

SUGARCREEK TOWNSHIP

GREENE COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2009 and DECEMBER 31, 2010

FISCAL YEAR AUDITED UNDER GAGAS: 2010 AND 2009



Caudill & Associates, CPA

725 5th Street Portsmouth, OH 45662

P: 740.353.5171 | F: 740.353.3749

www.caudillcpa.com



Dave Yost • Auditor of State

Board of Trustees
Sugar creek Township
2090 Ferry Road
Bellebrook, Ohio 45305

We have reviewed the *Independent Auditor's Report* of Sugar creek Township, Greene County, prepared by Caudill & Associates, CPAs, for the audit period January 1, 2009 through December 31, 2010. 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. Sugar creek Township is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

November 14, 2011

This Page is Intentionally Left Blank.

Sugarcreek Township
Greene County, Ohio
For the Years Ended December 31, 2010 and December 31, 2009
Table of Contents

Title	Page
Independent Auditor’s Report	1
Management’s Discussion and Analysis	3
Basic Financial Statements:	
Statement of Net Assets—Cash Basis December 31, 2010	9
Statement of Activities—Cash Basis For the Year Ended December 31, 2010	10
Statement of Net Assets—Cash Basis December 31, 2009	11
Statement of Activities—Cash Basis For the Year Ended December 31, 2009	12
2010 Fund Financial Statements:	
Statement of Cash Basis Assets and Fund Balances – Governmental Funds December 31, 2010	13
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances—Governmental Funds—For the Year Ended December 31, 2010	15
Statement of Receipts, Disbursements and Changes in Fund Balance— Budget and Actual—Budget Basis—General Fund For the Year Ended December 31, 2010	17
Statement of Receipts, Disbursements and Changes in Fund Balance— Budget and Actual—Budget Basis—Road and Bridge Fund For the Year Ended December 31, 2010	18
Statement of Receipts, Disbursements and Changes in Fund Balance— Budget and Actual—Budget Basis—Police District Fund For the Year Ended December 31, 2010	19
Statement of Receipts, Disbursements and Changes in Fund Balance— Budget and Actual—Budget Basis—Station One Fire District Fund For the Year Ended December 31, 2010	20

Sugarcreek Township
Greene County, Ohio
For the Years Ended December 31, 2010 and December 31, 2009
Table of Contents (Continued)

2009 Fund Financial Statements:

Statement of Cash Basis Assets and Fund Balances – Governmental Funds December 31, 2009	21
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances—Governmental Funds—For the Year Ended December 31, 2009	23
Statement of Receipts, Disbursements and Changes in Fund Balance— Budget and Actual—Budget Basis—General Fund For the Year Ended December 31, 2009	25
Statement of Receipts, Disbursements and Changes in Fund Balance— Budget and Actual—Budget Basis—Road and Bridge Fund For the Year Ended December 31, 2009	26
Statement of Receipts, Disbursements and Changes in Fund Balance— Budget and Actual—Budget Basis—Police District Fund For the Year Ended December 31, 2009	27
Statement of Receipts, Disbursements and Changes in Fund Balance— Budget and Actual—Budget Basis—Station One Fire District Fund For the Year Ended December 31, 2009	28
Notes to the Financial Statements	29
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	46
Schedule of Prior Audit Findings	48



Caudill & Associates, CPA

725 5th Street Portsmouth, OH 45662
P: 740.353.5171 | F: 740.353.3749
www.caudillcpa.com

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants
Kentucky Society of Certified Public Accountants

Board of Trustees
Sugarcreek Township
Greene County, Ohio
P.O. Box 268
26 East Franklin Street
Bellebrook, OH 45305

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sugarcreek Township, Greene County, Ohio, (the Township) as of and for the years ended December 31, 2010 and December 31, 2009, 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Sugarcreek Township, Greene County, Ohio as of December 31, 2010 and December 31, 2009, and the respective changes in the cash financial position and the respective budgetary comparisons for the General Fund, Road and Bridge Fund, Police District Fund, and the Station One Fire District Fund 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 our report dated July 09, 2011, 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.

Sugarcreek Township
Independent Auditors' Report

The Management's Discussion and Analysis at pages 3-8 and is not a required part of the basic financial statements but are 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.

Caudill & Associates, CPA

Caudill & Associates, CPA

July 09, 2011

Sugarcreek Township
Management's Discussion and Analysis
For the Years Ended December 31, 2010 and December 31, 2009
Unaudited

This management's discussion and analysis of Sugarcreek Township's financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2010 and December 31, 2009, within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2010 and 2009 are as follows:

Net assets of governmental activities decreased \$582,334 or 19.0% in 2010 and increased \$476,812 or 18.4% in 2009, a significant change from 2008. The fund most affected by the increase and decrease in cash and cash equivalents was the Station One Fire District as a result of increased fire equipment grants.

The Township's general receipts are primarily property and other local taxes. These receipts represent respectively 77.0% in 2010 and 76.9% in 2009, of the total cash received for governmental activities during the year. In 2010, Property and other local taxes receipts increased \$339,112 from 2009, or 8.1%. In 2009, property and other local taxes receipts increased \$10,345 or .02%. Housing development increased from 2008 and 2009, and increased from 2009 to 2010.

Using the Basic Financial Statements

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

Report Components

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

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

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

Basis of Accounting

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

Sugarcreek Township
Management's Discussion and Analysis
For the Years Ended December 31, 2010 and December 31, 2009
Unaudited

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 2010 and 2009, within the limitations of cash basis accounting. The Statement of Net Assets presents the cash balances of the governmental activities of the Township at year end. The Statement of Activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational 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.

In the Statement of Net Assets and the statement of activities, we divide the Township into one type of activity:

Governmental activities. Most of the Township's basic services are reported here, including police, fire, streets 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.

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 split into one category: governmental.

Governmental Funds - Most of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not

Sugarcreek Township
Management's Discussion and Analysis
For the Years Ended December 31, 2010 and December 31, 2009
Unaudited

large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General Fund, the Road and Bridge Fund, the Police District Fund and the Station One Fire District Fund.

The Township as a Whole

Table 1 provides a summary of the Township's net assets for 2010 compared to 2009, and 2009 compared to 2008 on a cash basis:

	Governmental Activities				
	2010	2009	Increase/ (Decrease)	Restated 2008	Increase/ (Decrease)
Assets					
Cash and Cash Equivalents	\$2,489,661	\$3,071,995	(\$582,334)	\$2,595,183	\$476,812
Net Assets					
Restricted for Capital Projects	-	281,918	(281,918)	26,556	255,362
Restricted for Debt Service	-	-	-	-	-
Restricted for Other Purposes	2,302,296	2,405,615	(103,319)	2,200,754	204,861
Unrestricted	187,365	384,462	(197,097)	367,873	16,589
Total Net Assets	\$2,489,661	\$3,071,995	(\$582,334)	\$2,595,183	\$476,812

As mentioned previously, net assets of governmental activities decreased \$582,334 or 19.0% during 2010 and increased \$476,812 or 18.4% in 2009. The primary reason contributing for the decrease and increase in the cash balance is that in year 2009 and 2010, the Township increased cash balances with debt proceeds obtained for the Clys Road Project in the total amount of \$650,000, with payments made to the Township of \$367,000 in 2009 and \$263,878 in 2010. Subsequent expenditures for the Clys Road project then contributed to the cash decrease in 2010.

