u>2,789,098</u>
Disbursements:			
General Government	321,563	394,251	425,487
Public Safety	1,165,327	1,118,680	1,017,399
Health	1,292,233	7,545	216,700
Public Works	7,448	884,086	1,600,406
Capital Outlay	13,542	7,505	215,971
Debt Services:			
Prinicpal Retirement	-	-	-
Interst and Fiscal Charges	-	-	-
Total Disbursements	<u>2,800,113</u>	<u>2,412,067</u>	<u>3,475,963</u>
Increase (Decrease) in Net Assets	<u>272,712</u>	<u>160,038</u>	<u>(686,865)</u>
Beginning Net Assets	<u>3,002,639</u>	<u>2,842,601</u>	<u>3,529,466</u>
Net Assets, End of Year	<u>\$ 3,275,351</u>	<u>\$ 3,002,639</u>	<u>\$ 2,842,601</u>

Columbia Township  
Hamilton County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2011 and 2010  
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Program receipts represent 4.92% and 6.63% of total receipts in 2011 and 2010 respectively, and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, and from grants restricted for certain capital improvements.

General receipts represent 95.08% and 93.37% of the Township's total receipts in 2011 and 2010 respectively, and of this amount, 73.20% and 76.20% are local taxes. Other sources of general receipts include unrestricted grants and entitlements, interest revenue, and miscellaneous revenues.

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

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

(Table 3)

	<b>Governmental Activities</b>			
	Total Cost Of Services	Net Cost of Services	Total Cost Of Services	Net Cost of Services
	2011	2011	2010	2010
General Government	\$ 321,563	\$ 268,963	\$ 394,251	\$ 343,056
Public Safety	1,165,327	1,165,327	1,118,680	1,118,680
Public Works	1,292,233	1,193,728	884,086	764,876
Health	7,448	7,448	7,545	7,545
Capital Outlay	13,542	13,542	7,505	7,505
Debt Services:				
Principal Retirement		-	-	-
Interest and Fiscal Changes		-	-	-
<b>Total Expenses</b>	<u><u>\$ 2,800,113</u></u>	<u><u>\$ 2,649,008</u></u>	<u><u>\$ 2,412,067</u></u>	<u><u>\$ 2,241,662</u></u>

The dependence upon property tax receipts and state and unrestricted state entitlements is apparent as over 85.56%, and 98.97% of governmental activities for 2011 and 2010 respectively, are supported through these general receipts.

**The Township's Funds**

Total governmental funds had receipts of \$2,572,598 and \$2,572,134 in 2011 and 2010 respectively, and had disbursements of \$2,800,112 and \$2,412,096 in 2011 and 2010 respectively.

In Fiscal year 2011, the greatest change in the governmental funds occurred within the Road District Fund and in 2010 the General Fund.

During that year, the fund balance of the Road District Fund increased \$168,025 mainly due to debt proceeds for project completion of road projects.

Columbia Township  
Hamilton County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2011 and 2010  
Unaudited

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In Fiscal year 2010, the greatest change in the governmental funds occurred within the General Fund with a decrease of \$89,200.

The General Fund balance decreased from \$660,990 to \$571,790 mainly because of reduced intergovernmental receipts.

**General Fund Budgeting Highlights**

The Township's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. The fund is used to account for all financial resources, except those required to be accounted for in another fund. The general fund balance is available to the Township for any purpose, provided that is expended or transferred according to the general laws of Ohio.

During 2011, the Township amended its General Fund budgeted appropriations to reflect changing circumstances. Final actual receipts did not deviate from the final budgeted receipts.

Final disbursements (excluding transfers-out) for 2011 were budgeted at \$419,366, while actual disbursements (excluding transfers-out) were \$338,538.

Final disbursements (excluding transfers-out) for 2010 were budgeted at \$499,340, while actual disbursements (excluding transfers-out) were \$429,815.

The Township disbursed 86.08%, and 80.68% of budgeted expenditures in 2011 and 2010 respectively.

**Capital Assets and Debt Administration**

Capital Assets

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

Debt

As of December 31, 2011, the Township had one outstanding debt. The Township borrowed \$500,000 in 2011 for road improvement projects that was recorded in the Road District Fund. For further information regarding the Township's debt, refer to Note 10 to the financial statements.

Columbia Township  
Hamilton County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2011 and 2010  
Unaudited

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**Current Issues**

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

**Contacting the Government's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Paul Davis, Fiscal Officer, or to Mr. Michael Lemon, Township Administrator Columbia Township, Hamilton County, 5686 Kenwood Road, Cincinnati, Ohio 45227.

