



**Auditor of State
Betty Montgomery**

COLERAIN TOWNSHIP
HAMILTON COUNTY

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Colerain Township
Hamilton County
4200 Springdale Road
Cincinnati, Ohio 45251

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Colerain Township, Hamilton County, Ohio (the Township), as of and for the year ended December 31, 2005, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As discussed in Note 2, the accompanying financial statements and notes follow the 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 Colerain Township, Hamilton County, Ohio, as of December 31, 2005, and the respective changes in modified cash financial position and the respective budgetary comparison for the General, Police District, Fire District and the Ambulance/EMS Funds thereof for the year then ended in conformity with the basis of accounting Note 2 describes.

For the year ended December 31, 2005, the Township revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2006, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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

Betty Montgomery
Auditor of State

October 24, 2006

Colerain Township of Hamilton County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

This discussion and analysis of Colerain Township's financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2005, 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 2005 are as follows:

Net assets of governmental activities decreased \$98,546 or 0.44% percent, an insignificant change from the prior year.

The Township's general receipts are primarily property taxes. These receipts represent 68% percent of the total cash received for governmental activities during the year. Property tax receipts for 2005 changed very little compared to 2004.

In 2005, the fire levy expired and the Trustees placed a renewal on the ballot. This passed with a 59.52% margin.

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.

The notes to the financial statements are an integral part of the Township-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.

Colerain Township of Hamilton County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

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 2005, within the limitations of modified 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 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.

In the statement of net assets and the statement of activities, we define Governmental activities as:

The Township's basic services include 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 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

Colerain Township of Hamilton County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

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, Police District Fund, Fire District Fund and the Ambulance/EMS Fund. 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 2005 on a modified cash basis. Since the Township did not prepare financial statements in this format for 2004, a comparative analysis of Township-wide data has not been presented. In future years, when prior year information is available, a comparative analysis will be presented.

Table 1	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$9,971,638
Investments	<u>12,400,000</u>
<i>Total Assets</i>	<u><u>\$22,371,638</u></u>
Net Assets	
Restricted for:	
Capital Projects	\$105,344
Debt Service	39,413
Police	439,922
Fire	7,747,472
Ambulance/EMS	803,041
Other Purposes	1,047,649
Unrestricted	<u>12,188,797</u>
<i>Total Net Assets</i>	<u><u>\$22,371,638</u></u>

As mentioned previously, net assets of governmental activities decreased \$98,546 or 0.44% percent during 2005.

Table 2 reflects the changes in net assets in 2005. Since the Township did not prepare financial statements in this format for 2004, a comparative analysis of government-wide data has not been presented. In future years, when prior year information is available, a comparative analysis will be presented.

Colerain Township of Hamilton County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

(Table 2)
Changes in Net Assets

	Governmental Activities 2005
	2005
Receipts:	
Program Receipts:	
Charges for Services and Sales	\$1,182,617
Operating Grants and Contributions	1,115,804
Total Program Receipts	2,298,421
General Receipts:	
Property and Other Local Taxes	13,109,870
Other Taxes	1,791,382
Grants and Entitlements Not Restricted to Specific Programs	2,607,737
Interest	662,817
Miscellaneous	1,414,070
Total General Receipts	19,585,876
Total Receipts	21,884,297
Disbursements:	
Current:	
General Government	1,708,696
Public Safety	12,563,229
Public Works	2,786,582
Health	66,461
Conservation/Recreation	1,119,477
Capital Outlay	2,496,940
Principal Retirement	700,830
Interest and Fiscal Charges	540,628
Total Disbursements	21,982,843
(Deficiency)	(98,546)
Net Assets, January 1, 2005	22,470,184
Net Assets, December 31, 2005	\$22,371,638

Program receipts represent only 10.5 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, and inspection fees.

General receipts represent 89.5 percent of the Township's total receipts, and of this amount, 69 percent are local taxes. State and federal grants and entitlements make up the balance of the Township's general receipts. Miscellaneous 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.

Colerain Township of Hamilton County, Ohio
 Management's Discussion and Analysis
 For the Year Ended December 31, 2005
 Unaudited

Public Safety is the costs of police and fire protection; Conservation/Recreation is the costs of maintaining the parks and playing fields; and Public Works is the cost of maintaining the Township's roads.

Governmental Activities

If you look at the Statement of Activities on page 10 you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are Public Safety and Public Works, which account for 57 and 13 percent of all governmental disbursements, respectively. General government also represents a significant cost, about 8 percent. The next two 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 2005	Net Cost of Services 2005
	2005	2005
General Government	\$1,708,696	(\$1,706,250)
Public Works	2,786,582	(2,037,247)
Public Safety	12,563,229	(11,669,824)
Public Health Services	66,461	(66,461)
Conservation-Recreation	1,119,477	(466,242)
Capital Outlay	2,496,940	(2,496,940)
Principal Retirement	700,830	(700,830)
Interest and Fiscal Charges	540,628	(540,628)
Total Expenses	\$21,982,843	(\$19,684,422)

The dependence upon property receipts is apparent as over 68 percent of governmental activities are supported through these general receipts.