Sugarcreek Township
Management's Discussion and Analysis
For the Years Ended December 31, 2010 and December 31, 2009
Unaudited

Table 2 reflects the changes in net assets in 2010, 2009 and 2008.

	Governmental Activities 2010	Governmental Activities 2009	Governmental Activities (Restated) 2008
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$361,783	\$329,938	\$317,256
Operating Grants and Contributions	775,217	893,794	631,025
Capital Grants and Contributions	282,026	334,916	281,752
Total Program Receipts	\$1,419,026	\$1,558,648	\$1,230,033
General Receipts:			
Property and Other Local Taxes	4,503,179	4,164,067	4,153,722
Grants and Entitlements Not Restricted to Specific Programs	385,574	254,409	198,617
Loan Proceeds	730,878	367,488	-
Sale of Fixed Assets	50,000	278,047	52,346
Interest	2,172	3,944	37,040
Miscellaneous	221,504	129,503	391,356
Total General Receipts	5,893,307	5,197,458	4,833,081
<i>Total Receipts</i>	<i>7,312,333</i>	<i>6,756,106</i>	<i>6,063,114</i>
Disbursements:			
General Government	683,558	733,535	799,866
Public Safety	4,245,664	3,937,347	3,907,362
Public Works	1,535,671	1,056,802	701,581
Health	31,956	31,957	37,916
Capital Outlay	582,868	375,253	976,028
Debt Service:			
Principle Retirement	706,365	70,000	70,000
Interest and Fiscal Charges	108,585	74,400	76,608
<i>Total Disbursements</i>	<i>7,894,667</i>	<i>6,279,294</i>	<i>6,569,361</i>
Increase (Decrease) in Net Assets	(582,334)	476,812	(506,247)
Net Assets Beginning of Year	3,071,995	2,595,183	3,101,430
Net Assets End of Year	\$2,489,661	\$3,071,995	\$2,595,183

Program receipts represent 19.4% of total receipts for 2010 and 23.1% for 2009 and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money.

General receipts represent 80.6% of the Township's total receipts for 2010, and of this amount, approximately 76.4% are property and other local taxes for 2010. In 2009, General receipts represent 76.9% of the Township's total receipts, and of this amount, approximately 80.1% are property and other local taxes.

Sugarcreek Township
Management's Discussion and Analysis
For the Years Ended December 31, 2010 and December 31, 2009
Unaudited

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These activities include costs of the auditor, clerk, and a portion of the trustees, as well as internal services such as payroll and purchasing. General government represents 8.7% in 2010 and 11.7% in 2009 of total disbursements while public safety disbursements represent 53.8% in 2010 and 62.7% in 2009 of the total. Public works represented 19.5% and 16.8% in 2010 and 2009, respectively. Public safety includes the cost of police and fire protection and public works for road maintenance.

Governmental Activities

If you look at the Statement of Activities on page 10, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for public safety, which account for 53.8% of all governmental disbursements. General government also represents a small cost of about 8.7%. The next three columns of the Statement entitled Program Cash Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

	Total Cost of Services 2010	Net Cost of Services 2010	Total Cost of Services 2009	Net Cost of Services 2009
General Government	\$683,558	(\$569,382)	\$733,535	(\$630,616)
Public Safety	4,245,664	(3,154,930)	3,937,347	(3,003,362)
Public Works	1,535,671	(1,058,177)	1,056,802	(537,058)
Health	31,956	(31,456)	31,957	(29,957)
Capital Outlay	582,868	(582,868)	375,253	(375,253)
Debt Services:				
Principal Retirement	706,365	(706,365)	70,000	(70,000)
Interest and Fiscal Charges	108,585	(108,585)	74,400	(74,400)
Total Expenses	<u>\$7,894,667</u>	<u>(\$6,211,763)</u>	<u>\$6,279,294</u>	<u>(\$4,720,646)</u>

The dependence upon property tax receipts is apparent as over 78.6% and 75.1%, in 2010 and 2009, respectively, of governmental activities are supported through these general receipts.

The Township's Funds

In 2010, total governmental funds had receipts of \$6,531,455 and disbursements of \$7,894,667. The greatest change within governmental funds occurred within the Station One Fire District Fund. The fund balance of the Station One Fire District Fund increased \$274,972. This increase was attributable to the passage of a Fire levy.

In 2009, total governmental funds had receipts of \$6,110,572 and disbursements of \$6,279,294. The greatest change within governmental funds occurred within the Road and Bridge Fund as a result of the sale of assets.

Sugarcreek Township
Management's Discussion and Analysis
For the Years Ended December 31, 2010 and December 31, 2009
Unaudited

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 2010 and 2009, the Township amended its General Fund budget several times to reflect changing circumstances. Final budgeted receipts were not amended in 2009 or 2010, however, final disbursements were budgeted at \$730,429 and \$806,250 in 2010 and 2009, while actual disbursements were \$647,354 and \$728,261, respectively. The Township spent below what was projected and indicates that the Township is working hard to keep expenses to a minimum.

Capital Assets and Debt Administration

Capital Assets

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

Debt

At December 31, 2010, the Township's outstanding debt included Improvement Bonds with a balance of \$1,520,000 for building improvements. In June 2009, the Township issued a Bond Anticipation Note in the amount of \$367,488 in 2009 and \$263,878 in 2010 to use to fund the Clyo Road Project. As well, in June 2010, The Township issued Certificates of Participation in the of \$470,000 to retire the 2009 Bond Anticipation Notes. In April, 2010, the Township entered into a Five year lease agreement for an ambulance. Balance outstanding at December 31, 2010 was \$54,369. For further information regarding the Township's debt, refer to Note 7 and Note 8 to the basic financial statements.

Contacting the Township's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Theodore Hodson, Fiscal Officer, Sugarcreek Township, 2090 Ferry Road, P.O. Box 268, Bellebrook, Ohio 45305.