**COLUMBIA TOWNSHIP**  
**HAMILTON COUNTY**  
*Statement of Net Assets - Cash Basis*  
*December 31, 2011*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 3,275,350
<i>Total Assets</i>	3,275,350
 <b>Net Assets</b>	
Restricted for:	
Capital Projects	34
Other Purposes	2,682,885
Unrestricted	592,431
<i>Total Net Assets</i>	\$ 3,275,350

See accompanying notes to the financial statements

**Columbia Township**  
**Hamilton County**  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2011*

	Cash Disbursements	Program Cash Receipts			Net (Disbursements)Receipts and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Net Cash Disbursements
<b>Governmental Activities</b>					
General Government	\$ 321,563	\$ 52,600	\$ -	\$ -	\$ (268,963)
Public Safety	1,165,327	-	-	-	(1,165,327)
Public Works	1,292,233	-	98,505	-	(1,193,728)
Health	7,448	-	-	-	(7,448)
Capital Outlay	13,542	-	-	-	(13,542)
Debt Services:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
<i>Total Governmental Activities</i>	<u>\$ 2,800,113</u>	<u>\$ 52,600</u>	<u>\$ 98,505</u>	<u>\$ -</u>	<u>\$ (2,649,008)</u>

**General Receipts**

Property Taxes Levied for:	
General Purposes	\$ 366,458
Police District	701,795
Garbage & Waste Disposal	456,828
Road District	273,778
Ridge Fire District	339,823
Grants and Entitlements not Restricted to Specific Programs	257,210
Debt Proceeds	500,000
Interest	7,541
Miscellaneous	18,287
<i>Total General Receipts</i>	2,921,720
Change in Net Assets	272,712
<i>Net Assets Beginning of Year</i>	3,002,639
<i>Net Assets End of Year</i>	<u>\$ 3,275,351</u>

See accompanying notes to the financial statements

**Columbia Township**  
**Hamilton County**  
*Statement of Net Assets - Cash Basis*  
*December 31, 2010*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 3,002,639
<i>Total Assets</i>	3,002,639
 <b>Net Assets</b>	
Restricted for:	
Capital Projects	34
Other Purposes	2,430,815
Unrestricted	571,790
<i>Total Net Assets</i>	\$ 3,002,639

See accompanying notes to the financial statements

**Columbia Township**  
**Hamilton County**  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2010*

		Program Cash Receipts			Net (Disbursements)Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Net Cash Disbursements
<b>Governmental Activities</b>					
General Government	\$ 394,251	\$ 51,195	\$ -	\$ -	\$ (343,056)
Public Safety	1,118,680	-	-	-	(1,118,680)
Public Works	884,086	-	119,210	-	(764,876)
Health	7,545	-	-	-	(7,545)
Capital Outlay	7,505	-	-	-	(7,505)
Debt Services:					
Principal Retirement	-	-	-	-	0
Interest and Fiscal Charges	-	-	-	-	0
<i>Total Governmental Activities</i>	<u>\$ 2,412,067</u>	<u>\$ 51,195</u>	<u>\$ 119,210</u>	<u>\$ -</u>	<u>\$ (2,241,662)</u>
<b>General Receipts</b>					
Property Taxes Levied for:					
					\$ 347,278
					584,725
					397,559
					223,773
					277,065
Grants and Entitlements not Restricted to Specific Programs					
					556,911
					5,500
					8,889
					<i>Total General Receipts</i> 2,401,700
					160,038
					<i>Change in Net Assets</i> 160,038
					<i>Net Assets Beginning of Year</i> 2,842,601
					<u><i>Net Assets End of Year</i> \$ 3,002,639</u>

See accompanying notes to the financial statements

**COLUMBIA TOWNSHIP**  
**HAMILTON COUNTY**  
*Statement of Assets and Fund Balances - Cash Basis*  
*Governmental Funds*  
*December 31, 2011*

	General	Police District Fund	Garbage & Waste Disposal Fund	Road District Fund	Ridge FD Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>							
Equity in Pooled Cash and Cash Equivalents	\$ 592,431	\$ 555,796	\$ 514,337	\$ 551,579	\$ 245,533	\$ 815,674	\$ 3,275,350
<i>Total Assets</i>	<u>592,431</u>	<u>555,796</u>	<u>514,337</u>	<u>551,579</u>	<u>245,533</u>	<u>815,674</u>	<u>3,275,350</u>
<b>Fund Balances</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	555,796	514,337	551,579	245,533	815,674	2,682,919
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned (Deficit)	592,431	-	-	-	-	-	592,431
<i>Total Fund Balances</i>	<u>\$ 592,431</u>	<u>\$ 555,796</u>	<u>\$ 514,337</u>	<u>\$ 551,579</u>	<u>\$ 245,533</u>	<u>\$ 815,674</u>	<u>\$ 3,275,350</u>

See accompanying notes to the financial statements

**COLUMBIA TOWNSHIP  
HAMILTON COUNTY**  
*Statement of Cash Receipts, Disbursements and Changes in Fund Balances - Cash Basis*  
*Governmental Funds*  
*For the Year Ended December 31, 2011*