The Township's Funds

Total governmental funds had receipts of \$21,844,297 and disbursements of \$21,982,843. The major funds had receipts and disbursements as follows: General: \$5,070,415 and \$4,256,826; Police: \$3,481,941 and \$3,657,968; Fire: \$10,115,087 and \$10,029,923 and the Ambulance/EMS: \$763,744 and \$76,976.

Colerain Township of Hamilton County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

General Fund Budgeting Highlights

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

During 2005, the Township estimated general fund receipts at \$3,466,440, but actual receipts were \$5,110,943. The low budget amount was due to the uncertainty of the state Local Government Fund's status.

Final general fund disbursements were budgeted at \$10,359,173 while actual disbursements were \$7,042,430.

Debt Administration

At December 31, 2005, the Township's outstanding debt included \$9,490,000 in general obligation bonds issued for construction buildings and structures. For further information regarding the Township's debt, refer to Note 14 to the basic financial statements.

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.

Contacting the Township's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Heather E. Harlow, Fiscal Officer, Colerain Township, 4200 Springdale Road, Colerain Township, OH 45251; (513) 385-7500; hharlow@coleraintwp.org.

Colerain Township, Hamilton County
Statement of Net Assets - Modified Cash Basis
December 31, 2005

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$9,971,638
Investments	<u>12,400,000</u>
<i>Total Assets</i>	<u><u>\$22,371,638</u></u>
Net Assets	
Restricted for:	
Capital Projects	\$105,344
Debt Service	39,413
Police	439,922
Fire	7,747,472
Ambulance/EMS	803,041
Other Purposes	1,047,649
Unrestricted	<u>12,188,797</u>
<i>Total Net Assets</i>	<u><u>\$22,371,638</u></u>

See accompanying notes to the basic financial statements

Colerain Township, Hamilton County
Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2005

	<u>Program Cash Receipts</u>			Net Disbursements Receipts and Changes in Net Assets
	<u>Cash Disbursements</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities				
General Government	\$1,708,696		\$2,446	(\$1,706,250)
Public Safety	12,563,229	\$827,244	66,161	(11,669,824)
Public Works	2,786,582	302,138	447,197	(2,037,247)
Health	66,461			(66,461)
Conservation-Recreation	1,119,477	53,235	600,000	(466,242)
Capital Outlay	2,496,940			(2,496,940)
Debt Service				
Principal	700,830			(700,830)
Interest	540,628			(540,628)
<i>Total Governmental Activities</i>	<u>\$21,982,843</u>	<u>\$1,182,617</u>	<u>\$1,115,804</u>	<u>(\$19,684,422)</u>
General Receipts				
Property Taxes Levied for:				
				13,109,870
				1,791,382
				2,607,737
				662,817
				<u>1,414,070</u>
				<i>Total General Receipts</i> 19,585,876
				<u>(98,546)</u>
				<u>22,470,184</u>
				<u>\$22,371,638</u>

See accompanying notes to the basic financial statements

Colerain Township, Hamilton County
Statement of Modified Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2005

	General	Police District Fund	Fire District Fund	Ambulance EMS Major Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	\$1,926,121	\$439,922	\$5,912,426	\$803,041	\$890,128	\$9,971,638
Investments	10,368,020		1,835,046		196,934	12,400,000
<i>Total Assets</i>	<u>\$12,294,141</u>	<u>\$439,922</u>	<u>\$7,747,472</u>	<u>\$803,041</u>	<u>\$1,087,062</u>	<u>\$22,371,638</u>
Fund Balances						
Reserved:						
Reserved for Encumbrances	\$1,618,374	\$21,728	\$388,108	\$18,790	\$265,551	\$2,312,551
Unreserved:						
Undesignated (Deficit), Reported in:						
General Fund	10,675,767					10,675,767
Special Revenue Funds		418,194	7,359,364	784,251	887,442	9,449,251
Debt Service Fund					39,413	39,413
Capital Projects Funds					(105,344)	(105,344)
<i>Total Fund Balances</i>	<u>\$12,294,141</u>	<u>\$439,922</u>	<u>\$7,747,472</u>	<u>\$803,041</u>	<u>\$1,087,062</u>	<u>\$22,371,638</u>

See accompanying notes to the basic financial statements

Colerain Township, Hamilton County
Statement of Cash Receipts, Disbursements and Changes in Modified-Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2005

