



UNION TOWNSHIP, ROSS COUNTY

Regular Audit

**For the Years Ended
December 31, 2010 and 2009**

J.L. UHRIG
AND ASSOCIATES INC.

CERTIFIED PUBLIC ACCOUNTANT AND MANAGEMENT CONSULTANTS





Dave Yost • Auditor of State

Board of Trustees
Union Township
9254 Williamsport Pike
Chillicothe, Ohio 45601

We have reviewed the *Independent Auditor's Report* of Union Township, Ross County, prepared by J.L. Uhrig and Associates, Inc., 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. Union 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

July 20, 2011

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Independent Auditor's Report

Board of Trustees
Union Township, Ross County
9254 Williamsport Pike
Chillicothe, OH 45601

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Union Township (the Township), Ross County as of and for the years ended December 31, 2010 and 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 an opinion on these financial statements based on our audit.

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

As discussed in Note 2, the accompanying financial statements and notes follow 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 in the first paragraph above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Township as of December 31, 2010 and 2009, and the respective changes in financial position and the respective budgetary comparisons for the General, Road and Bridge, Fire, Emergency Services and Ambulance and EMS Service funds for the years then ended in conformity with the cash basis of accounting presented in Note 2.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 24, 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 grants. While we do 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* and should be read in conjunction with this report when considering the results of our audit.

Board of Trustees
Union Township, Ross County
Independent Auditor's 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 applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. We did not audit the information and express no opinion on it.

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.

May 24, 2011

UNION TOWNSHIP, ROSS COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2010 and 2009
Unaudited

This discussion and analysis of the Union Township's financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2010 and 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:

In 2010, net assets of governmental activities increased by \$55,568 or 13.9 percent. Beginning January 1, 2010, the Township began billing for ambulatory transportations and services. Fund balance for Ambulance and EMS Service Fund at the end of 2010 was \$110,004. Assets in the General Fund decreased in 2010 by \$36,846. The Township carried over \$47,092 of estate tax collected in 2009 but it was transferred and used in the Road and Bridge Fund during 2010.

In 2009, net assets of governmental activities increased \$112,555, or 39.4 percent, a significant change from the prior year. The cash balance for General Fund increased \$69,677 from 2008 to 2009 of which \$47,092 was estate tax collected in 2009 and spent in 2010. The cash balance for the Fire Fund increased \$65,166 from 2008 to 2009. In 2009, the Union Township Fire Department received a refund in the amount of \$52,958 from the Ohio Bureau of Workers Compensation from an audit performed by the agency for a three year period.

The Township's general receipts are primarily property taxes and grants and entitlement not restricted to specific programs. These receipts represent respectively 43.9 and 14.6 percent of the total cash received in 2010 for governmental activities during the year. Property tax receipts for 2010 changed very little compared to 2009 (1.8% increase) as development within the Township has remained relatively unchanged.

The Township's general receipts are primarily property taxes and grants and entitlement not restricted to specific programs. These receipts represent respectively 43.9 and 28.4 percent of the total cash received in 2009 for governmental activities during the year. Property tax receipts for 2009 changed very little compared to 2008 (2% increase) as development within the Township has remained relatively unchanged.

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

UNION TOWNSHIP, ROSS COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2010 and 2009
Unaudited

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present 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 cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and 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 Government 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 and investments of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

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

In the statement of net assets and the statement of activities, the Township consists of one type of activity:

Governmental Activities. All 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 consist of one category: governmental.

UNION TOWNSHIP, ROSS COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2010 and 2009
Unaudited

Governmental Funds – All of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for 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, Road and Bridge Fund, Fire Fund, Emergency Service Fund and Ambulance and EMS Services Fund for 2010 and the General Fund, Road and Bridge Fund, Fire Fund and Emergency Service Fund for 2009. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. We describe this relationship in reconciliations presented with the governmental fund financial statements.

The Township as a Whole

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

(Table 1)
Net Assets

	Governmental Activities		
	2010	2009	2008
Assets			
Cash and Cash Equivalents	\$454,041	\$398,388	\$285,833
Total Assets	\$454,041	\$398,388	\$285,833
Net Assets			
<i>Restricted for:</i>			
Debt Service	\$0	\$0	\$34
<i>Permanent Fund:</i>			
Expendable	327	304	263
Nonexpendable	2,000	2,000	2,000
Other Purposes	306,312	213,836	170,964
Unrestricted	145,402	182,248	112,572
Total Net Assets	\$454,041	\$398,388	\$285,833

As mentioned previously, net assets of governmental activities decreased \$55,568 or 13.9 percent during 2010. Net assets of governmental activities increased \$112,555, or 39.4 percent during 2009. The primary reasons contributing to the increases in cash balances for 2009 are as follows:

- The Township collected \$149,482 of estate tax in 2009 of which \$47,092 not spent until 2010.
- In 2009, the Union Township Fire Department received a refund in the amount of \$52,958 from the Ohio Bureau of Workers Compensation from an audit performed by the agency for a three year period.

The primary reason contributing to the increase in cash balances for 2010 is as follows:

- The Township began collecting fees for ambulatory transportation and services during 2010, which resulted in \$160,619 of new receipts.

UNION TOWNSHIP, ROSS COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2010 and 2009
Unaudited

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

(Table 2)
Changes in Net Assets

	Governmental Activities		
	2010	2009	2008
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$258,245	\$74,832	\$87,961
Operating Grants and Contributions	147,615	128,204	149,338
Capital Grants and Contributions	112,970	23,438	0
Total Program Receipts	<u>518,830</u>	<u>226,474</u>	<u>237,299</u>
General Receipts:			
Property and Other Local Taxes	578,510	571,052	555,809
Grants and Entitlements Not Restricted	190,730	364,069	226,292
Earnings on Investments	4,095	3,348	7,999
Miscellaneous	3,030	7,792	2,986
Sale of Capital Assets	10,775	1,300	1,000
Proceeds from Sale of Notes	0	109,552	0
Total General Receipts	<u>787,140</u>	<u>1,057,113</u>	<u>794,086</u>
Total Receipts	<u>1,305,970</u>	<u>1,283,587</u>	<u>1,031,385</u>
Disbursements:			
General Government	154,912	158,948	151,678
Public Safety	416,661	385,777	375,198
Public Works	411,677	406,002	386,869
Health	20,704	21,233	18,768
Capital Outlay	174,019	158,526	33,073
Principal Retirement	57,438	28,201	54,205
Interest and Fiscal Charges	14,991	12,345	14,845
Total Disbursements	<u>1,250,402</u>	<u>1,171,032</u>	<u>1,034,636</u>
Increase (Decrease) in Net Assets	55,568	112,555	(3,251)
Net Assets, January 1, (Restated)	<u>398,473</u>	<u>285,833</u>	<u>289,084</u>
Net Assets, December 31	<u>\$454,041</u>	<u>\$398,388</u>	<u>\$285,833</u>