Sugarcreek Township
Statement of Net Assets - Cash Basis
December 31, 2010

	<u>Governmental Activities</u>
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 2,489,661</u>
<u>Net Assets:</u>	
Restricted for:	
Other Purposes	2,302,296
Unrestricted	<u>187,365</u>
<i>Total Net Assets</i>	<u>\$ 2,489,661</u>

See Accompanying Notes to the Basic Financial Statements

Sugarcreek Township
Statement of Activities - Cash Basis
For the Year Ended December 31, 2010

		<u>Program Cash Receipts</u>				
Cash	Charges for	Operating	Capital	Net Receipts		
Disbursements	Services and Sales	Grants and Contributions	Grants and Contributions	(Disbursements) and Changes in Net Assets		
<i>Governmental Activities:</i>						
General Government	\$ 683,558	\$ 13,219	\$ 100,957	\$ -	\$ (569,382)	
Public Safety	4,245,664	276,324	532,384	282,026	(3,154,930)	
Public Works	1,535,671	72,240	141,376	-	(1,322,055)	
Health	31,956	-	500	-	(31,456)	
Capital Outlay	582,868	-	-	-	(582,868)	
Debt Service:						
Principle Retirement	706,365	-	-	-	(706,365)	
Interest and Fiscal Charges	108,585	-	-	-	(108,585)	
<i>Total Governmental Activities</i>	<u>\$ 7,894,667</u>	<u>\$ 361,783</u>	<u>\$ 775,217</u>	<u>\$ 282,026</u>	<u>\$ (6,475,641)</u>	
Property and Other Taxes Levied for						
General Purposes					4,503,179	
Grants and Entitlements not						
Restricted to Specific Programs					385,574	
Note Proceeds					730,878	
Sale of Fixed Assets					50,000	
Interest					2,172	
Miscellaneous					221,504	
<i>Total General Receipts</i>					5,893,307	
Change in Net Assets					(582,334)	
<i>Net Assets Beginning of Year</i>					3,071,995	
<i>Net Assets End of Year</i>					\$ 2,489,661	

See Accompanying Notes to the Basic Financial Statements

Sugarcreek Township
Statement of Net Assets - Cash Basis
December 31, 2009

	Governmental Activities
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$ 3,071,995
 <u>Net Assets:</u>	
Restricted for:	
Capital Projects	281,918
Debt Service	-
Other Purposes	2,405,615
Unrestricted	384,462
 <i>Total Net Assets</i>	 \$ 3,071,995

See Accompanying Notes to the Basic Financial Statements

This Page is Intentionally Left Blank.

Sugarcreek Township
Statement of Activities - Cash Basis
For the Year Ended December 31, 2009

	<u>Program Cash Receipts</u>				
Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Net Receipts (Disbursements) and Changes in Net Assets	
<i>Governmental Activities:</i>					
General Government	\$ 733,535	\$ 12,644	\$ 90,275	\$ -	\$ (630,616)
Public Safety	3,937,347	234,624	541,874	157,487	(3,003,362)
Public Works	1,056,802	82,670	259,645	177,429	(537,058)
Health	31,957	-	2,000	-	(29,957)
Capital Outlay	375,253	-	-	-	(375,253)
Debt Service:					
Principle Retirement	70,000	-	-	-	(70,000)
Interest and Fiscal Charges	74,400	-	-	-	(74,400)
<i>Total Governmental Activities</i>	\$ 6,279,294	\$ 329,938	\$ 893,794	\$ 334,916	\$ (4,720,646)
Property and Other Taxes Levied for General Purposes					
					4,164,067
Grants and Entitlements not Restricted to Specific Programs					
					254,409
Note Proceeds					
					367,488
Sale of Fixed Assets					
					278,047
Interest					
					3,944
Miscellaneous					
					129,503
<i>Total General Receipts</i>					5,197,458
Change in Net Assets					476,812
<i>Net Assets Beginning of Year (Restated)</i>					2,595,183
<i>Net Assets End of Year</i>					\$ 3,071,995

See Accompanying Notes to the Basic Financial Statements

Sugarcreek Township
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2010

	General	Road and Bridge	Police District
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$ 187,365	\$ 227,871	\$ 897,087
<u>Fund Balances:</u>			
Reserved:			
General Fund	-	-	-
Special Revenue Funds	-	-	-
Unreserved:			
Undesignated (Deficit), Reported in:			
General Fund	187,365	-	-
Special Revenue Funds	-	227,871	897,087
Capital Projects Funds	-	-	-
Debt Service Fund	-	-	-
 <i>Total Fund Balances</i>	 \$ 187,365	 \$ 227,871	 \$ 897,087

See Accompanying Notes to the Basic Financial Statements

Station One Fire District	Other Governmental Funds	Total Governmental Funds
<u>\$ 712,052</u>	<u>\$ 465,286</u>	<u>\$ 2,489,661</u>
-	-	-
-	-	-
-	-	187,365
712,052	465,286	2,302,296
-	-	-
-	-	-
<u>\$ 712,052</u>	<u>\$ 465,286</u>	<u>\$ 2,489,661</u>

Sugarcreek Township
Statement of Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2010

	<u>General</u>	<u>Road and Bridge</u>	<u>Police District</u>
<u>Receipts:</u>			
Property and Other Local Taxes	\$ 190,525	\$ 589,358	\$ 1,835,426
Intergovernmental	128,977	83,423	271,877
Charges for Services	-	-	12,665
Licenses, Permits and Fees	60,481	-	-
Fines, Forfeitures and Penalties	13,195	-	1,760
Earnings on Investments	2,079	-	-
Miscellaneous	32,000	6,854	28,985
<i>Total Receipts</i>	<u>427,257</u>	<u>679,635</u>	<u>2,150,713</u>
<u>Disbursements:</u>			
Current:			
General Government	642,101	-	19,378
Public Safety	-	-	2,073,616
Public Works	-	715,381	-
Health	31,956	-	-
Capital Outlay	297	18,272	41,386
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
<i>Total Disbursements</i>	<u>674,354</u>	<u>733,653</u>	<u>2,134,380</u>
<u>Other Financing Sources (Uses):</u>			
Sale of Notes	-	467,000	-
Sale of Fixed Assets	50,000	-	-
Transfers In	-	66,410	-
Transfers Out	-	(667,825)	(61,793)
Other Financing Sources	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>50,000</u>	<u>(134,415)</u>	<u>(61,793)</u>
Net Change in Fund Balances	(197,097)	(188,433)	(45,460)
Fund Balances Beginning of Year	384,462	416,304	942,547
Fund Balances (Deficit) End of Year	<u>\$ 187,365</u>	<u>\$ 227,871</u>	<u>\$ 897,087</u>

See Accompanying Notes to the Basic Financial Statements

Station One Fire District	Other Governmental Funds	Total Governmental Funds
\$ 1,887,870	\$ 72,241	\$ 4,575,420
463,297	485,625	1,433,199
-	188,994	201,659
59	18,830	79,370
-	-	14,955
-	93	2,172
81,854	74,987	224,680
<u>2,433,080</u>	<u>840,770</u>	<u>6,531,455</u>
19,378	2,701	683,558
1,980,829	191,219	4,245,664
-	820,290	1,535,671
72,568	-	31,956
	450,345	582,868
-	706,365	706,365
-	108,585	108,585
<u>2,072,775</u>	<u>2,279,505</u>	<u>7,894,667</u>
-	263,878	730,878
-	-	50,000
-	814,950	881,360
(85,333)	(66,409)	(881,360)
<u>-</u>	<u>-</u>	<u>-</u>
<u>(85,333)</u>	<u>1,012,419</u>	<u>780,878</u>
274,972	(426,316)	(582,334)
437,080	891,602	3,071,995
<u>\$ 712,052</u>	<u>\$ 465,286</u>	<u>\$ 2,489,661</u>

