

COLERAIN TOWNSHIP  
ROSS COUNTY, OHIO

Audited Financial Statements

For the Years Ended December 31, 2007 and 2006





Mary Taylor, CPA  
Auditor of State

Board of Trustees  
Colerain Township  
656 Spencer Road  
Kingston, Ohio 45644-9516

We have reviewed the *Independent Accountant's Report* of Colerain Township, Ross County, prepared by Van Kregel and Company, CPA's, for the audit period January 1, 2006 through December 31, 2007. 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. Colerain Township is responsible for compliance with these laws and regulations.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

January 13, 2009

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**Colerain Township  
Ross County, Ohio**

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Ross County, Ohio**

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**INDEPENDENT ACCOUNTANT'S REPORT**

Colerain Township  
Ross County  
656 Spencer Road  
Kingston, Ohio 45644-9516

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, Ross County, Ohio (the Township), as of and for the years ended December 31, 2007 and 2006, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Township's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund and the aggregate remaining fund information of Colerain Township, Ross County, Ohio, as of December 31, 2007 and 2006, and the respective changes in cash financial position and the respective budgetary comparisons for the General, Gasoline Tax, Road and Bridge, and Special Fire Levy Funds thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Governmental Auditing Standards*, we have also issued our report dated November 10, 2008, 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 audits.

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Colerain Township  
Ross County, Ohio  
Independent Accountant's Report

The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America have determined is necessary to supplement, although not required to be part of, the financial statements.

Van Krevel & Company  
Dublin, Ohio

November 10, 2008



**Colerain Township  
Ross County, Ohio**

**Statement of Net Assets –Cash Basis  
December 31, 2007**

	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 529,732</u>
<i>Total Assets</i>	<u><u>\$ 529,732</u></u>
<b>Net Assets</b>	
Restricted for:	
Capital Projects	\$ 170,756
Other Purposes	201,663
Unrestricted	<u>157,313</u>
<i>Total Net Assets</i>	<u><u>\$ 529,732</u></u>

**Colerain Township  
Ross County, Ohio**

**Statement of Activities- Cash Basis  
For the Year Ended December 31, 2007**

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	
<b>Governmental Activities</b>				
General Government	\$ 74,853	\$ -	\$ -	\$ (74,853)
Public Safety	64,182	-	500	(63,682)
Public Works	152,047	-	95,754	(56,293)
Capital Outlay	46,349	-	-	(46,349)
<i>Total Governmental Activities</i>	\$ 337,431	\$ -	\$ 96,254	(241,177)
<b>General Receipts</b>				
Property Taxes				142,419
Grants and Entitlements not Restricted to Specific Programs				110,051
Earnings on Investments				24,469
Sale of Fixed Assets				57
Miscellaneous				1,402
				1,402
<i>Total General Receipts</i>				278,398
Change in Net Assets				37,221
<i>Net Assets Beginning of Year</i>				492,511
				492,511
<i>Net Assets End of Year</i>				\$ 529,732
				\$ 529,732

**Colerain Township  
Ross County, Ohio**

**Statement of Cash Basis Assets and Fund Balances  
Governmental Funds  
December 31, 2007**

	General Fund	Gasoline Tax Fund	Road and Bridge Fund	Special Fire Levy Fund	Capital Projects Fire EMS Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>							
Equity in Pooled Cash and Cash Equivalents	\$ 157,313	\$ 100,615	\$ 43,059	\$ 54,373	\$ 170,756	\$ 3,616	\$ 529,732
<i>Total Assets</i>	<u>\$ 157,313</u>	<u>\$ 100,615</u>	<u>\$ 43,059</u>	<u>\$ 54,373</u>	<u>\$ 170,756</u>	<u>\$ 3,616</u>	<u>\$ 529,732</u>
<b>Fund Balances</b>							
Unreserved:							
Undesignated, Reported in:							
General Fund	\$ 157,313	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 157,313
Special Revenue Funds	-	100,615	43,059	54,373	-	3,616	201,663
Capital Projects Funds	-	-	-	-	170,756	-	170,756
<i>Total Fund Balances</i>	<u>\$ 157,313</u>	<u>\$ 100,615</u>	<u>\$ 43,059</u>	<u>\$ 54,373</u>	<u>\$ 170,756</u>	<u>\$ 3,616</u>	<u>\$ 529,732</u>

**Colerain Township  
Ross County, Ohio**

**Statement of Receipts, Disbursements and Changes in Cash Basis Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2007**