UNION TOWNSHIP, ROSS COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2010 and 2009
Unaudited

Program receipts represent 39.7 percent of total receipts during 2010 and 17.6 percent of total receipts during 2009. Program receipts are comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, charges to for emergency medical services and fire services under contracts. Beginning January 1, 2010, the Township began billing for ambulance transportation and services.

General receipts represent 60.3 percent in 2010 and 82.4 percent in 2009 of the Township's total receipts, and of this amount, over 44.3 percent in 2010 and 44.5 percent in 2009 are local taxes. State and federal grants and entitlements make up 14.6 percent in 2010 and 28.4 percent in 2009 of the Township's total receipts. In 2009, the Township reported proceeds of notes which make up 8.5 percent of the Township's total receipts. Other receipts are very insignificant and somewhat unpredictable revenue sources.

Disbursements for General Township represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the costs of Trustees, Fiscal Officer, and other general activities, as well as internal services such as payroll and purchasing. Since these costs do not represent direct service to residents, we try to limit these costs.

Public safety are costs associated with fire protection and emergency services. Public works are costs associated with maintaining Township roads.

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 public works and public safety, which account for \$828,338 or 66.2 percent in 2010 and \$791,779 or 67.6 percent in 2009 of all governmental disbursements, respectively. General government also represents a significant cost, about 12.4 percent in 2010 and 13.6 percent in 2009. 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 during 2010 and 2009 is presented in Table 3.

(Table 3)

	Governmental Activities					
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2010	2010	2009	2009	2008	2008
General Government	\$154,912	\$151,072	\$158,948	\$155,108	\$151,678	\$148,878
Public Safety	416,661	105,271	385,777	366,398	375,198	339,937
Public Works	411,677	222,522	406,002	209,732	386,869	203,581
Health	20,704	6,259	21,233	14,248	18,768	2,818
Capital Outlay	174,019	174,019	158,526	158,526	33,073	33,073
Principal Retirement	57,438	57,438	28,201	28,201	54,205	54,205
Interest and Fiscal Charges	14,991	14,991	12,345	12,345	14,845	14,845
Total Expenses	\$1,250,402	\$731,572	\$1,171,032	\$944,558	\$1,034,636	\$797,337

UNION TOWNSHIP, ROSS COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2010 and 2009
Unaudited

The dependence upon property and other tax receipts is apparent as over 46.3 percent in 2010 and 48.8 percent in 2009 of governmental activities are supported through these general receipts.

The Township's Funds

Total governmental funds had receipts of \$1,305,970 in 2010 and \$1,174,035 in 2009 and disbursements of \$1,250,402 in 2010 and \$1,171,032 in 2009. The implementation of billing for Ambulance transportation and services in 2010 made up the greatest change within governmental funds. The Township reported charges for services in 2010 totaling \$160,619. The Township reported a sale of notes in 2009 for \$109,552. This is an increase of \$110,004 for the Ambulance and EMS Fund. The Township also received a FEMA Grant in 2010 in the amount of \$112,970 for the purchase of Self Contained Breathing Apparatus for the Fire Department.

General Fund Budgeting Highlights

The Government'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, the Government amended its General Fund budget several times to reflect changing circumstances. Final budgeted receipts increased \$16,606 or 10.0 percent from the original budgeted receipts. The difference between final budgeted receipts and actual receipts was not significant.

During 2009, the Township amended its budget several times to reflect changing circumstances. Final budget receipts increased \$149,483 or 86.2% from the original budgeted receipts due to growth in the intergovernmental receipts. The difference between final budgeted receipts and actual receipts was not significant.

During 2010, General Fund final disbursements were budgeted at \$311,260 while actual disbursements were \$219,846. Final budgeted disbursements did not change from the original budgeted disbursements.

During 2009, General Fund final disbursements were budgeted at \$384,482 while actual disbursements were \$252,336. Final budgeted disbursements increased \$149,482 or 63.6 percent from the original budgeted disbursements, which coincides with the increase in budgeted receipts mentioned above.

Debt Administration

At December 31, 2010, the Government's outstanding debt included \$263,628 in notes payable. For further information regarding the Township's debt, refer to Note 10 to the basic financial statement.

Current Issues

The challenge for all governments is to provide quality services to the public while staying within the restrictions imposed by limited funding. As indicated in the preceding financial information, the Township relies heavily on local taxes and intergovernmental receipts to operate at the current level of services.

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 Karen Rittinger Gossman, Fiscal Officer, Union Township, Ross County, 9254 Williamsport Pike, Ohio 45601.

UNION TOWNSHIP, ROSS COUNTY

Statement of Net Assets

December 31, 2010

	<u>Governmental Activities</u>
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	<u>\$454,041</u>
<i>Total Assets</i>	<u>454,041</u>
<u>Net Assets:</u>	
<i>Restricted for:</i>	
<i>Permanent Fund: For Improvements</i>	
Expendable	327
Nonexpendable	2,000
Other Purposes	306,312
Unrestricted	<u>145,402</u>
<i>Total Net Assets</i>	<u><u>\$454,041</u></u>

See accompanying notes to the basic financial statements.