	General	Police District Fund	Fire District Fund	Ambulance EMS Fund	Other Governmental Funds	Total Governmental Funds
Receipts						
Property and Other Local Taxes	\$509,933	\$2,786,968	\$8,570,292		\$1,500,811	\$13,368,004
Charges for Services				763,744		763,744
Licenses, Permits and Fees	819,244	5,730	13,581		66,481	905,036
Fines and Forfeitures		85,798			7,920	93,718
Intergovernmental	2,877,322	494,559	1,416,006		719,261	5,507,148
Special Assessments					49,346	49,346
Earnings on Investments	615,956				49,307	665,263
Other	247,960	108,886	115,208		44,844	516,898
<i>Total Receipts</i>	<u>5,070,415</u>	<u>3,481,941</u>	<u>10,115,087</u>	<u>763,744</u>	<u>2,437,970</u>	<u>21,869,157</u>
Disbursements						
Current:						
General Government	1,226,932				481,764	1,708,696
Public Safety		3,565,362	8,891,898	74,850	31,119	12,563,229
Public Works	697,603				2,088,979	2,786,582
Health	66,461					66,461
Conservation-Recreation	1,119,477					1,119,477
Capital Outlay	1,146,353	92,606	1,138,025	2,126	117,830	2,496,940
Debt Service:						
Principal Retirement					700,830	700,830
Interest and Fiscal Charges					540,628	540,628
<i>Total Disbursements</i>	<u>4,256,826</u>	<u>3,657,968</u>	<u>10,029,923</u>	<u>76,976</u>	<u>3,961,150</u>	<u>21,982,843</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>813,589</u>	<u>(176,027)</u>	<u>85,164</u>	<u>686,768</u>	<u>(1,523,180)</u>	<u>(113,686)</u>
Other Financing Sources (Uses)						
Transfers In		195,622	59,720		1,134,500	1,389,842
Transfers Out	(1,141,842)		(248,000)			(1,389,842)
Other Financing Sources	15,140					15,140
<i>Total Other Financing Sources (Uses)</i>	<u>(1,126,702)</u>	<u>195,622</u>	<u>(188,280)</u>	<u>0</u>	<u>1,134,500</u>	<u>15,140</u>
<i>Net Change in Fund Balances</i>	<u>(313,113)</u>	<u>19,595</u>	<u>(103,116)</u>	<u>686,768</u>	<u>(388,680)</u>	<u>(98,546)</u>
<i>Fund Balances Beginning of Year</i>	<u>12,607,254</u>	<u>420,327</u>	<u>7,850,588</u>	<u>116,273</u>	<u>1,475,742</u>	<u>22,470,184</u>
<i>Fund Balances End of Year</i>	<u>\$12,294,141</u>	<u>\$439,922</u>	<u>\$7,747,472</u>	<u>\$803,041</u>	<u>\$1,087,062</u>	<u>\$22,371,638</u>

See accompanying notes to the basic financial statements

Colerain Township, Hamilton County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
General Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$518,000	\$518,000	\$509,933	(\$8,067)
Licenses, Permits and Fees	800,800	800,800	844,632	43,832
Intergovernmental	1,531,000	1,531,000	2,877,322	1,346,322
Interest	350,000	350,000	615,956	265,956
Other	251,500	251,500	247,960	(3,540)
<i>Total Receipts</i>	3,451,300	3,451,300	5,095,803	1,644,503
Disbursements				
Current:				
General Government	1,948,488	1,948,488	1,296,855	651,633
Public Works	1,364,972	1,364,972	1,329,355	35,617
Health	101,830	101,830	83,186	18,644
Conservation-Recreation	1,391,364	1,391,364	1,164,594	226,770
Capital Outlay	3,709,869	3,709,869	2,026,598	1,683,271
<i>Total Disbursements</i>	8,516,523	8,516,523	5,900,588	2,615,935
<i>Excess of Receipts Over (Under) Disbursements</i>	(5,065,223)	(5,065,223)	(804,785)	4,260,438
Other Financing Sources (Uses)				
Transfers Out	(1,842,650)	(1,842,650)	(1,141,842)	700,808
Other Financing Sources	15,140	15,140	15,140	0
<i>Total Other Financing Sources (Uses)</i>	(1,827,510)	(1,827,510)	(1,126,702)	700,808
<i>Net Change in Fund Balance</i>	(6,892,733)	(6,892,733)	(1,931,487)	4,961,246
<i>Fund Balance Beginning of Year</i>	10,547,351	10,547,351	10,547,351	0
Prior Year Encumbrances Appropriated	2,059,903	2,059,903	2,059,903	0
<i>Fund Balance End of Year</i>	\$5,714,521	\$5,714,521	\$10,675,767	\$4,961,246

See accompanying notes to the basic financial statements

Colerain Township, Hamilton County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Police Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$2,706,065	\$2,680,000	\$2,786,968	\$106,968
Licenses, Permits and Fees	2,000	2,000	5,730	3,730
Fines and Forfeitures	39,038	80,000	85,798	5,798
Intergovernmental	346,818	380,000	494,559	114,559
Other		151,000	108,900	(42,100)
<i>Total Receipts</i>	3,093,921	3,293,000	3,481,955	188,955
Disbursements				
Current:				
Public Safety	3,400,740	3,717,379	3,583,568	133,811
Capital Outlay	105,000	97,486	96,142	1,344
<i>Total Disbursements</i>	3,505,740	3,814,865	3,679,710	135,155
<i>Excess of Receipts Over (Under) Disbursements</i>	(411,819)	(521,865)	(197,755)	324,110
Other Financing Sources (Uses)				
Transfers In	0	104,505	195,622	91,117
<i>Total Other Financing Sources (Uses)</i>	0	104,505	195,622	91,117
<i>Net Change in Fund Balance</i>	(411,819)	(417,360)	(2,133)	415,227
<i>Fund Balance Beginning of Year</i>	354,785	354,785	354,785	0
Prior Year Encumbrances Appropriated	65,542	65,542	65,542	0
<i>Fund Balance End of Year</i>	\$8,508	\$2,967	\$418,194	\$415,227

