

**CAMBRIDGE TOWNSHIP
GUERNSEY COUNTY**

AUDIT REPORT

JANUARY 1, 2007 – DECEMBER 31, 2008

**Wolfe, Wilson, & Phillips, Inc.
37 South Seventh Street
Zanesville, Ohio 43701**



Mary Taylor, CPA
Auditor of State

Board of Trustees
Cambridge Township
P.O. Box 1383
66737 Old 21 Road
Cambridge, Ohio 43725

We have reviewed the *Independent Auditors' Report* of Cambridge Township, Guernsey County, prepared by Wolfe, Wilson & Phillips, Inc., for the audit period January 1, 2007 through December 31, 2008. 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. Cambridge Township is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

July 16, 2009

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**CAMBRIDGE TOWNSHIP
GUERNSEY COUNTY**

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WOLFE, WILSON, & PHILLIPS, INC.
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701

INDEPENDENT AUDITORS' REPORT

Cambridge Township
Guernsey County
66737 Old 21 Road
Cambridge, Ohio 43725

We have audited the accompanying financial statements of the governmental activities, major funds and aggregate remaining fund information of Cambridge Township, Guernsey County as of and for the years ended December 31, 2008 and 2007, which collectively comprised the Township's basic financial statements. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position-cash basis of the governmental activities, major funds and the aggregate remaining fund information of Cambridge Township, Guernsey County, as of December 31, 2008 and 2007, and the respective changes in financial position-cash basis and the respective budgetary comparison for the General Fund, Gasoline Tax Fund, Road and Bridge Fund, Fire Fund – Special Levy and Road Improvement Fund –Special Levy thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 19, 2009, on our consideration of Cambridge Township's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering 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 Government 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.

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
June 19, 2009

***CAMBRIDGE TOWNSHIP, GUERNSEY COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007
UNAUDITED***

This discussion and analysis of the Cambridge Township's financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2008 and 2007, within the limitations of the Township's cash basis accounting. The intent of this discussion and analysis is to look at the Township's financial performance as a whole; readers should also review the financial statements and notes to the basic financial statements to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2008 and 2007 are as follows:

The Township's general receipts are primarily Real Estate and property taxes for governmental activities for the year. Tax receipts for 2008 and 2007 changed very little compared to 2006 as development within the Township has stayed about the same.

In 2008 and 2007, the Township once again provided chip and seal services to various Township roads.

In 2008, The Township purchased a new backhoe.

Using the Basic Financial Statements

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

Report Components

The statement of net assets and statement of activities provide information about the cash activities of the Township as a whole. The statement of cash basis assets and fund balances and the statement of cash receipts, disbursements and changes in fund cash balances, present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the basic 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.

***CAMBRIDGE TOWNSHIP, GUERNSEY COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007
UNAUDITED***

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 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 expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Government as a Whole

The statements of net assets and statements of activities for 2008 and 2007 reflect how the Township did financially within the limitations of the cash basis of accounting. The statement of net assets present the cash balances of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the programs services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General cash receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other nonfinancial factors as well such as the Township's tax base, 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 real estate taxes.

In the statement of net assets and the statement of activities, we divide the government into governmental activities. All of the Township's basic services are reported here, including road maintenance. Real estate and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Government's Most Significant Funds

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

**CAMBRIDGE TOWNSHIP, GUERNSEY COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007
UNAUDITED**

Governmental Funds - All of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds for 2008 are the General Fund, Gasoline Tax Fund, Road and Bridge Fund, Fire Fund - Special Levy and Road Improvement Fund - Special Levy. The Township's major governmental funds for 2007 are the General Fund, Gasoline Tax Fund, Road and Bridge Fund, Fire Fund - Special Levy and Road Improvement Fund - Special Levy. The programs reported in governmental funds are related to those reported in the governmental activities section of the entity-wide statements. There are no reconciliations between the two reports as the township reports on the cash basis.

The Government as a Whole

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

Table 1
NET ASSETS

	<u>Governmental Activities</u>		
	<u>2008</u>	<u>2007</u>	<u>2006</u>
Assets			
Cash	\$ 839,492	\$ 785,024	\$ 856,060
Total Assets	<u>\$ 839,492</u>	<u>\$ 785,024</u>	<u>\$ 856,060</u>
Net Assets			
Restricted for:			
Capital Projects	\$ 5,855	\$ 5,855	\$ 5,855
Permanent Fund:			
Expendable	8,571	7,051	4,364
Nonexpendable	17,023	17,023	17,023
Other Purposes	514,629	486,855	542,613
Unrestricted	<u>293,414</u>	<u>268,240</u>	<u>286,205</u>
Total Net Assets	<u>\$ 839,492</u>	<u>\$ 785,024</u>	<u>\$ 856,060</u>