UNION TOWNSHIP, ROSS COUNTY
Statement of Activities
For the Year Ended December 31, 2010

	Program Receipts			Net (Disbursements)	
	Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	
				Governmental Activities	
<u>Governmental Activities:</u>					
General Government	\$154,912	\$3,840	\$0	\$0	(\$151,072)
Public Safety	416,661	193,320	5,100	112,970	(105,271)
Public Works	411,677	46,640	142,515	0	(222,522)
Health	20,704	14,445	0	0	(6,259)
Capital Outlay	174,019	0	0	0	(174,019)
<i>Debt Service:</i>					
Principal Retirement	57,438	0	0	0	(57,438)
Interest and Fiscal Charges	14,991	0	0	0	(14,991)
<i>Total Governmental Activities</i>	\$1,250,402	\$258,245	\$147,615	\$112,970	(731,572)
 <u>General Receipts:</u>					
Property Taxes					573,009
Other Taxes					5,501
Grants and Entitlements not Restricted to Specific Programs					190,730
Sale of Capital Assets					10,775
Earnings on Investments					4,095
Miscellaneous					3,030
<i>Total General Receipts</i>					787,140
Change in Net Assets					55,568
<i>Net Assets at Beginning of Year, As Restated (See Note 3)</i>					398,473
<i>Net Assets at End of Year</i>					\$454,041

See accompanying notes to the basic financial statements.

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UNION TOWNSHIP, ROSS COUNTY

Balance Sheet

Governmental Funds

December 31, 2010

	<u>General</u>	<u>Road and Bridge</u>	<u>Fire</u>
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$145,402	\$22,080	\$51,697
<i>Total Assets</i>	<u>\$145,402</u>	<u>\$22,080</u>	<u>\$51,697</u>
<u>Fund Balances:</u>			
<i>Unreserved:</i>			
General Fund	145,402	0	0
Special Revenue Funds	0	22,080	51,697
Permanent Fund	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Fund Balances</i>	<u>\$145,402</u>	<u>\$22,080</u>	<u>\$51,697</u>

See accompanying notes to the basic financial statements.

<u>Emergency Services</u>	<u>Ambulance and EMS Services</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$54,059	\$110,004	\$70,799	\$454,041
<u>\$54,059</u>	<u>\$110,004</u>	<u>\$70,799</u>	<u>\$454,041</u>
0	0	0	145,402
54,059	110,004	68,472	306,312
0	0	2,327	2,327
<u>\$54,059</u>	<u>\$110,004</u>	<u>\$70,799</u>	<u>\$454,041</u>

UNION TOWNSHIP, ROSS COUNTY
Statement of Receipts, Disbursements and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended December 31, 2010

	General	Road and Bridge	Fire
<u>Receipts:</u>			
Property Taxes and Other Local Taxes	\$102,453	\$105,477	\$134,789
Charges for Services	0	0	6,250
Licenses, Permits and Fees	0	0	405
Intergovernmental	72,849	45,532	38,827
Earnings on Investments	3,675	0	0
Miscellaneous	4,023	952	6,630
<i>Total Receipts</i>	<u>183,000</u>	<u>151,961</u>	<u>186,901</u>
<u>Disbursements:</u>			
<i>Current:</i>			
General Government	149,976	0	0
Public Safety	0	0	182,764
Public Works	0	227,166	0
Health	0	0	0
Capital Outlay	370	5,242	49,369
<i>Debt Service:</i>			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Disbursements</i>	<u>150,346</u>	<u>232,408</u>	<u>232,133</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>32,654</u>	<u>(80,447)</u>	<u>(45,232)</u>
<u>Other Financing Sources (Uses):</u>			
Sale of Capital Assets	0	10,025	500
Transfers In	0	58,500	0
Transfers Out	(69,500)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(69,500)</u>	<u>68,525</u>	<u>500</u>
<i>Net Change in Fund Balances</i>	(36,846)	(11,922)	(44,732)
<i>Fund Balances at Beginning of Year</i>	<u>182,248</u>	<u>34,002</u>	<u>96,429</u>
<i>Fund Balances at End of Year</i>	<u><u>\$145,402</u></u>	<u><u>\$22,080</u></u>	<u><u>\$51,697</u></u>

See accompanying notes to the basic financial statements.

Emergency Services	Ambulance and EMS Services	Other Governmental Funds	Total Governmental Funds
\$142,403	\$0	\$140,028	\$625,150
16,270	160,619	9,776	192,915
0	0	10,645	11,050
27,685	0	261,323	446,216
0	0	420	4,095
0	100	4,064	15,769
<u>186,358</u>	<u>160,719</u>	<u>426,256</u>	<u>1,295,195</u>
0	0	4,936	154,912
183,682	50,215	0	416,661
0	0	184,511	411,677
0	0	20,704	20,704
0	500	118,538	174,019
0	0	57,438	57,438
0	0	14,991	14,991
<u>183,682</u>	<u>50,715</u>	<u>401,118</u>	<u>1,250,402</u>
<u>2,676</u>	<u>110,004</u>	<u>25,138</u>	<u>44,793</u>
0	0	250	10,775
0	0	11,000	69,500
0	0	0	(69,500)
<u>0</u>	<u>0</u>	<u>11,250</u>	<u>10,775</u>
2,676	110,004	36,388	55,568
<u>51,383</u>	<u>0</u>	<u>34,411</u>	<u>398,473</u>
<u>\$54,059</u>	<u>\$110,004</u>	<u>\$70,799</u>	<u>\$454,041</u>

UNION TOWNSHIP, ROSS COUNTY
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts:</u>				
Property Taxes and Other Local Taxes	\$104,300	\$102,453	\$102,453	0
Intergovernmental	56,254	72,849	72,849	0
Earnings on Investments	2,000	3,675	3,675	0
Miscellaneous	3,840	4,023	4,023	0
<i>Total Receipts</i>	166,394	183,000	183,000	0
<u>Disbursements:</u>				
<i>Current:</i>				
General Government	298,760	237,260	149,976	87,284
Capital Outlay	1,500	1,500	370	1,130
<i>Total Disbursements</i>	300,260	238,760	150,346	88,414
<i>Excess of Receipts Over (Under) Disbursements</i>	(133,866)	(55,760)	32,654	88,414
<u>Other Financing Sources (Uses):</u>				
Transfers Out	(11,000)	(72,500)	(69,500)	3,000
<i>Excess of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses</i>	(144,866)	(128,260)	(36,846)	91,414
<i>Fund Balance at Beginning of Year</i>	182,248	182,248	182,248	0
<i>Fund Balance at End of Year</i>	\$37,382	\$53,988	\$145,402	\$91,414

See accompanying notes to the basic financial statements.