	General	Gasoline Tax Fund	Road and Bridge Fund	Special Fire Levy Fund	Capital Projects Fire EMS Fund	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>							
Property and Other Local Taxes	\$ 23,822	\$ -	\$ 15,201	\$ 103,396	\$ -	\$ -	\$ 142,419
Intergovernmental	43,668	88,980	32,898	14,735		25,524	205,805
Earnings on Investments	20,588	3,678				203	24,469
Miscellaneous	55		466	1,381	-		1,902
<i>Total Receipts</i>	<u>88,133</u>	<u>92,658</u>	<u>48,565</u>	<u>119,512</u>	<u>-</u>	<u>25,727</u>	<u>374,595</u>
<b>Disbursements</b>							
Current:							
General Government	71,754	600	-	2,499	-	-	74,853
Public Safety	-	-		64,182		-	64,182
Public Works	21,046	65,627	60,722			4,652	152,047
Capital Outlay		10,000	17,599	-	-	18,750	46,349
<i>Total Disbursements</i>	<u>92,800</u>	<u>76,227</u>	<u>78,321</u>	<u>66,681</u>	<u>-</u>	<u>23,402</u>	<u>337,431</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(4,667)</u>	<u>16,431</u>	<u>(29,756)</u>	<u>52,831</u>	<u>-</u>	<u>2,325</u>	<u>37,164</u>
<b>Other Financing Sources (Uses)</b>							
Transfers In	-	-	-		170,756	-	170,756
Transfers Out	(15,756)			(155,000)		-	(170,756)
Sale of Fixed Assets			57				57
<i>Total Other Fin Sources (Uses)</i>	<u>(15,756)</u>	<u>-</u>	<u>57</u>	<u>(155,000)</u>	<u>170,756</u>	<u>-</u>	<u>57</u>
<i>Net Change in Fund Balances</i>	<u>(20,423)</u>	<u>16,431</u>	<u>(29,699)</u>	<u>(102,169)</u>	<u>170,756</u>	<u>2,325</u>	<u>37,221</u>
<i>Fund Balances Beginning of Year</i>	<u>177,736</u>	<u>84,184</u>	<u>72,758</u>	<u>156,542</u>	<u>-</u>	<u>1,291</u>	<u>492,511</u>
<i>Fund Balances End of Year</i>	<u>\$ 157,313</u>	<u>\$ 100,615</u>	<u>\$ 43,059</u>	<u>\$ 54,373</u>	<u>\$ 170,756</u>	<u>\$ 3,616</u>	<u>\$ 529,732</u>

**Colerain Township  
Ross County, Ohio**

**Statement of Receipts, Disbursements and Changes in Fund Balances  
Budget and Actual – Budget Basis  
General Fund  
For the Year Ended December 31, 2007**

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$ 24,814	\$ 24,814	\$ 23,822	\$ (992)
Intergovernmental	42,336	42,336	43,668	1,332
Earnings on Investments	3,000	17,392	20,588	3,196
Miscellaneous			55	55
<i>Total receipts</i>	<u>70,150</u>	<u>84,542</u>	<u>88,133</u>	<u>3,591</u>
<b>Disbursements</b>				
Current:				
General Government	100,950	100,950	71,754	29,196
Public Works	73,000	73,000	21,046	51,954
Capital Outlay	50,000	50,000		50,000
<i>Total Disbursements</i>	<u>223,950</u>	<u>223,950</u>	<u>92,800</u>	<u>131,150</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(153,800)</u>	<u>(139,408)</u>	<u>(4,667)</u>	<u>134,741</u>
<b>Other Financing Uses</b>				
Transfers Out	(20,000)	(20,000)	(15,756)	4,244
<i>Total Other Financing Sources (Uses)</i>	<u>(20,000)</u>	<u>(20,000)</u>	<u>(15,756)</u>	<u>4,244</u>
<i>Net Change in Fund Balance</i>	(173,800)	(159,408)	(20,423)	138,985
<i>Fund Balance Beginning of Year</i>	<u>177,736</u>	<u>177,736</u>	<u>177,736</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 3,936</u>	<u>\$ 18,328</u>	<u>\$ 157,313</u>	<u>\$ 138,985</u>