**CAMBRIDGE TOWNSHIP, GUERNSEY COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007
UNAUDITED**

Table 2 reflects the changes in net assets in 2008 and 2007 and 2006

Table 2
CHANGES IN NET ASSETS

	Governmental Activities		
	2008	2007	2006
Receipts:			
Program Receipts:			
Charges for Services	\$ 31,000	\$ 3,500	\$ 42,600
Operating Grants	111,962	114,706	142,459
Capital Grants	-	28,396	35,387
Total Program Receipts	<u>142,962</u>	<u>146,602</u>	<u>220,446</u>
General Receipts;			
Property and Other Tax	494,922	523,582	454,496
Grants and Entitlements not Restricted	273,990	105,754	112,624
Interest	20,687	39,962	46,371
Miscellaneous	-	28,814	23,156
Total General Receipts	<u>789,599</u>	<u>698,112</u>	<u>636,647</u>
Total Receipts	<u>932,561</u>	<u>844,714</u>	<u>857,093</u>
Disbursements:			
General Government	125,269	109,033	170,735
Public Safety	176,216	179,459	175,104
Public Works	502,139	591,643	388,829
Health	7,237	7,219	16,651
Human Services	-	-	40,211
Other	-	28,396	-
Capital Outlay	<u>67,232</u>	<u>-</u>	<u>86,529</u>
Total Disbursements	<u>878,093</u>	<u>915,750</u>	<u>878,059</u>
Increase/(Decrease) In Net Assets	54,468	(71,036)	(20,966)
Net Assets, January 1	785,024	856,060	877,026
Net Assets, December 31	<u>\$ 839,492</u>	<u>\$ 785,024</u>	<u>\$ 856,060</u>

Program receipts represent 15%, 17% and 26% of total receipts for 2008, 2007 and 2006, respectively. They are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money.

General receipts represent 85%, 83% and 74% of the Township's total receipts for 2008, 2007 and 2006, respectively. Local taxes represent 63%, 75% and 71% of the general receipts. Grants and entitlements make up the balance of general receipts. Other receipts are insignificant and somewhat unpredictable receipt sources.

Disbursements for general government represent the overhead costs of running the Township and the support services provided for the other Township activities.

**CAMBRIDGE TOWNSHIP, GUERNSEY COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007
UNAUDITED**

Governmental Activities

If you look at the Statement of Activities, you will see that the first column lists the major services provided by Cambridge Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are General Government, Public Safety and Public Works, which account for 14%, 20% and 57% in 2008 and 12%, 20% and 65% in 2007 of all governmental disbursements. 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. 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 service and the net cost for 2008 and 2007 is presented in Table 3.

TABLE 3

	Total Cost of Services 2008	Net Cost of Services 2008	Total Cost of Services 2007	Net Cost of Services 2007
General Government	\$ 125,269	\$ 125,269	\$ 109,033	\$ 109,033
Public Safety	176,216	146,216	179,459	179,459
Public Works	502,139	390,177	591,643	476,937
Health	7,237	6,237	7,219	3,719
Other	-	-	28,396	-
Capital Outlay	67,232	67,232	-	-
Total Expenses	<u>\$ 878,093</u>	<u>\$ 735,131</u>	<u>\$ 915,750</u>	<u>\$ 769,148</u>

The dependence upon property tax is apparent as over 56% and 57% for 2008 and 2007 of governmental activities are supported through these general receipts.

The Government's Funds

Total governmental funds had receipts of \$932,561 and \$844,714 for 2008 and 2007 and disbursements of \$878,093 and \$915,750 for 2008 and 2007, respectively.

***CAMBRIDGE TOWNSHIP, GUERNSEY COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007
UNAUDITED***

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 and disbursements. The most significant budgeted fund is the General Fund.

During 2008 and 2007, the Township made amendments to its appropriation budget and receipts budget to reflect changing circumstances. For 2008 and 2007 actual receipts were greater than budgeted receipts.

Final budgeted disbursements for 2008 and 2007 were \$407,320 and \$367,469, respectively. Actual disbursements for 2008 and 2007 were \$213,999 and \$111,862, respectively. The Township kept spending close to budgeted amounts.

Capital Assets and Debt Administration

Capital Assets

The Township does not currently keep track of its capital assets and infrastructure in the accompanying financial statements, but records payments for capital assets as disbursements.

Debt

The Township had no outstanding debt as of December 31, 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 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 Ed Wright, Fiscal Officer, 66737 Old 21 Road, Cambridge, Ohio 43725.

**CAMBRIDGE TOWNSHIP
GUERNSEY COUNTY**

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

	Governmental Activities
ASSETS:	
Equity in Pooled Cash and Cash Equivalents	\$ 839,492
Total Assets	\$ 839,492
NET ASSETS:	
Restricted for:	
Capital Projects	\$ 5,855
Permanent Fund: Lafolette Cemetery Bequest	
Expendable	8,571
Nonexpendable	17,023
Other Purposes	514,629
Unrestricted	293,414
Total Net Assets	\$ 839,492

See notes to basic financial statements.

**CAMBRIDGE TOWNSHIP
GUERNSEY COUNTY**

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

	<u>Cash Disbursements</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Disbursements) Receipts and Changes in Net Assets</u>
Governmental Activities:					
General Government	\$ 125,269	\$ -	\$ -	\$ -	\$ (125,269)
Public Safety	176,216	30,000	-	-	(146,216)
Public Works	502,139	-	111,962	-	(390,177)
Health	7,237	1,000	-	-	(6,237)
Capital Outlay	67,232	-	-	-	(67,232)
Total Governmental Activities	<u>\$ 878,093</u>	<u>\$ 31,000</u>	<u>\$ 111,962</u>	<u>\$ -</u>	<u>\$ (735,131)</u>

General Receipts:

Property Taxes Levied for:	
General Purposes	\$ 494,922
Grants and Entitlements not Restricted to Specific Programs	273,990
Interest	<u>20,687</u>
Total General Receipts	<u>789,599</u>
Change in Net Assets	54,468
Net Assets Beginning of Year	<u>785,024</u>
Net Assets End of Year	<u>\$ 839,492</u>

See notes to the basic financial statements.