UNION TOWNSHIP, ROSS COUNTY
*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*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts:</u>				
Property Taxes and Other Local Taxes	\$103,385	\$105,477	\$105,477	\$0
Intergovernmental	28,729	45,532	45,532	0
Miscellaneous	0	952	952	0
<i>Total Receipts</i>	132,114	151,961	151,961	0
<u>Disbursements:</u>				
<i>Current:</i>				
Public Works	156,191	242,534	227,166	15,368
Capital Outlay	0	5,242	5,242	0
<i>Total Disbursements</i>	156,191	247,776	232,408	15,368
<i>Excess of Receipts Over (Under) Disbursements</i>	(24,077)	(95,815)	(80,447)	15,368
<u>Other Financing Sources (Uses):</u>				
Sale of Capital Assets	0	10,025	10,025	0
Transfers In	0	58,500	58,500	0
<i>Total Other Financing Sources (Uses)</i>	0	68,525	68,525	0
<i>Excess of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses</i>	(24,077)	(27,290)	(11,922)	15,368
<i>Fund Balance at Beginning of Year</i>	34,002	34,002	34,002	0
<i>Fund Balance at End of Year</i>	\$9,925	\$6,712	\$22,080	\$15,368

See accompanying notes to the basic financial statements.

UNION TOWNSHIP, ROSS COUNTY
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Fire Fund
For the Year Ended December 31, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts:</u>				
Property Taxes and Other Local Taxes	\$154,900	\$134,789	\$134,789	\$0
Charges for Services	800	6,250	6,250	0
Licenses, Permits and Fees	50	405	405	0
Intergovernmental	9,117	38,827	38,827	0
Miscellaneous	0	6,630	6,630	0
<i>Total Receipts</i>	164,867	186,901	186,901	0
<u>Disbursements:</u>				
<i>Current:</i>				
Public Safety	231,211	195,585	182,764	12,821
Capital Outlay	0	52,497	49,369	3,128
<i>Excess of Receipts Over (Under) Disbursements</i>	(66,344)	(61,181)	(45,232)	15,949
<u>Other Financing Sources (Uses):</u>				
Proceeds from the Sale of Capital Assets	0	500	500	0
<i>Total Other Financing Sources (Uses)</i>	0	500	500	0
<i>Excess of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses</i>	(66,344)	(60,681)	(44,732)	15,949
<i>Fund Balance at Beginning of Year</i>	96,429	96,429	96,429	0
<i>Fund Balance at End of Year</i>	\$30,085	\$35,748	\$51,697	\$15,949

See accompanying notes to the basic financial statements.

UNION TOWNSHIP, ROSS COUNTY
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Emergency Services Fund
For the Year Ended December 31, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts:</u>				
Property Taxes and Other Local Taxes	\$140,100	\$142,403	\$142,403	\$0
Charges for Services	9,842	16,270	16,270	0
Intergovernmental	25,002	27,685	27,685	0
<i>Total Receipts</i>	174,944	186,358	186,358	0
<u>Disbursements:</u>				
<i>Current:</i>				
Public Safety	186,327	196,567	183,682	12,885
<i>Total Disbursements</i>	186,327	196,567	183,682	12,885
<i>Excess of Receipts Over (Under) Disbursements</i>	(11,383)	(10,209)	2,676	12,885
<i>Fund Balance at Beginning of Year</i>	51,383	51,383	51,383	0
<i>Fund Balance at End of Year</i>	\$40,000	\$41,174	\$54,059	\$12,885

See accompanying notes to the basic financial statements.

UNION TOWNSHIP, ROSS COUNTY
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Ambulance and EMS Service Fund
For the Year Ended December 31, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts:</u>				
Charges for Services	150,000	160,619	160,619	0
Miscellaneous	0	100	100	0
<i>Total Receipts</i>	150,000	160,719	160,719	0
<u>Disbursements:</u>				
<i>Current:</i>				
Public Safety	150,000	149,500	50,215	99,285
Capital Outlay	0	500	500	0
<i>Total Disbursements</i>	150,000	150,000	50,715	99,285
<i>Excess of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses</i>	0	10,719	110,004	99,285
<i>Fund Balance at Beginning of Year</i>	0	0	0	0
<i>Fund Balance at End of Year</i>	\$0	\$10,719	\$110,004	\$99,285

See accompanying notes to the basic financial statements.

UNION TOWNSHIP, ROSS COUNTY

Statement of Net Assets

December 31, 2009

	<u>Governmental Activities</u>
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	<u>\$398,388</u>
<i>Total Assets</i>	<u>398,388</u>
<u>Net Assets:</u>	
<i>Restricted for:</i>	
<i>Permanent Fund: For Improvements</i>	
Expendable	304
Nonexpendable	2,000
Other Purposes	213,836
Unrestricted	<u>182,248</u>
<i>Total Net Assets</i>	<u><u>\$398,388</u></u>

See accompanying notes to the basic financial statements.

UNION TOWNSHIP, ROSS COUNTY
Statement of Activities
For the Year Ended December 31, 2009

	Program Receipts			Net (Disbursements)	
	Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	
				Governmental Activities	
<u>Governmental Activities:</u>					
General Government	\$158,948	\$3,840	\$0	\$0	(\$155,108)
Public Safety	385,777	19,379	0	0	(366,398)
Public Works	406,002	44,628	128,204	23,438	(209,732)
Health	21,233	6,985	0	0	(14,248)
Capital Outlay	158,526	0	0	0	(158,526)
<i>Debt Service:</i>					
Principal Retirement	28,201	0	0	0	(28,201)
Interest and Fiscal Charges	12,345	0	0	0	(12,345)
<i>Total Governmental Activities</i>	\$1,171,032	\$74,832	\$128,204	\$23,438	(944,558)
 <u>General Receipts:</u>					
Property Taxes					563,019
Other Taxes					8,033
Grants and Entitlements not Restricted to Specific Programs					364,069
Proceeds from sale of Notes					109,552
Sale of Capital Assets					1,300
Earnings on Investments					3,348
Miscellaneous					7,792
<i>Total General Receipts</i>					1,057,113
Change in Net Assets					112,555
<i>Net Assets at Beginning of Year</i>					285,833
<i>Net Assets at End of Year</i>					\$398,388

See accompanying notes to the basic financial statements.

