



Mary Taylor, CPA
Auditor of State

**OHIO TOWNSHIP
CLERMONT COUNTY**

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CLERMONT COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Ohio Township
Clermont County
2877 Mt. Pisgah Rd.
New Richmond, Ohio 45157

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 Ohio Township, Clermont County, Ohio (the Township), as of and for the years ended December 31, 2008 and 2007, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Ohio Township, Clermont County, Ohio, as of December 31, 2008 and 2007, and the respective changes in cash basis financial position and the respective budgetary comparison for the General Gasoline Tax, Road and Bridge, and Fire/EMS Levy Funds thereof for the year(s) then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2009, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Mary Taylor, CPA
Auditor of State

July 30, 2009

Ohio Township, Clermont County
Management's Discussion and Analysis
For the Years Ending December 31, 2008 and December 31, 2007
Unaudited

This discussion and analysis of Ohio Township's financial performance provides an overall review of the Township's financial activities for the years ending December 31, 2008 and December 31, 2007, within the limitations of the Township's cash basis of accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2008 are as follows:

Net assets of governmental activities increased \$118,332, or 14.61%, a significant change from the prior year. The General Fund had an increase of \$47,895 due to better than expected revenues and receipt of \$32,396 in estate tax revenue. The Road and Bridge Fund had an increase of \$18,251 as a result of slightly lower expenses. The Fire/EMS Levy Fund had an increase of \$41,856 as a result of not having any major capital outlay expenditures.

Key highlights for 2007 are as follows:

Net assets of governmental activities decreased \$68,489, or 9.01%, a significant change from the prior year. The General Fund had a decrease of \$174,649 as a result of construction of a new maintenance storage building and salt shed. The Gasoline Tax Fund had an increase of \$39,611 due to lower than normal expenditures for road paving. The Fire/EMS levy fund realized an increase of \$73,452 due to the effects of the new 6mil levy.

The contract awarded for the construction of the new maintenance storage building and salt shed was awarded in the amount of \$164,554. At the completion of the project with additional expenses involved outside the scope of the contract, the total cost of the project was approximately \$175,000.

The Ambulance Levy Fund and the Fire Fund had significant decreases in year end balances as the money remaining in these 2 funds will continue to be spent down until exhausted. The Fire/EMS Levy Fund will eventually replace the Ambulance Levy Fund and the Fire Fund for comparison(s) of those related expenses.

Using the Basic Financial Statements

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

Report Components

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

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular

Ohio Township, Clermont County
Management's Discussion and Analysis
For the Years Ending December 31, 2008 and December 31, 2007
Unaudited

specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

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

Basis of Accounting

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

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

Reporting the Township as a Whole

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

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, 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 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.

The statement of net assets and the statement of activities, presents the Township financial activities as Governmental activities. All of the Township's basic services are reported here, including Fire/EMS, roads and parks. 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.

Ohio Township, Clermont County
 Management's Discussion and Analysis
 For the Years Ending December 31, 2008 and December 31, 2007
 Unaudited

Reporting the Township's Most Significant Funds

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

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 are the General Fund, the Gasoline Tax Fund, the Road and Bridge Fund and the Fire/EMS Levy Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

The Township as a Whole

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

Table 1
Net Assets

	Governmental Activities		
	2008	2007	2006
Assets			
Cash and Cash Equivalents	\$709,685	\$691,353	\$376,729
Investments	100,000	0	383,113
Total Assets	\$809,685	\$691,353	\$759,842
Net Assets			
Restricted for:			
Other Purposes	\$558,910	\$488,474	\$382,313
Unrestricted	250,775	202,880	377,529
Total Net Assets	\$809,685	\$691,353	\$759,842

As mentioned previously, net assets of governmental activities decreased \$68,489, or 9.01 percent during 2007. The primary reasons contributing to the decrease in cash balances are as follows:

- The Township spent approximately \$175,000 for a new maintenance building (General Fund).
- The Gasoline Tax Fund experienced lower than normal expenditures.

Ohio Township, Clermont County
Management's Discussion and Analysis
For the Years Ending December 31, 2008 and December 31, 2007
Unaudited

- The new Fire/EMS Levy Fund displayed the effects of the new levy rate.

As mentioned previously, net assets of governmental activities increased \$118,332, or 14.61 percent during 2008. The primary reasons contributing to the increase in cash balances are as follows:

- The Township received \$32,396 in estate tax revenue (General Fund).
- The Road and Bridge Fund had better than expected revenues and slightly lower expenses.
- The new Fire/EMS Levy Fund had better than expected revenues and no major capital outlay expenditures.