CAMBRIDGE TOWNSHIP
GUERNSEY COUNTY

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

	<u>General</u>	<u>Gasoline Tax</u>	<u>Road and Bridge</u>	<u>Fire Fund Special Levy</u>	<u>Road Improvement Special Levy</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS:							
Equity in Pooled Cash and cash Equivalents	\$ 293,414	\$ 33,553	\$ 154,248	\$ 241,867	\$ 17,741	\$ 98,669	\$ 839,492
Total Assets	<u>\$ 293,414</u>	<u>\$ 33,553</u>	<u>\$ 154,248</u>	<u>\$ 241,867</u>	<u>\$ 17,741</u>	<u>\$ 98,669</u>	<u>\$ 839,492</u>
Fund Balances:							
Unreserved:							
General Fund	\$ 293,414	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 293,414
Special Revenue Fund	-	33,553	154,248	241,867	17,741	67,220	514,629
Capital Projects Fund	-	-	-	-	-	5,855	5,855
Permanent Fund	-	-	-	-	-	25,594	25,594
Total Fund Balances	<u>\$ 293,414</u>	<u>\$ 33,553</u>	<u>\$ 154,248</u>	<u>\$ 241,867</u>	<u>\$ 17,741</u>	<u>\$ 98,669</u>	<u>\$ 839,492</u>

See notes to basic financial statements.

**CAMBRIDGE TOWNSHIP
GUERNSEY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
GOVERNMENTAL FUNDS
December 31, 2008**

	<u>General</u>	<u>Gasoline Tax</u>	<u>Road and Bridge</u>	<u>Fire Fund Special Levy</u>	<u>Road Improvement Special Levy</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
CASH RECEIPTS							
Property and Other Local Taxes	\$ 26,150	\$ -	\$ 177,650	\$ 181,320	\$ 109,802	\$ -	\$ 494,922
Charges for Services	30,000	-	-	-	-	-	30,000
Licenses, Permits and Fees	-	-	-	-	-	1,000	1,000
Intergovernmental	165,947	89,722	27,842	28,949	17,434	52,976	382,870
Interest	17,076	2,131	-	-	-	4,562	23,769
Total Receipts	<u>239,173</u>	<u>91,853</u>	<u>205,492</u>	<u>210,269</u>	<u>127,236</u>	<u>58,538</u>	<u>932,561</u>
CASH DISBURSEMENTS:							
Current:							
General Government	122,149	-	-	-	3,120	-	125,269
Public Safety	-	-	-	176,216	-	-	176,216
Public Works	24,618	98,198	208,591	-	128,000	42,732	502,139
Health	-	-	-	-	-	7,237	7,237
Capital Outlay	67,232	-	-	-	-	-	67,232
Total Disbursements	<u>213,999</u>	<u>98,198</u>	<u>208,591</u>	<u>176,216</u>	<u>131,120</u>	<u>49,969</u>	<u>878,093</u>
Excess of Receipts Over/(Under) Disbursements	25,174	(6,345)	(3,099)	34,053	(3,884)	8,569	54,468
Cash Fund Balances Beginning of Year	<u>268,240</u>	<u>39,898</u>	<u>157,347</u>	<u>207,814</u>	<u>21,625</u>	<u>90,100</u>	<u>785,024</u>
Cash Fund Balances End of Year	<u>\$ 293,414</u>	<u>\$ 33,553</u>	<u>\$ 154,248</u>	<u>\$ 241,867</u>	<u>\$ 17,741</u>	<u>\$ 98,669</u>	<u>\$ 839,492</u>

See notes to basic financial statements.

**CAMBRIDGE TOWNSHIP
GUERNSEY COUNTY**

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
CASH RECEIPTS				
Property and Other Local Taxes	\$ 20,326	\$ 20,326	\$ 26,150	\$ 5,824
Charges for Services	30,200	30,200	30,000	(200)
Intergovernmental	60,554	60,554	165,947	105,393
Interest	28,000	28,000	17,076	(10,924)
Total Receipts	<u>139,080</u>	<u>139,080</u>	<u>239,173</u>	<u>100,093</u>
CASH DISBURSEMENTS:				
Current:				
General Government	298,500	298,500	122,149	176,351
Public Works	33,820	33,820	24,618	9,202
Capital Outlay	75,000	75,000	67,232	7,768
Total Disbursements	<u>407,320</u>	<u>407,320</u>	<u>213,999</u>	<u>193,321</u>
Net Change in Cash Fund Balance	(268,240)	(268,240)	25,174	293,414
Cash Fund Balances Beginning of Year	<u>268,240</u>	<u>268,240</u>	<u>268,240</u>	<u>-</u>
Cash Fund Balances End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 293,414</u>	<u>\$ 293,414</u>

See notes to basic financial statements.