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UNION TOWNSHIP, ROSS COUNTY

Balance Sheet

Governmental Funds

December 31, 2009

	<u>General</u>	<u>Road and Bridge</u>	<u>Fire</u>
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$182,248	\$34,002	\$96,344
<i>Total Assets</i>	<u>\$182,248</u>	<u>\$34,002</u>	<u>\$96,344</u>
<u>Fund Balances:</u>			
<i>Unreserved:</i>			
General Fund	\$182,248	\$0	\$0
Special Revenue Funds	0	34,002	96,344
Permanent Fund	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Fund Balances</i>	<u>\$182,248</u>	<u>\$34,002</u>	<u>\$96,344</u>

See accompanying notes to the basic financial statements.

Emergency Services	Other Governmental Funds	Total Governmental Funds
\$51,383	\$34,411	\$398,388
<u>\$51,383</u>	<u>\$34,411</u>	<u>\$398,388</u>
\$0	\$0	\$182,248
51,383	32,107	213,836
<u>0</u>	<u>2,304</u>	<u>2,304</u>
<u>\$51,383</u>	<u>\$34,411</u>	<u>\$398,388</u>

UNION TOWNSHIP, ROSS COUNTY
Statement of Receipts, Disbursements and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended December 31, 2009

	General	Road and Bridge	Fire
<u>Receipts:</u>			
Property Taxes and Other Local Taxes	\$104,219	\$103,403	\$153,682
Charges for Services	0	0	6,318
Licenses, Permits and Fees	0	0	100
Intergovernmental	210,955	25,744	94,674
Earnings on Investments	2,999	0	0
Miscellaneous	3,840	0	1,230
<i>Total Receipts</i>	<u>322,013</u>	<u>129,147</u>	<u>256,004</u>
<u>Disbursements:</u>			
<i>Current:</i>			
General Government	138,946	0	0
Public Safety	0	0	192,138
Public Works	0	227,704	0
Health	0	0	0
Capital Outlay	0	15,412	90,000
<i>Debt Service:</i>			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Disbursements</i>	<u>138,946</u>	<u>243,116</u>	<u>282,138</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>183,067</u>	<u>(113,969)</u>	<u>(26,134)</u>
<u>Other Financing Sources (Uses):</u>			
Sale of Capital Assets	0	0	1,300
Proceeds from sale of Notes	0	0	90,000
Transfers In	0	102,390	0
Transfers Out	(113,390)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(113,390)</u>	<u>102,390</u>	<u>91,300</u>
<i>Net Change in Fund Balances</i>	69,677	(11,579)	65,166
<i>Fund Balances at Beginning of Year</i>	<u>112,571</u>	<u>45,581</u>	<u>31,178</u>
<i>Fund Balances at End of Year</i>	<u><u>\$182,248</u></u>	<u><u>\$34,002</u></u>	<u><u>\$96,344</u></u>

See accompanying notes to the basic financial statements.

Emergency Services	Other Governmental Funds	Total Governmental Funds
\$139,857	\$114,518	\$615,679
12,961	0	19,279
0	6,185	6,285
26,842	157,496	515,711
0	349	3,348
0	7,363	12,433
<u>179,660</u>	<u>285,911</u>	<u>1,172,735</u>
0	20,002	158,948
174,087	19,552	385,777
0	178,298	406,002
0	21,233	21,233
0	53,114	158,526
0	28,201	28,201
0	12,345	12,345
<u>174,087</u>	<u>332,745</u>	<u>1,171,032</u>
<u>5,573</u>	<u>(46,834)</u>	<u>1,703</u>
0	0	1,300
0	19,552	109,552
0	11,000	113,390
0	0	(113,390)
<u>0</u>	<u>30,552</u>	<u>110,852</u>
5,573	(16,282)	112,555
<u>45,810</u>	<u>50,693</u>	<u>285,833</u>
<u>\$51,383</u>	<u>\$34,411</u>	<u>\$398,388</u>

UNION TOWNSHIP, ROSS 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		
<u>Receipts:</u>				
Property Taxes and Other Local Taxes	\$98,516	\$98,516	\$104,219	\$5,703
Intergovernmental	66,241	215,724	210,955	(4,769)
Earnings on Investments	4,730	4,730	2,999	(1,731)
Miscellaneous	3,840	3,840	3,840	0
<i>Total Receipts</i>	<u>173,327</u>	<u>322,810</u>	<u>322,013</u>	<u>(797)</u>
<u>Disbursements:</u>				
<i>Current:</i>				
General Government	222,500	269,592	138,946	130,646
Capital Outlay	1,500	1,500	0	1,500
<i>Total Disbursements</i>	<u>224,000</u>	<u>271,092</u>	<u>138,946</u>	<u>132,146</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(50,673)</u>	<u>51,718</u>	<u>183,067</u>	<u>131,349</u>
<u>Other Financing Sources (Uses):</u>				
Transfers Out	(11,000)	(113,390)	(113,390)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(11,000)</u>	<u>(113,390)</u>	<u>(113,390)</u>	<u>0</u>
<i>Excess of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses</i>	<u>(61,673)</u>	<u>(61,672)</u>	<u>69,677</u>	<u>131,349</u>
<i>Fund Balance at Beginning of Year</i>	<u>112,571</u>	<u>112,571</u>	<u>112,571</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$50,898</u>	<u>\$50,899</u>	<u>\$182,248</u>	<u>\$131,349</u>

See accompanying notes to the basic financial statements.

UNION TOWNSHIP, ROSS COUNTY
*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*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts:</u>				
Property Taxes and Other Local Taxes	\$104,597	\$100,842	\$103,403	\$2,561
Intergovernmental	28,777	25,310	25,744	434
<i>Total Receipts</i>	133,374	126,152	129,147	2,995
<u>Disbursements:</u>				
<i>Current:</i>				
Public Works	153,000	237,072	227,704	9,368
Capital Outlay	0	18,318	15,412	2,906
<i>Total Disbursements</i>	153,000	255,390	243,116	12,274
<i>Excess of Receipts Over (Under) Disbursements</i>	(19,626)	(129,238)	(113,969)	15,269
<u>Other Financing Sources (Uses):</u>				
Transfers In	0	102,390	102,390	0
<i>Total Other Financing Sources (Uses)</i>	0	102,390	102,390	0
<i>Excess of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses</i>	(19,626)	(26,848)	(11,579)	15,269
<i>Fund Balance at Beginning of Year</i>	45,581	45,581	45,581	0
<i>Fund Balance at End of Year</i>	\$25,955	\$18,733	\$34,002	\$15,269

See accompanying notes to the basic financial statements.