	General	Police District Fund	Garbage & Waste Disposal Fund	Road District Fund	Ridge Fire District Fund	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>							
Property and Other Local Taxes	\$ 64,255	\$ 701,795	\$ 456,828	\$ 273,778	\$ 339,823	\$ 149,205	\$ 1,985,684
Fines and Forfeitures	10,371	-	-	-	-	-	10,371
Intergovernmental	225,260	69,102	50,065	31,440	18,908	121,604	516,379
Licenses, Fees and Permits	52,599	-	-	-	-	-	52,599
Interest	6,954	-	-	-	-	586	7,540
Miscellaneous	-	-	-	25	-	-	25
<i>Total Cash Receipts</i>	<u>359,439</u>	<u>770,897</u>	<u>506,893</u>	<u>305,243</u>	<u>358,731</u>	<u>271,395</u>	<u>2,572,598</u>
<b>Disbursements</b>							
Current:							
General Government	320,086	-	-	-	-	1,476	321,562
Public Safety	-	779,267	-	-	330,635	55,424	1,165,326
Public Works	-	-	585,287	623,675	-	83,271	1,292,233
Health	7,448	-	-	-	-	-	7,448
Capital Outlay	-	-	-	13,543	-	-	13,543
<i>Total Cash Disbursements</i>	<u>327,534</u>	<u>779,267</u>	<u>585,287</u>	<u>637,218</u>	<u>330,635</u>	<u>140,171</u>	<u>2,800,112</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>31,905</u>	<u>(8,370)</u>	<u>(78,394)</u>	<u>(331,975)</u>	<u>28,096</u>	<u>131,224</u>	<u>(227,514)</u>
<b>Other Financing Sources (Uses)</b>							
Sale of Bonds	-	-	-	500,000	-	-	500,000
Transfers In	-	-	-	-	-	11,489	11,489
Transfers Out	(11,489)	-	-	-	-	-	(11,489)
Other Financing Sources	225	-	-	-	-	-	225
<i>Total Other Financing Sources (Uses)</i>	<u>(11,264)</u>	<u>-</u>	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>11,489</u>	<u>500,225</u>
<i>Net Change in Fund Balances</i>	<u>20,641</u>	<u>(8,370)</u>	<u>(78,394)</u>	<u>168,025</u>	<u>28,096</u>	<u>142,713</u>	<u>272,711</u>
<i>Fund Balances Beginning of Year</i>	<u>571,790</u>	<u>564,166</u>	<u>592,731</u>	<u>383,554</u>	<u>217,437</u>	<u>672,961</u>	<u>3,002,639</u>
<i>Fund Balances End of Year</i>	<u>\$ 592,431</u>	<u>\$ 555,796</u>	<u>\$ 514,337</u>	<u>\$ 551,579</u>	<u>\$ 245,533</u>	<u>\$ 815,674</u>	<u>\$ 3,275,350</u>

See accompanying notes to the financial statements

**COLUMBIA TOWNSHIP - HAMILTON COUNTY**

*Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual -Budgetary Basis  
General Fund  
For the Year Ended December 31, 2011*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Receipts</b>				
Property and Other Local Taxes	\$ 60,773	\$ 60,773	\$ 64,255	\$ 3,482
Licenses, Permits and Fees	52,000	52,000	52,599	599
Fines and Forfeitures	8,116	8,116	10,371	2,255
Intergovernmental	123,111	123,111	225,260	102,149
Earnings on Investments	6,000	6,000	6,954	954
Miscellaneous	-	-	-	-
<i>Total receipts</i>	<u>250,000</u>	<u>250,000</u>	<u>359,439</u>	<u>109,439</u>
<b>Disbursements</b>				
Current:				
General Government	409,766	409,766	320,086	89,680
Health	7,600	7,600	7,448	152
Capital Outlay	2,000	2,000	-	2,000
Total Disbursements	<u>419,366</u>	<u>419,366</u>	<u>327,534</u>	<u>91,832</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(169,366)</u>	<u>(169,366)</u>	<u>31,905</u>	<u>201,271</u>
<b>Other Financing Sources/(Uses)</b>				
Transfers Out	-	(11,489)	(11,489)	-
Other Financing Sources/(Uses)	-	-	225	225
Total Other Financing Sources/(Uses)	<u>-</u>	<u>(11,489)</u>	<u>(11,264)</u>	<u>225</u>
Net Change in Fund Balance	<u>(169,366)</u>	<u>(180,855)</u>	<u>20,641</u>	<u>201,496</u>
Fund Balance Beginning of Year	571,797	571,797	571,797	-
Prior Year Encumbrances Appropriated	10,825	10,825	10,825	
Fund Balance End of Year	<u>\$ 413,256</u>	<u>\$ 401,767</u>	<u>\$ 603,263</u>	<u>\$ 201,496</u>

See accompanying notes to the financial statements

**COLUMBIA TOWNSHIP - HAMILTON COUNTY**  
Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual -Budgetary Basis  
Garbage and Waste Disposal District Fund  
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Property and Other Local Taxes	\$ 471,529	\$ 471,529	\$ 456,828	\$ (14,701)
Intergovernmental	48,291	48,291	50,065	1,774
Total receipts	<u>519,820</u>	<u>519,820</u>	<u>506,893</u>	<u>(12,927)</u>
<b>Disbursements</b>				
Current:				
Public Works	600,571	600,571	592,306	8,265
Total Disbursements	<u>600,571</u>	<u>600,571</u>	<u>592,306</u>	<u>8,265</u>
Excess of Receipts Over (Under) Disbursements	<u>(80,751)</u>	<u>(80,751)</u>	<u>(85,413)</u>	<u>(4,662)</u>
Net Change in Fund Balance	<u>(80,751)</u>	<u>(80,751)</u>	<u>(85,413)</u>	<u>(4,662)</u>
Fund Balance Beginning of Year	592,730	592,730	592,730	
Prior Year Encumbrance Appropriated	<u>7,020</u>	<u>7,020</u>	<u>7,020</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 518,999</u>	<u>\$ 518,999</u>	<u>\$ 514,337</u>	<u>\$ (4,662)</u>

