

Tiffin Township
Adams County, Ohio

Regular Audit

For the Years Ended December 31, 2009
Fiscal Years Audited Under GAGAS: 2009



Balestra, Harr & Scherer, CPAs, Inc.

528 South West St, P.O. Box 687, Piketon, Ohio 45661 Phone: 740.289.4131 Fax: 740.289.3639
9076 Ohio River Rd. Wheelersburg, Ohio 45694 Phone: 740.876.9121 Fax: 800.210.2573



Dave Yost • Auditor of State

Board of Trustees
Tiffin Township
111 Madonna Drive
West Union, Ohio 45693

We have reviewed the *Independent Auditor's Report* of Tiffin Township, Adams County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2009 through December 31, 2009. 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. Tiffin Township is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

May 20, 2011

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Tiffin Township
 Adams County, Ohio
 For the Year Ended December 31, 2009
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Independent Auditor's Report

Board of Trustees
Tiffin Township
Adams County
111 Madonna Drive
West Union, Ohio 45693

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Tiffin Township, Adams County, Ohio, (the Township) as of and for the year ended 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 audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

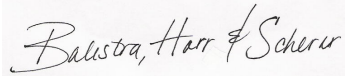
As discussed in Note 2, the accompanying financial statements and notes follow the modified cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Tiffin Township, Adams County, Ohio as of December 31, 2009, and the respective changes in modified cash financial position and the respective budgetary comparisons for the General Fund, and major special revenue funds, thereof for the years then ended in conformity with the accounting basis Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 27, 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.

Board of Trustees
Tiffin Township
Independent Auditors' Report

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



Balestra, Harr & Scherer, CPAs, Inc.

April 27, 2011

Tiffin Township Local Government
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

This discussion and analysis of Tiffin Township Local Government's financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2009, within the limitations of the Township's modified 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 2009 are as follows:

Net assets of governmental activities increased \$34,776, or 22 percent, a significant change from the prior year. The fund most affected by the increase in cash and cash equivalents was the General Fund, which realized the greatest burden of increased costs in 2009; however, cost increases affected most funds.

The Government's general receipts are primarily property taxes, grants and entitlements not restricted to specific programs. These receipts represent respectively \$212,532 and 64 percent of the total cash received for governmental activities during the year. Property tax receipts for 2009 changed very little compared to 2008 as development within the Government has slowed.

The General Fund balance increased because \$63,938 was receipted in 2009 from an estate tax. There was also a carry-over balance from estate tax to begin 2009 in the amount of \$67,455. When estate tax figures are taken from the year-end balances for the General Fund for the year 2008 and 2009, there would be a decrease of a \$2,774 or 9 percent for 2009.

The Township experienced an ice storm in January. The estimated cost of damage was derived from figures given by a FEMA representative. The immediate clearing of roads, extra use of salt, fly ash, fuel and use of equipment, purchase of a generator, Trustees' labor, and overtime compensation for the Township employee amounted to \$72,866. The Township received no monies from FEMA, and the actual costs had to be absorbed in the Township budget, which has resulted in some of the repair being put on hold.

A roadside arm mower was purchased in November. The January ice storm had created a tree limb problem in the Township. Instead of contracting the work, the Township should realize a long-range savings with the purchase.

Improvements of roads was accomplished by continuing to chip and seal as many roads as possible. For a second straight year the amount of gravel used has decreased for a savings of over \$2,000 each year.

The major roads in West Union Cemetery were paved in 2009. Estate tax monies were used for this significant improvement to the cemetery, and positive feedback was heard from the Township residents. Name signs were put up at eight country cemeteries, also receiving favorable comments.

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 modified 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.

Tiffin Township Local Government
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

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 modified cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's modified cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the modified 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 modified 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 2009, within the limitations of modified cash basis accounting. 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 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 modified cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other nonfinancial factors as well such as the Township's 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 taxes.

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.