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

	<u>Budgeted Amounts</u>		Actual	<i>Variance Positive (Negative)</i>
	<u>Original</u>	<u>Final</u>		
<u>Receipts:</u>				
Property and Other Local Taxes	\$ 179,000	\$ 179,000	\$ 190,525	\$ 11,525
Licenses, Permits and Fees	55,100	55,100	60,481	5,381
Fines and Forfeitures	15,000	15,000	13,195	(1,805)
Intergovernmental	126,100	126,100	128,977	2,877
Earnings on Investments	8,000	8,000	2,079	(5,921)
Other	47,000	47,000	32,000	(15,000)
<i>Total Receipts</i>	<u>430,200</u>	<u>430,200</u>	<u>427,257</u>	<u>(2,943)</u>
<u>Disbursements:</u>				
Current:				
General Government	656,929	696,929	642,101	54,828
Health	32,000	32,000	31,956	44
Conservation-Recreation	500	500	-	500
Capital Outlay	1,000	1,000	297	703
Total Disbursements	<u>690,429</u>	<u>730,429</u>	<u>674,354</u>	<u>56,075</u>
Excess of Receipts over (Under) Disbursements	<u>(260,229)</u>	<u>(300,229)</u>	<u>(247,097)</u>	<u>53,132</u>
Other Financing Sources (Uses)				
Sale of Fixed Assets	-	-	50,000	50,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>50,000</u>
Net Change in Fund Balance	(260,229)	(300,229)	(197,097)	103,132
Fund Balance (Deficit) Beginning of Year	<u>384,462</u>	<u>384,462</u>	<u>384,462</u>	<u>-</u>
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit) End of Year	<u>\$ 124,233</u>	<u>\$ 84,233</u>	<u>\$ 187,365</u>	<u>\$ 103,132</u>

See Accompanying Notes to the Basic Financial Statements

Sugarcreek Township
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Road and Bridge Fund
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<i>Variance Positive (Negative)</i>
	<u>Original</u>	<u>Final</u>		
<u>Receipts:</u>				
Property and Other Local Taxes	\$ 549,000	\$ 549,000	\$ 589,358	\$ 40,358
Intergovernmental	72,000	72,000	83,423	11,423
Other	2,000	2,000	6,854	4,854
<i>Total Receipts</i>	<u>623,000</u>	<u>623,000</u>	<u>679,635</u>	<u>56,635</u>
<u>Disbursements:</u>				
Current:				
Public Works	431,158	738,507	715,381	23,126
Capital Outlay	20,500	20,500	18,272	2,228
<i>Total Disbursements</i>	<u>451,658</u>	<u>759,007</u>	<u>733,653</u>	<u>25,354</u>
Excess of Receipts Over (Under) Disbursements	<u>171,342</u>	<u>(136,007)</u>	<u>(54,018)</u>	<u>81,989</u>
<u>Other Financing Sources (Uses):</u>				
Sale of Notes	-	-	467,000	467,000
Sale of Fixed Assets	425,000	425,000	-	(425,000)
Transfers In	-	-	66,410	66,410
Transfers Out	<u>(667,825)</u>	<u>(667,825)</u>	<u>(667,825)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(242,825)</u>	<u>(242,825)</u>	<u>(134,415)</u>	<u>108,410</u>
Net Change in Fund Balance	(71,483)	(378,832)	(188,433)	190,399
Fund Balance Beginning of Year	<u>416,304</u>	<u>416,304</u>	<u>416,304</u>	<u>-</u>
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 344,821</u>	<u>\$ 37,472</u>	<u>\$ 227,871</u>	<u>\$ 190,399</u>

See Accompanying Notes to the Basic Financial Statements

Sugarcreek Township
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Police District Fund
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<i>Variance Positive (Negative)</i>
	<u>Original</u>	<u>Final</u>		
<u>Receipts:</u>				
Property and Other Local Taxes	\$ 1,669,000	\$ 1,669,000	\$ 1,835,426	\$ 166,426
Charges for Services	17,000	17,000	12,665	(4,335)
Licenses, Permits and Fees	500	500	-	(500)
Fines and Forfeitures	5,000	5,000	1,760	(3,240)
Intergovernmental	249,500	249,500	271,877	22,377
Other	16,000	16,000	28,985	12,985
<i>Total Receipts</i>	<u>1,957,000</u>	<u>1,957,000</u>	<u>2,150,713</u>	<u>193,713</u>
<u>Disbursements:</u>				
Current:				
General Government	19,378	19,378	19,378	-
Public Safety	2,421,350	2,431,350	2,073,616	357,734
Capital Outlay	155,000	155,000	41,386	113,614
<i>Total Disbursements</i>	<u>2,595,728</u>	<u>2,605,728</u>	<u>2,134,380</u>	<u>471,348</u>
Excess of Receipts Over (Under) Disbursements	<u>(638,728)</u>	<u>(648,728)</u>	<u>16,333</u>	<u>665,061</u>
<u>Other Financing Sources (Uses):</u>				
Transfers Out	(58,412)	(61,793)	(61,793)	-
Other Financing Uses	(45,000)	(31,619)	-	31,619
Total Other Financing Sources (Uses)	<u>(103,412)</u>	<u>(93,412)</u>	<u>(61,793)</u>	<u>31,619</u>
Net Change in Fund Balance	(742,140)	(742,140)	(45,460)	696,680
Fund Balance Beginning of Year	<u>942,547</u>	<u>942,547</u>	<u>942,547</u>	<u>-</u>
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 200,407</u>	<u>\$ 200,407</u>	<u>\$ 897,087</u>	<u>\$ 696,680</u>

See Accompanying Notes to the Basic Financial Statements

Sugarcreek Township
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Station One Fire District Fund
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<i>Variance Positive (Negative)</i>
	<u>Original</u>	<u>Final</u>		
<u>Receipts:</u>				
Property and Other Local Taxes	\$ 1,783,800	\$ 1,783,800	\$ 1,887,870	\$ 104,070
Licenses, Permits and Fees	-	-	59	59
Intergovernmental	281,380	281,380	463,297	181,917
Other	26,000	26,000	81,854	55,854
<i>Total Receipts</i>	<u>2,091,180</u>	<u>2,091,180</u>	<u>2,433,080</u>	<u>341,900</u>
<u>Disbursements:</u>				
Current:				
General Government	19,378	19,378	19,378	-
Public Safety	1,963,884	2,037,852	1,980,829	57,023
Capital Outlay	124,596	75,496	72,568	2,928
<i>Total Disbursements</i>	<u>2,107,858</u>	<u>2,132,726</u>	<u>2,072,775</u>	<u>59,951</u>
Excess of Receipts Over (Under) Disbursements	<u>(16,678)</u>	<u>(41,546)</u>	<u>360,305</u>	<u>401,851</u>
<u>Other Financing Sources (Uses):</u>				
Transfers Out	(92,200)	(85,333)	(85,333)	-
Other Financing Uses	(50,000)	(32,000)	-	32,000
Total Other Financing Sources (Uses)	<u>(142,200)</u>	<u>(117,333)</u>	<u>(85,333)</u>	<u>32,000</u>
Net Change in Fund Balance	(158,878)	(158,879)	274,972	433,851
Fund Balance Beginning of Year	437,080	437,080	437,080	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance End of Year	<u>\$ 278,202</u>	<u>\$ 278,201</u>	<u>\$ 712,052</u>	<u>\$ 433,851</u>