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

Ohio Township, Clermont County
Management's Discussion and Analysis
For the Years Ending December 31, 2008 and December 31, 2007
Unaudited

	Governmental Activities		
	2008	2007	2006
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$ 1,450	\$ 1,417	\$ 2,455
Operating Grants and Contributions	100,457	96,744	103,399
Total Program Receipts	101,907	98,161	105,854
General Receipts:			
Property and Other Local Taxes	348,449	359,398	335,865
Grants and Entitlements Not Restricted to Specific Programs	132,275	81,949	320,568
Interest	21,927	41,331	26,372
Miscellaneous	12,530	15,631	17,367
Total General Receipts	515,181	498,309	700,172
Total Receipts	617,088	596,470	806,026
Disbursements:			
General Government	\$ 190,829	\$ 197,347	\$ 186,620
Security of Persons and Property	215,126	174,386	196,068
Public Health Services	11,813	13,194	14,560
Conservation/Recreation	15,718	16,962	15,629
Capital Outlay	6,870	204,820	21,058
Principal Retirement	18,000	17,000	17,000
Interest and Fiscal Charges	40,400	41,250	42,100
Total Disbursements	498,756	664,959	493,035
Increase (Decrease) in Net Assets	118,332	(68,489)	312,991
Net Assets, Beginning of year	691,353	759,842	446,851
Net Assets, End of year	\$ 809,685	\$ 691,353	\$ 759,842

Program receipts represent only 16.46 percent of total receipts in 2007, 16.51 percent in 2008, and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, building permits and inspection fees.

Ohio Township, Clermont County
Management's Discussion and Analysis
For the Years Ending December 31, 2008 and December 31, 2007
Unaudited

General receipts represent 83.54 percent of the Township's total receipts in 2007 and 83.49 percent in 2008. Other receipts are very insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the costs of the board of trustees, fiscal officer, as well as internal services such as payroll and purchasing. Since these costs do not represent direct services to residents, we try to limit these costs.

Security of Persons and Property are the costs of police and fire protection, emergency medical services; Public Health Services is the health department; Conservation/Recreation is the costs of maintaining the parks and playing fields; and Transportation is the cost of maintaining the roads.

The Township's Funds 2008

In 2008, total governmental funds had receipts of \$617,088.00 and disbursements of \$498,756.

The General Fund increased \$47,895 as the result of better than expected revenues and the receipt of \$32,396 in estate taxes.

The Road and Bridge Fund increased \$18,251 a result of slightly lower expenditures.

The Fire/EMS Levy Fund increased \$41,856 as a result of not having any major capital outlay expenditures.

The Township's Funds 2007

In 2007, total governmental funds had receipts of \$596,470 and disbursements of \$664,599

The General Fund decreased \$174,649 as the result of building a new maintenance storage building and salt barn.

The Gasoline Tax Fund increased \$39,611 as a result of lower than anticipated road paving expenditures.

The Road and Bridge Fund increased \$11,906 a result of lower than anticipated road paving expenditures.

The Fire/EMS Levy Fund increased \$73,452 due to the effects of the millage rate of the new 6mil levy as well as spending down the balances of the old fire and ambulance levy fund balances.

General Fund Budgeting Highlights

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

During 2008 and 2007, the Township amended its General Fund budget one time near the end of the year to reflect changing circumstances. The differences in the funds were insignificant.

Ohio Township, Clermont County
Management's Discussion and Analysis
For the Years Ending December 31, 2008 and December 31, 2007
Unaudited

Capital Assets and Debt Administration

Capital Assets

The Township does not currently keep track of its capital assets and infrastructure.

Debt

On December 31, 2008, the Township's outstanding debt included \$1,347,050 in principal and interest in general obligation bonds issued for construction of the firehouse. For further information regarding the Township's debt, refer to Note 9 to the financial statements.

On December 31, 2007, the Township's outstanding debt included \$1,405,450 in principal and interest in general obligation bonds issued for construction of the firehouse. For further information regarding the Township's debt, refer to Note 9 to the financial statements.

Current Issues

The challenge for all Townships is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on local taxes and have very little industry to support the tax base. In the coming years it will become increasingly difficult for Ohio Township to maintain providing the excellent services our residents have come to enjoy in the face of the state legislatures' decisions to eliminate the estate tax and personal property tax along with the projected budget deficit the state is currently facing.

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 Government's finances and to reflect the Government'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 Bill Gilpin, Fiscal Officer, Ohio Township, 2877 Mt. Pisgah Rd., New Richmond, Ohio 45157.