Governmental Funds - All of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General Fund, Gasoline Fund, and Cemetery Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

Tiffin Township Local Government
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

The Township as a Whole

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

(Table 1)
Net Assets

	Governmental Activities		Increase/ (Decrease)
	2009	2008	
Assets			
Cash and Cash Equivalents	\$ 190,749	\$ 158,863	\$ 31,885
Investments	2,890	-	2,890
Total Assets	193,639	158,863	34,775
Net Assets			
Restricted for:			
Cemetery/Expendable	104	-	104
Cemetery/Non-Expendable	2,890	2,890	-
Other Purposes	65,374	56,442	8,932
Unrestricted	125,271	99,532	25,739
Total Net Assets	\$ 193,639	\$ 158,863	\$ 34,776

As mentioned previously, net assets of governmental activities increased \$ 34,775 or 22 percent during 2009. The primary reasons contributing to the decreases/increases in cash balances are as follows:

- The General Fund (without estate taxes) decreased by \$2,774. Major expenses were \$22,847 for health insurance, \$4,891 for liability insurance, and \$6,535 for audit. Revenue slightly declined from property taxes.
- After having an increase in 2008 for total assessed value of property taxes, there was a decrease in 2009 of \$624,800 or 1 percent.
- Health care benefits increased at the anniversary date on June 1st by 12.4 percent.
- Revenue for the Gasoline Fund rebounded from a decrease in 2008 for a 8 percent increase in 2009. The Township Superintendent's salary was increased and most of the increase came from the Gasoline Fund.
- The Cemetery Fund revenue fell by \$3,938 or 12 percent in 2009. The decrease from sale of cemetery lots from \$6,525 in 2008 to \$775 in 2009 can account for most of the deficit.

Tiffin Township Local Government
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

Table 2 reflects the changes in net assets on a modified cash basis in 2009 and 2008 for governmental activities.

(Table 2)
Changes in Net Assets

	Governmental Activities		Increase/ (Decrease)
	2009	2008	
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$ 2,982	\$ 6,525	\$ (3,543)
Operating Grants and Contributions	115,945	108,789	7,156
Total Program Receipts	<u>118,927</u>	<u>115,314</u>	<u>3,613</u>
General Receipts:			
Property and Other Local Taxes	110,705	111,962	(1,257)
Other Taxes	33	27	6
Grants and Entitlements Not Restricted to Specific Programs	99,930	84,071	15,859
Interest	551	1,657	(1,106)
Miscellaneous	1,313	88	1,225
Total General Receipts	<u>212,532</u>	<u>197,805</u>	<u>14,727</u>
Total Receipts	<u>331,459</u>	<u>313,119</u>	<u>18,340</u>
Disbursements:			
General Government	84,376	74,009	10,367
Public Safety	9,951	9,779	172
Public Works	126,386	126,467	(81)
Public Health Services	32,284	39,635	(7,351)
Capital Outlay	33,879	27,997	5,882
Principal Retirement	9,809	9,709	100
Total Disbursements	<u>296,685</u>	<u>287,596</u>	<u>9,089</u>
Increase (Decrease) in Net Assets	34,774	25,623	9,151
Net Assets, January 1, 20CY	158,865	133,242	25,623
Net Assets, December 31, 20CY	<u>\$ 193,639</u>	<u>\$ 158,865</u>	<u>\$ 34,774</u>

Program receipts represent only 36 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license, gas tax money, road and bridge, fire levy monies, cemetery monies, and permissive motor vehicle license.

Tiffin Township Local Government
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

General receipts represent 64 percent of the Government's total receipts. State and federal grants and entitlements make up the balance of the Government's general receipts (47 percent). Other receipts are very insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the costs of Board of Trustees, Fiscal Officer, and auditor's fees, as well as internal services such as payroll and purchasing. Since these costs do not represent direct services to residents, we try to limit these costs to 40 percent of General Fund unrestricted receipts.

Public Safety is the cost of police and fire protection; included in Public Health Services is the health department; and Public Works is the cost of maintaining and keeping the roads safe for the residents of Tiffin Township. Capital Outlay was for improvements and maintenance at West Union Cemetery.