**Colerain Township  
Ross County, Ohio**

**Statement of Receipts, Disbursements and Changes in Fund Balances  
Budget and Actual – Budget Basis  
Gasoline Tax Fund  
For the Year Ended December 31, 2007**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Intergovernmental	\$ 79,700	\$ 79,700	\$ 88,980	\$ 9,280
Earnings on Investments			3,678	3,678
Miscellaneous				-
<i>Total receipts</i>	<u>79,700</u>	<u>79,700</u>	<u>92,658</u>	<u>12,958</u>
<b>Disbursements</b>				
Current:				
General Government	1,200	1,200	600	600
Public Works	148,650	148,650	65,627	83,023
Capital Outlay	10,000	10,000	10,000	-
<i>Total Disbursements</i>	<u>159,850</u>	<u>159,850</u>	<u>76,227</u>	<u>83,623</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(80,150)</u>	<u>(80,150)</u>	<u>16,431</u>	<u>96,581</u>
<i>Net Change in Fund Balance</i>	(80,150)	(80,150)	16,431	96,581
<i>Fund Balance Beginning of Year</i>	<u>84,184</u>	<u>84,184</u>	<u>84,184</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 4,034</u>	<u>\$ 4,034</u>	<u>\$ 100,615</u>	<u>\$ 96,581</u>

**Colerain Township  
Ross County, Ohio**

**Statement of Receipts, Disbursements and Changes in Fund Balances  
Budget and Actual – Budget Basis  
Road and Bridge Fund  
For the Year Ended December 31, 2007**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$ 15,794	\$ 15,794	\$ 15,201	\$ (593)
Intergovernmental	6,856	31,045	32,898	1,853
Miscellaneous			466	466
<i>Total receipts</i>	<u>22,650</u>	<u>46,839</u>	<u>48,565</u>	<u>1,726</u>
<b>Disbursements</b>				
Current:				
Public Works	90,900	90,900	60,722	30,178
Capital Outlay	-	24,000	17,599	6,401
<i>Total Disbursements</i>	<u>90,900</u>	<u>114,900</u>	<u>78,321</u>	<u>36,579</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(68,250)</u>	<u>(68,061)</u>	<u>(29,756)</u>	<u>38,305</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Fixed Assets			57	57
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>57</u>	<u>57</u>
<i>Net Change in Fund Balance</i>	(68,250)	(68,061)	(29,699)	38,362
<i>Fund Balance Beginning of Year</i>	<u>72,758</u>	<u>72,758</u>	<u>72,758</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 4,508</u>	<u>\$ 4,697</u>	<u>\$ 43,059</u>	<u>\$ 38,362</u>

**Colerain Township  
Ross County, Ohio**

**Statement of Receipts Disbursements and Changes in Fund Balances  
Budget and Actual – Budget Basis  
Special Fire Levy Fund  
For the Year Ended December 31, 2007**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$ 106,587	\$ 106,587	\$ 103,396	\$ (3,191)
Intergovernmental	2,551	2,551	14,735	12,184
Miscellaneous		8,800	1,381	(7,419)
<i>Total receipts</i>	<u>109,138</u>	<u>117,938</u>	<u>119,512</u>	<u>1,574</u>
<b>Disbursements</b>				
Current:				
General Government	3,500	3,500	2,499	1,001
Public Safety	104,551	104,551	64,182	40,369
<i>Total Disbursements</i>	<u>108,051</u>	<u>108,051</u>	<u>66,681</u>	<u>41,370</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	1,087	9,887	52,831	42,944
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(155,000)	(155,000)	(155,000)	-
<i>Total Other Financing Sources (Uses)</i>	(155,000)	(155,000)	(155,000)	-
<i>Net Change in Fund Balance</i>	<u>(153,913)</u>	<u>(145,113)</u>	<u>(102,169)</u>	<u>42,944</u>
<i>Fund Balance Beginning of Year</i>	<u>156,542</u>	<u>156,542</u>	<u>156,542</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 2,629</u>	<u>\$ 11,429</u>	<u>\$ 54,373</u>	<u>\$ 42,944</u>



**Colerain Township  
Ross County, Ohio**

**Statement of Net Assets –Cash Basis  
December 31, 2006**

	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 492,511</u>
<i>Total Assets</i>	<u><u>\$ 492,511</u></u>
<b>Net Assets</b>	
Restricted for:	
Other Purposes	314,775
Unrestricted	<u>177,736</u>
<i>Total Net Assets</i>	<u><u>\$ 492,511</u></u>