See accompanying notes to the financial statements

**COLUMBIA TOWNSHIP - HAMILTON COUNTY**  
Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual -Budgetary Basis  
POLICE DISTRICT FUND  
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$ 716,511	\$ 716,511	\$ 701,795	\$ (14,716)
Intergovernmental	63,489	63,489	69,102	5,613
<b>Total receipts</b>	<u>780,000</u>	<u>780,000</u>	<u>770,897</u>	<u>(9,103)</u>
Disbursements				
Current:				
Public Safety	952,982	952,982	795,974	157,008
Total Disbursements	<u>952,982</u>	<u>952,982</u>	<u>795,974</u>	<u>157,008</u>
Excess of Receipts Over (Under) Disbursements	<u>(172,982)</u>	<u>(172,982)</u>	<u>(25,077)</u>	<u>147,905</u>
Net Change in Fund Balance	<u>(172,982)</u>	<u>(172,982)</u>	<u>(25,077)</u>	<u>147,905</u>
Fund Balance Beginning of Year	564,171	564,171	564,171	
Prior Year Encumbrances Appropriated	<u>16,706</u>	<u>16,706</u>	<u>16,706</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 407,895</u>	<u>\$ 407,895</u>	<u>\$ 555,800</u>	<u>\$ 147,905</u>

See accompanying notes to the financial statements

**COLUMBIA TOWNSHIP - HAMILTON COUNTY**  
Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual -Budgetary Basis  
ROAD DISTRICT FUND  
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$ 273,430	\$ 273,430	\$ 273,778	\$ 348
Intergovernmental	26,570	26,570	31,440	4,870
Miscellaneous	-	-	25	25
Total receipts	<u>300,000</u>	<u>300,000</u>	<u>305,243</u>	<u>5,243</u>
<b>Disbursements</b>				
Current:				
Public Works	288,408	788,408	641,243	147,165
Capital Outlay	2,000	22,000	13,543	8,457
Total Disbursements	<u>290,408</u>	<u>810,408</u>	<u>654,786</u>	<u>155,622</u>
Excess of Receipts Over (Under) Disbursements	<u>9,592</u>	<u>(510,408)</u>	<u>(349,543)</u>	<u>160,865</u>
<b>Other Financing Sources/(Uses)</b>				
Sale of Bonds	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Total Other Financing Sources/(Uses)	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Net Change in Fund Balance	<u>509,592</u>	<u>(10,408)</u>	<u>150,457</u>	<u>160,865</u>
Fund Balance Beginning of Year	383,552	383,552	383,552	-
Prior Year Encumbrances Appropriated	<u>17,568</u>	<u>17,568</u>	<u>17,568</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 910,712</u>	<u>\$ 390,712</u>	<u>\$ 551,577</u>	<u>\$ 160,865</u>

See accompanying notes to the financial statements

**COLUMBIA TOWNSHIP - HAMILTON COUNTY**  
Statement of Receipts, Disbursements and Changes in Fund Balances  
Budget and Actual -Budgetary Basis  
RIDGE FIRE DISTRICT FUND  
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$ 326,778	\$ 326,778	\$ 339,823	\$ 13,045
Intergovernmental	19,222	19,222	18,908	(314)
Total receipts	<u>346,000</u>	<u>346,000</u>	<u>358,731</u>	<u>12,731</u>
<b>Disbursements</b>				
Current:				
Public Safety	334,414	334,414	330,635	3,779
Total Disbursements	<u>334,414</u>	<u>334,414</u>	<u>330,635</u>	<u>3,779</u>
Excess of Receipts Over (Under) Disbursements	<u>11,586</u>	<u>11,586</u>	<u>28,096</u>	<u>16,510</u>
Net Change in Fund Balance	<u>11,586</u>	<u>11,586</u>	<u>28,096</u>	<u>16,510</u>
Fund Balance Beginning of Year	<u>217,437</u>	<u>217,437</u>	<u>217,437</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 229,023</u>	<u>\$ 229,023</u>	<u>\$ 245,533</u>	<u>\$ 16,510</u>

See accompanying notes to the financial statements

**COLUMBIA TOWNSHIP  
HAMILTON COUNTY**  
*Statement of Assets and Fund Balances - Cash Basis*  
*Governmental Funds*  
*December 31, 2010*

	General	Police District Fund	Garbage & Waste Disposal Fund	Road District Fund	Ridge FD Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>							
Equity in Pooled Cash and Cash Equivalents	\$ 571,790	\$ 564,166	\$ 592,731	\$ 383,554	\$ 217,437	\$ 672,961	\$ 3,002,639
<i>Total Assets</i>	<u>571,790</u>	<u>564,166</u>	<u>592,731</u>	<u>383,554</u>	<u>217,437</u>	<u>672,961</u>	<u>3,002,639</u>
<b>Fund Balances</b>							
Reserved:							
Reserved for Encumbrances	20,638	54,559	4,070	18,773	-	-	98,040
Unreserved:							
Undesignated (Deficit), Reported in:							
General Fund	551,152	-	-	-	-	-	551,152
Special Revenue Funds	-	509,607	588,661	364,781	217,437	672,961	2,353,447
Capital Projects Funds	-	-	-	-	-	-	-
<i>Total Fund Balances</i>	<u>\$ 571,790</u>	<u>\$ 564,166</u>	<u>\$ 592,731</u>	<u>\$ 383,554</u>	<u>\$ 217,437</u>	<u>\$ 672,961</u>	<u>\$ 3,002,639</u>