Governmental Activities

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for Public Safety and Public Works, which account for \$136,334 and 46 percent of all governmental disbursements, respectively. General government also represents a significant cost, about 28 percent. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

Governmental Activities

	Total Cost of Services 2009	Net Cost of Services 2009	Total Cost of Services 2008	Net Cost of Services 2008
General Government	\$ 84,376	\$ (84,376)	\$ 74,009	\$ (74,009)
Public Safety	9,951	(9,951)	9,779	(9,779)
Public Works	126,386	(10,441)	126,467	(17,678)
Public Health Services	32,284	(29,302)	39,635	(33,110)
Capital Outlay	33,879	(33,879)	27,997	(27,997)
Principal Retirement	9,809	(9,809)	9,809	(9,809)
Total Expenses	\$ 296,685	\$ (177,758)	\$ 287,696	\$ (172,382)

The dependence upon property and other tax receipts is apparent as over 36 percent of governmental activities are supported through these general receipts.

Tiffin Township Local Government
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

The Township's Funds

Total governmental funds had receipts of \$331,459 and disbursements of \$296,683. The greatest change within governmental funds occurred within the General Fund. The fund balance of the General Fund increased \$25,739 as the result of receiving estate tax revenue.

General Fund receipts were more than disbursements by \$25,739. When looking at the numbers for General Fund receipts (\$152,179) one must remember they include the 2009 estate tax of \$63,938, making actual anticipated receipts of \$88,241. Therefore, disbursements of \$126,440 included the capital outlay of \$32,767 from estate tax, making usual disbursements \$93,673. Without estate tax and capital outlay (which would not have been spent), the General Fund deficit was \$5,432 for receipts and disbursements in 2009. The General Fund is in a deficit spending situation. It was the recommendation of the Board of Trustees and Fiscal Officer that a reduction in disbursements was preferable to requesting additional funds from the taxpayers.

Some of these reductions have already been implemented for 2010 to continue to pay Trustees from Gasoline and Cemetery funds when their work is on road and cemetery issues as indicated by time sheets and to apply for an Agreed-Upon Procedures for the next audit. These cuts will not eliminate the need for additional funds (or additional cuts) in the future if the growth in property taxes remains stagnant.

Gasoline fund receipts increased from \$84,936 in 2008 to \$91,908 in 2009, 8 percent. The road special revenue funds were slightly down (\$748). Major disbursements from these funds were for chip and seal (\$48,457), arm mower (\$4,500), gravel and hauling (\$10,857), fuel (\$5,796), cold mix (\$2,753), and grader repair (\$1,416). All funds ended with strong balances to start 2010, especially the gasoline fund.

As previously mentioned, Cemetery receipts were down from \$33,277 in 2008 to \$29,339 in 2009. Disbursements were also down from \$42,661 in 2008 to \$25,331 in 2009. The higher disbursements in 2008 were for improvements in West Union Cemetery. The cemetery fund will start 2010 with a 33 percent increase over 2009.

General Fund Budgeting Highlights

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

During 2009, the Township amended its General Fund budget several times to reflect changing circumstances. Final budgeted receipts were the same as original budgeted receipts. The difference between final budgeted receipts and actual receipts was not a positive significant due to estate tax revenue of \$63,938.

Final disbursements were budgeted at \$183,874 while actual disbursements were \$126,440. The Township kept spending under the budgeted amounts as the Trustees are aware there may not always be the estate tax revenue. The result is the increase in fund balance of \$25,738 for 2009.

Debt Administration

Debt

At December 31, 2009, the Township's outstanding debt included \$112,813 in general obligation bonds issued for Gatewood-Page School Road Restructuring. For further information regarding the Township's debt, refer to Note 9 to the basic financial statements.

Tiffin Township Local Government
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

Current Issues

The challenge for all Governments is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on local taxes and have very little industry to support the tax base. The Board of Trustees are given financial reports for review each month. There are spreadsheets available that are used to compare spending in the current year with previous years. These are helpful to anticipate what may be needed for public safety in maintaining roads, culverts, ditches, and equipment as the year progresses. Revenue numbers are closely monitored as the Township tries to stay on budget, and changes in amended certificates are requested when needed. The Township's goal is for disbursements not to exceed receipts, not to rely on carry-over balances, and end the year with strong balances in all funds.