**Colerain Township  
Ross County, Ohio**

**Statement of Activities- Cash Basis  
For the Year Ended December 31, 2006**

		Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>				
General Government	\$ 60,039	\$ -	\$ -	\$ (60,039)
Public Safety	67,111	810	2,450	(63,851)
Public Works	111,364	-	93,080	(18,284)
Capital Outlay	976	-	-	(976)
<i>Total Governmental Activities</i>	\$ 239,490	\$ 810	\$ 95,530	(143,150)
 <b>General Receipts</b>				
Property Taxes				134,399
Grants and Entitlements not Restricted to Specific Programs				142,530
Earnings on Investments				15,893
Miscellaneous				392
<i>Total General Receipts</i>				293,214
Change in Net Assets				150,064
<i>Net Assets Beginning of Year</i>				342,447
<i>Net Assets End of Year</i>				\$ 492,511

**Colerain Township  
Ross County, Ohio**

**Statement of Cash Basis Assets and Fund Balances  
Governmental Funds  
December 31, 2006**

	General	Gasoline Tax Fund	Road and Bridge Fund	Special Fire Levy Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Equity in Pooled Cash and Cash Equivalents	\$ 177,736	\$ 84,184	\$ 72,758	\$ 156,542	\$ 1,291	\$ 492,511
<i>Total Assets</i>	<u>\$ 177,736</u>	<u>\$ 84,184</u>	<u>\$ 72,758</u>	<u>\$ 156,542</u>	<u>\$ 1,291</u>	<u>\$ 492,511</u>
<b>Fund Balances</b>						
Unreserved:						
Undesignated, Reported in:						
General Fund	\$ 177,736	\$ -	\$ -	\$ -	\$ -	\$ 177,736
Special Revenue Funds	-	84,184	72,758	156,542	1,291	314,775
Capital Projects Funds	-	-	-	-	-	0
<i>Total Fund Balances</i>	<u>\$ 177,736</u>	<u>\$ 84,184</u>	<u>\$ 72,758</u>	<u>\$ 156,542</u>	<u>\$ 1,291</u>	<u>\$ 492,511</u>

**Colerain Township  
Ross County, Ohio**

**Statement of Receipts, Disbursements and Changes in Cash Basis Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2006**

	General	Gasoline Tax Fund	Road and Bridge Fund	Special Fire Levy Fund	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>						
Property and Other Local Taxes	\$ 22,745	\$ -	\$ 14,308	\$ 97,346	\$ -	\$ 134,399
Charges for Services		-	-	810	-	810
Intergovernmental	48,621	86,201	71,016	22,850	6,879	235,567
Earnings on Investments	13,403	2,308	-	-	182	15,893
Miscellaneous	43	-	392	2,450		2,885
<i>Total Receipts</i>	<u>84,812</u>	<u>88,509</u>	<u>85,716</u>	<u>123,456</u>	<u>7,061</u>	<u>389,554</u>
<b>Disbursements</b>						
Current:						
General Government	57,274	282	-	2,483		60,039
Public Safety	-	-		67,111	-	67,111
Public Works	10,241	70,517	23,106	-	7,500	111,364
Capital Outlay	976		-		-	976
<i>Total Disbursements</i>	<u>68,491</u>	<u>70,799</u>	<u>23,106</u>	<u>69,594</u>	<u>7,500</u>	<u>239,490</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>16,321</u>	<u>17,710</u>	<u>62,610</u>	<u>53,862</u>	<u>(439)</u>	<u>150,064</u>
<i>Net Change in Fund Balances</i>	16,321	17,710	62,610	53,862	(439)	150,064
<i>Fund Balances Beginning of Year</i>	<u>161,415</u>	<u>66,474</u>	<u>10,148</u>	<u>102,680</u>	<u>1,730</u>	<u>342,447</u>
<i>Fund Balances End of Year</i>	<u>\$ 177,736</u>	<u>\$ 84,184</u>	<u>\$ 72,758</u>	<u>\$ 156,542</u>	<u>\$ 1,291</u>	<u>\$ 492,511</u>