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Ohio Township
Clermont County
Statement of Net Assets - Cash Basis
December, 31, 2008

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$809,685</u>
<i>Total Assets</i>	<u><u>\$809,685</u></u>
Net Assets	
Restricted for:	
Other Purposes	558,910
Unrestricted	<u>250,775</u>
<i>Total Net Assets</i>	<u><u>\$809,685</u></u>

See accompanying notes to the basic financial statements

Ohio Township
Clermont County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2008

	General	Gasoline Tax	Road and Bridge	Fire/EMS Levy	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	\$200,775	\$169,877	\$70,188	\$203,620	\$65,225	\$709,685
Investments	50,000	0	0	50,000	0	100,000
<i>Total Assets</i>	<u>\$250,775</u>	<u>\$169,877</u>	<u>\$70,188</u>	<u>\$253,620</u>	<u>\$65,225</u>	<u>\$809,685</u>
Fund Balances						
Unreserved:						
Undesignated (Deficit), Reported in:						
General Fund	250,775	0	0	0	0	250,775
Special Revenue Funds	0	169,877	70,188	253,620	65,225	558,910
<i>Total Fund Balances</i>	<u>\$250,775</u>	<u>\$169,877</u>	<u>\$70,188</u>	<u>\$253,620</u>	<u>\$65,225</u>	<u>\$809,685</u>

See accompanying notes to the basic financial statements

**OHIO TOWNSHIP
CLERMONT COUNTY**

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

	General	Gasoline Tax	Road and Bridge	Fire/EMS Levy	General Bond (Note) Retirement	Other Governmental Funds	Total Governmental Funds
Receipts							
Local Taxes	\$92,644	\$0	\$49,837	\$147,568	\$58,400	\$0	\$348,449
Intergovernmental	83,580	87,468	9,292	34,034	0	18,359	232,733
Licenses, Permits, and Fees	12,421	0	0	0	0	1,450	13,871
Earnings on Investments	16,502	4,040	0	0	0	1,386	21,928
Miscellaneous	0	0	73	0	0	0	73
<i>Total Receipts</i>	<u>205,147</u>	<u>91,508</u>	<u>59,202</u>	<u>181,602</u>	<u>58,400</u>	<u>21,194</u>	<u>617,053</u>
Disbursements							
Current:							
General Government	123,144	0	0	65,799	0	1,886	190,829
Public Safety			1,022	73,606	0	5,000	79,628
Public Works	4,386	85,363	37,628	0	0	10,122	137,499
Health	11,813	0	0	0	0	0	11,813
Conervation - Recreation	15,718	0	0	0	0	0	15,718
Debt Service:							
Principal	0	0	0	0	18,000	0	18,000
Interest	0	0	0	0	40,400	0	40,400
Capital Outlay	2,227	0	4,301	341	0	0	6,869
<i>Total Disbursements</i>	<u>157,288</u>	<u>85,363</u>	<u>42,951</u>	<u>139,746</u>	<u>58,400</u>	<u>17,008</u>	<u>500,756</u>
<i>Excess of Receipts Over Disbursements</i>	47,859	6,145	16,251	41,856	0	4,186	116,297
Other Financing Sources							
Other Financing Sources	37	0	0	0	0	0	37
<i>Net Change in Fund Balances</i>	47,896	6,145	16,251	41,856	0	4,186	116,334
<i>Fund Balances Beginning of Year</i>	<u>202,880</u>	<u>163,733</u>	<u>51,937</u>	<u>211,764</u>	<u>0</u>	<u>61,039</u>	<u>691,353</u>
<i>Fund Balances End of Year</i>	<u>\$250,776</u>	<u>\$169,878</u>	<u>\$68,188</u>	<u>\$253,620</u>	<u>\$0</u>	<u>\$65,225</u>	<u>\$807,687</u>

The notes to the financial statements are an integral part of this statement.

**Ohio Township
Clermont County**

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

General Fund

For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$90,632	\$92,644	\$92,644	\$0
Licenses, Permits and Fees	11,000	12,421	12,421	0
Intergovernmental	51,863	83,580	83,580	0
Interest	23,800	15,755	16,502	747
<i>Total receipts</i>	<u>177,295</u>	<u>204,400</u>	<u>205,147</u>	<u>747</u>
Disbursements				
Current:				
General Government	192,751	192,751	123,144	69,607
Public Works	71,000	71,000	4,386	66,614
Health	20,433	20,433	11,813	8,620
Conservation-Recreation	52,200	52,200	15,718	36,482
Capital Outlay	30,000	30,000	2,227	27,773
<i>Total Disbursements</i>	<u>366,384</u>	<u>366,384</u>	<u>157,288</u>	<u>209,096</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(189,089)</u>	<u>(161,984)</u>	<u>47,859</u>	<u>209,843</u>
Other Financing Sources (Uses)				
Other Financing Sources	2,850	37	37	0
<i>Total Other Financing Sources (Uses)</i>	<u>2,850</u>	<u>37</u>	<u>37</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(186,239)	(161,947)	47,896	209,843
<i>Fund Balance Beginning of Year</i>	<u>202,880</u>	<u>202,880</u>	<u>202,880</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$16,641</u></u>	<u><u>\$40,933</u></u>	<u><u>\$250,776</u></u>	<u><u>\$209,843</u></u>