Contacting the Government's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Sharon K. Chenoweth, Fiscal Officer, Tiffin Township, 111 Madonna Drive, West Union, OH 45693.

Tiffin Township, Adams County
Statement of Net Assets - Modified Cash Basis
As of December 31, 2009

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 190,749
Investments	2,890
<i>Total Assets</i>	\$ 193,639
Net Assets	
Restricted for:	
Permanent Fund: Care of Cemetery	
Expendable	\$ 104
NonExpendable	2,890
Other Purposes	65,374
Unrestricted	125,271
<i>Total Net Assets</i>	\$ 193,639

See accompanying notes to the basic financial statements.

Tiffin Township, Adams County
Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2009

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
General Government	\$ 84,376	\$ -	\$ -	\$ (84,376)
Public Safety	9,951	-	-	(9,951)
Public Works	126,386	-	115,945	(10,441)
Health	32,284	2,982	-	(29,302)
Capital Outlay	33,879	-	-	(33,879)
Debt Service:				
Principal	9,809	-	-	(9,809)
<i>Total Governmental Activities</i>	<u>\$ 296,685</u>	<u>\$ 2,982</u>	<u>\$ 115,945</u>	<u>\$ (177,758)</u>
General Receipts				
Property Taxes Levied for:				
General Purposes				110,705
Other Purposes				33
Grants and Entitlements not Restricted to Specific Programs				99,930
Interest				551
Miscellaneous				1,313
<i>Total General Receipts</i>				<u>212,532</u>
Change in Net Assets				34,774
<i>Net Assets - Beginning of Year</i>				<u>158,865</u>
<i>Net Assets - End of Year</i>				<u>\$ 193,639</u>

See accompanying notes to the basic financial statements.

Tiffin Township, Adams County
Statement of Modified Cash Basis Assets and Fund Balances
 Governmental Funds
 As of December 31, 2009

	General Fund	Gasoline Tax Fund	Cemetery Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 125,271	\$ 37,571	\$ 16,039	\$ 11,868	\$ 190,749
Investments	-	-	-	2,890	2,890
<i>Total Assets</i>	<u>\$ 125,271</u>	<u>\$ 37,571</u>	<u>\$ 16,039</u>	<u>\$ 14,758</u>	<u>\$ 193,639</u>
Fund Balances					
Unreserved:					
Undesignated (Deficit), Reported in:					
General Fund	\$ 125,271	\$ -	\$ -	\$ -	\$ 125,271
Special Revenue Funds	-	37,571	16,039	11,868	65,478
Permanent Fund	-	-	-	2,890	2,890
<i>Total Fund Balances</i>	<u>\$ 125,271</u>	<u>\$ 37,571</u>	<u>\$ 16,039</u>	<u>\$ 14,758</u>	<u>\$ 193,639</u>

See accompanying notes to the basic financial statements.

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

	General Fund	Gasoline Tax Fund	Cemetery Fund	Other Governmental Funds	Total Governmental Funds
Receipts					
Property and Other Local Taxes	\$ 44,501	\$ -	\$ 24,064	\$ 42,173	\$ 110,738
Intergovernmental	106,215	91,740	2,293	15,627	215,875
Earnings on Investments	251	67	-	233	551
Other	-	101	2,982	-	3,083
<i>Total Receipts</i>	<u>150,967</u>	<u>91,908</u>	<u>29,339</u>	<u>58,033</u>	<u>330,247</u>
Disbursements					
Current:					
General Government	84,376	-	-	-	84,376
Public Safety	-	-	-	9,951	9,951
Public Works	1,232	87,286	-	37,868	126,386
Health	8,065	-	24,219	-	32,284
Capital Outlay	32,767	-	1,112	-	33,879
Debt Service:					
Principal Retirement	-	-	-	9,809	9,809
<i>Total Disbursements</i>	<u>126,440</u>	<u>87,286</u>	<u>25,331</u>	<u>57,628</u>	<u>296,685</u>
<i>Excess of Receipts Over / (Under) Disbursements</i>	<u>24,527</u>	<u>4,622</u>	<u>4,008</u>	<u>405</u>	<u>33,562</u>
Other Financing Sources					
Other Financing Sources	1,212	-	-	-	1,212
<i>Total Other Financing Sources</i>	<u>1,212</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,212</u>
<i>Net Change in Fund Balances</i>	25,739	4,622	4,008	405	34,774
<i>Fund Balances - Beginning of Year</i>	<u>99,532</u>	<u>32,949</u>	<u>12,031</u>	<u>14,353</u>	<u>158,865</u>
<i>Fund Balances - End of Year</i>	<u>\$ 125,271</u>	<u>\$ 37,571</u>	<u>\$ 16,039</u>	<u>\$ 14,758</u>	<u>\$ 193,639</u>