UNION TOWNSHIP, ROSS COUNTY
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
Fire Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts:</u>				
Property Taxes and Other Local Taxes	\$146,488	\$154,158	\$153,682	(\$476)
Charges for Services	800	6,318	6,318	0
Licenses, Permits and Fees	50	50	100	50
Intergovernmental	36,200	96,378	94,674	(1,704)
Miscellaneous	400	400	1,230	830
<i>Total Receipts</i>	183,938	257,304	256,004	(1,300)
<u>Disbursements:</u>				
<i>Current:</i>				
Public Safety	221,730	197,082	192,138	4,944
Capital Outlay	0	120,166	90,000	30,166
<i>Total Disbursements</i>	221,730	317,248	282,138	35,110
<i>Excess of Receipts Over (Under) Disbursements</i>	(37,792)	(59,944)	(26,134)	33,810
<u>Other Financing Sources (Uses):</u>				
Proceeds from the Sale of Capital Assets	0	0	1,300	1,300
Sale of Notes	0	90,000	90,000	0
<i>Total Other Financing Sources (Uses)</i>	0	90,000	91,300	1,300
<i>Excess of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses</i>	(37,792)	30,056	65,166	35,110
<i>Fund Balance at Beginning of Year</i>	21,646	21,646	21,646	0
<i>Prior Year Encumbrances Appropriated</i>	9,532	9,532	9,532	0
<i>Fund Balance at End of Year</i>	(\$6,614)	\$61,234	\$96,344	\$35,110

See accompanying notes to the basic financial statements.

UNION TOWNSHIP, ROSS COUNTY
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Emergency Services Fund
For the Year Ended December 31, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts:</u>				
Property Taxes and Other Local Taxes	\$138,600	\$138,600	\$139,857	\$1,257
Charges for Services	6,407	9,845	12,961	3,116
Intergovernmental	27,300	26,862	26,842	(20)
<i>Total Receipts</i>	<u>172,307</u>	<u>175,307</u>	<u>179,660</u>	<u>4,353</u>
<u>Disbursements:</u>				
<i>Current:</i>				
Public Safety	178,149	181,149	174,087	7,062
<i>Total Disbursements</i>	<u>178,149</u>	<u>181,149</u>	<u>174,087</u>	<u>7,062</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(5,842)	(5,842)	5,573	11,415
<i>Fund Balance at Beginning of Year</i>	<u>45,810</u>	<u>45,810</u>	<u>45,810</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$39,968</u></u>	<u><u>\$39,968</u></u>	<u><u>\$51,383</u></u>	<u><u>\$11,415</u></u>

See accompanying notes to the basic financial statements.

Note 1 – Reporting Entity

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

The Township provides general government services, maintenance of Township roads and bridges, maintenance of cemeteries and fire and emergency protection. The Ross County Sheriff's Department provides the Township with protection at no cost to the Township.

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. The Township does not apply FASB statements issued after November 30, 1989, to its business-type activities and to its enterprise funds. 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. The statements distinguish between those activities of the Township that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. The Township has no business-type activities.

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

B. Fund Accounting

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

Governmental Funds

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

The following are the Township's major governmental funds:

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

Road and Bridge Fund – This fund is comprised of property taxes designated for the repair and maintenance of Township roads and bridges. The Township uses the Road and Bridge Fund for the repair and maintenance of Township roads.

Fire Fund – This fund is comprised of property tax and contract for services designated to be used for the operation of the Fire and Emergency Service Department.

Emergency Service Fund – This fund is comprised of property taxes designated to be used for the salary of paid employees and volunteers of the Fire and Emergency Service Department.

Ambulance and EMS Services Fund – This fund is comprised of funds collected from billing for ambulance transportation. The funds are used for the operation of the Fire and Emergency Service Department.

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

C. Basis of Accounting

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

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

D. Budgetary Process

All 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

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 2010 and 2009, the Township invested in nonnegotiable certificate of deposit and STAR Ohio. The nonnegotiable certificate of deposit is reported at cost.

STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2010 and 2009.

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 was \$3,675 which includes \$2,362 assigned from other Township funds. Interest receipts credited to the General Fund during 2009 was \$2,999 which includes \$1,850 assigned from other Township funds.

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.

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

H. Accumulated Leave

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

I. 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 8 and 9, the employer contributions include portions for pension benefits and for postretirement healthcare benefits.

J. Long-Term Obligations

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

K. Net Assets

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

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

L. 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.

Note 3 – Prior Period Adjustment

2010 Prior Period Adjustment

In January 2010, the Township voided check issued in 2009. This resulted in a restatement of the prior period cash balance.

	Governmental Activities	Fire Fund
Net Assets at December 31, 2009	\$398,388	96,344
Understatement of Cash and Cash Equivalents	85	85
Adjusted net Assets at December 31, 2009	\$398,473	\$96,429

Note 4 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund, Gasoline Tax Fund, Road and Bridge Fund, Fire Fund, Emergency Services Fund and Ambulance and EMS Services Fund are prepared on budgetary basis to provide a meaningful comparison of actual results with the budget. There are no differences between the budgetary basis and the cash basis.

Note 5 – Deposits and Investments

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

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

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

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

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

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

Union Township, Ross County
Notes to the Financial Statements
For the Year Ended December 31, 2010 and 2009

Note 5 – Deposits and Investments- (Continued)

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’s deposits may not be returned. All deposits are collateralized with eligible securities in the amount equal to at least 105% of the carrying value of the deposits. Such collateral as permitted by the Ohio Revised Code, is held in single financial institutions collateral pools at the Federal Reserve Bank or at member banks of the federal reserve system, in the name of the respective depository bank and pledges as pool of collateral against all of the public deposits in holds or as specific collateral held at the Federal Reserve Bank in the name of the Township.