See accompanying notes to the basic financial statements

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$ 87,293	\$ 84,671	\$ 87,468	\$ 2,797
Interest	4,500	3,738	4,040	302
<i>Total receipts</i>	91,793	88,409	91,508	3,099
Disbursements				
Current:				
Public Works	189,200	189,200	88,363	100,837
Capital Outlay	50,000	50,000	0	50,000
<i>Total Disbursements</i>	239,200	239,200	88,363	150,837
<i>Net Change in Fund Balance</i>	(147,407)	(150,791)	3,145	153,936
<i>Fund Balance Beginning of Year</i>	166,733	166,733	166,733	0
<i>Fund Balance End of Year</i>	\$19,326	\$15,942	\$169,878	\$153,936

See accompanying notes to the basic financial statements

**Ohio Township
Clermont County**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Road and Bridge*

For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$48,860	\$49,837	\$49,837	\$0
Intergovernmental	8,302	9,292	9,292	0
Interest	0	0	73	73
<i>Total receipts</i>	57,162	59,129	59,202	73
Disbursements				
Current:				
Public Safety	2,000	2,000	1,022	978
Public Works	93,700	93,700	37,628	56,072
Capital Outlay	5,000	5,000	4,301	699
<i>Total Disbursements</i>	100,700	100,700	42,951	57,749
<i>Net Change in Fund Balance</i>	(43,538)	(41,571)	16,251	57,822
<i>Fund Balance Beginning of Year</i>	53,937	53,937	53,937	(0)
<i>Fund Balance End of Year</i>	\$10,399	\$12,366	\$70,188	\$57,822

See accompanying notes to the basic financial statements

**Ohio Township
Clermont County**

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

Fire/EMS Levy

For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$145,859	\$147,568	\$147,568	\$0
Intergovernmental	27,000	34,034	34,034	0
<i>Total receipts</i>	<u>172,859</u>	<u>181,602</u>	<u>181,602</u>	<u>0</u>
Disbursements				
Current:				
General Government	185,970	185,970	65,799	120,171
Public Safety	120,000	120,000	73,606	46,394
Capital Outlay	75,000	75,000	341	74,659
<i>Total Disbursements</i>	<u>380,970</u>	<u>380,970</u>	<u>139,746</u>	<u>241,224</u>
<i>Net Change in Fund Balance</i>	(208,111)	(199,368)	41,856	241,224
<i>Fund Balance Beginning of Year</i>	<u>211,764</u>	<u>211,764</u>	<u>211,764</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$3,653</u></u>	<u><u>\$12,397</u></u>	<u><u>\$253,620</u></u>	<u><u>\$241,224</u></u>

See accompanying notes to the basic financial statements

**Ohio Township
Clermont County**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Bond (Note) Retirement
For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$58,400	\$58,400	\$58,400	\$0
<i>Total receipts</i>	<u>58,400</u>	<u>58,400</u>	<u>58,400</u>	<u>0</u>
Disbursements				
Principal Retirement	18,000	18,000	18,000	0
Interest and Fiscal Charges	40,400	40,400	40,400	0
<i>Total Disbursements</i>	<u>58,400</u>	<u>58,400</u>	<u>58,400</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements

Ohio Township
Clermont County
Statement of Net Assets - Cash Basis
December, 31, 2007

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$691,353</u>
<i>Total Assets</i>	<u><u>\$691,353</u></u>
Net Assets	
Restricted for:	
Other Purposes	488,474
Unrestricted	<u>202,880</u>
<i>Total Net Assets</i>	<u><u>\$691,353</u></u>

See accompanying notes to the basic financial statements

Ohio Township
Clermont County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2007

	Cash Disbursements	Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
General Government	\$197,347	\$0	\$0	(\$197,347)
Public Safety	65,507	0	0	(65,507)
Public Works	108,880	0	96,744	(12,136)
Health	13,194	0	0	(13,194)
Human Services	0	0	0	0
Conservation-Recreation	16,962	0	0	(16,962)
Other	0	1,417	0	1,417
Capital Outlay	204,820	0	0	(204,820)
Debt Service:				
Principal Retirement	17,000	0	0	(17,000)
Interest and Fiscal Charges	41,250	0	0	(41,250)
<i>Total Governmental Activities</i>	<u>664,959</u>	<u>1,417</u>	<u>96,744</u>	(566,798)
		General Receipts		
		Property Taxes :		
		General Purposes		359,398
		Grants and Entitlements not Restricted to Specific Programs		81,949
		Sale of Capital Assets		12,623
		Interest		41,331
		Miscellaneous		3,008
		<i>Total General Receipts</i>		<u>498,310</u>
		Change in Net Assets		(68,489)
		<i>Net Assets Beginning of Year</i>		<u>759,842</u>
		<i>Net Assets End of Year</i>		<u>\$691,353</u>