See accompanying notes to the basic financial statements.

Tiffin Township, Adams County
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 with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 42,958	\$ 42,958	\$ 44,501	\$ 1,543
Intergovernmental	40,884	40,884	106,215	65,331
Interest	500	500	251	(249)
<i>Total Receipts</i>	84,342	84,342	150,967	66,625
Disbursements				
Current:				
General Government	93,487	98,487	84,376	14,111
Public Works	10,600	5,600	1,232	4,368
Health	9,200	9,200	8,065	1,135
Human Services	2,000	2,000	-	2,000
Capital Outlay	68,587	68,587	32,767	35,820
<i>Total Disbursements</i>	183,874	183,874	126,440	57,434
<i>Excess of Receipts Over (Under) Disbursements</i>	(99,532)	(99,532)	24,527	124,059
Other Financing Sources (Uses)				
Other Financing Sources	-	-	1,212	1,212
<i>Total Other Financing Sources (Uses)</i>	-	-	1,212	1,212
<i>Net Change in Fund Balance</i>	(99,532)	(99,532)	25,739	125,271
<i>Fund Balance Beginning of Year</i>	99,532	99,532	99,532	-
<i>Fund Balance End of Year</i>	\$ -	\$ -	\$ 125,271	\$ 125,271

See accompanying notes to the basic financial statements.

Tiffin Township, Adams County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Gasoline Tax Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$ 80,598	\$ 80,598	\$ 91,740	\$ 11,142
Interest	200	200	67	(133)
Other	-	-	101	101
<i>Total Receipts</i>	80,798	80,798	91,908	11,110
Disbursements				
Current:				
Public Works	113,745	113,745	87,286	26,459
<i>Total Disbursements</i>	113,745	113,745	87,286	26,459
<i>Net Change in Fund Balance</i>	(32,947)	(32,947)	4,622	37,569
<i>Fund Balance Beginning of Year</i>	32,949	32,949	32,949	-
<i>Fund Balance End of Year</i>	\$ 2	\$ 2	\$ 37,571	\$ 37,569

See accompanying notes to the basic financial statements.

Tiffin Township, Adams County
*Statement of Receipts, Disbursements and Changes
 In Fund Balance - Budget and Actual -Budget Basis
 Cemetery Fund
 For the Year Ended December 31, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$ 24,880	\$ 22,880	\$ 24,064	\$ 1,184
Intergovernmental	2,000	2,000	2,293	293
Other	3,000	3,000	2,982	(18)
<i>Total Receipts</i>	<u>29,880</u>	<u>27,880</u>	<u>29,339</u>	<u>1,459</u>
Disbursements				
Current:				
Health	35,910	35,910	24,219	11,691
Capital Outlay	6,000	4,000	1,112	2,888
<i>Total Disbursements</i>	<u>41,910</u>	<u>39,910</u>	<u>25,331</u>	<u>14,579</u>
<i>Net Change in Fund Balance</i>	(12,030)	(12,030)	4,008	16,038
<i>Fund Balance Beginning of Year</i>	<u>12,031</u>	<u>12,031</u>	<u>12,031</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 16,039</u>	<u>\$ 16,038</u>

See accompanying notes to the basic financial statements.