See Accompanying Notes to the Basic Financial Statements

Sugarcreek Township
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2009

	General	Road and Bridge	Police District
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$ 384,462	\$ 416,304	\$ 942,547
<u>Fund Balances:</u>			
Reserved:			
General Fund	-	-	-
Special Revenue Funds	-	-	-
Unreserved:			
Undesignated (Deficit), Reported in:			
General Fund	384,462	-	-
Special Revenue Funds	-	416,304	942,547
Capital Projects Funds	-	-	-
Debt Service Fund	-	-	-
 <i>Total Fund Balances</i>	 \$ 384,462	 \$ 416,304	 \$ 942,547

See Accompanying Notes to the Basic Financial Statements

Station One Fire District	Other Governmental Funds	Total Governmental Funds
<u>\$ 437,080</u>	<u>\$ 891,602</u>	<u>\$ 3,071,995</u>
-	-	-
-	-	-
-	-	384,462
437,080	609,684	2,405,615
-	281,918	281,918
-	-	-
<u>\$ 437,080</u>	<u>\$ 891,602</u>	<u>\$ 3,071,995</u>

Sugarcreek Township
Statement of Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2009

	General	Road and Bridge	Police District
<u>Receipts:</u>			
Property and Other Local Taxes	\$ 190,548	\$ 588,591	\$ 1,822,376
Intergovernmental	276,655	80,073	257,276
Charges for Services	-	-	19,148
Licenses, Permits and Fees	56,083	30	826
Fines, Forfeitures and Penalties	12,556	-	5,875
Earnings on Investments	3,673	-	-
Miscellaneous	9,474	5,852	43,867
<i>Total Receipts</i>	<u>548,989</u>	<u>674,546</u>	<u>2,149,368</u>
<u>Disbursements:</u>			
Current:			
General Government	695,979	-	-
Public Safety	-	-	1,978,912
Public Works	-	586,540	-
Health	31,957	-	-
Capital Outlay	325	19,574	68,204
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
<i>Total Disbursements</i>	<u>728,261</u>	<u>606,114</u>	<u>2,047,116</u>
<u>Other Financing Sources (Uses):</u>			
Sale of Notes	-	-	-
Sale of Fixed Assets	50,000	62,000	-
Transfers In	-	-	-
Transfers Out	(20,000)	-	(66,148)
Advances In	162,555	-	-
Advances Out	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>192,555</u>	<u>62,000</u>	<u>(66,148)</u>
Net Change in Fund Balances	13,283	130,432	36,104
Fund Balances Beginning of Year - Restated	<u>371,179</u>	<u>285,872</u>	<u>906,443</u>
Fund Balances (Deficit) End of Year	<u>\$ 384,462</u>	<u>\$ 416,304</u>	<u>\$ 942,547</u>

See Accompanying Notes to the Basic Financial Statements

Station One Fire District	Other Governmental Funds	Total Governmental Funds
\$ 1,562,553	\$ 67,549	\$ 4,231,617
259,890	607,171	1,481,065
-	174,955	194,103
60	15,119	72,118
-	-	18,431
-	271	3,944
34,384	15,717	109,294
<u>1,856,887</u>	<u>880,782</u>	<u>6,110,572</u>
-	37,556	733,535
1,663,812	294,623	3,937,347
-	470,262	1,056,802
-	-	31,957
28,537	258,613	375,253
-	70,000	70,000
-	74,400	74,400
<u>1,692,349</u>	<u>1,205,454</u>	<u>6,279,294</u>
-	367,487	367,487
3,500	162,547	278,047
28,633	294,443	323,076
(83,752)	(153,176)	(323,076)
-	-	162,555
-	(162,555)	(162,555)
<u>(51,619)</u>	<u>508,746</u>	<u>645,534</u>
112,919	184,074	476,812
324,161	707,528	2,595,183
<u>\$ 437,080</u>	<u>\$ 891,602</u>	<u>\$ 3,071,995</u>

Sugarcreek Township
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
General Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Receipts:</u>				
Property and Other Local Taxes	\$ 177,000	\$ 177,000	\$ 190,548	\$ 13,548
Licenses, Permits and Fees	51,000	51,000	56,083	5,083
Fines and Forfeitures	15,000	15,000	12,556	(2,444)
Intergovernmental	133,100	133,100	276,655	143,555
Earnings on Investments	40,000	40,000	3,673	(36,327)
Other	10,000	10,000	9,474	(526)
<i>Total Receipts</i>	<u>426,100</u>	<u>426,100</u>	<u>548,989</u>	<u>122,889</u>
<u>Disbursements:</u>				
Current:				
General Government	732,850	769,350	695,979	73,371
Health	37,400	35,900	31,957	3,943
Capital Outlay	6,000	1,000	325	675
Total Disbursements	<u>776,250</u>	<u>806,250</u>	<u>728,261</u>	<u>77,989</u>
Excess of Receipts over (Under) Disbursements	<u>(350,150)</u>	<u>(380,150)</u>	<u>(179,272)</u>	<u>200,878</u>
Other Financing Sources (Uses)				
Sale of Fixed Assets	-	162,730	50,000	(112,730)
Transfers Out	(50,000)	(20,000)	(20,000)	-
Advances In	-	-	162,555	162,555
Total Other Financing Sources (Uses)	<u>(50,000)</u>	<u>142,730</u>	<u>192,555</u>	<u>49,825</u>
Net Change in Fund Balance	(400,150)	(237,420)	13,283	250,703
Fund Balance (Deficit) Beginning of Year	<u>371,179</u>	<u>371,179</u>	<u>371,179</u>	<u>-</u>
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit) End of Year	<u>\$ (28,971)</u>	<u>\$ 133,759</u>	<u>\$ 384,462</u>	<u>\$ 250,703</u>