See accompanying notes to the basic financial statements

Ohio Township
Clermont County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2007

	<u>General</u>	<u>Gasoline Tax</u>	<u>Road and Bridge</u>	<u>Fire/EMS Levy</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets						
Equity in Pooled Cash and Cash Equivalents	\$202,880	\$163,733	\$51,937	\$211,764	\$61,039	\$691,353
<i>Total Assets</i>	<u>\$202,880</u>	<u>\$163,733</u>	<u>\$51,937</u>	<u>\$211,764</u>	<u>\$61,039</u>	<u>\$691,353</u>
Fund Balances						
Unreserved:						
Undesignated (Deficit), Reported in:						
General Fund	202,880	0	0	0	0	202,880
Special Revenue Funds	<u>0</u>	<u>163,733</u>	<u>51,937</u>	<u>211,764</u>	<u>61,039</u>	<u>488,474</u>
<i>Total Fund Balances</i>	<u>\$202,880</u>	<u>\$163,733</u>	<u>\$51,937</u>	<u>\$211,764</u>	<u>\$61,039</u>	<u>\$691,353</u>

See accompanying notes to the basic financial statements

**OHIO TOWNSHIP
CLERMONT COUNTY**

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

	General	Gasoline Tax	Road and Bridge	Fire/EMS Levy	Other Governmental Funds	Total Governmental Funds
Receipts						
Local Taxes	\$92,239	\$0	\$52,254	\$156,655	\$58,250	\$359,398
Intergovernmental	41,551	83,787	7,706	27,322	18,327	178,693
Licenses, Permits, and Fees	12,623	0	0	0	1,417	14,040
Earnings on Investments	32,904	6,183	0	0	2,244	41,331
Miscellaneous	0	0	0	0	0	0
<i>Total Receipts</i>	<u>179,317</u>	<u>89,970</u>	<u>59,960</u>	<u>183,977</u>	<u>80,237</u>	<u>593,461</u>
Disbursements						
Current:						
General Government	125,582	0	0	70,532	1,233	197,347
Public Safety	0	0	1,113	32,393	32,000	65,507
Public Works	4,246	50,130	46,940	0	7,563	108,880
Health	13,194	0	0	0	0	13,194
Conervation - Recreation	16,962	0	0	0	0	16,962
Debt Service:						
Principal	0	0	0	0	17,000	17,000
Interest	0	0	0	0	41,250	41,250
Capital Outlay	196,990	230	0	7,600	0	204,820
<i>Total Disbursements</i>	<u>356,974</u>	<u>50,360</u>	<u>48,054</u>	<u>110,525</u>	<u>99,046</u>	<u>664,959</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(177,657)	39,610	11,906	73,452	(18,809)	(71,498)
Other Financing Sources						
Other Financing Sources	3,008	0	0	0	0	3,008
<i>Net Change in Fund Balances</i>	(174,649)	39,610	11,906	73,452	(18,809)	(68,490)
<i>Fund Balances Beginning of Year</i>	<u>377,529</u>	<u>124,122</u>	<u>40,031</u>	<u>138,313</u>	<u>79,847</u>	<u>759,842</u>
<i>Fund Balances End of Year</i>	<u>\$202,880</u>	<u>\$163,732</u>	<u>\$51,937</u>	<u>\$211,764</u>	<u>\$61,039</u>	<u>\$691,352</u>

The notes to the financial statements are an integral part of this statement.

**Ohio Township
Clermont County**

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

General Fund

For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Receipts				
Property and Other Local Taxes	\$85,789	\$85,789	\$92,239	\$6,450
Licenses, Permits and Fees	9,000	9,000	12,623	3,623
Intergovernmental	41,357	41,357	41,551	194
Interest	23,800	23,800	32,904	9,104
<i>Total receipts</i>	<u>159,946</u>	<u>159,946</u>	<u>179,317</u>	<u>19,371</u>
Disbursements				
Current:				
General Government	191,509	191,509	125,582	65,927
Public Works	51,000	51,000	4,246	46,754
Health	20,092	20,092	13,194	6,898
Conservation-Recreation	34,345	34,345	16,962	17,383
Capital Outlay	235,000	235,000	196,990	38,010
<i>Total Disbursements</i>	<u>531,946</u>	<u>531,946</u>	<u>356,974</u>	<u>174,972</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(372,000)	(372,000)	(177,657)	194,343
Other Financing Sources (Uses)				
Other Financing Sources	2,850	2,850	3,008	158
<i>Net Change in Fund Balance</i>	(369,150)	(369,150)	(174,649)	194,501
<i>Fund Balance Beginning of Year</i>	<u>377,529</u>	<u>377,529</u>	<u>377,529</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$8,379</u></u>	<u><u>\$8,379</u></u>	<u><u>\$202,880</u></u>	<u><u>\$194,501</u></u>