**Colerain Township  
Ross County, Ohio**

**Statement of Receipts, Disbursements and Changes in Fund Balances  
Budget and Actual – Budget Basis  
General Fund  
For the Year Ended December 31, 2006**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$ 23,801	\$ 23,801	\$ 22,745	\$ (1,056)
Intergovernmental	40,938	42,150	48,621	6,471
Earnings on Investments	1,000	5,922	13,403	7,481
Miscellaneous	-	-	43	43
<i>Total receipts</i>	<u>65,739</u>	<u>71,873</u>	<u>84,812</u>	<u>12,939</u>
<b>Disbursements</b>				
Current:				
General Government	85,450	85,450	57,274	28,176
Public Works	60,000	60,000	10,241	49,759
Health	31,000	31,000		31,000
Capital Outlay	50,000	50,000	976	49,024
<i>Total Disbursements</i>	<u>226,450</u>	<u>226,450</u>	<u>68,491</u>	<u>157,959</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(160,711)</u>	<u>(154,577)</u>	<u>16,321</u>	<u>170,898</u>
<i>Fund Balance Beginning of Year</i>	<u>161,415</u>	<u>161,415</u>	<u>161,415</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 704</u>	<u>\$ 6,838</u>	<u>\$ 177,736</u>	<u>\$ 170,898</u>

**Colerain Township  
Ross County, Ohio**

**Statement of Receipts, Disbursements and Changes in Fund Balances  
Budget and Actual – Budget Basis  
Gasoline Tax Fund  
For the Year Ended December 31, 2006**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Intergovernmental	\$ 79,200	\$ 79,200	\$ 86,201	\$ 7,001
Earnings on Investments			2,308	2,308
<i>Total receipts</i>	79,200	79,200	88,509	9,309
<b>Disbursements</b>				
Current:				
General Government	1,000	1,000	282	718
Public Works	112,400	112,400	70,517	41,883
Capital Outlay	25,000	25,000		25,000
<i>Total Disbursements</i>	138,400	138,400	70,799	67,601
<i>Excess of Receipts Over (Under) Disbursements</i>	(59,200)	(59,200)	17,710	76,910
<i>Fund Balance Beginning of Year</i>	66,474	66,474	66,474	-
<i>Fund Balance End of Year</i>	\$ 7,274	\$ 7,274	\$ 84,184	\$ 76,910

**Colerain Township  
Ross County, Ohio**

**Statement of Receipts Disbursements and Changes in Fund Balances  
Budget and Actual – Budget Basis  
Road and Bridge Fund  
For the Year Ended December 31, 2006**

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$ 15,027	\$ 15,027	\$ 14,308	\$ (719)
Intergovernmental	6,894	69,738	71,016	1,278
Miscellaneous			392	392
<i>Total receipts</i>	<u>21,921</u>	<u>84,765</u>	<u>85,716</u>	<u>951</u>
<b>Disbursements</b>				
Current:				
Public Works	<u>30,900</u>	<u>30,900</u>	<u>23,106</u>	<u>7,794</u>
<i>Total Disbursements</i>	<u>30,900</u>	<u>30,900</u>	<u>23,106</u>	<u>7,794</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(8,979)</u>	<u>53,865</u>	<u>62,610</u>	<u>8,745</u>
<i>Net Change in Fund Balance</i>	(8,979)	53,865	62,610	8,745
<i>Fund Balance Beginning of Year</i>	<u>10,148</u>	<u>10,148</u>	<u>10,148</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 1,169</u>	<u>\$ 64,013</u>	<u>\$ 72,758</u>	<u>\$ 8,745</u>

**Colerain Township  
Ross County, Ohio**

**Statement of Receipts Disbursements and Changes in Fund Balances  
Budget and Actual – Budget Basis  
Special Fire Levy Fund  
For the Year Ended December 31, 2006**

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$ 101,679	\$ 101,679	\$ 97,346	\$ (4,333)
Charges for Services			810	810
Intergovernmental	1,071	12,041	22,850	10,809
Miscellaneous			2,450	2,450
<i>Total receipts</i>	<u>102,750</u>	<u>113,720</u>	<u>123,456</u>	<u>9,736</u>
<b>Disbursements</b>				
Current:				
General Government	2,500	2,500	2,483	17
Public Safety	84,001	87,001	67,111	19,890
Capital Outlay	115,000	115,000		115,000
<i>Total Disbursements</i>	<u>201,501</u>	<u>204,501</u>	<u>69,594</u>	<u>134,907</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(98,751)</u>	<u>(90,781)</u>	<u>53,862</u>	<u>144,643</u>
<i>Fund Balance Beginning of Year</i>	<u>102,680</u>	<u>102,680</u>	<u>102,680</u>	
<i>Fund Balance End of Year</i>	<u>\$ 3,929</u>	<u>\$ 11,899</u>	<u>\$ 156,542</u>	<u>\$ 144,643</u>



**Colerain Township  
Ross County, Ohio**

**Notes to the Financial Statements  
December 31, 2007 and 2006**

**NOTE 1 REPORTING ENTITY**

Colerain Township, Ross County, Ohio (the Township) is a body corporate and politic 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 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 governmental services, including road and bridge maintenance, fire protection and emergency services. The Township contracts with the Village of Laurelville, Green Township, Salt Creek Tarlton Volunteer Fire Department and the Pickaway County Volunteer Firefighters Association to provide mutual assisted fire services.