See Accompanying Notes to the Basic Financial Statements

Sugarcreek Township
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Road and Bridge Fund
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<i>Variance Positive (Negative)</i>
	<u>Original</u>	<u>Final</u>		
<u>Receipts:</u>				
Property and Other Local Taxes	\$ 549,000	\$ 549,000	\$ 588,591	\$ 39,591
Licenses, Permits and Fees	-	-	30	30
Intergovernmental	65,000	65,000	80,073	15,073
Other	-	-	5,852	5,852
<i>Total Receipts</i>	<u>614,000</u>	<u>614,000</u>	<u>674,546</u>	<u>60,546</u>
<u>Disbursements:</u>				
Current:				
Public Works	729,500	729,700	586,540	143,160
Capital Outlay	120,500	120,300	19,574	100,726
<i>Total Disbursements</i>	<u>850,000</u>	<u>850,000</u>	<u>606,114</u>	<u>243,886</u>
Excess of Receipts Over (Under) Disbursements	<u>(236,000)</u>	<u>(236,000)</u>	<u>68,432</u>	<u>304,432</u>
<u>Other Financing Sources (Uses):</u>				
Sale of Fixed Assets	-	-	62,000	62,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>62,000</u>	<u>62,000</u>
Net Change in Fund Balance	(236,000)	(236,000)	130,432	366,432
Fund Balance Beginning of Year	<u>285,872</u>	<u>285,872</u>	<u>285,872</u>	<u>-</u>
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 49,872</u>	<u>\$ 49,872</u>	<u>\$ 416,304</u>	<u>\$ 366,432</u>

See Accompanying Notes to the Basic Financial Statements

Sugarcreek Township
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Police District Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	<i>Variance Positive (Negative)</i>
	Original	Final		
<u>Receipts:</u>				
Property and Other Local Taxes	\$ 1,718,000	\$ 1,718,000	\$ 1,822,376	\$ 104,376
Charges For Services	16,000	16,000	19,148	3,148
Licenses, Permits and Fees	500	500	826	326
Fines and Forfeitures	1,500	1,500	5,875	4,375
Intergovernmental	277,000	277,000	257,276	(19,724)
Other	-	-	43,867	43,867
<i>Total Receipts</i>	2,013,000	2,013,000	2,149,368	136,368
<u>Disbursements:</u>				
Current:				
Public Safety	2,233,210	2,236,974	1,978,912	258,062
Capital Outlay	106,968	101,468	68,204	33,264
<i>Total Disbursements</i>	2,340,178	2,338,442	2,047,116	291,326
Excess of Receipts Over (Under) Disbursements	(327,178)	(325,442)	102,252	427,694
<u>Other Financing Sources (Uses):</u>				
Sale of Fixed Assets				-
Transfers Out	(58,412)	(66,148)	(66,148)	-
Other Financing Uses	(28,438)	(22,438)	-	22,438
Total Other Financing Sources (Uses)	(86,850)	(88,586)	(66,148)	22,438
Net Change in Fund Balance	(414,028)	(414,028)	36,104	450,132
Fund Balance Beginning of Year	906,443	906,443	906,443	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance End of Year	\$ 492,415	\$ 492,415	\$ 942,547	\$ 450,132

See Accompanying Notes to the Basic Financial Statements

Sugarcreek Township
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Station One Fire District Fund
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<i>Variance Positive (Negative)</i>
	<u>Original</u>	<u>Final</u>		
<u>Receipts:</u>				
Property and Other Local Taxes	\$ 1,498,000	\$ 1,498,000	\$ 1,562,553	\$ 64,553
Licenses, Permits and Fees	-	-	60	60
Intergovernmental	200,000	200,000	259,890	59,890
Other	22,000	22,000	34,384	12,384
<i>Total Receipts</i>	<u>1,720,000</u>	<u>1,720,000</u>	<u>1,856,887</u>	<u>136,887</u>
<u>Disbursements:</u>				
Current:				
Public Safety	1,641,015	1,729,046	1,663,812	65,234
Capital Outlay	43,054	28,854	28,537	317
<i>Total Disbursements</i>	<u>1,684,069</u>	<u>1,757,900</u>	<u>1,692,349</u>	<u>65,551</u>
Excess of Receipts Over (Under) Disbursements	<u>35,931</u>	<u>(37,900)</u>	<u>164,538</u>	<u>202,438</u>
<u>Other Financing Sources (Uses):</u>				
Sale of Fixed Assets	-	-	3,500	3,500
Transfers In	-	-	28,633	28,633
Transfers Out	(87,583)	(83,752)	(83,752)	-
Other Financing Uses	(10,000)	-	-	-
Total Other Financing Sources (Uses)	<u>(97,583)</u>	<u>(83,752)</u>	<u>(51,619)</u>	<u>32,133</u>
Net Change in Fund Balance	(61,652)	(121,652)	112,919	234,571
Fund Balance Beginning of Year	<u>324,161</u>	<u>324,161</u>	<u>324,161</u>	<u>-</u>
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 262,509</u>	<u>\$ 202,509</u>	<u>\$ 437,080</u>	<u>\$ 234,571</u>

See Accompanying Notes to the Basic Financial Statements

Sugarcreek Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2010 and December 31, 2009

Note 1 – Reporting Entity

Sugarcreek Township, Greene County, Ohio (the “Township”), is a body politic and corporate established in 1803 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 unit.

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, fire protection, police protection, emergency medical services and cemetery maintenance.

B. Component Units

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization’s governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization’s resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Township is obligated for the debt of the organization. The Township is also financially accountable for any organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Township, are accessible to the Township and are significant in amount to the Township. The Township has no component units.

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. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

Following are the more significant of the Township’s accounting policies.

Sugarcreek Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2010 and December 31, 2009

Note 2 – Summary of Significant Accounting Policies (continued)

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, except for fiduciary funds. The statements distinguish between those activities of the Township that are governmental and those that are considered business-type. The Township has no business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions.

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

B. Fund Accounting

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

Sugarcreek Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2010 and December 31, 2009

Note 2 – Summary of Significant Accounting Policies (continued)

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The following are the Township's major governmental funds:

General Fund – The General Fund is the operating fund of the Township and 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.

Road & Bridge Fund – Required by the Ohio Revised Code to account for property and other local taxes designated for maintenance of streets within the Township.

Police District Fund – This fund receives property tax money for providing police protection to the residents of the Township.

Station One Fire District Fund – This fund receives property tax money for providing fire protection to the residents of the Township.

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. 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.

Sugarcreek Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2010 and December 31, 2009

Note 2 – Summary of Significant Accounting Policies (continued)

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 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

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

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2010 and 2009 were \$2,079 and \$3,676, respectively.

F. Inventory and Prepaid Items

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

G. Capital Assets

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

H. 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 10 and 11, the employer contributions include portions for pension benefits and for postretirement health care benefits.

Sugarcreek Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2010 and December 31, 2009

Note 2 – Summary of Significant Accounting Policies (continued)

I. Long-Term Obligations

The Township's cash basis financial statements do not report liabilities for long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid.

J. 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.

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 and any major special revenue fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis) and outstanding year end advances are treated as an other financing source or use (budget basis) rather than as an interfund receivable or payable (cash basis). No encumbrances were outstanding at year end.