See accompanying notes to the basic financial statements

**Ohio Township
Clermont County**

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

Gasoline Tax Fund

For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Receipts				
Intergovernmental	\$94,209	\$94,209	\$83,787	(\$10,422)
Interest	2,760	2,760	6,183	3,423
<i>Total receipts</i>	<u>96,969</u>	<u>96,969</u>	<u>89,970</u>	<u>(6,999)</u>
Disbursements				
Current:				
General Government	100	100	0	100
Public Works	174,345	174,345	50,130	124,215
Capital Outlay	35,000	35,000	230	34,770
<i>Total Disbursements</i>	<u>209,445</u>	<u>209,445</u>	<u>50,360</u>	<u>159,085</u>
<i>Net Change in Fund Balance</i>	(112,476)	(112,476)	39,610	152,086
<i>Fund Balance Beginning of Year</i>	<u>124,122</u>	<u>124,122</u>	<u>124,122</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$11,646</u></u>	<u><u>\$11,646</u></u>	<u><u>\$163,732</u></u>	<u><u>\$152,086</u></u>

See accompanying notes to the basic financial statements

**Ohio Township
Clermont County**

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

Road and Bridge

For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$47,044	\$47,044	\$52,254	\$5,210
Intergovernmental	7,205	7,205	7,706	501
<i>Total receipts</i>	<u>54,249</u>	<u>54,249</u>	<u>59,960</u>	<u>5,711</u>
Disbursements				
Current:				
Public Safety	2,000	2,000	1,113	887
Public Works	83,000	83,000	46,940	36,060
Capital Outlay	5,000	5,000	0	5,000
<i>Total Disbursements</i>	<u>90,000</u>	<u>90,000</u>	<u>48,054</u>	<u>41,946</u>
<i>Net Change in Fund Balance</i>	(35,751)	(35,751)	11,906	47,657
<i>Fund Balance Beginning of Year</i>	<u>40,031</u>	<u>40,031</u>	<u>40,031</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$4,280</u></u>	<u><u>\$4,280</u></u>	<u><u>\$51,937</u></u>	<u><u>\$47,657</u></u>

See accompanying notes to the basic financial statements

**Ohio Township
Clermont County**

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

Fire/EMS Levy

For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$138,523	\$138,523	\$156,655	\$18,132
Intergovernmental	25,088	25,088	27,322	2,234
<i>Total receipts</i>	<u>163,611</u>	<u>163,611</u>	<u>183,977</u>	<u>20,366</u>
Disbursements				
Current:				
General Government	189,515	189,515	70,532	118,983
Public Safety	60,905	60,905	32,393	28,512
Capital Outlay	50,000	50,000	7,600	42,400
<i>Total Disbursements</i>	<u>300,420</u>	<u>300,420</u>	<u>110,525</u>	<u>189,895</u>
<i>Net Change in Fund Balance</i>	(136,809)	(136,809)	73,452	210,261
<i>Fund Balance Beginning of Year</i>	<u>138,313</u>	<u>138,313</u>	<u>138,313</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,504</u></u>	<u><u>\$1,504</u></u>	<u><u>\$211,765</u></u>	<u><u>\$210,261</u></u>

See accompanying notes to the basic financial statements

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Note 1 – Reporting Entity

The Ohio Township, Clermont County, Ohio (the Township), is a body politic and corporate established in 1801 to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Township Fiscal Officer.

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

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, and cemetery maintenance. The Township contracts with Pierce Township for fire protection and emergency medical services. Police protection is provided by the Clermont County Sheriff's office.

The Township participates in the Ohio Plan Ohio Government Risk Management Plan. Note 6 to the financial statements provide additional information for this entity.

The Township's management believes 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 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting.

A. Basis of Presentation

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

Government-Wide Financial Statements

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

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

Note 2 – Summary of Significant Accounting Policies (continued)

each governmental function is self-financing on a cash basis or draws from the Township's general receipts.

Fund Financial Statements

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

B. Fund Accounting

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

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other non-exchange transactions as governmental funds. Monies are assigned to the various governmental funds according to the purposes for which they may or must be used. The Township's major governmental funds are the General Fund, the Gasoline Tax Fund, The Road and Bridge Fund and the Fire/EMS Levy Fund.