Tiffin Township
Notes to the Financial Statements
For the Year Ended December 31, 2009

Note 1 – Reporting Entity

Tiffin Township, Adams County, Ohio (the Township), is a body politic and corporate established in 1806 to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Township Fiscal Officer.

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

A. Primary Government

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

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 modified cash basis of accounting. This modified 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 modified cash basis of accounting. The following are the more significant of the Township's accounting policies.

A. Basis of Presentation

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

Government-Wide Financial Statements

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

The statement of net assets presents the cash and investment balances and debt 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 modified cash basis or draws from the Township's general receipts.

Note 2 – Summary of Significant Accounting Policies (continued)

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 classified governmental.

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. Monies are assigned to the various governmental funds according to the purposes for which they may or must be used. The following are the

Township's major governmental funds:

General Fund – The General Fund is the general operating fund. It 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.

Gasoline Fund – This fund receives gasoline excise tax to pay for constructing, maintaining, and repairing Township roads.

Cemetery Fund – This fund accounts for all finances available to the Township through property tax and sale of cemetery lots. The Cemetery Fund balance is used for upkeep, maintenance, and care of 12 cemeteries in Tiffin 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 modified cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Township are described in the appropriate section in this note.

As a result of the use of this modified 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 liabilities and the related expenses) are not recorded in these financial statements.

Note 2 – Summary of Significant Accounting Policies (continued)

D. Budgetary Process

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

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

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

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

E. Cash and Investments

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

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

During 2009, the Township invested in a nonnegotiable certificate of deposit at Adams County Building and Loan. The nonnegotiable certificate of deposit is reported at cost. It is a cemetery non/expendable certificate of deposit in the amount of \$2,890, and the interest is spent every year for the intended use, care of the cemetery.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the Township during 2009 were \$251 to the General Fund, \$67 to the Gasoline Fund, and \$233 to other Governmental Funds.

F. Restricted Assets

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets at the end of 2009 represent \$2,890 in the Permanent Fund, and only the interest can be used for care of cemetery. Other restricted assets at the end of 2009 were \$4,577 in Motor Vehicle License Fund, \$37,571 in Gasoline Fund, \$1,000 in Road and Bridge Fund, and \$6,187 in Permissive Motor Vehicle License Fund. There was \$16,039 in restricted assets in the Cemetery Fund, which are for the care and maintenance of all cemeteries in Tiffin Township.

G. 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.

Note 2 – Summary of Significant Accounting Policies (continued)

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 healthcare benefits.

I. Long-Term Obligations

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

J. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for maintenance of roads and related expenses and upkeep, maintenance, and care of cemeteries in Tiffin Township. 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.

Restricted net assets represent \$68,368 of a total funds balance of \$193,639.

K. Fund Balance Reserves

The Township reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods, and for 2009 the Township did not have any fund balance reserves.

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 is (and any major special revenue fund are) prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference(s) between the budgetary basis and the modified cash basis is (are) outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (modified cash basis) (and outstanding year end advances are treated as an other financing source or use (budgetary basis) rather than as an interfund receivable or payable (modified cash basis)). The Township did not have any encumbrances outstanding at December 31, 2009.

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.

Note 4 – Deposits and Investments (continued)

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

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

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

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

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

Tiffin Township
Notes to the Financial Statements
For the Year Ended December 31, 2009

Note 4 – Deposits and Investments (continued)

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Township has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M)(2) which states, “Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee.”

Investment Type	Investment Maturities (in Years)		
	Carrying Value	Less than 1	1-2
Certificate of Deposit	\$ 2,890	\$ 0	\$ 2,890
Total Investments	\$ 2,890	\$ 0	\$ 2,890

Interest Rate Risk - As a means of limiting its exposure to fair value losses arising from interest rates and according to state law, the Township’s does not have an investment policy.

Concentration of Credit Risk – The Township places no limit on the amount that may be invested in any on issuer.