**CAMBRIDGE TOWNSHIP
GUERNSEY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
GASOLINE TAX 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>		
CASH RECEIPTS				
Intergovernmental	\$ 85,000	\$ 85,000	\$ 89,722	\$ 4,722
Interest	1,300	1,300	2,131	831
Total Receipts	<u>86,300</u>	<u>86,300</u>	<u>91,853</u>	<u>5,553</u>
CASH DISBURSEMENTS:				
Current:				
Public Works	126,198	126,198	98,198	28,000
Total Disbursements	<u>126,198</u>	<u>126,198</u>	<u>98,198</u>	<u>28,000</u>
Excess of Receipts Over (Under) Disbursements	(39,898)	(39,898)	(6,345)	33,553
Cash Fund Balances Beginning of Year	<u>39,898</u>	<u>39,898</u>	<u>39,898</u>	<u>-</u>
Cash Fund Balances End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,553</u>	<u>\$ 33,553</u>

See notes to basic financial statements.

**CAMBRIDGE TOWNSHIP
GUERNSEY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
ROAD AND BRIDGE
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
CASH RECEIPTS				
Property and Other Local Taxes	\$ 158,577	\$ 158,577	\$ 177,650	\$ 19,073
Intergovernmental	25,000	25,000	27,842	2,842
Total Receipts	<u>183,577</u>	<u>183,577</u>	<u>205,492</u>	<u>21,915</u>
CASH DISBURSEMENTS:				
Current:				
Public Works	340,924	340,924	208,591	132,333
Total Disbursements	<u>340,924</u>	<u>340,924</u>	<u>208,591</u>	<u>132,333</u>
Excess of Receipts Over (Under) Disbursements	(157,347)	(157,347)	(3,099)	154,248
Cash Fund Balances Beginning of Year	<u>157,347</u>	<u>157,347</u>	<u>157,347</u>	<u>-</u>
Cash Fund Balances End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 154,248</u>	<u>\$ 154,248</u>

See notes to basic financial statements.

**CAMBRIDGE TOWNSHIP
GUERNSEY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
FIRE FUND SPECIAL LEVY
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>		
CASH RECEIPTS				
Property and Other Local Taxes	\$ 158,546	\$ 158,546	\$ 181,320	\$ 22,774
Intergovernmental	25,000	25,000	28,949	3,949
Total Receipts	<u>183,546</u>	<u>183,546</u>	<u>210,269</u>	<u>26,723</u>
CASH DISBURSEMENTS:				
Current:				
Public Safety	391,360	391,360	176,216	215,144
Total Disbursements	<u>391,360</u>	<u>391,360</u>	<u>176,216</u>	<u>215,144</u>
Excess of Receipts Over (Under) Disbursements	(207,814)	(207,814)	34,053	241,867
Cash Fund Balances Beginning of Year	<u>207,814</u>	<u>207,814</u>	<u>207,814</u>	<u>-</u>
Cash Fund Balances End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 241,867</u>	<u>\$ 241,867</u>

See notes to basic financial statements.

**CAMBRIDGE TOWNSHIP
GUERNSEY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
ROAD IMPROVEMENT SPECIAL LEVY
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>		
CASH RECEIPTS				
Property and Other Local Taxes	\$ 97,068	\$ 97,068	\$ 109,802	\$ 12,734
Intergovernmental	15,000	15,000	17,434	2,434
Total Receipts	<u>112,068</u>	<u>112,068</u>	<u>127,236</u>	<u>15,168</u>
CASH DISBURSEMENTS:				
Current:				
General Government	5,000	5,000	3,120	1,880
Public Works	128,693	128,693	128,000	693
Total Disbursements	<u>133,693</u>	<u>133,693</u>	<u>131,120</u>	<u>2,573</u>
Excess of Receipts Over (Under) Disbursements	(21,625)	(21,625)	(3,884)	17,741
Cash Fund Balances Beginning of Year	<u>21,625</u>	<u>21,625</u>	<u>21,625</u>	<u>-</u>
Cash Fund Balances End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,741</u>	<u>\$ 17,741</u>

See notes to basic financial statements.

**CAMBRIDGE TOWNSHIP
GUERNSEY COUNTY**

**STATEMENT OF NET ASSETS-CASH BASIS
December 31, 2007**

	<u>Governmental Activities</u>
ASSETS:	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 785,024</u>
Total Assets	<u>\$ 785,024</u>
NET ASSETS:	
Restricted for:	
Capital Projects	\$ 5,855
Permanent Fund: Lafayette Cemetery Bequest	
Expendable	7,051
Nonexpendable	17,023
Other Purposes	486,855
Unrestricted	<u>268,240</u>
Total Net Assets	<u><u>\$ 785,024</u></u>

See notes to basic financial statements.

**CAMBRIDGE TOWNSHIP
GUERNSEY COUNTY**

**STATEMENT OF ACTIVITIES-CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Net (Disbursements) Receipts and Changes in Net Assets
Governmental Activities:					
General Government	\$ 109,033	\$ -	\$ -	\$ -	\$ (109,033)
Public Safety	179,459	-	-	-	(179,459)
Public Works	591,643	-	114,706	-	(476,937)
Health	7,219	3,500	-	-	(3,719)
Other	28,396	-	-	28,396	-
	<u>\$ 915,750</u>	<u>\$ 3,500</u>	<u>\$ 114,706</u>	<u>\$ 28,396</u>	<u>\$ (769,148)</u>
Total Governmental Activities	<u>\$ 915,750</u>	<u>\$ 3,500</u>	<u>\$ 114,706</u>	<u>\$ 28,396</u>	<u>\$ (769,148)</u>

General Receipts:

Property Taxes Levied for:	
General Purposes	\$ 523,582
Grants and Entitlements not Restricted to Specific Programs	105,754
Interest	39,962
Miscellaneous	28,814
	<u>698,112</u>
Total General Receipts	<u>698,112</u>
Change in Net Assets	(71,036)
Net Assets Beginning of Year	<u>856,060</u>
Net Assets End of Year	<u>\$ 785,024</u>

See notes to the basic financial statements.