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

The Gasoline Tax Fund is primarily used for road and bridge maintenance. The revenues for the Gasoline Tax Fund are derived from taxes collected from the state wide sale of gasoline and distributed to the Township according to road mileage.

The Road and Bridge Fund is primarily used for road and bridge maintenance. The revenues for the Road and Bridge Fund are derived from real estate tax collections.

The Fire/EMS Levy Fund is primarily used for providing fire protection and emergency medical services to the Township residents. The revenue for the Fire/EMS Levy Fund is derived from tax collections associated with a 6 mil continuing levy.

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.

Note 2 – Summary of Significant Accounting Policies (continued)

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

D. Budgetary Process

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

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

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

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

Township records identify the purchase of specific investments by specific funds.

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

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool 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, respectively.

During 2007 and 2008, 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

Ohio Township, Clermont County
Notes to the Financial Statements
December 31, 2008 and 2007
(Continued)

Note 2 – Summary of Significant Accounting Policies (continued)

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. Interest receipts credited to the General Fund during 2008 was \$16,502 which includes \$5,425 assigned from other Township funds, and during 2007 was \$32,904, which includes \$8,427 assigned from other Township funds.

Interest receipts credited to the Gasoline Tax Fund during 2008 and 2007 respectively was \$4,040 and \$6,183. Interest receipts credited to other governmental funds during 2008 and 2007 respectively, was \$1,386 and \$2,244.

F. 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.

G. Accumulated Leave

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

H. Employer Contributions to Cost-Sharing Pension Plans

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

I. 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.

J. Interfund Transactions

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements. The Township had no interfund transactions during 2008 and 2007.

K. 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 gasoline tax. In 2008, restricted net assets represent \$558,910 of a total fund balance of \$809,685. Restricted net assets represent \$488,474 of a total fund balance of \$691,353 in 2007.

Note 2 – Summary of Significant Accounting Policies (continued)

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.

Note 3 – Budgetary Basis of Accounting

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

Note 4 – Deposits and Investments

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

Ohio Township, Clermont County
Notes to the Financial Statements
December 31, 2008 and 2007
(Continued)

Note 4 – Deposits and Investments (continued)

6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

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

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2008, \$335,063 of the Township's bank balance of \$585,063 was exposed to custodial risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

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

The Townships certificate of deposit is reported as an investment because it matures 9 months from the date of deposit.

Investments

As of December 31, 2008, the Township had the following investments: \$229,057.00 invested in Star Ohio.

Interest rate risk arises because the fair value of investments changes as interest rates change. The Township's investment policy addresses interest rate risk by limiting investment to Star Ohio, thereby eliminating the issue of interest rate risk.

STAR Ohio carries a rating of AAAM by Standard and Poor's. The Township's investment policy is limited to requiring compliance with state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

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 circumstances,

Ohio Township, Clermont County
Notes to the Financial Statements
December 31, 2008 and 2007
(Continued)

Note 5 – Property Taxes

State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2008 represent the collection of 2007 taxes. Public utility real and tangible personal property taxes received in 2008 became a lien on December 31, 2007, were levied after October 1, 2007, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2008 (other than public utility property) represent the collection of 2008 taxes. Tangible personal property taxes received in 2008 were levied after October 1, 2007, on the true value as of December 31, 2007. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all Township operations for the year ended December 31, 2008, was \$1.30 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	<u>2008</u>	<u>2007</u>
Residential	\$63,251,060	\$60,455,680
Agricultural	\$ 3,833,520	\$ 3,922,830
Commercial/Industrial/Mineral	\$ 8,339,250	\$ 7,814,260
Tangible Personal Property		
Business	\$ 774,777	\$ 724,349
Public Utility	\$ 3,176,840	\$ 3,329,910
Total Assessed Value	<u>\$79,375,447</u>	<u>\$76,157,029</u>

Note 6 – Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2006, the Township contracted with The Ohio Plan for various types of insurance coverage as follows:

<u>Company</u>	<u>Type of Coverage</u>	<u>Amount of Coverage</u>
The Ohio Plan	Commercial Property	\$1,465,868
	General Liability	\$4,000,000
	Commercial Crime	\$ 5,000
	Inland Marine	\$ 148,902
	Vehicle	\$2,000,000
	Errors and Omissions	\$4,000,000
	Public Officials	\$4,000,000

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.

Note 6 – Risk Management (continued)

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. The Township participates in the Frank Gates Service Company group rating program for townships (insurance purchasing pool).

Note 7 – Defined Benefit Pension Plan

A. Ohio Public Employees Retirement System

The Township participates in the Ohio Public Employees Retirement System (OPERS).