Investment Type	Fair Value	% of Total
Certificate of Deposit	\$2,890	100
Total	\$2,890	100

Note 5 – Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Property tax receipts received in 2008 for real and public utility property taxes represents collections of the 2007 taxes. Property tax payments received during 2008 for tangible personal property (other than public utility property) is for 2008 taxes.

2008 real property taxes are levied after October 1, 2008 on the assessed values as of January 1, 2008, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. 2008 real property taxes are collected in and intended to finance 2009.

Real property taxes are payable annually or semi-annually. 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 tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2008 public utility property taxes which became a lien on December 31, 2007, are levied after October 1, 2008, and are collected in 2009 with real property taxes.

2008 tangible property taxes are levied after October 1, 2007, on the value as of December 31, 2007. Collections are made in 2008. Tangible personal property assessments are being phased out – the assessment percentage for all property including inventory for 2007 is 12.5 percent. This will be reduced to 6.25 percent for 2008, and zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 3, with the remainder due September 20.

Tiffin Township
Notes to the Financial Statements
For the Year Ended December 31, 2009

Note 5 – Property Taxes (continued)

The full tax rate for all Township operations for the year ended December 31, 2008, was \$2.50 per \$1,000 of assessed value. The assessed values of real and personal property upon which 2008 property tax receipts were based are as follows:

Real Property	\$64,766,700
Public Utility Property	4,534,120
Tangible Personal Property	218,950
Total Assessed Values	\$69,519,770

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Township. The County Auditor periodically remits to the Township its portion of the taxes collected.

Note 6 – Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2009, the Township contracted for various types of insurance coverage as follows:

Company	Type of Coverage	Amount of Coverage
OTARMA	Commercial Property	\$ 133,200
	General Liability	2,000,000
	Automobile Liability	2,000,000
	Wrongful Acts	2,000,000
	Vehicle	57,900
	Errors and Omissions	500,000
	Public Officials	2,000,000
	Property	199,463

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

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

The Township is contracted with Anthem Blue Cross/Blue Shield Ohio Group to provide health and life insurance for officials and employees.

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 townships pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Tiffin Township
Notes to the Financial Statements
For the Year Ended December 31, 2009

Note 6 – Risk Management (continued)

Casualty Coverage

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

If losses exhaust OTARMA's retained earnings, APEEP provides excess of funds available coverage up to \$5,000,000 per year, subject to the annual aggregate limit of \$10,000,000.

Property Coverage

Travelers Indemnity Company reinsures specific losses exceeding \$500,000 up to \$600 million per occurrence. APEEP reinsures members for specific losses exceeding \$150,000 up to \$500,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides property aggregate stop-loss coverage to APEEP based upon the combined Members' Total Insurable Value (TIV). If the stop loss is reached by payment of the Pools retained losses, Travelers will then reinsure property specific losses in excess of the retention up to their \$600,000,000 per occurrence limit. Additionally, effective January 1, 2009, APEEP provides an additional aggregate for the \$50,000 excess \$100,000 layer, with the aggregate limit tied to TIV, for the insurance coverages to the Pools.

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

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

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2009, and 2008 (the latest information available):

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

At December 31, 2009 and 2008, respectively, casualty coverage liabilities noted above include approximately \$12.0 million and \$12.1 million of estimated incurred claims payable. The Casualty Coverage 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, 2009 and 2008, 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 \$10,000. This payable includes the subsequent year's contribution due if the Township terminates participation, as described in the last paragraph below.

Note 6 – Risk Management (continued)

Based on discussions with OTARMA the expected rates charged by OTARMA 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 liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership. The Townships contributions to OTARMA for the past three years are as follows:

<u>Year</u>	<u>Contribution</u>
2009	\$ 4,891
2008	4,527
2007	4,549

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

Note 7 – Defined Benefit Pension Plan

A. Ohio Public Employees Retirement System

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

The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan. While members in the State and local divisions may participate in all three plans, law enforcement (generally sheriffs, deputy sheriffs and township police) and public safety divisions exist only in the traditional plans.