At December 31, 2010, the carrying amount of all Township deposits was \$454,041. Based on the criteria described in GASB 40, “Deposits and Investment Risk Disclosures”, as of December 31, 2010, \$252,397 of the Township’s bank balance of \$502,397 was exposed to custodial risk as discussed above while \$250,000 was covered by the Federal Deposit Insurance. The \$252,397 exposed to custodial risk was collateralized with securities held by the Township or its agency in the Township’s name.

At December 31, 2009, the carrying amount of all Township deposits was \$398,164. Based on the criteria described in GASB 40, “Deposits and Investment Risk Disclosures”, as of December 31, 2009, \$174,597 of the Township’s bank balance of \$424,597 was exposed to custodial risk as discussed above while \$250,000 was covered by the Federal Deposit Insurance. The \$174,597 exposed to custodial risk was collateralized with securities held by the Township or its agency in the Township’s name.

Investments

As of December 31, 2009, the Township had the following investments and maturities:

	Fair Value	6 Months or Less
STAR Ohio	\$224	\$224
Total Portfolio	\$224	\$224

Interest Rate Risk: As a means of limiting its exposure to fair value of losses arising from rising interest rates and according to state law, the Township’s investment policy permits limits investment portfolio maturities to five years or less.

Credit Risk: Standard and Poor’s has assigned STAR Ohio an “AAAm” money market rating.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counter party, 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 policy provides that investment collateral is held by the counter party as trust department or agent, and may be held in name of the Township or not.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of the government’s investment in single issuer. The Township has no policy minimizing concentration of credit risk. At this time, the Township invests 100% of available funds in STAR Ohio.

Union Township, Ross County
Notes to the Financial Statements
For the Year Ended December 31, 2010 and 2009

Note 6 – 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 2010 represent the collection of 2009 taxes. Real property taxes received in 2010 were levied after October 1, 2009, on the assessed value as of January 1, 2009, the lien date. Assessed value for real property taxes are established by State statute as 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 2010 represent the collection of 2009 taxes. Public utility real and tangible personal property taxes received in 2010 became a lien on December 31, 2008, were levied after 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 2010 (other than public utilities property) represent the collection of 2009 taxes. Tangible personal property taxes received in 2010 were levied after October 1, 2009, on the true value of December 31, 2009. Tangible personal property is currently assessed at 25 percent of true value. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or 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, 2010 and 2009, was \$7.40 per \$1,000 of assessed value. The assessed values of real and personal property upon which 2010 and 2009 property tax receipts were based are as follows:

Real Property	2010	2009
Residential	\$96,061,960	\$94,499,470
Agricultural	13,500,480	13,424,760
Commercial/Industrial/Mineral	2,860,220	2,873,270
Tangible Personal Property	539,890	889,240
Public Utility	3,732,890	3,608,820
Total Assessed Values	\$116,695,440	\$115,295,560

Union Township, Ross County
Notes to the Financial Statements
For the Year Ended December 31, 2010 and 2009

Note 7 – 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 2010 and 2009, the Township contracted with Ohio Government Risk Management Plan for various types of insurance coverage as follows:

Company	Type of Coverage	Amount of Coverage	
		2010	2009
Ohio Government Risk Management Plan	Commercial Property	1,223,832	\$1,176,762
	General Liability	2,000,000/4,000,000	2,000,000/4,000,000
	Commercial Crime	2,000,000/4,000,000	2,000,000/4,000,000
	Inland Marine	864,948	790,448
	Vehicle	2,000,000	2,000,000
	Public Officials	10,000	10,000
	Fire Vehicle RC	1,730,000	2,100,000
	EDP	25,000	10,000

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

The Township pays the State Workers' Compensation System 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 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.

Note 8 – Defined Benefit Pension Plan

A. Ohio Public Employees Retirement System

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans as described below: The Traditional Pension 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% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.

The Combined Plan is a cost sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Note 8 – Defined Benefit Pension Plan- (Continued)

The Ohio Revised Code provides statutory authority for member and employer contributions. For the years ending December 31, 2009 and December 31, 2010, member and employer contribution rates were consistent across all three plans. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan.

The 2009 member contribution rates were 10.0% for members in state and local classifications. Public safety and law enforcement members contributed 10.5%.

The 2009 employer contribution rate for state and local employers was 14.00% of covered payroll. For both the law enforcement and public safety divisions, the employer contribution rate for 2009 was 17.63%.

The 2010 member contribution rates were 10.0% for members in state and local classifications. Public safety and law enforcement members contributed 10.5% and 11.1% respectively.

The 2010 employer contribution rate for state and local employers was 14.00% of covered payroll. For both the law enforcement and public safety divisions, the employer contribution rate for 2010 was 17.87%.

Total required employer contributions for all plans are equal to 100% of employer charges and should be extracted from the employer's records.

The Township's required contributions for pension obligation to the traditional and combined plans for the years ended December 31, 2010, 2009 and 2008 were \$11,671, \$9,531, and \$8,922 respectively. The full amount has been contributed for 2010, 2009 and 2008. Contributions to the member-directed plans for 2010 were \$18,338 and for 2009 were \$16,432.

Note 9 - Postemployment Benefits

Ohio Public Employees Retirement System

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

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, 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.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

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.

Note 9 - Postemployment Benefits- (Continued)

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, 277 East Town Street, Columbus OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2010, state and local employers contributed at a rate of 14.00% of covered payroll, and public safety and law enforcement employers contributed at 17.87%. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for state and local employer units and 18.1% of covered payroll for law and public safety employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care was 5.55% from January 1 through February 28, 2010 and 5.0% from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan 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 coverage by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates 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.