OPERS administers three separate pension plans as described below:

1. The Traditional Pension Plan - a cost-sharing, multiple-employer defined benefit pension plan.
2. The Member-Directed Plan - a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.
3. The Combined Plan – a cost sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, and survivor and death benefits and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

For the year ended December 31, 2008, the members of all three plans were required to contribute 10.0 percent of their annual covered salaries. The Township's contribution rate for pension benefits for 2008 was 14.0 percent. 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 and 2007 were \$29,717 and \$29,420. The full amount has been contributed for 2008 and 2007.

Note 8 - Postemployment Benefits

A. Ohio Public Employees Retirement System

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional 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.

Note 8 – Postemployment Benefits (continued)

OPERS provides retirement, disability, and survivor benefits as well as postretirement health care coverage to 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.

In order to qualify for OPERS postretirement health care coverage, age-and-service retirees under the Traditional Plan and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefits recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post-employment Benefit (OPEB) as described in GASB Statement 12.

A portion of each employer's contribution to OPERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority for employer contributions. In 2008, local government employer contribution rate was 14.0 percent of covered payroll; 7.0 percent of covered payroll was the portion that was used to fund health care. In 2007, local government employer contribution rate was 13.85 percent of covered payroll; 6.0 percent of covered payroll was the portion that was used to fund health care.

The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to OPERS.

Summary of Assumptions:

Actuarial Review – The assumptions and calculations below were based on OPERS' latest actuarial review performed as of December 31, 2007.

Funding Method – The individual entry age actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability.

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

Investment Return – The investment assumption rate for 2007 was 6.50%

Active Employee Total Payroll – An annual increase of 4.00%, compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. In addition, annual pay increases over and above the 4.00% increase, were assumed to range from 0.50% to 6.30%.

Health Care – Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from .50% to 4% for the next 7 years. In subsequent years, (8 and beyond) health care costs were assumed to increase at 4% (the projected wage inflation rate).

B. Other Post Employment Benefits (OPEB)

OPEB is advanced-funded on an actuarially determined basis.

The Traditional Pension and Combined Plans had 363,503 active contributing participants as of December 31, 2008. The number of active contributing participants for both plans used in the December 31, 2007, actuarial valuation was 364,076.

Ohio Township, Clermont County
Notes to the Financial Statements
December 31, 2008 and 2007
(Continued)

Note 8 – Postemployment Benefits (continued)

Actual employer contributions for 2008 which were used to fund postemployment benefits were \$8667.12. The actual contribution and the actuarially required contribution amounts are the same. OPERS' 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.

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

Note 9 – Debt

The Township's long-term debt activity for the year ended December 31, 2008, was as follows:

	Interest Rate	Balance December 31, 2006	2007 Reductions	2008 Reductions	Balance December 31,2008	Due Within One Year
General Obligation Bonds	5%	\$825,000	\$17,000	\$18,000	\$790,000	\$19,000

The general obligation bonds are supported by the full faith and credit of the Township and are payable from unvoted property tax receipts to the extent that other resources are not available to meet annual principal and interest payments. The following is a summary of the Township's future annual debt service requirements:

Year	G.O. Bonds	
	Principal	Interest
2009	\$19,000	\$39,500
2010	\$20,000	\$38,550
2011	\$21,000	\$37,550
2012	\$22,000	\$36,500
2013	\$24,000	\$35,400
2014–2018	\$134,000	\$158,350
2019–2023	\$172,000	\$121,150
2024–2028	\$219,000	\$73,750
2029–2031	\$159,000	\$16,200
Totals	\$790,000	\$556,950

The Ohio Revised Code provides that net general obligation debt of the Township, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the Township. The Revised Code further provides that total voted and unvoted net debt of the Township less the same exempt debt shall never exceed amount equal to 10.5 percent of its tax valuation. The effects of the debt limitations at December 31, 2008, were an overall debt margin of \$6,987,472 and an unvoted debt margin of \$3,018,700.

Note 10 – Interfund Transfers

During 2008 and 2007 the Township did not make any interfund transfers.



Mary Taylor, CPA

Auditor of State

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

Ohio Township
Clermont County
2877 Mt. Pisgah Road
New Richmond, Ohio 45157

To the Board of Trustees:

We have audited the financial statements of the governmental activities,, each major fund, and the aggregate remaining fund information of Ohio Township, Clermont County, Ohio (the Township), as of and for the years ended December 31, 2008 and 2007, which collectively comprise the Township's basic financial statements and have issued our report thereon dated July 30, 2009, wherein we noted the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for expressing our 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 Government's internal control over financial reporting.

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

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Township's internal control will not prevent or detect a material financial statement misstatement.

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www.auditor.state.oh.us

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We 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 reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

July 30, 2009



Mary Taylor, CPA
Auditor of State

OHIO TOWNSHIP
CLERMONT 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
SEPTEMBER 10, 2009