CAMBRIDGE TOWNSHIP
GUERNSEY COUNTY

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
December 31, 2007

	General	Gasoline Tax	Road and Bridge	Fire Fund Special Levy	Road Improvement Special Levy	Other Governmental Funds	Total Governmental Funds
ASSETS:							
Equity in Pooled Cash and cash Equivalents	\$ 268,240	\$ 39,898	\$ 157,347	\$ 207,814	\$ 21,625	\$ 90,100	\$ 785,024
Total Assets	<u>\$ 268,240</u>	<u>\$ 39,898</u>	<u>\$ 157,347</u>	<u>\$ 207,814</u>	<u>\$ 21,625</u>	<u>\$ 90,100</u>	<u>\$ 785,024</u>
Fund Balances:							
Unreserved:							
General Fund	\$ 268,240	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 268,240
Special Revenue Fund	-	39,898	157,347	207,814	21,625	60,171	486,855
Capital Projects Fund	-	-	-	-	-	5,855	5,855
Permanent Fund	-	-	-	-	-	24,074	24,074
Total Fund Balances	<u>\$ 268,240</u>	<u>\$ 39,898</u>	<u>\$ 157,347</u>	<u>\$ 207,814</u>	<u>\$ 21,625</u>	<u>\$ 90,100</u>	<u>\$ 785,024</u>

See notes to basic financial statements.

**CAMBRIDGE TOWNSHIP
GUERNSEY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
GOVERNMENTAL FUNDS
December 31, 2007**

	<u>General</u>	<u>Gasoline Tax</u>	<u>Road and Bridge</u>	<u>Fire Fund Special Levy</u>	<u>Road Improvement Special Levy</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
CASH RECEIPTS							
Property and Other Local Taxes	\$ 25,009	\$ -	\$ 187,916	\$ 193,994	\$ 116,663	\$ -	\$ 523,582
Licenses, Permits and Fees	-	-	-	-	-	3,500	3,500
Intergovernmental	34,981	88,980	20,991	22,307	13,332	62,157	242,748
Interest	33,489	5,077	-	-	-	7,504	46,070
Other	418	-	28,396	-	-	-	28,814
Total Receipts	<u>93,897</u>	<u>94,057</u>	<u>237,303</u>	<u>216,301</u>	<u>129,995</u>	<u>73,161</u>	<u>844,714</u>
CASH DISBURSEMENTS:							
Current:							
General Government	105,930	-	-	-	3,103	-	109,033
Public Safety	-	-	-	179,459	-	-	179,459
Public Works	5,932	95,821	293,305	-	120,000	76,585	591,643
Health	-	-	-	-	-	7,219	7,219
Other	-	-	-	-	-	28,396	28,396
Total Disbursements	<u>111,862</u>	<u>95,821</u>	<u>293,305</u>	<u>179,459</u>	<u>123,103</u>	<u>112,200</u>	<u>915,750</u>
Excess of Receipts Over/(Under) Disbursements	(17,965)	(1,764)	(56,002)	36,842	6,892	(39,039)	(71,036)
Cash Fund Balances Beginning of Year	<u>286,205</u>	<u>41,662</u>	<u>213,349</u>	<u>170,972</u>	<u>14,733</u>	<u>129,139</u>	<u>856,060</u>
Cash Fund Balances End of Year	<u>\$ 268,240</u>	<u>\$ 39,898</u>	<u>\$ 157,347</u>	<u>\$ 207,814</u>	<u>\$ 21,625</u>	<u>\$ 90,100</u>	<u>\$ 785,024</u>

See notes to basic financial statements.

**CAMBRIDGE TOWNSHIP
GUERNSEY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
CASH RECEIPTS				
Property and Other Local Taxes	\$ 21,680	\$ 21,680	\$ 25,009	\$ 3,329
Intergovernmental	34,584	34,584	34,981	397
Interest	25,000	25,000	33,489	8,489
Other	-	-	418	418
Total Receipts	<u>81,264</u>	<u>81,264</u>	<u>93,897</u>	<u>12,633</u>
CASH DISBURSEMENTS:				
Current:				
General Government	345,962	345,962	105,930	240,032
Public Works	21,507	21,507	5,932	15,575
Total Disbursements	<u>367,469</u>	<u>367,469</u>	<u>111,862</u>	<u>255,607</u>
Net Change in Cash Fund Balance	(286,205)	(286,205)	(17,965)	268,240
Cash Fund Balances Beginning of Year	<u>286,205</u>	<u>286,205</u>	<u>286,205</u>	<u>-</u>
Cash Fund Balances End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 268,240</u>	<u>\$ 268,240</u>

See notes to basic financial statements.