See accompanying notes to the financial statements

**COLUMBIA TOWNSHIP**  
**HAMILTON COUNTY**  
*Statement of Cash Receipts, Disbursements and Changes in Fund Balances - Cash Basis*  
*Governmental Funds*  
*For the Year Ended December 31, 2010*

	General	Police District Fund	Garbage & Waste Disposal Fund	Road District Fund	Ridge FD Fund	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>							
Property and Other Local Taxes	\$ 54,744	\$ 693,014	\$ 452,015	\$ 265,782	\$ 338,563	\$ 136,177	\$ 1,940,295
Fines and Forfeitures	2,259	-	-	-	-	-	2,259
Intergovernmental	206,519	60,598	57,030	30,608	20,289	184,207	559,251
Licenses, Fees and Permits	51,195	-	-	-	-	-	51,195
Interest	5,270	-	-	-	-	231	5,501
Miscellaneous	-	6,974	-	5,399	-	1,260	13,633
<i>Total Cash Receipts</i>	<u>319,987</u>	<u>760,586</u>	<u>509,045</u>	<u>301,789</u>	<u>358,852</u>	<u>321,875</u>	<u>2,572,134</u>
<b>Disbursements</b>							
Current:							
General Government	394,137	-	-	-	-	140	394,277
Public Safety	-	765,951	-	-	318,777	33,953	1,118,681
Public Works	-	-	502,894	238,722	-	142,472	884,088
Health	7,545	-	-	-	-	-	7,545
Capital Outlay	7,505	-	-	-	-	-	7,505
<i>Total Cash Disbursements</i>	<u>409,187</u>	<u>765,951</u>	<u>502,894</u>	<u>238,722</u>	<u>318,777</u>	<u>176,565</u>	<u>2,412,096</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(89,200)</u>	<u>(5,365)</u>	<u>6,151</u>	<u>63,067</u>	<u>40,075</u>	<u>145,310</u>	<u>160,038</u>
<i>Net Change in Fund Balances</i>	<u>(89,200)</u>	<u>(5,365)</u>	<u>6,151</u>	<u>63,067</u>	<u>40,075</u>	<u>145,310</u>	<u>160,038</u>
<i>Fund Balances Beginning of Year</i>	<u>660,990</u>	<u>569,531</u>	<u>586,580</u>	<u>320,487</u>	<u>177,362</u>	<u>527,651</u>	<u>2,842,601</u>
<i>Fund Balances End of Year</i>	<u>\$ 571,790</u>	<u>\$ 564,166</u>	<u>\$ 592,731</u>	<u>\$ 383,554</u>	<u>\$ 217,437</u>	<u>\$ 672,961</u>	<u>\$ 3,002,639</u>

See accompanying notes to the financial statements

**COLUMBIA TOWNSHIP - HAMILTON COUNTY**

*Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual -Budgetary Basis  
General Fund  
For the Year Ended December 31, 2010*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Receipts</b>				
Property and Other Local Taxes	\$ 54,744	\$ 54,744	\$ 54,744	\$ -
Licenses, Permits and Fees	51,195	51,195	51,195	-
Fines and Forfeitures	2,259	2,259	2,259	-
Intergovernmental	206,519	206,519	206,519	-
Earnings on Investments	5,270	5,270	5,270	-
<i>Total receipts</i>	<u>319,987</u>	<u>319,987</u>	<u>319,987</u>	<u>-</u>
<b>Disbursements</b>				
Current:				
General Government	492,340	483,906	414,765	69,141
Health	5,000	7,734	7,545	189
Capital Outlay	2,000	7,700	7,505	195
Total Disbursements	<u>499,340</u>	<u>499,340</u>	<u>429,815</u>	<u>69,525</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(179,353)</u>	<u>(179,353)</u>	<u>(109,828)</u>	<u>69,525</u>
Net Change in Fund Balance	<u>(179,353)</u>	<u>(179,353)</u>	<u>(109,828)</u>	<u>69,525</u>
Fund Balance Beginning of Year	660,987	660,987	660,987	-
Prior Year Encumbrance Appropriated	20,638	20,638	20,638	-
Fund Balance End of Year	<u>\$ 502,272</u>	<u>\$ 502,272</u>	<u>\$ 571,797</u>	<u>\$ 69,525</u>

See accompanying notes to the financial statements

**COLUMBIA TOWNSHIP - HAMILTON COUNTY**  
Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual -Budgetary Basis  
Garbage and Waste Disposal District Fund  
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Property and Other Local Taxes	\$ 397,559	\$ 397,559	\$ 397,559	\$ -
Intergovernmental	111,486	111,486	111,486	-
Total receipts	<u>509,045</u>	<u>509,045</u>	<u>509,045</u>	<u>-</u>
<b>Disbursements</b>				
Current:				
Public Works	521,908	530,908	506,960	23,948
Total Disbursements	<u>521,908</u>	<u>530,908</u>	<u>506,960</u>	<u>23,948</u>
Excess of Receipts Over (Under) Disbursements	<u>(12,863)</u>	<u>(21,863)</u>	<u>2,085</u>	<u>23,948</u>
Net Change in Fund Balance	<u>(12,863)</u>	<u>(21,863)</u>	<u>2,085</u>	<u>23,948</u>
Fund Balance Beginning of Year	586,575	586,575	586,575	-
Prior Year Encumbrances Appropriated	<u>4,070</u>	<u>4,070</u>	<u>4,070</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 577,782</u>	<u>\$ 568,782</u>	<u>\$ 592,730</u>	<u>\$ 23,948</u>