See accompanying notes to the basic financial statements

Colerain Township, Hamilton County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Fire Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$8,187,540	\$8,187,540	\$8,570,292	\$382,752
Licenses, Permits and Fees	3,000	3,000	13,581	10,581
Intergovernmental	1,200,000	1,200,000	1,416,006	216,006
Other	100,000	100,000	115,208	15,208
<i>Total Receipts</i>	9,490,540	9,490,540	10,115,087	624,547
Disbursements				
Current:				
Public Safety	9,816,544	9,816,544	9,060,750	755,794
Capital Outlay	1,831,614	1,831,614	1,357,281	474,333
<i>Total Disbursements</i>	11,648,158	11,648,158	10,418,031	1,230,127
<i>Excess of Receipts Over (Under) Disbursements</i>	(2,157,618)	(2,157,618)	(302,944)	1,854,674
Other Financing Sources (Uses)				
Transfers In	45,000	45,000	59,720	14,720
Transfers Out			(248,000)	(248,000)
<i>Total Other Financing Sources (Uses)</i>	45,000	45,000	(188,280)	(233,280)
<i>Net Change in Fund Balance</i>	(2,112,618)	(2,112,618)	(491,224)	1,621,394
<i>Fund Balance Beginning of Year</i>	7,627,630	7,627,630	7,627,630	0
Prior Year Encumbrances Appropriated	222,958	222,958	222,958	0
<i>Fund Balance End of Year</i>	\$5,737,970	\$5,737,970	\$7,359,364	\$1,621,394

See accompanying notes to the basic financial statements

Colerain Township, Hamilton County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Ambulance/EMS Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Charges for Services	\$102,000	\$682,000	\$763,744	81,744
<i>Total Receipts</i>	102,000	682,000	763,744	81,744
Disbursements				
Current:				
Public Safety	\$110,000	\$110,000	\$93,640	\$16,360
Capital Outlay	625,000	625,000	2,127	622,873
<i>Total Disbursements</i>	735,000	735,000	95,767	639,233
<i>Excess of Receipts Over (Under) Disbursements</i>	(633,000)	(53,000)	667,977	720,977
<i>Net Change in Fund Balance</i>	(633,000)	(53,000)	667,977	720,977
<i>Fund Balance Beginning of Year</i>	106,348	106,348	106,348	0
Prior Year Encumbrances Appropriated	9,926	9,926	9,926	0
<i>Fund Balance End of Year</i>	(\$516,726)	\$63,274	\$784,251	\$720,977

See accompanying notes to the basic financial statements

Colerain Township
Notes to the Financial Statements
For the Year Ended December 31, 2005

Note 1 – Reporting Entity

Colerain Township, Hamilton County, Ohio (the Township), is a body politic and corporate established in 1794 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, fire and emergency medical services, zoning, maintenance of Township roads and bridges, a Senior and Community Center, and historical cemetery maintenance. Police protection is provided by the Township as well, through a contract with the Hamilton County Sheriff's Office.

B. Related Organization

Component units are legally separate organizations for which the Township is financially accountable. The Township does not have any component units.

The Township participates in a public entity risk pool. Note 9 to the financial statements provide additional information for this entity. This organization is the Ohio Township Association Risk Management Authority.

The financial statements exclude the following entities which perform activities within the Township's boundaries for the benefit of its residents because the Township is not financially accountable for these entities nor are they fiscally dependent on the Township:

- Colerain Township Citizen Police Academy Alumni Association
- Colerain Township Citizen Fire Academy Alumni Association
- Colerain Community Association
- Colerain Township Business Association
- Colerain Historical Society
- Colerain Entertainment Committee

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

Colerain Township
Notes to the Financial Statements
For the Year Ended December 31, 2005
(Continued)

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2C, 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. In the government-wide financial statements Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the modified cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Township's accounting policies.

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 balance 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.

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 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.

Colerain Township
Notes to the Financial Statements
For the Year Ended December 31, 2005
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

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.

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Township's major governmental funds are the General Fund, Police District Fund, Fire District Fund and the Ambulance/EMS Fund. The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio. The Police District Fund receives money from a continuing levy for the operation of a police department which serves the residents of the Township. The Fire District Fund receives money from a continuing levy for the operation of a fire department which serves the residents of the Township. The Ambulance/EMS Fund receives money for emergency medical services/ambulance runs which it provides to the Township residents.

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. 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. Modifications made by the Township are described in Note 2E.

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 expenses and liabilities) are not recorded in these financial statements.

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 resolution, 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.

Colerain Township
Notes to the Financial Statements
For the Year Ended December 31, 2005
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

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

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

The appropriations resolution 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."