**CAMBRIDGE TOWNSHIP
GUERNSEY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
GASOLINE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
CASH RECEIPTS				
Intergovernmental	\$ 82,000	\$ 82,000	\$ 88,980	\$ 6,980
Interest	2,500	2,500	5,077	2,577
Total Receipts	<u>84,500</u>	<u>84,500</u>	<u>94,057</u>	<u>9,557</u>
CASH DISBURSEMENTS:				
Current:				
Public Works	126,162	126,162	95,821	30,341
Total Disbursements	<u>126,162</u>	<u>126,162</u>	<u>95,821</u>	<u>30,341</u>
Excess of Receipts Over (Under) Disbursements	(41,662)	(41,662)	(1,764)	39,898
Cash Fund Balances Beginning of Year	<u>41,662</u>	<u>41,662</u>	<u>41,662</u>	<u>-</u>
Cash Fund Balances End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,898</u>	<u>\$ 39,898</u>

See notes to basic financial statements.

**CAMBRIDGE TOWNSHIP
GUERNSEY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
ROAD AND BRIDGE
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
CASH RECEIPTS				
Property and Other Local Taxes	\$ 162,212	\$ 162,212	\$ 187,916	\$ 25,704
Intergovernmental	20,000	20,000	20,991	991
Miscellaneous	-	-	28,396	28,396
Total Receipts	<u>182,212</u>	<u>182,212</u>	<u>237,303</u>	<u>55,091</u>
CASH DISBURSEMENTS:				
Current:				
Public Works	395,561	395,561	293,305	102,256
Total Disbursements	<u>395,561</u>	<u>395,561</u>	<u>293,305</u>	<u>102,256</u>
Excess of Receipts Over (Under) Disbursements	(213,349)	(213,349)	(56,002)	157,347
Cash Fund Balances Beginning of Year	<u>213,349</u>	<u>213,349</u>	<u>213,349</u>	<u>-</u>
Cash Fund Balances End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 157,347</u></u>	<u><u>\$ 157,347</u></u>

See notes to basic financial statements.

**CAMBRIDGE TOWNSHIP
GUERNSEY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
FIRE FUND SPECIAL LEVY
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
CASH RECEIPTS				
Property and Other Local Taxes	\$ 162,537	\$ 162,537	\$ 193,994	\$ 31,457
Intergovernmental	21,000	21,000	22,307	1,307
Total Receipts	<u>183,537</u>	<u>183,537</u>	<u>216,301</u>	<u>32,764</u>
CASH DISBURSEMENTS:				
Current:				
Public Safety	354,509	354,509	179,459	175,050
Total Disbursements	<u>354,509</u>	<u>354,509</u>	<u>179,459</u>	<u>175,050</u>
Excess of Receipts Over (Under) Disbursements	(170,972)	(170,972)	36,842	207,814
Cash Fund Balances Beginning of Year	<u>170,972</u>	<u>170,972</u>	<u>170,972</u>	<u>-</u>
Cash Fund Balances End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 207,814</u>	<u>\$ 207,814</u>

See notes to basic financial statements.

**CAMBRIDGE TOWNSHIP
GUERNSEY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
ROAD IMPROVEMENT SPECIAL LEVY
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
CASH RECEIPTS				
Property and Other Local Taxes	\$ 99,675	\$ 99,675	\$ 116,663	\$ 16,988
Intergovernmental	12,000	12,000	13,332	1,332
Total Receipts	<u>111,675</u>	<u>111,675</u>	<u>129,995</u>	<u>18,320</u>
CASH DISBURSEMENTS:				
Current:				
General Government	4,000	4,000	3,103	897
Public Works	122,408	122,408	120,000	2,408
Total Disbursements	<u>126,408</u>	<u>126,408</u>	<u>123,103</u>	<u>3,305</u>
Excess of Receipts Over (Under) Disbursements	(14,733)	(14,733)	6,892	21,625
Cash Fund Balances Beginning of Year	<u>14,733</u>	<u>14,733</u>	<u>14,733</u>	<u>-</u>
Cash Fund Balances End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 21,625</u></u>	<u><u>\$ 21,625</u></u>

See notes to basic financial statements.

**CAMBRIDGE TOWNSHIP
GUERNSEY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

1. DESCRIPTION OF THE REPORTING ENTITY

Reporting Entity

The Township of Cambridge, Guernsey County, 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 and a publicly elected Fiscal Officer.

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

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, road and bridge maintenance, cemetery maintenance and contracts with the City of Cambridge to provide fire protection services. Police protection is provided by the Guernsey County Sheriff's Department.

Component Units

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

Cambridge Township has no component units.

Joint Ventures, Jointly Governed Organizations and Public Entity Risk Pools

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. Under the cash basis of accounting, the Township does not report assets for equity interest in joint ventures.

The Township participates in a public entity risk pool. Note 5 to the financial statements provide additional information for this entity. This organization is: Public Entity Risk Pool: Ohio Township Association Risk Management Authority (OTARMA). OTARMA provides property, casualty and liability coverage.

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

**CAMBRIDGE TOWNSHIP
GUERNSEY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, in which case GASB prevails. Following are more of the Township's accounting policies.

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

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 or the Township that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or service. The Township has no business-type activities.

The statement of net assets present 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 programs 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 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 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.

**CAMBRIDGE TOWNSHIP
GUERNSEY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting

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

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 for 2008 and 2007 are the General Fund, Gasoline Tax Fund, Road and Bridge Fund, Fire Fund – Special Levy and Road Improvement Fund – Special Levy. The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio. The Gasoline Tax Fund is used for the maintenance and upkeep of roads. The Road and Bridge Fund is used for the maintenance and upkeep of roads. The Fire Fund – Special Levy receives property tax monies to be used to provide fire protection services for the Township residents. The Road Improvement Fund – Special Levy receives property tax monies to be used to maintain and improve Township roads. The other governmental funds of the Township account for grants and other resources whose use is restricted to a particular purpose.