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.

Sugarcreek Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2010 and December 31, 2009

Note 4 – Deposits and Investments (Cont'd)

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

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

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

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end 2009, the carrying amount of the Township's deposits was \$3,071,995 and the bank balance was \$3,161,607. Of the bank balance, \$250,000 was covered by FDIC insurance, and \$2,911,607 of the Township's bank balance of \$3,161,607 was collateralized with securities held by the pledging financial institution in the Township's name.

Sugarcreek Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2010 and December 31, 2009

Note 4 – Deposits and Investments (Continued)

At year end 2010, the carrying amount of the Township's deposits was \$2,489,661 and the bank balance was \$2,537,808. Of the bank balance, \$250,000 was covered by FDIC insurance, and \$2,287,808 of the Township's bank balance of \$2,537,808 was collateralized with securities held by the pledging financial institution in the Township's name.

The Township has no deposit policy for custodial credit 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 of repayment, or by collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the raiment 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 secured.

Note 5 – Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2009 and 2010 represent the collection of 2008 and 2009 taxes. Real property taxes received in 2009 and 2010 were levied after October 1, 2008 and October 1, 2009, on the assessed values as of January 1, 2008 and January 1, 2009, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2009 and 2010 represent the collection of 2008 and 2009 taxes. Public utility real and tangible personal property taxes received in 2009 and 2010 became a lien on December 31, 2007, were levied after October 1, 2008 and October 1, 2009, 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 2009 and 2010 (other than public utility property) represent the collection of 2008 and 2009 taxes. Tangible personal property taxes received in 2008 and 2009 were levied after October 1, 2008 and October 1, 2009, on the true value as of December 31, 2008 and December 31, 2009. 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 and 2009, was \$21.10 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2008 and 2009 property tax receipts were based are as follows:

Sugarcreek Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2010 and December 31, 2009

Note 5 – Property Taxes (Cont’d)

	2010	2009
Real Property:		
Residential/Agricultural	\$295,957,890	\$293,780,590
Commercial/Industrial/Mineral	43,636,110	45,351,210
Tangible Personal Property:		
Business	180,700	336,760
Public Utility	10,136,930	9,723,360
Total Assessed Value	\$349,911,630	\$349,191,920

Note 6 – Debt

In August of 2005, the Township issued General Purpose Refunding and Improvement Bonds in the amount of \$1,865,000. The Bonds were used to retire the Bond Anticipation Notes issued in 2004. The Bonds mature on December 1, 2025.

In June 2009, the Township issued Lease Purchase Bond Anticipation Notes in the amount of \$650,000. The Notes were used to fund the Clyo Road Project. The Notes mature on June 22, 2010.

In June 2010, the Township issued Certificates of Participation in the amount of \$470,000. The Certificates were used to retire the Bond Anticipation Notes issued in 2009. The Certificates mature on June 22, 2012.

The Township’s long-term debt activity for the years ended December 31, 2009 & December 31, 2010, were as follows:

	Interest Rate	Balance December 31, 2008	Additions	Reductions	Balance December 31, 2009	Due Within One Year
<u>Governmental Activities</u>						
Improvement Bonds						
2005 Issue (Original Amount \$1,865,000)	3% to 5%	\$1,665,000	\$0	\$70,000	\$1,595,000	\$75,000
Lease Purchase BAN						
2009 Issue (Original Amount \$650,000)	2.75%	0	367,488	0	367,488	367,488
		\$1,665,000	\$367,488	\$70,000	\$1,962,488	\$442,488

Sugarcreek Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2010 and December 31, 2009

Note 6 – Debt (Continued)

	Interest Rate	Balance December 31, 2009	Additions	Reductions	Balance December 31, 2010	Due Within One Year
<u>Governmental Activities</u>						
Improvement Bonds						
2005 Issue (Original Amount \$1,865,000)	3% to 5%	\$1,595,000	\$0	\$75,000	\$1,520,000	\$75,000
Lease Purchase BAN						
2009 Issue (Original Amount \$650,000)	2.75%	367,488	263,878	631,365	0	0
Certificates of Participation						
2010 Issue (Original Amount \$470,000)	3%	0	467,000	0	467,000	230,000
		<u>\$1,962,488</u>	<u>\$730,878</u>	<u>\$706,365</u>	<u>\$1,987,000</u>	<u>\$305,000</u>

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

Year	Improvement Bonds		Certificates of Participation	
	Principal	Interest	Principal	Interest
2011	\$75,000	\$69,500	\$230,000	\$6,900
2012	75,000	66,688	237,000	7,200
2013	80,000	63,875	-	-
2014	80,000	60,875	-	-
2015	85,000	57,675	-	-
2016–2020	500,000	227,725	-	-
2021–2025	625,000	98,250	-	-
Totals	<u>\$1,520,000</u>	<u>\$644,588</u>	<u>\$467,000</u>	<u>\$14,100</u>

Note 7 – Leases

In April 2010, the Township entered into a lease purchase agreement for an ambulance in the amount of \$127,967. The Township paid a down payment of \$58,500 at the inception of the lease purchase agreement. Payments of \$15,753 are due annually, beginning in April 2011 with a final payment due in April 2014.

Sugarcreek Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2010 and December 31, 2009

Note 7 – Leases (Continued)

Future lease payments are as follows:

	Principal	Interest
Year ending December 31:		
2011	\$12,739	\$3,015
2012	13,292	2,462
2013	13,868	1,885
2014	14,470	1,283
Totals	\$54,369	\$8,645

Note 8 – 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. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,695,000 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.

If losses exhaust PEP’s retained earnings, APEEP provides *excess of funds available* coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000 (prior to January 1, 2006) or \$3,000,000 (on or subsequent to January 1, 2006) as noted above.

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.

Sugarcreek Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2010 and December 31, 2009

Note 8 – Risk Management (Cont’d)

Beginning in 2005, Travelers 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 annual aggregate loss payments. Travelers provide aggregate stop-loss coverage based upon the combined members' total insurable values. 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 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 to generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2009 and 2008.

	<u>2009</u>	<u>2008</u>
Assets	\$38,982,088	\$ 40,737,740
Liabilities	(12,880,766)	(12,981,818)
Retained Earnings	<u>\$26,101,322</u>	<u>\$ 27,755,922</u>

At December 31, 2009 and 2008, respectively, liabilities above include approximately \$12.0 million and \$12.1 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$11.5 million and \$10.9 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 \$98,000.

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

Sugarcreek Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2010 and December 31, 2009

Note 8 – Risk Management (Cont'd)

Contributions to OTARMA

2010	\$29,442
2009	\$24,835
2008	\$26,346

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

Note 9 – Defined Benefit Pension Plan

A. Ohio Public Employees Retirement System

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

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

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

For the year ended December 31, 2008 and December 31, 2007, the members of all three plans were required to contribute 10 percent of their gross salaries. The Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2010.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2010, 2009, and 2008 were \$207,382, \$193,711 and \$276,150, respectively. The full amount has been contributed for 2010, 2009 and 2008.