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported separately as investments on the Statement of Net Assets and Statement of Modified Cash Basis Assets and Fund Balances, and are included as net assets and fund balances in the Statement of Activities and Statement of Cash Receipts, Disbursements and Changes in Modified Cash Basis Fund Balances, respectfully. Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2005, the Township invested in U.S. Treasury Bills and STAR Ohio. The U.S. Treasury Bills are 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, 2005.

Colerain Township
Notes to the Financial Statements
For the Year Ended December 31, 2005
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

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 2005 were \$615,956.

F. Inventory and Prepaid Items

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

G. Capital Assets

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

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

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 fire/ambulance services, road repairs, recycling, and drug enforcement and education. All levied funds are restricted in their expenditures, in that they can only be used for the operations of the department in which they were voted.

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.

Colerain Township
Notes to the Financial Statements
For the Year Ended December 31, 2005
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

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 and undesignated fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances.

Note 3 – Change in Basis of Accounting and Restatement of Fund Equity

Last year the Township reported fund financial statements by fund type using the regulatory basis of accounting as prescribed by the State Auditor's Office. This year the Township has implemented the modified cash basis of accounting described in Note 2. The fund financial statements now present each major fund in a separate column with nonmajor funds aggregated and presented in a single column, rather than a column for each fund type.

Note 4 – Compliance

The Township did not encumber all disbursement transactions as required by Ohio Revised Code Section 5705.41(D). The Township is implementing corrective procedures.

Note 5 – 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, Police District Fund, Fire District Fund and the Ambulance/EMS 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). The encumbrances outstanding at year end (budgetary basis) amounted to \$1,618,374 for the general fund, for major special revenue funds for the Police District Fund, \$21,728; for the Fire District Fund, \$388,108 and the Ambulance/EMS fund of \$18,790.

Note 6 – 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.

Colerain Township
Notes to the Financial Statements
For the Year Ended December 31, 2005
(Continued)

Note 6 – Deposits and Investments (Continued)

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct 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).
8. Commercial paper and bankers acceptances with appropriate limitations since ORC training requirements have been met.

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

Colerain Township
Notes to the Financial Statements
For the Year Ended December 31, 2005
(Continued)

Note 6 – 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. Payment for investments may be made only upon delivery of the securities representing the investments to the Township or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements."

At year end, the carrying amount of the Township's deposits was \$9,971,638 and the bank balance was \$11,536,831. Of the bank balance \$100,000 was covered by federal depository insurance and \$11,436,831 was uninsured and is collateralized with securities held by the pledging financial institutions trust departments, but not in the Township name. Although all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the Township to a successful claim by the FDIC.

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.

Investments

As of December 31, 2005, the Township had the following investments:

	<u>Carrying Value</u>	<u>Maturity</u>
Federal Home Loan Banks	\$ 1,000,000	11/28/2008
Federal Home Loan Banks	1,000,000	10/30/2006
Federal Home Loan Banks	3,000,000	05/12/2009
Federal National Mortgage Assoc.	1,000,000	03/16/2009
Federal National Mortgage Assoc.	2,000,000	01/30/2007
Federal National Mortgage Assoc.	2,000,000	08/20/2007
STAR Ohio	2,400,000	Average
Total Portfolio	<u>\$12,400,000</u>	

Colerain Township
Notes to the Financial Statements
For the Year Ended December 31, 2005
(Continued)

Note 6 – Deposits and Investments (Continued)

Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Township's investment policy addresses interest rate risk by requiring that the Township's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

STAR Ohio carries a rating of AAAM by Standard and Poor's. The Township has no investment policy dealing with investment credit risk beyond the requirements in state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

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 U.S. Treasury Bills are exposed to custodial credit risk as they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the Township's name. 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 Fiscal Officer, Board of Trustees, or qualified trustee."

Note 7 – Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2005 represent the collection of 2004 taxes. Real property taxes received in 2005 were levied after October 1, 2004, on the assessed values as of January 1, 2004, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2005 represent the collection of 2004 taxes. Public utility real and tangible personal property taxes received in 2005 became a lien on December 31, 2004, were levied after October 1, 2004, 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.

Colerain Township
Notes to the Financial Statements
For the Year Ended December 31, 2005
(Continued)

Note 7 – Property Taxes (Continued)

Tangible personal property tax receipts received in 2005 (other than public utility property) represent the collection of 2005 taxes. Tangible personal property taxes received in 2005 were levied after October 1, 2004, on the true value as of December 31, 2004. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all Township operations for the year ended December 31, 2005, was \$16.18 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2005 property tax receipts were based are as follows:

Real Property	
Residential/ Agriculture	\$1,010,368,020
Other	215,559,930
Public Utility Property	
Personal	28,363,720
Tangible Personal Property	68,213,470
Total Assessed Value	<u><u>\$1,322,505,140</u></u>

Note 8 – Risk Management

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member townships pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Coverage

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. Townships can elect additional coverage, from \$2,000,000 to \$12,000,000 with the General Reinsurance Corporation, through contracts with OTARMA.

Colerain Township
Notes to the Financial Statements
For the Year Ended December 31, 2005
(Continued)

Note 8 – Risk Management (Continued)

If losses exhaust OTARMA's retained earnings, APEEP provides *excess of funds available* coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

Property Coverage

Through 2004, OTARMA retained property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsured losses exceeding \$100,000 up to \$500 million per occurrence. APEEP's Guarantee Fund was responsible for losses and loss adjustment expenses exceeding operating contributions.