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. There were no modifications having substantial support.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue billed or provided services not yet collected) and certain liabilities (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.

**CAMBRIDGE TOWNSHIP
GUERNSEY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Process

All funds are legally required to be budgeted and appropriated (except certain agency funds). 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 set 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 in the original budget on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Township.

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

Cash and Investments

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Each fund's 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. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2008 and 2007, the Township invested in STAR Ohio. STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2008.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. In 2008 and 2007, interest credited to the General Fund was \$17,076 and \$33,489, respectively.

**CAMBRIDGE TOWNSHIP
GUERNSEY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Assets

Cash and cash equivalents 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. Amounts restricted for other purposes represent special revenue funds restricted to a specific use.

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.

Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Note 6, the employer contributions include portions for pension benefits and for postretirement health care benefits.

Long-Term Obligations

The Township's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure are reported at inception. Lease payments are reported when paid.

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 gasoline tax receipts used for the upkeep of Township roads and bridges, real estate tax used for fire protection and cemetery operations, permissive tax used for upkeep of roads.

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.

Fund Balance Reserve

The Township may reserve any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. The Township has no reserves as of December 31, 2008 and 2007. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods.

**CAMBRIDGE TOWNSHIP
GUERNSEY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Interfund Transactions

Exchange transactions between funds are reported as cash receipts in the seller funds and as cash disbursements in the purchaser funds. Flows of cash or goods 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 cash disbursements to the funds that initially paid for them are not presented on the financial statements. In the government-wide statements, transfers within governmental activities are eliminated.

3. BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance-Budget and Actual-Budgetary Basis presented for the General Fund is prepared on the budgetary basis to provide a meaningful comparisons 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). There were no outstanding encumbrances at year-end for 2008 and 2007.

4. DEPOSITS

Monies held by the Township are classified by State 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, including negotiable order of withdrawal (NOW) accounts.

Inactive deposits are public deposits that the Township has 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.

**CAMBRIDGE TOWNSHIP
GUERNSEY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

4. DEPOSITS (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 issuance 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 obligation 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 obligation described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

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

Protection of the Township's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by collateral pledged to the Township by the financial institution, or by a collateral pool established by the financial institution, to secure the repayment of all public monies deposited with the institution. Advantage Bank is the financial institution for Cambridge Township.

The Township did not have any undeposited cash on hand for 2008 and 2007.

**CAMBRIDGE TOWNSHIP
GUERNSEY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

4. DEPOSITS (Continued)

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 the possession of an outside party. At year ended December 31, 2008, \$641,122 of the Township's bank balance of \$891,978 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. At year ended December 31, 2007, \$699,060 of the Township's bank balance of \$799,060 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.

Investments:

Investment Type	Fair Value 12/31/08	Fair Value 12/31/07	Maturity	Rating (1)
STAR Ohio	\$ 856	\$ 834	Daily	AAAm

(1) Standard & Poor's

Interest Rate Risk – The Ohio Revised Code generally limits security purchases to those that mature within five years of settlement.

Credit Risk – The Township's investment policy addresses credit risk by limiting investments to the safest types of securities, pre-qualifying financial institutions, brokers, intermediaries and financial advisors and by diversifying the investment portfolio so that potential losses on the individual securities do not exceed income generated from the remaining portfolio.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Township has no investment policy dealing with custodial credit risk beyond the requirements of the State which prohibit payment for investments prior to the delivery of the securities representing the investments to the treasurer or qualified trustee.

Concentration of Credit Risk – The Township places no limit on the amount the Township may invest in one issuer.

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.

**CAMBRIDGE TOWNSHIP
GUERNSEY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

5. 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. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Coverage

For an occurrence prior to January 1, 2006, OTARMA retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year. For an occurrence on or subsequent to January 1, 2006, the Pool retains casualty risk up to \$350,000 per occurrence, including loss adjustment expenses. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year. Governments can elect up to \$10,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with OTARMA.

Property Coverage

Through 2004, OTARMA retained property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsured losses exceeding \$100,000 up to \$500 million per occurrence.

Beginning in 2005, The Travelers Indemnity Company reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members total insurable value. If the stop-loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2006 was \$1,901,127.

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

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

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, 2007 and 2006, the latest information available.

**CAMBRIDGE TOWNSHIP
GUERNSEY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

5. RISK MANAGEMENT (Continued)

	2007	2006
Assets	\$ 43,210,703	\$ 42,042,275
Liabilities	(13,357,837)	(12,120,661)
Retained Earnings	\$ 29,852,866	\$ 29,921,614

At December 31, 2007 and 2006, respectively, liabilities noted above include approximately \$12.5 million and \$11.3 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$11.6 million and \$10.8 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2007 and 2006, 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 \$23,294. This payable includes the subsequent year's contribution due if the Township terminates participation, as described in the last paragraph.

Based on discussion 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. The Townships contributions to OTARMA for the past two years are as follows:

Contributions to OTARMA	
2008	\$ 11,647
2007	\$ 11,130

After completing one year of membership, members may withdraw on each anniversary of the date they joined OTARMA provided they give 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.