Union Township, Ross County
Notes to the Financial Statements
For the Year Ended December 31, 2010 and 2009

Note 10 - Notes Payable

A summary of the note transactions for the year ended December 31, 2009, follows:

	Interest Rate	Balance December 31, 2008	Additions	Reductions	Balance December 31, 2009
<u>Governmental Activities</u>					
2006 Fire Truck	4.94%	\$214,346	\$0	\$22,350	\$191,996
2007 Roller	5.4%	25,369	0	5,851	19,518
2009 Portable Computers	0.0%	0	19,552	0	19,552
2009 Brush Truck	4.5%	0	90,000	0	90,000
Total Governmental Activities		<u>\$23,9715</u>	<u>\$109,552</u>	<u>\$28,201</u>	<u>\$321,065</u>

A summary of the note transactions for the year ended December 31, 2010, follows:

	Interest Rate	Balance December 31, 2009	Additions	Reductions	Balance December 31, 2010
<u>Governmental Activities</u>					
2006 Fire Truck	4.94%	\$191,996	\$0	\$23,495	\$168,501
2007 Roller	5.4%	19,518	0	6,167	13,351
2009 Portable Computers	0.0%	19,552	0	9,776	9,776
2009 Brush Truck	4.5%	90,000	0	18,000	72,000
Total Governmental Activities		<u>\$321,065</u>	<u>\$0</u>	<u>\$57,538</u>	<u>\$263,628</u>

The 2006 Fire Truck Note relates to the purchase of a Rosenbauer Pumper on an International Chasis Fire Truck in 2006. The Note will be repaid in annual installments of \$33,325, including interest.

The 2007 Roller Note relates to the purchase of a Bombag Roller in 2007. The Note will be repaid in annual installments of \$7,220, including interest.

The 2009 Portable Computers Note relates to the purchase of three Panasonic Toughbook portable computers in 2009. The Note will be repaid in monthly installments of \$815.

The 2009 Brush Truck Note relates to the purchase of a 2008 Sterling Bullet Brush Truck. The Note will be repaid in annual installment of \$22,106, \$21,285, \$20,471, \$19,643, and \$18,821 in the years 2010, 2011, 2012, 2013 and 2014 respectively.

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

Year Ending December 31:	2006 Fire Truck		2007 Roller	
	Principal	Interest	Principal	Interest
2011	\$24,698	\$8,627	\$6,500	\$721
2012	25,992	7,363	6,851	370
2013	27,292	6,033	0	0
2014	28,659	4,648	0	0
2015	30,158	3,167	0	0
2016	31,702	1,613	0	0
Total	<u>\$168,501</u>	<u>\$31,451</u>	<u>\$13,351</u>	<u>\$1,091</u>

Union Township, Ross County
Notes to the Financial Statements
For the Year Ended December 31, 2010 and 2009

Note 10 - Notes Payable- (Continued)

Year Ending December 31:	2009		2009		Total	
	Portable Computers		Brush Truck			
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$9,776	\$0	\$18,000	\$3,240	\$58,974	\$12,588
2012	0	0	18,000	2,430	50,843	10,163
2013	0	0	18,000	1,620	45,292	7,653
2014	0	0	18,000	810	46,659	5,458
2015	0	0	0	0	30,158	3,167
2016	0	0	0	0	31,702	1,613
Total	\$9,776	\$0	\$72,000	\$8,100	\$263,628	\$40,642

Note 11 – Interfund Transfers

During 2010 the following transfers were made:

Transfers from the General Fund to:	
Road and Bridge Fund	\$58,500
Other Governmental Funds	11,000
Total Transfers from the General Fund	<u>\$69,500</u>

During 2009 the following transfers were made:

Transfers from the General Fund to:	
Road and Bridge Fund	\$102,390
Other Governmental Funds	11,000
Total Transfers from the General Fund	<u>\$113,390</u>

Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. In 2010 and 2009, the Township received \$7,449, \$149,482 respectively in estate tax which was correctly posted to the General Fund. During 2009 estate tax revenue of \$102,390 was transferred to the Road and Bridge Fund to be used towards paving and applying chip and seal to Township roads and to resurface the concrete in front of the bay doors where the dump trucks are stored. During 2010 the remaining estate tax collected in 2009, with the estate tax collected in 2010 and an additional property tax revenue \$3,959 was transferred to the Road and Bridge Fund for a total transfer amount of \$58,500. During 2010, these funds were used for the purchase of a grader and for paving Township roads.

During 2010 and 2009, \$11,000 each year was transferred to the Cemetery Fund from the General Fund due to the lack of revenue in the Cemetery Fund. The cemeteries in Union Township do not support their own activities. In the past, the Cemetery Fund has always been supplemented with money from the General Fund.

Note 12 – Related Party Transactions

A member on the Union Township Fire Department is the owner of Southern Ohio Protective Clothing Co. (The Company). The Company sells fire equipment and clothing to the Township. The Trustees approve all purchases made from the Company, but not before cost comparisons with like organizations. The Township purchased items totaling \$3,883 and \$8,827 in fiscal years 2010 and 2009, respectively, from the Company.

The Township also made purchases from Big Dog Customs, which is owned by a member on the Union Township Fire Department. The Trustees approve all disbursements made with the company, but not before cost comparison with like organizations. The Township purchased services totaling \$491 and \$2,546 in fiscal years 2010 and 2009, respectively, from Big Dog Customs.

The Township made purchases from Scioto Valley Fire Equipment Co., which is owned by a member on the Union Township Fire Department. The Company sells fire extinguisher equipment to the Township. The Trustees approve all purchases made from Scioto Valley Fire Equipment Co. The Township purchased items totaling \$1,440 in 2010.

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

Board of Trustees
Union Township, Ross County
9254 Williamsport Pike
Chillicothe, OH 45601

We have audited the accompanying financial statements of Union Township, Ross County, Ohio (the Township) , as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated May 24, 2011. As discussed in Note 2, the Township followed the cash basis of accounting, which is a comprehensive basis other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness 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 Townships 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Board of Trustees
Union Township, Ross County
Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Required by
Government Auditing Standards

This report is intended for the information and use of the Board of Trustees, management, and audit committee, and is not intended to be and should not be used by anyone other than these specified parties.

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.

May 24, 2011

UNION TOWNSHIP, ROSS COUNTY
Schedule of Prior Audit Findings
For the Year Ended December 31, 2010 and 2009

Description	Status	Comments
<i>Government Auditing Standards:</i>		
1. Significant deficiency - Cash receipts were not always posted to the correct revenue classifications.	Corrected	N/A



Dave Yost • Auditor of State

UNION TOWNSHIP

ROSS 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
AUGUST 2, 2011