Beginning in 2005, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable value. If the stop loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2005 was \$1,682,589.

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.

Members may withdraw on each anniversary of the date they joined OTARMA. They must provide written notice to OTARMA 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contribution, minus the subsequent year's premium. Also upon withdrawal, payments for all property and casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the withdrawal.

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, 2005 and 2004 (the latest information available).

<u>Casualty Coverage</u>	<u>2005</u>	<u>2004</u>
Assets	\$30,485,638	\$28,132,620
Liabilities	(12,344,576)	(11,086,379)
Retained earnings	<u>\$18,141,062</u>	<u>\$17,046,241</u>

Colerain Township
Notes to the Financial Statements
For the Year Ended December 31, 2005
(Continued)

Note 8 – Risk Management (Continued)

<u>Property Coverage</u>	<u>2005</u>	<u>2004</u>
Assets	\$9,177,796	\$7,588,343
Liabilities	(1,406,031)	(543,176)
Retained earnings	<u>\$7,771,765</u>	<u>\$7,045,167</u>

The Casualty Coverage assets and retained earnings above include approximately \$11.6 million and \$10.3 million of unpaid claims to be billed to approximately 950 member townships in the future, as of December 31, 2005 and 2004, respectively. OTARMA will collect these amounts in future annual premium billings when OTARMA's related liabilities are due for payment.

The Township's share of these unpaid claims is approximately \$444,270.

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

Note 9 – Defined Benefit Pension Plan

A. Ohio Public Employees Retirement System

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

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6701 or (800) 222-7377.

Colerain Township
Notes to the Financial Statements
For the Year Ended December 31, 2005
(Continued)

Note 9 – Defined Benefit Pension Plan (Continued)

For the year ended December 31, 2005, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9 percent. The employer contribution rate for pension benefits for 2005 was 9.55 percent, except for those plan members in law enforcement or public safety. For those classifications, the employer's pension contributions were 12.7 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2005, 2004, and 2003 were \$581,710, \$592,709, and \$531,189 respectively. The full amount has been contributed for 2005, 2004 and 2003.

B. Ohio Police and Fire Pension Fund

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

Plan members are required to contribute 10 percent of their annual covered salary to fund pension benefits. Contributions are authorized by State statute. The Township's contributions to OP&F for firefighters were \$863,342 for the year ended December 31, 2005, \$752,757 for the year ended December 31, 2004 and \$719,652 for the year ended December 31, 2003. The full amount has been contributed for 2005, 2004 and 2003.

Note 10 - Postemployment Benefits

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2005 local government employer contribution rate was 13.55 percent of covered payroll (16.7 percent for public safety and law enforcement); 4 percent of covered payroll was the portion that was used to fund health care.

Colerain Township
Notes to the Financial Statements
For the Year Ended December 31, 2005
(Continued)

Note 10 - Postemployment Benefits (Continued)

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2004, include a rate of return on investments of 8 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between 0.50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 1 to 6 percent annually for the next eight years and 4 percent annually after eight years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 376,109. Actual Township contributions for 2005 which were used to fund postemployment benefits were \$581,710. The actual contribution and the actuarially required contribution amounts are the same. The actuarial value of OPERS's net assets available for payment of benefits at December 31, 2004, (the latest information available) was \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.5 billion and \$18.7 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs. Member and employer contribution rates increased as of January 1, 2006, which will allow additional funds to be allocated to the health care plan.

B. Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in *GASB Statement No. 12*. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2005 and 2004. In addition, since July 1, 1992, most retirees and survivors have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

Colerain Township
Notes to the Financial Statements
For the Year Ended December 31, 2005
(Continued)

Note 10 - Postemployment Benefits (Continued)

The Township's actual contributions for 2005 that were used to fund postemployment health care benefits were \$863,342 for firefighters. The OP&F's total health care expense for the year ended December 31, 2004, (the latest information available) was \$102,173,796, which was net of member contributions of \$55,665,341. The number of OP&F participants eligible to receive health care benefits as of December 31, 2004, was 13,812 for police and 10,528 for firefighters.

Note 11 - Notes Payable

A summary of the note transactions for the year ended December 31, 2005, follows:

	Interest Rate	Balance December 31, 2004	Additions	Reductions	Balance December 31, 2005
Colerain Square Tax Increment Financing Note	6.5%	\$ 373,000	0	\$116,000	\$ 257,000
Colerain Target Tax Increment Financing Note	4.5%	1,161,410	0	144,830	1,016,580
Total		\$1,534,410	\$0	\$260,830	\$1,273,580

The Colerain Square Ohio Tax Increment Financing (TIF) Revenue Note was issued on July 9, 1998 with a total face value of \$965,000. The Service Agreement and Trust Agreement related to this Note were amended on July 1, 2001. This TIF was issued as provided for by Ohio Revised Code Sections 5709.73 through 5709.75, and pursuant to a resolution adopted by the Board of Trustees on December 9, 1997.