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

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A Basis of Presentation**

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

**Colerain Township  
Ross County, Ohio**

**Notes to the Financial Statements  
December 31, 2007 and 2006**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Government Wide Financial Statements

The statements of net assets and the statements 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 statements of net assets present the cash and investment balances of the governmental activities of the Township at year end. The statements of activities compare 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 are 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 activity is self-financing on a cash basis or draws from the Township's general receipts.

Fund Financial Statements

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

**B Fund Accounting**

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

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g., grants) and other non exchange transactions as governmental funds. The Township's major governmental funds are the General Fund, Gasoline Tax Fund, Road and Bridge Fund, Special Fire Levy Fund, and Fire/EMS Capital Projects Fund.

**Colerain Township  
Ross County, Ohio**

**Notes to the Financial Statements  
December 31, 2007 and 2006**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**B Fund Accounting** (continued)

Governmental Funds (continued)

*General 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 laws of the State of Ohio.

*Gasoline Tax Fund* – This fund receives gasoline tax monies used to pay for constructing, maintaining and repairing Township roads and bridges

*Road and Bridge Fund* – This fund receives tax monies used to pay for constructing, maintaining and repairing Townships roads and bridges.

*Special Fire Levy Fund* – This fund receives fire tax levy monies and intergovernmental receipts for the purpose of providing fire and emergency medical services to the residents of the Township.

*Fire/EMS Capital Projects Fund* – This fund receives monies from the General Fund and Special Fire Levy Fund to accumulate resources for the purchase of emergency vehicles.

*Other Governmental Funds* – The other governmental funds of the Township account for grants and other resources whose uses are 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.

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

**D Budgetary Process**

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

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

**Colerain Township  
Ross County, Ohio**

**Notes to the Financial Statements  
December 31, 2007 and 2006**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**D Budgetary Process** (continued)

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

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

**E Cash and Investments**

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

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

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts, respectively.

During 2007 and 2006, the Township invested in nonnegotiable certificates of deposit. The certificates of deposit are recorded at cost.

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 2007 and 2006 were \$20,588 and \$13,403, respectively.

**F Restricted Assets**

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets represent all funds with the exception of the General Fund.

**Colerain Township  
Ross County, Ohio**

**Notes to the Financial Statements  
December 31, 2007 and 2006**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**G Inventory and Prepaid Items**

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

**H 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.

**I Interfund Receivables/Payables**

The Township reports advances in and advances out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

**J 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 basis of accounting.

**K Employer Contributions to Cost Sharing Pension Plans**

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

**L 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 maintaining and repairing Township roads, cemetery maintenance and providing fire protection and emergency medical services. 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.

**M Interfund Transactions**

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

**Colerain Township  
Ross County, Ohio**

**Notes to the Financial Statements  
December 31, 2007 and 2006**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**N Fund Balance Reserve**

The Township reserves any portion of fund balances which is not available or which is legally segregated for a specific future use. The Statement of Cash Basis Assets and Fund Balances reports no reserve for encumbrances for the Township for 2007 or 2006. Unreserved fund balance indicates that portion of the fund balance which is available for appropriation in future periods.

**NOTE 3 BUDGETARY BASIS OF ACCOUNTING**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements and encumbrances. The Statements of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budgetary Basis presented for the General, Gasoline Tax, Road and Bridge, and Special Fire Levy Funds were prepared on the budgetary basis to provide meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance. There were no encumbrances outstanding at December 31, 2007 and 2006.

**NOTE 4 DEPOSITS AND INVESTMENTS**

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

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

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

Interim 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;

**Colerain Township  
Ross County, Ohio**

**Notes to the Financial Statements  
December 31, 2007 and 2006**

**NOTE 4 DEPOSITS AND INVESTMENTS (continued)**

4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

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

At December 31, 2007, the Township had no undeposited cash on hand.