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

**CAMBRIDGE TOWNSHIP
GUERNSEY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

6. DEFINED BENEFIT PENSION PLAN

Ohio Public Employees Retirement System

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

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

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

For the years ended December 31, 2008 and 2007, the members in the traditional plan, were required to contribute 10.0 and 9.5, percent, respectively, of their annual covered salaries. The Township's contribution rate for pension benefits for 2008 and 2007 was 14.00 percent and 13.85 percent, respectively. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2008, 2007, and 2006 were \$21,293, \$19,928, and \$12,250, respectively. The full amount has been contributed for 2008, 2007 and 2006. Contributions to the member-directed plan for 2008 were \$21,293 made by the Township and \$15,210 made by the plan members.

Post Employment Benefits

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit. 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 portion of employer contributions in 2008, for all employers, allocated to health care was 7.0%.

**CAMBRIDGE TOWNSHIP
GUERNSEY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

6. DEFINED BENEFIT PENSION PLAN (Continued)

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as December 31, 2007, include a rate of return on investments of 6.5 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .5 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase between .50 percent and 4 percent annually for the next seven years and 4 percent annually after eight years.

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

The number of active contributing participants in the traditional and combined plans was 363,503. Actual employer contributions for 2008 and 2007 which were used to fund postemployment benefits were \$10,647 and \$7,914, respectively. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2007, (the latest information available) were \$12.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.8 billion and \$17.0 billion, respectively.

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

7. 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, 2007, 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 circumstance, State statute permits alternate payment dates to be established.

Public utilities are also taxed on personal and real property located in the Township.

Tangible personal property tax is assessed by the property owners, who must be file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting and distributing all property taxes on behalf of the Township.

**CAMBRIDGE TOWNSHIP
GUERNSEY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

7. PROPERTY TAXES (CONTINUED)

The full tax rate for all Township operations for the year ended December 31, 2008, was \$8.70 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2008 property tax receipts were based are as follows:

Real Property	
Residential	\$ 48,366,590
Agriculture	3,918,790
Commercial/Industrial/Mineral	6,427,720
Public Utility Property	
Real	39,830
Personal	4,876,090
Tangible Personal Property	1,278,520
Total Assessed Value	<u>\$ 64,907,540</u>

8. COMPLIANCE AND ACCOUNTABILITY

Contrary to ORC Section 5705.36, the Township had one fund in which appropriations were greater than unencumbered balance plus actual receipts which should have resulted in getting a new certificate of estimated resources.

Contrary to Ohio Revised Code Section 5705.39, in 2006 the Township had funds that were appropriated more than estimated resources.

Contrary to Ohio Revised Code Section 5705.41(D), in 2007 and 2006 the Township had fiscal certificates that were dated after invoices.

**WOLFE, WILSON, & PHILLIPS, INC.
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701**

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

Cambridge Township
Guernsey County
66737 Old 21 Road
Cambridge, Ohio 43725

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cambridge Township, Guernsey County, Ohio, as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated June 19, 2009, wherein we noted the Township followed the cash basis of accounting, a comprehensive basis other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Our consideration of internal control over financial reporting was for the limited purposes described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cambridge Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instances of noncompliance or other matters that are required to be reported under *Government Auditing Standard* and which are described in the accompanying schedule of findings and responses as item 2008-001. We also noted other certain immaterial items of noncompliance that we have reported to management in a letter dated June 19, 2009.

Cambridge Township's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit Cambridge Township's response and, accordingly, we express no opinion on it.

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

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
June 19, 2009

**CAMBRIDGE TOWNSHIP
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2008**

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

FINDING NUMBER 2008-001

Ohio Revised Code Section 5705.41(D) states in part that no subdivision shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of Fiscal Officer of the subdivision. The Fiscal Officer must certify that the amount required to meet such a commitment has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

Prior certification was not obtained for 25.9% in 2008 and 29.7% in 2007 of the expenditures tested.

The Fiscal Officer should certify funds before each payment is made through the issuance of a regular, blanket, or super blanket purchase order. Blanket certificates should be issued for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of council against any specific line item account over a period not running beyond the end of the current fiscal year. A super blanket purchase order can be completed for any amount for expenditures and contracts from a specific line item appropriation account in a specified fund for most recurring or reasonable predictable operating expenditures. This is not to extend beyond the current year. More than one super blanket may be outstanding at one particular time for a particular line item appropriation account.

Also, as an alternative, the Township can issue then and now certificates for expenses up to \$3,000. Then and now certificates allow the Fiscal Officer to certify that both at the time the expenditure was made and at the time that the certification is completed, sufficient funds are available. These certificates can be certified by the Fiscal Officer without subsequent authorization from the Council. However, then and now certificates issued by the Fiscal Officer over \$3,000, must be authorized by the Council within thirty days after payment.

Client Response: We agree with finding and will try to improve in the future.

**CAMBRIDGE TOWNSHIP
GUERNSEY COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
December 31, 2008**

Finding Number	Finding Summary	Fully Corrected	Not Corrected, Partially Corrected Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2006-01	ORC 5705.36 (A) (5) Annual Appropriations	No	Partially Corrected - Refer to Management Letter
2006-01	ORC 507.04 Accurate Accounting Records	Yes	Finding No longer valid.



Mary Taylor, CPA
Auditor of State

CAMBRIDGE TOWNSHIP

GUERNSEY 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 28, 2009**