The Developer is Colerain Associates LTD, an Ohio limited liability company. The Developer and the Township entered into the original Service Agreement dated July 1, 1998. The note was issued to finance construction of public improvements to an 18.284 acre parcel #510-182-58 known as the "Lowe's Parcel." The improvements were intended to be used principally for commercial purposes. The Developer, its successors, assigns and transferees commenced Service Payments on the first date for payment of real property taxes after the calendar year with respect to which the improvements would first have been assessed for real property taxes had an exemption with respect to the improvements not been applied for by the Developer and allowed under Sections 5709.73 through 5709.75, Ohio Revised Code, and shall continue to make Service Payments no later than the final date for payment of real property taxes in such year and each year thereafter until termination or expiration of the agreement. The related activity for this Note is included in the Township's Special Revenue Fund Type included within the accompanying financial statements.

Colerain Township
Notes to the Financial Statements
For the Year Ended December 31, 2005
(Continued)

Note 11 - Notes Payable (Continued)

The Target Ohio Tax Increment Financing (TIF) Revenue Bonds were issued on October 15, 2002 with a total face value of \$1,300,000. These Bonds were issued as provided for by Ohio Revised Code Sections 5709.73 through 5609.75, and pursuant to a resolution adopted by the Board of Trustees on September 10, 2002. The Bonds were issued to provide funds to pay the cost of constructing road, lighting, landscaping, water, sewer, storm sewer and related improvements to Poole Road. These Bonds are negotiable instruments but do not constitute a general obligation or debt of the Township, the State of Ohio or any political subdivision thereof, and neither the general credit nor taxing power of the Township, the State of Ohio, or any political subdivision therefore are pledged for the payment of the principal of, or interest and any premium on, these Bonds. Such principal, interest and premium are payable solely from moneys pledged to the Trust Agreement, and the Holder hereof does not and shall not have any right to have excises or taxes levied by the Township, the General Assembly of Ohio, or the taxing authority of any political subdivision thereof, for the payment of such principal, interest and premium. The Township's resolution dated September 10, 2002 states that nothing herein shall be deemed to prohibit the Township from lawfully using, of its own volition, any of its general resources for the fulfillment of any of the terms and conditions of the Authorizing Legislation or the Bonds. These Bonds are not secured by the full faith and credit of the Township. Target Corporation, a Minnesota corporation (the "Developer") will cause to be issued and delivered to the Trustee (Fifth Third Bank of Cincinnati) by a bank acceptable to the original purchaser an irrevocable standby letter of credit pursuant to which the Trustee is entitled to draw up to (a) the principal amount of the Bonds outstanding to enable the Trustee to pay the principal amount of the Bonds when due at maturity or upon redemption or acceleration in the occurrence of an event of default, plus (b) the amount of interest due on the Bonds computed at the of interest on the Bonds for a period of 195 days to enable the Trustee to pay interest due on the Bonds. The related activity for these Bonds is included in the Township's Special Revenue Fund Type included within the accompanying financial statements.

All note proceeds had been spent at December 31, 2005.

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

Year ending December 31:	Colerain Square TIF Revenue Notes	Target TIF Revenue Notes	Grand Totals
2006	141,705	197,096	338,801
2007	143,580	197,095	340,675
2008		197,088	197,088
2009		197,091	197,091
2010 - 2014		394,187	394,187
	<u>\$285,285</u>	<u>\$1,182,557</u>	<u>\$1,467,842</u>
Totals			

Colerain Township
Notes to the Financial Statements
For the Year Ended December 31, 2005
(Continued)

Note 12 – Debt

The Township's long-term debt activity for the year ended December 31, 2005, was as follows:

	Interest Rate	Balance December 31, 2004	Additions	Reductions	Balance December 31, 2005	Due Within One Year
Building Improvement Bonds	3% -5%	\$2,500,000	\$0	\$105,000	\$2,395,000	\$105,000
Fire Department Bonds	3% -5%	2,825,000	0	115,000	2,710,000	120,000
Park Bonds	3% -5%	3,585,000	0	150,000	3,435,000	150,000
Building Improvement Refunding Bonds	2.75% - 4.75%	1,020,000	0	70,000	950,000	70,000
Totals		<u>\$9,930,000</u>	<u>\$0</u>	<u>\$440,000</u>	<u>\$9,490,000</u>	<u>\$445,000</u>

The Building Improvement Bonds were issued December 15, 2001 for the purpose of relocating the Township's Public Works Department. The bonds are collateralized solely by the Township's taxing authority.

The Fire Department Bonds were issued December 15, 2001 for the purpose of building and rehabbing Township fire stations. The bonds are collateralized solely by the Township's taxing authority.

The Park Bonds were issued December 1, 2001 for the purpose of improving the East Miami River Road Park. The bonds are collateralized solely by the Township's taxing authority.

The Building Improvement Refunding Bonds were issued September 1, 2001 for the purpose of refinancing notes originally issued in 1997 to finance construction of a governmental complex building. The bonds are collateralized solely by the Township's taxing authority.