See accompanying notes to the financial statements

**COLUMBIA TOWNSHIP - HAMILTON COUNTY**  
Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual -Budgetary Basis  
POLICE DISTRICT FUND  
For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$ 584,725	\$ 584,725	\$ 584,725	\$ -
Intergovernmental	175,862	175,862	175,862	-
Miscellaneous	100	-	-	-
Total receipts	<u>760,687</u>	<u>760,587</u>	<u>760,587</u>	<u>-</u>
<b>Disbursements</b>				
Current:				
Public Safety	852,463	852,463	820,509	31,954
Total Disbursements	<u>852,463</u>	<u>852,463</u>	<u>820,509</u>	<u>31,954</u>
Excess of Receipts Over (Under) Disbursements	<u>(91,776)</u>	<u>(91,876)</u>	<u>(59,922)</u>	<u>31,954</u>
Net Change in Fund Balance	<u>(91,776)</u>	<u>(91,876)</u>	<u>(59,922)</u>	<u>31,954</u>
Fund Balance Beginning of Year	569,534	569,534	569,534	
Prior Year Encumbrances Appropriated	<u>54,559</u>	<u>54,559</u>	<u>54,559</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 532,317</u>	<u>\$ 532,217</u>	<u>\$ 564,171</u>	<u>\$ 31,954</u>

See accompanying notes to the financial statements

**COLUMBIA TOWNSHIP - HAMILTON COUNTY**  
Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual -Budgetary Basis  
ROAD DISTRICT FUND  
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Property and Other Local Taxes	\$ 223,773	\$ 223,773	\$ 223,773	\$ -
Intergovernmental	72,617	72,617	72,617	-
Miscellaneous	5,398	5,398	5,398	-
Total receipts	<u>301,788</u>	<u>301,788</u>	<u>301,788</u>	<u>-</u>
<b>Disbursements</b>				
Current:				
Public Works	291,251	291,251	257,496	33,755
Capital Outlay	2,000	2,000	-	2,000
Total Disbursements	<u>293,251</u>	<u>293,251</u>	<u>257,496</u>	<u>35,755</u>
Excess of Receipts Over (Under) Disbursements	<u>8,537</u>	<u>8,537</u>	<u>44,292</u>	<u>35,755</u>
Net Change in Fund Balance	<u>8,537</u>	<u>8,537</u>	<u>44,292</u>	<u>35,755</u>
Fund Balance Beginning of Year	320,487	320,487	320,487	-
Prior Year Encumbrances Appropriated	<u>18,773</u>	<u>18,773</u>	<u>18,773</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 347,797</u>	<u>\$ 347,797</u>	<u>\$ 383,552</u>	<u>\$ 35,755</u>

See accompanying notes to the financial statements

**COLUMBIA TOWNSHIP - HAMILTON COUNTY**  
Statement of Receipts, Disbursements and Changes in Fund Balances  
Budget and Actual -Budgetary Basis  
RIDGE FIRE DISTRICT FUND  
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Property and Other Local Taxes	\$ 277,064	\$ 277,064	\$ 277,064	\$ -
Intergovernmental	81,788	81,788	81,788	-
Total receipts	<u>358,852</u>	<u>358,852</u>	<u>358,852</u>	<u>-</u>
<b>Disbursements</b>				
Current:				
Public Safety	318,200	318,950	318,777	173
Total Disbursements	<u>318,200</u>	<u>318,950</u>	<u>318,777</u>	<u>173</u>
Excess of Receipts Over (Under) Disbursements	<u>40,652</u>	<u>39,902</u>	<u>40,075</u>	<u>173</u>
Net Change in Fund Balance	<u>40,652</u>	<u>39,902</u>	<u>40,075</u>	<u>173</u>
Fund Balance Beginning of Year	<u>177,362</u>	<u>177,362</u>	<u>177,362</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 218,014</u>	<u>\$ 217,264</u>	<u>\$ 217,437</u>	<u>\$ 173</u>

See accompanying notes to the financial statements

Columbia Township  
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Notes to the Financial Statements  
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**Note 1 – Reporting Entity**

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

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

The primary government consists of all departments, boards, and agencies that are not legally separate from the Township. The Township's management believes that these financial statements present all activities for which the Township is financially accountable.

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

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

**A. Basis of Presentation**

Government-Wide Financial Statements

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

Columbia Township  
Hamilton County  
Notes to the Financial Statements  
For the Years Ended December 31, 2011 and December 31, 2010

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

Government-Wide Financial Statements (Continued)

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

Fund Financial Statements

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

**B. Fund Accounting**

The Township uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. Funds may be categorized as governmental, proprietary, or fiduciary. The funds of the Township are all considered governmental.

Governmental Funds

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

The Township's major governmental funds are:

General Fund - This fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose, provided that it is expended or transferred according to the general laws of Ohio.

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

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

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

**B. Fund Accounting (Continued)**

Ridge Fire District Fund – This fund receives the proceeds of a property tax levy and certain intergovernmental receipts which are used to pay for fire protection services from the Village of Golf Manor.