Deposits

At year end, the Township maintained demand deposits and certificates of deposit at Kingston National Bank. The carrying and bank balances of the Township's total deposits at December 31, 2007 were \$529,732 and \$544,320, respectively (which includes certificates of deposits of \$386,956). Of the bank balance, \$100,000 was covered by the Federal Depository Insurance; and up to \$350,000 was protected by a Memorandum of Agreement for Deposit of Public Funds at Kingston National Bank. Effective June 1, 2008 up to \$811,000 is protected by a new Memorandum of Agreement for Deposit of Public Funds at Kingston National Bank.

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2007, \$429,732 of the Township's bank balance was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

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

**Colerain Township  
Ross County, Ohio**

**Notes to the Financial Statements  
December 31, 2007 and 2006**

**NOTE 4 DEPOSITS AND INVESTMENTS (continued)**

Investments

The Township had no investments at December 31, 2007 and 2006.

**NOTE 5 PROPERTY TAXES**

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Property tax receipts received in 2007 and 2006 for real and public utility property taxes represent collection of the 2006 and 2005 taxes, respectively. Property tax payments received during 2007 and 2006 for tangible personal property (other than public utility property) is for 2007 and 2006 taxes, respectively.

2007 real property taxes are levied after October 1, 2007 on the assessed values as of January 1, 2007, the lien date. 2006 real property taxes are levied after October 1, 2006 on the assessed values as of January 1, 2006, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. 2007 and 2006 real property taxes are collected in and are intended to finance 2008 and 2007, respectively.

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 tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2007 public utility property taxes which became a lien on December 31, 2006, are levied after October 1, 2007, and are collected in 2008 with real property taxes. 2006 public utility property taxes which became a lien on December 31, 2005, are levied after October 1, 2006, and are collected in 2007 with real property taxes.

2007 tangible property taxes are levied after October 1, 2006, on the true value as of December 31, 2006. Collections are made in 2007. 2006 tangible property taxes are levied after October 1, 2005, on the true value as of December 31, 2005. Collections are made in 2006. Tangible personal property assessments are being phased out – the assessment percentage for all property including inventory for 2007 is 12.5%. This will be reduced to 6.25% for 2008, and zero for 2009. Payments made by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the 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 years ended December 31, 2007 and 2006, was \$8.40 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2007 and 2006 property tax receipts were based are as follows:

	<u>2007</u>	<u>2006</u>
Real Property	\$20,354,530	\$19,311,770
Public Utility Property	1,949,000	1,956,800
Personal Property	<u>548,180</u>	<u>375,830</u>
Total Assesd Values	<u>\$22,851,710</u>	<u>\$21,644,400</u>



**Colerain Township  
Ross County, Ohio**

**Notes to the Financial Statements  
December 31, 2007 and 2006**

**NOTE 5 PROPERTY TAXES** (Continued)

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

**NOTE 6 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

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

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

Property Coverage

Through 2004, OTARMA retained property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsured losses exceeding \$100,000 up to \$500 million per occurrence.

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 2006 was \$1,901,127.

**Colerain Township  
Ross County, Ohio**

**Notes to the Financial Statements  
December 31, 2007 and 2006**

**NOTE 6 RISK MANAGEMENT** (continued)

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

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

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and net assets at December 31, 2007 and 2006 (the latest information available):

	<u>2007</u>	<u>2006</u>
Assets	\$43,210,703	\$42,042,275
Liabilities	<u>(13,357,837)</u>	<u>(12,120,661)</u>
Net Assets	<u>\$29,852,866</u>	<u>\$29,921,614</u>

At December 31, 2007 and 2006 respectively, liabilities noted above include approximately \$12.5 million and \$11.3 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$11.6 million and \$10.8 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2007 and 2006, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township's share of these unpaid claims collectible in future years is approximately \$20,352. This payable includes the subsequent year's contribution due if the Township terminates participation, as described in the last paragraph below.

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

<u>Year</u>	<u>Contribution</u>
2007	\$10,176
2006	11,138
2005	11,810

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

**Colerain Township  
Ross County, Ohio**

**Notes to the Financial Statements  
December 31, 2007 and 2006**

**NOTE 7 DEFINED BENEFIT PENSION PLAN**

**A Ohio Public Employees Retirement System**

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

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

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

For the years ended December 31, 2007 and 2006, the members of all three plans were required to contribute 9.5 and 9.0 percent, respectively, of their annual covered salaries. The Township's contribution rate for pension benefits for 2007 and 2006 was 13.85 and 13.70 percent, respectively.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2007, 2006, and 2005 were \$9,439, \$8,336, and \$7,924 respectively. The full amount has been contributed for 2007, 2006 and 2005.