Sugarcreek Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2010 and December 31, 2009

Note 9 – Defined Benefit Pension Plan (Continued)

B. Ohio Police and Fire Pension Fund

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

Plan members are required to contribute 10% of their annual covered salary to fund pension obligations while the Township is required to contribute 19.5% and 24.0% for police and firefighters respectively. Contributions are authorized by State statute. The Township's contributions to the Fund for police and firefighters were \$149,359, \$145,903, and \$162,409 for the years ended December 31, 2010, 2009, and 2008 respectively. The full amount has been contributed for 2010, 2009 and 2008.

Note 10 - Postemployment Benefits

A. Ohio Public Employees Retirement System

Plan Description - OPERS maintains a cost-sharing multiple employer defined benefit postemployment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, 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.

To qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have ten years or more of qualifying Ohio service credit. The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, Attention: Finance Director, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The post-employment healthcare plan was established under, and is administrated in accordance with, Internal Revenue Code Section 401(h). State statute requires that public employers fund post-employment healthcare through contributions to OPERS. A portion of each employer's contribution to the Traditional or Combined Plans is set aside for the funding of post-employment health care.

Sugarcreek Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2010 and December 31, 2009

Note 10 - Postemployment Benefits (Continued)

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2010, local government employers contributed 14.00% of covered payroll (17.87% for public safety and law enforcement). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional Plan for 2010 was 5.50% from January 1 through February 28, 2010 and 5.00% from March 1 through December 31, 2010. The portion of employer contributions allocated to fund post-employment healthcare for members in the Combined Plan for 2010 was 4.73% from January 1 through February 28, 2010 and 4.23% from March 1 through December 31, 2010.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment healthcare plan.

The Township's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2010, 2009, and 2008 were \$79,773, \$68,836, and \$67,671, respectively; 100% has been contributed for 2010, 2009 and 2008.

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

B. Ohio Police and Fire Pension Fund

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

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

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

OP&F issues a publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to the OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Sugarcreek Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2010 and December 31, 2009

Note 10 - Postemployment Benefits (Continued)

Funding Policy - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50% and 24.00% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code Section 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2010, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that the pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Township's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police officers and firefighters years ended December 31, 2010, 2009, and 2008 were \$79,773, \$68,836, and \$67,671. The full amount has been contributed for 2010, 2009 and 2008.

Note 11 –Transfers

Following is a summary of transfers in and out for all funds for 2009 and 2010:

	<u>2009</u>	
Fund	Transfer In	Transfer Out
General Fund	\$ -	\$ 20,000
Police District	-	66,148
Station One Fire District	28,633	83,752
Other Government Funds	294,443	153,176
Total	<u>\$ 323,076</u>	<u>\$ 323,076</u>

Sugarcreek Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2010 and December 31, 2009

Note 11 – Transfers (Continued)

	<u>2010</u>	
Fund	Transfer In	Transfer Out
Police District	\$ -	\$ 61,793
Station One Fire District	-	85,333
Road and Bridge	66,410	667,825
Other Government Funds	814,950	66,409
Total	\$ 881,360	\$ 881,360

Transfers from the General Fund in 2009, were \$20,000 to the Zoning Fund. All other fund transfers were to pay debt obligations, except for a transfer from FEMA Fund to the Station One Fire District for reimbursement of expenses. In 2010, transfers from the FEMA Fund consisted of \$66,410 to Road and Bridge Fund. All other transfers were to pay debt obligations. Funds were transferred in accordance with Ohio Revised Code Sections 5705.14, 5705.15, and 5705.16 during 2009 and 2010.

Note 12 – Advances

During 2009, Facilities Townhouse Fund repaid the General Fund for an advance that was made in fiscal year 2008 in the amount of \$162,555. Interfund loans are primarily the result of time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, or (3) payments between funds are made. As of December 31, 2009, all interfund loans outstanding were repaid.

Note 13 – Contingent Liabilities

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

Note 14 – Miscellaneous Revenue

Miscellaneous Revenue primarily consists of Rental and Lease agreements and sale of forfeitures revenue from the Greene County Sheriff's Department and may vary on a yearly basis, based on the amount of Sheriff Sales within a specified year.

Sugarcreek Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2010 and December 31, 2009

Note 15 – Restatement

Funds were restated to void long outstanding checks. The restatement had the following effect on fund balance and Governmental Type Activities:

	<u>General Fund</u>
Fund Cash Balance, December 31, 2008	\$367,476
Restatement	<u>3,703</u>
Restated Fund Cash Balance, January 1, 2009	<u>\$371,179</u>
	<u>Road and Bridge Fund</u>
Fund Cash Balance, December 31, 2008	\$285,475
Restatement	<u>397</u>
Restated Fund Cash Balance, January 1, 2009	<u>\$285,872</u>
	<u>Police District Fund</u>
Fund Cash Balance, December 31, 2008	\$927,762
Restatement	<u>(21,319)</u>
Restated Fund Cash Balance, January 1, 2009	<u>\$906,443</u>
	<u>Station One Fire District Fund</u>
Fund Cash Balance, December 31, 2008	\$314,103
Restatement	<u>10,058</u>
Restated Fund Cash Balance, January 1, 2009	<u>\$324,161</u>
	<u>Other Governmental Funds</u>
Fund Cash Balance, December 31, 2008	\$688,337
Restatement	<u>19,191</u>
Restated Fund Cash Balance, January 1, 2009	<u>\$707,528</u>
	<u>Governmental Type Activities</u>
Net Assets, December 31, 2008	\$2,583,153
Restatement	<u>12,030</u>
Restated Net Assets, January 1, 2009	<u>\$2,595,183</u>



Caudill & Associates, CPA

725 5th Street Portsmouth, OH 45662
P: 740.353.5171 | F: 740.353.3749
www.caudillcpa.com

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants
Kentucky Society of Certified Public Accountants

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

Sugarcreek Township
Greene County
2090 Ferry Road
Bellbrook, Ohio 45305

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 Sugarcreek Township, Greene County, (the Township) as of and for the years ended December 31, 2010 and 2009, which collectively comprise the Township's basic financial statements and have issued our report thereon dated July 09, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not for opining 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Government's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

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

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated July 09, 2011.

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

Caudill & Associates, CPA

Caudill & Associates, CPA

July 09, 2011

**SUGARCREEK TOWNSHIP
GREENE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2010 AND DECEMBER 31, 2009**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain
2008-001	ORC Section 5705.41(D), Failure to certify funds	Yes	Finding no longer Valid
2008-002	ORC Section 5705.39, Appropriations exceeded estimated resources	Yes	Finding no longer Valid

This Page is Intentionally Left Blank.



Dave Yost • Auditor of State

SUGARCREEK TOWNSHIP

GREENE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 29, 2011**