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

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

**C. Basis of Accounting**

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

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

**D. Budgetary Process**

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

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

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

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

**D. Budgetary Process (Continued)**

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

**E. Cash and Deposits**

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

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. The total of interest receipts credited to the General Fund during 2011 and 2010, respectfully, was \$6,954 and \$5,270.

**F. Inventory and Prepaid Items**

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

**G. Capital Assets**

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

**H. Interfund Receivables and Payables**

The Township reports advances-in and advances-out for interfund loans. During 2011 and 2010, the Township did not perform any advances-in and advances-out.

**I. Accumulated Leave**

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

**J. Employer Contributions to Cost-Sharing Pension Plans**

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Note 8 and Note 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

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

**K. Long-Term Obligations**

The Township's modified cash basis financial statements do not report liabilities for bonds or other long term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. The Township issued a Road Improvement Bond in 2011. See note 10 for more details.

**L. Net Assets**

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

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

**M. Fund Balance Reserves**

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

**N. Interfund Transactions**

Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements. Interfund transactions are described in Note 11.

**O. Fund Balance**

For December 31, 2011, Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

**1. Nonspendable**

The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**O. Fund Balance (Continued)**

**2. Restricted**

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**3. Committed**

Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**4. Assigned**

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

**5. Unassigned**

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Columbia Township  
Hamilton County  
Notes to the Financial Statements  
For the Years Ended December 31, 2011 and December 31, 2010

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**Note 3 – Change in Accounting Principle**

For 2011, the Township implemented Governmental Accounting Standards Board (GASB) Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions”. GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of GASB Statement No. 54 had no effect on actual fund balances.

**Note 4 – Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund and for the major special revenue funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (modified cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$10,825 for the General Fund, \$7,020 for the Garbage & Waste District Fund, \$16,706 for the Police District Fund, \$17,568 for the Road District Fund, and \$430 for other governmental funds.

**Note 5 – Deposits and Investments**

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government

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

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 described in this division are made only through eligible institutions;

7. The State Treasurer's investment pool (STAR Ohio).

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

**A. Deposits**

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2011 and 2010, none of the Township's bank balance of \$3,394,541 and 3,019,434, respectively was exposed to custodial credit risk because all deposits were either covered by insurance from the Federal Deposit Insurance Corporation or by collateral held by an agent in the Township's name.

**Note 6 – Property Taxes**

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Village. Real property tax receipts received in 2011 represent the collection of 2010 taxes. Real property taxes received in 2011 were levied after October 1, 2010, on the assessed values as of January 1, 2010, 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 2011 represent the collection of 2010 taxes. Public utility real and tangible personal property taxes received in 2011 became a lien on December 31, 2010, were levied after October 1, 2010, 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

Columbia Township  
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Notes to the Financial Statements  
For the Years Ended December 31, 2011 and December 31, 2010

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varying percentages of true value.

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

Tangible personal property tax receipts received in 2011 (other than public utility property) represent the collection of 2010 taxes. Tangible personal property taxes received in 2011 were levied after October 1, 2010, on the true value as of December 31, 2010. 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.

The assessed values of real property, public utility property, and tangible personal property upon which 2011 and 2010 property tax receipts were assessed, were as follows:

	2011	2010
Real Property:		
Residential/Agricultural	\$87,008,100	\$87,045,100
Commercial/Industrial/Mineral	41,779,000	41,347,500
Public Utility Property:		
Personal	2,060,000	3,055,000
Tangible Personal Property	-	-
Total Assessed Value	\$130,847,100	\$131,442,600

**Note 7 – Risk Management**

The Township has its risk management provider with the Ohio Plan. The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Following is the various risks covered by the Ohio Plan:

<u>Company</u>	<u>Type of Coverage</u>	<u>Amount of Coverage</u>
The Ohio Plan	Company Commercial Property	\$100,000 – \$1,350,662
	General Liability	\$5,000,000 per occurrence
	General Liability	\$7,000,000 – Annual aggregate
	Commercial Crime	\$5,000,000 per occurrence
	Vehicle	\$5,000,000 per accident
	Public Officials Liability	\$5,000,000
	Law Enforcement Liability	\$5,000,000 per incident
	Commercial Umbrella	\$5,000,000

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

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

**Note 8 – Defined Benefit Pension Plan**

***Ohio Public Employees Retirement System***

Plan Description - The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self- directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provide 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 and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law enforcement and public safety employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll for members in the State and local divisions and 12 percent for law enforcement and public safety members. For the year ended December 31, 2011, members in the state and local divisions contributed 10 percent of covered payroll while public safety and law enforcement members contributed 11.0 percent and 11.6 percent, respectively. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan. For 2011 member and employer contribution rates were consistent across all three plans.

The Township's 2011 Contribution rate was 14.0 percent, except for those plan members in law enforcement or public safety, for whom the Township's contribution was 18.10 percent of covered payroll. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 4.0 percent during calendar year 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent during calendar year 2011. Employer contribution rates are actuarially determined.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2011, 2010, and 2009 were \$57,895, \$59,429, and \$55,945 respectively. The full amount has been contributed for 2011, 2010 and 2009.

**Note 9 - Postemployment Benefits**

***Ohio Public Employees Retirement System***

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

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan for qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. The plan includes a medical plan, prescription drug program and Medicare Part B premium reimbursement.