The following is a summary of the Township's future annual debt service requirements, including interest:

Year ending December 31:	Public Works Building Improvement Bonds	Fire Department Bonds	Parks Department Bonds	Building Improvement Refunding Bonds	Totals
2006	\$219,938	\$250,080	\$314,620	\$110,148	\$894,786
2007	221,210	250,820	319,295	112,733	904,058
2008	222,030	251,070	318,215	109,995	901,310
2009	222,430	250,870	316,615	112,108	902,023
2010	222,450	250,268	314,560	108,908	896,186
2011-2015	1,104,600	1,248,000	1,583,028	554,470	4,490,098
2016 - 2020	1,100,528	1,246,913	1,585,958	109,988	4,043,387
2021 - 2022	220,500	252,000	315,000		787,500
Totals:	<u>\$3,533,686</u>	<u>\$4,000,021</u>	<u>\$5,067,291</u>	<u>\$1,218,350</u>	<u>\$13,819,348</u>

Colerain Township
Notes to the Financial Statements
For the Year Ended December 31, 2005
(Continued)

Note 12 – Debt (Continued)

The Ohio Revised Code provides that net general obligation debt of the Township, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the Township. The Revised Code further provides that total voted and unvoted net debt of the Township less the same exempt debt shall never exceed amount equal to 10.5 percent of its tax valuation. The effects of the debt limitations at December 31, 2005, were an overall debt margin of \$129,373,040 and an unvoted debt margin of \$63,247,783.

Note 13 – Interfund Transfers

During 2005 the following transfers were made:

Transfers from the General Fund To:

Bond/Note Retirement	\$ 636,500
Fire District	59,720
Police District	195,622
Zoning	250,000
Total:	<u>1,141,842</u>

Transfer from the Fire Fund To:

Fire Debt Service	248,000
Total Transfers	<u><u>\$1,389,842</u></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.

Transfers to the Fire District are monies received as rent of the Colerain Township Training Center, which they maintain.

Transfers to the Police District included monies for salaries and other operating expenses.

Note 14 – Construction and Contractual Commitments

The Township is currently under contract for the construction of Heritage Park, Phase I, a 126 acre park on East Miami River Road. At December 31, 2005, the amount remaining on the contract was \$54,194.

Note 15 – Contingent Liabilities

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

Colerain Township
Notes to the Financial Statements
For the Year Ended December 31, 2005
(Continued)

Note 15 – Contingent Liabilities (Continued)

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

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**Auditor of State
Betty Montgomery**

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

Colerain Township
Hamilton County
4200 Springdale Road
Cincinnati, Ohio 45251

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Colerain Township, Hamilton County, Ohio (the Township), as of and for the year ended December 31, 2005, which collectively comprise the Government's basic financial statements and have issued our report thereon dated October 24, 2006. We noted the Township revised its financial presentation comparable to the requirements of Governmental Accounting Standard No 34, *Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments*. We also noted the Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We 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 to determine our auditing procedures in order to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the Township's management dated October 24, 2006, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

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 an instance of noncompliance that we must report under *Government Auditing Standard* which is described in the accompanying schedule of findings as item 2005-001. In a separate letter to the Township's management dated October 24, 2006, we reported other matters related to noncompliance we deemed immaterial.

We intend this report solely for the information and use of management and the Board of Trustees. It is not intended for anyone other than these specified parties.



Betty Montgomery
Auditor of State

October 24, 2006

**COLERAIN TOWNSHIP
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2005**

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

FINDING NUMBER 2005-001

Ohio Revised Code, § 5705.41(D)(1), prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. "Then and Now" certificate – If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Township can authorize the drawing of a warrant for the payment of the amount due. The Township has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Township.

2. Blanket Certificate – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. Super Blanket Certificate – The Township may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

Twenty-two (22%) percent of the transactions tested were not certified by the fiscal officer at the time the commitment was incurred. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

Unless the exceptions noted above are used properly, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Township's funds exceeding budgetary spending limitations, we recommend that the Clerk certify that the funds are or will be available prior to obligation by the Township. When prior certification is not possible, "then and now" certification should be used.

**FINDING NUMBER 2005-001
(Continued)**

We recommend the Township certify purchases to which section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language 5705.41(D) requires to authorize disbursements. The fiscal officer should sign the certification at the time the Township incurs a commitment, and only when the requirements of 5705.41(D) are satisfied. The fiscal officer should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

Officials' Response

We understand that funds are not to be committed until the Fiscal Officer certified that the funds are available. We acted swiftly on the local audit team's first mention of this and re-trained appropriate staff so that they understand the necessity of receiving certification before committing funds. We have implemented internal controls to this end, including the utilization of "blanket" and "super blanket" purchase orders.

**COLERAIN TOWNSHIP
HAMILTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2005**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2003-001	A finding for recovery was issued against a former employee in the amount of \$237.83 for using a Township telephone to make personal toll and long distance calls.	The finding for recovery has not been repaid.	The Ohio Attorney General and the Township's legal counsel have been informed of the finding for recovery.



**Auditor of State
Betty Montgomery**

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COLERAIN TOWNSHIP

HAMILTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 21, 2006**