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) 222-5601 or (800) 222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2009, members in state and local classifications contributed 10 percent of covered payroll, public safety members contributed 10.10 percent and law enforcement members contributed 10.10 percent.

The Township's contribution rate for 2009 was 14 percent. For the period January 1 through December 31, 2008, a portion of the Township's contribution equal to 7 percent of covered payroll was allocated to fund the postemployment healthcare plan. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the Township of 14 percent, except for public safety and law enforcement, where the maximum employer contribution rate is 18.1 percent.

Note 7 – Defined Benefit Pension Plan (continued)

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2009, 2008, and 2007 were \$8,585, \$10,704, and \$11,735 respectively. The full amount has been contributed for 2009, 2008 and 2007. Contributions to the member-directed plan for 2009 were \$8,586 made by the Township and \$6,132 made by the plan members.

Note 8 - Postemployment Benefits

A. Ohio Public Employees Retirement System

Plan Description - OPERS maintains a cost-sharing multiple-employer defined benefit postemployment healthcare plan for qualifying members of both the traditional and combined pension plans. Members of the member-directed plan do not qualify for ancillary benefits, including postemployment healthcare.

The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for postemployment healthcare coverage, age and service retirees under the traditional and combined plans must have ten years or more of qualifying Ohio service credit. Healthcare coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised code permits, but does not require, OPERS to provide healthcare benefits to 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 provided separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222 – 7377.

Funding Policy – The postemployment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code 401 (h). State statute requires that public employers fund postemployment 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 postemployment healthcare.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2009, local government employers contributed 14 percent of covered payroll. Each year, The OPERS retirement board determines the portion of the employer contribution that will be set aside for funding postemployment healthcare benefits. The amount of the employer contributions which was allocated to fund postemployment healthcare was 7 percent of covered payroll from January 1 through December 31, 2008.

The retirement board is also authorized to establish rules for the payment of a portion of the healthcare benefits by the retiree or retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and selected coverage.

The Township's contributions allocated to fund postemployment healthcare benefits for the years ended December 31, 2009, 2008, and 2007, were \$5,352, \$4,637, and \$3,871 respectively; 100 percent has been contributed for 2009, 2008 and 2007.

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

Tiffin Township
Notes to the Financial Statements
For the Year Ended December 31, 2009

Note 9 – Debt

The Township’s long-term debt activity for the year ended December 31, 2009, was as follows:

	<u>Interest Rate</u>	<u>Balance December 31, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2009</u>	<u>Due Within One Year</u>
<u>Governmental Activities</u>						
General Obligation Bonds						
2004 Issue (\$176,573.70)	0.00%	\$ 122,622	\$ 0	\$ 9,809	\$ 112,813	\$ 9,810

The general obligation bonds are supported by the full faith and credit of the Township and are payable from unvoted property tax receipts to the extent that other resources are not available to meet annual principal and interest payments.

The following is a summary of the Township’s future annual debt service requirements:
(next five years individually then five year increments)

<u>Year</u>	<u>Principal</u>
2010	\$ 9,810
2011	9,810
2012	9,810
2013	9,810
2014	9,810
2015-2019	49,048
2020-2021	14,715
Total	<u>\$ 112,813</u>



Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*

Board of Trustees
Tiffin Township
Adams County
111 Madonna Drive
West Union, Ohio 45693

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Tiffin Township, Adams County, Ohio, (the Township) as of and for the year ended December 31, 2009, which collectively comprise the Township's basic financial statements and have issued our report thereon dated April 27, 2011, wherein we noted the Township followed the modified cash basis of accounting. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the 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 Township's financial statement will not be prevented, or detected and timely corrected.

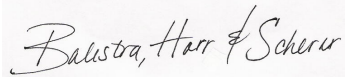
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses.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

Compliance and Other Matters

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

Board of Trustees
Tiffin Township
Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Required by *Government Auditing Standards*
Page 2

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



Balestra, Harr & Scherer, CPAs, Inc.
April 27, 2011

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Dave Yost • Auditor of State

TIFFIN TOWNSHIP

ADAMS 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
JUNE 2, 2011**