In order to qualify for post-employment health care coverage, aged and service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefits is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presently separately in the OPERS financial report which may be obtained by writing OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or calling 614-222-5601 or 800-222-7377.

Funding Policy - The post-employment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contributions to OPERS is set aside for the funding of post-retirement health care. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2011, state and local employers contributed at a rate of 14.00% of covered payroll and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code.

Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members of the Traditional Plan was 4.0% during calendar year 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05% during calendar year 2011. The OPERS Board of Trustees is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and their coverage selected. Active members do not make contributions to the post-employment health care plan.

The Township's contributions for health care to the OPERS for the years ending December 31, 2011, 2010, and 2009 were \$2,316, \$2,337 and \$2,348, respectively, which were equal to the required contributions for each year.

Columbia Township  
Hamilton County  
Notes to the Financial Statements  
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**Note 9 - Postemployment Benefits (Continued)**

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

The Health Care Preservation Plan (HCPP) adopted the OPERS Board of Trustees September 9, 2004, was effective January 1, 2007. Member and employer contribution rates for state and local employers increased on January 1, of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning January 1, 2006, with a final rate increase January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

**Note 10 – Bonds Payable**

In June 2011, the Township issued Road Improvement Obligation Bonds in the amount of \$500,000. The bonds were used for road improvement projects within the Township. The bonds mature on June 1, 2014.

	Interest Rate	Balance December 31, 2010	Additions	Reductions	Balance December 31, 2011	Due Within One Year
<u>Governmental Activities</u>						
2011 Issue (Original Amount \$500,000)	1.91%	\$0	\$500,000	\$0	\$500,000	\$197,000
		<u>\$0</u>	<u>\$500,000</u>	<u>\$0</u>	<u>\$500,000</u>	<u>\$197,000</u>

Amortization of the above debt, including interest, is scheduled as follows:

Year	Road Improvement Bonds	
	Principal	Interest
2012	\$197,000	\$12,620
2013	201,000	4,832
2014	102,000	974
Totals	<u>\$500,000</u>	<u>\$18,426</u>

**Note 11 – Contingent Liabilities**

The Township is defendant in several lawsuits. Although management cannot presently determine the outcome of these suits, they believe the resolution of these matters will not materially adversely affect the Township's financial condition.



## Caudill & Associates, CPA

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### **Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards**

Columbia Township  
Hamilton County  
5686 Kenwood Road  
Cincinnati, OH 45227

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 Columbia Township (the Township), Hamilton County, as of and for the years ended December 31, 2011 and 2010, which collectively comprise the Township's financial statements, and have issued our report thereon dated August 10, 2012, wherein we noted the Township adopted Governmental Accounting Standards Board Statement No. 54 (GASB 54), *Fund Balance and Governmental Fund Type Definitions* in 2011. We also noted the Township uses a comprehensive accounting basis other than generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States *Government Auditing Standards*.

#### **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 on the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

A *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 internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and timely corrected.

Columbia Township  
Hamilton County

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider a significant deficiency in internal control over financial reporting. We consider finding 2011-001 to be a significant deficiency. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

**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*.

The Township's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses and, accordingly, we express no opinion on them.

We also noted a certain matter not requiring inclusion in this report that we reported to Township's management in a separate letter dated August 10, 2012.

We intend this report solely for the information and use of management, and the Township's trustees, Auditor of State and others within the Township and are not intended to be and should not be used by anyone other than the specified parties.

*Caudill & Associates, CPA*

Caudill & Associates, CPA

August 10, 2012

**COLUMBIA TOWNSHIP  
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS AND RESPONSES  
DECEMBER 31, 2011 AND 2010**

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

**FINDING NUMBER 2011-001**

**Misclassification of Receipts – Significant Control Deficiency**

The AICPA establishes auditing standards generally accepted in the United States that certified public accountants and government auditors must follow in conducting audits of state and local governments. SAS No. 115 establishes standards, responsibilities and guidance for audits during a financial statement audit engagement for identifying and evaluating a client's internal control over financial reporting. This standard requires the auditor to report *in writing* to management and the governing body any control deficiencies found during the engagement that are considered significant deficiencies and/or material weaknesses.

During 2011 and 2010, the Township erroneously posted intergovernmental receipts and debt proceeds. This required reclassifications to properly present the activities of the Township for both years.

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

**Township Response:**

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

**Columbia Township**  
**Hamilton County**  
*Schedule of Prior Audit Findings*  
*For the Fiscal Years Ended December 31, 2011 and December 31, 2010*

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Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2009-001	Ohio Revised Code 5705.36, Failure to secure an amended estimated resource when estimated receipts were less than actual receipts	Yes	N/A
2009-002	Ohio Revised Code 5705.39, Total appropriations exceeded estimated resources	Yes	N/A
2009-003	Ohio Revised Code 5705.41 (B), Expenditures exceed appropriations at the legal level of control	Yes	N/A
2009-004	Ohio Revised Code 5705.41 (D)	Yes	N/A
2009-005	Misclassification of Receipts	No	Reissued as Finding 2011-001
2009-006	System Discrepancies – Material Weakness	Yes	N/A

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# Dave Yost • Auditor of State

**COLUMBIA TOWNSHIP**

**HAMILTON COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
DECEMBER 20, 2012**