**Colerain Township  
Ross County, Ohio**

**Notes to the Financial Statements  
December 31, 2007 and 2006**

**NOTE 8 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 recipients and primary survivor 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 2007 local government employer contribution rate was 13.85 percent of covered payroll; 0 percent of covered payroll was the portion that was used to fund health care.

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, 2006, include a rate of return on investments of 8.00 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.30 percent based on additional annual pay increases. Health care premiums were assumed to increase between 1.00 and 6.00 percent annually for the next eight years and 4.00 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 374,979. Actual employer contributions for 2007 which were used to fund postemployment benefits were \$6,373. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2006, (the latest information available) were \$12 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$30.7 billion and \$18 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.

**Colerain Township  
Ross County, Ohio**

**Notes to the Financial Statements  
December 31, 2007 and 2006**

**NOTE 9 INTERFUND TRANSFERS**

During 2007, the following transfers were made:

Transfer from the General Fund to:	
Capital Projects Fire EMS Fund	<u>\$ 15,756</u>
Total Transfers from the General Fund	<u>\$ 15,756</u>

Transfer from the Special Fire Levy Fund to:	
Capital Projects Fire EMS Fund	<u>\$ 155,000</u>
Total Transfers from the General Fund	<u>\$ 155,000</u>

Transfers represent the allocation of funds from the General Fund and Special Fire Levy Fund to a Capital Projects Fire/EMS Fund, in accordance with Ohio Revised Code Section 5705.13(C), for the intended purpose of accumulating resources for the future purchase of emergency vehicles.

**INDEPENDENT ACCOUNTANT’S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Colerain Township  
Ross County  
656 Spencer Road  
Kingston, Ohio 45644-9516

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 the Colerain Township, Ross County, Ohio (the Township), as of and for the years ended December 31, 2007 and 2006, which collectively comprise the Township’s basic financial statements and have issued our report thereon dated November 10, 2008, wherein, we noted the Township uses a comprehensive accounting basis other than generally accepted accounting principles. We conducted our audits 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 audits, we considered the Township’s internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Township’s internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township’s internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purposed described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider a significant deficiency.

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

We consider the following deficiency described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting: 2007-001.

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

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**Internal Control Over Financial Reporting** (continued)

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We believe the significant deficiency described above is not a material weakness.

**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 audits and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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

Van Krevel & Company  
Dublin, Ohio

November 10, 2008

**Colerain Township  
Ross County, Ohio**

**Schedule of Findings  
December 31, 2007 and 2006**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2007-001**

**Significant Deficiency**

**Posting Estimated Revenues and Appropriations**

The Township did not have a control procedure in place to ensure that estimated receipts and appropriations, as authorized by the Board of Trustees and certified by the County Budget Commission, were reconciled to the estimated receipts and appropriations posted to the accounting system.

During 2006 and 2007, this resulted in incorrect amounts posted to the Township’s UAN accounting system; and information available to the Board of Trustees to monitor year-to-date total comparison of budgeted amounts versus actual amounts was not accurate. Adjustments were made to the budgetary activity schedules in order to accurately present estimated receipts and appropriations as certified by the County Budget Commission.

The Township incorrectly reported original and final budgeted receipts as follows:

	<u>Reported in UAN Accounting System</u>	<u>Certified by Budget Commission</u>	<u>(Understated) Overstated</u>
<b>2006:</b>			
General Fund:			
Original	\$ 66,951	\$ 65,739	\$ (1,212)
Final	66,951	71,873	(4,922)
Gasoline Tax			
Original	79,400	79,200	200
Final	79,400	79,200	200
Road and Bridge			
Original	21,653	21,921	(268)
Final	21,653	84,765	(63,112)
Special Fire Levy			
Final	102,750	113,720	(10,970)
<b>2007:</b>			
General Fund:			
Original	\$ 84,542	\$ 70,150	14,392
Road and Bridge			
Original	40,603	22,650	17,953
Final	46,603	46,839	(236)
Special Fire Levy			
Final	109,138	117,938	(8,800)

There were two instances noted wherein original appropriations were incorrectly reported in the Township’s UAN accounting system. Final appropriations were reported correctly and required no adjustments.

We recommend the Township officials and fiscal officer periodically reconcile budgetary amounts posted to the accounting system with amounts certified by the County Budget Commission.

**Officials Response:** We did not receive a response from officials to this finding.





**Mary Taylor, CPA**  
Auditor of State

**COLERAIN 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  
JANUARY 27, 2009**