

Tiffin Township
Adams County, Ohio

Regular Audit

For the Years Ended December 31, 2008 and 2007
Fiscal Years Audited Under GAGAS: 2008 and 2007



Balestra, Harr & Scherer, CPAs, Inc.

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Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Auditor's Report* of Tiffin Township, Adams County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2007 through December 31, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Tiffin Township is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

September 15, 2009

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Tiffin Township
Adams County, Ohio
For the Years Ended December 31, 2008 and 2007
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Ohio Society of Certified Public Accountants

Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Tiffin Township, Adams County, Ohio, (the Township) as of and for the years ended December 31, 2008 and 2007 which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

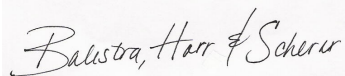
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Tiffin Township, Adams County, Ohio as of December 31, 2008 and 2007, and the respective changes in cash basis financial position and the respective budgetary comparisons for the General Fund, Gasoline Tax Fund, and the Cemetery Fund, thereof for the years then ended in conformity with the accounting basis Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2009, 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.

Tiffin Township
Independent Auditors' Report

The 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.

As described in note 14 to the basic financial statements, the Township implemented Governmental Accounting Standards Board (GASB) statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, and GASB statement No. 50, *Pension Disclosures-an amendment of GASB statement No. 25 and No. 27*.



Balestra, Harr & Scherer, CPAs, Inc.

June 5, 2009

Tiffin Township Local Government
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

This discussion and analysis of the Tiffin Township Local Township's financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2008, within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2008 and 2007 are as follows:

In 2008 net assets of governmental activities increased \$25,623 or 19 percent, a significant change from the prior year. The fund most affected by the increase in cash and cash equivalents was the General Fund, which realized the greatest burden of increased costs in 2008; however, cost increases affected most funds.

The Township's general receipts are primarily property taxes, grants and entitlements not restricted to specific programs. In 2008 these receipts represent \$198,005 and 63 percent of the total cash received for governmental activities during the year. In 2007 these receipts represent \$146,798 and 56 percent of the total cash received for governmental activities during the year. The decrease in general receipts in 2007 was due to the Township not receiving any estate taxes during the year. Property tax receipts for 2008 changed very little compared to 2007.

Construction projects for 2007 were repairing roads that had major damage from water and wear and tear. Hot mix was used on Rosselot and Trent roads and surge rock on Paradise Valley Road. The traffic on Rosselot Road has increased and will continue to increase because of it being used to access West Union High School and the proposed new elementary school. The Trustees feel it is imperative to keep this road in good condition for the safety of the general public.

Revenue from the Gasoline Fund continued to be strong in 2007 and as a result the Township was able to spend more to chip and seal roads. The Trustees believe this is a good investment as the long range maintenance is less on these roads. In an effort to keep equipment in good working condition, four tractor tires, four truck tires, and a rebuilt spreader box were purchased. In 2008 the Township continued to work for long-range improvement of roads by increasing chip and seal. As a result, over \$2,000 less was spent in 2008 for gravel. The purchase of a used snowplow and major repair to both pickup and dump trucks were imperative to keep the equipment in good working condition.

In 2007, the buyout of the lease on the John Deere excavator released monies from the Gasoline and Motor Vehicle License funds that were used for maintenance of roads.

In 2007, the sale of cemetery lots decreased and possibly returned to normal after the increase in 2006 due to opening a new section in West Union Cemetery. Therefore, spending was conservative with the Township purchasing two new weed eater, a leaf blower and installing a sign with Rules and Regulations. In 2008, cemetery improvements included paving the center road to and around the flagpole, resurface the concrete around the flagpole, and purchase of a lawnmower. All major cemeteries (11 country and West Union) were kept in good condition as contracts were bid for mowing and maintenance. In the 2007, General Election a renewal tax levy for the cemetery was passed showing the residents' support.

Using the Basic Financial Statements

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

Report Components

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

Tiffin Township Local Government
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

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

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

Basis of Accounting

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

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Township as a Whole

The statement of net assets and the statement of activities reflect how the Township did financially during 2008 and 2007, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other nonfinancial factors as well such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

Reporting the Township's Most Significant Funds

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Township are governmental.

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

Tiffin Township Local Government
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

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 2008 compared to 2007 and 2006 on a modified cash basis:

Table I
Net Assets

	Governmental Activities		
	2008	2007	2006
Assets			
Cash and Cash Equivalents	\$ 158,865	\$ 133,242	\$ 139,566
Total Assets	\$ 158,865	\$ 133,242	\$ 139,566
Net Assets			
Restricted for:			
Permanent Fund			
Cemetery/Non-Expendable	\$ 2,890	\$ 2,890	\$ 2,890
Other Purposes	59,398	69,630	47,806
Unrestricted	96,577	60,722	88,870
Total Net Assets	\$ 158,865	\$ 133,242	\$ 139,566

As mentioned previously, net assets of governmental activities increased \$25,623 or 19 percent during 2008. The primary reasons contributing to the increases and decreases in cash balances are as follows:

- The General Fund balance (without estate taxes) increased by \$4,412. The primary reason for this increase was an employee resigned effective June 25, 2008, and the Township's portion for his health insurance would have been \$4,361 for the remainder of the year. Without that expense and the extra employee benefits, the General Fund was not placed in deficit spending.
- Health care benefits increased at the anniversary date June 1st by 30 percent.
- The total assessed value for property taxes in the Township increased \$4,519,650 or 7 percent in 2008. This benefited the Road and Bridge Fund and was quickly dispersed as the cost of fuel soared in the first three quarters of 2008.
- The Township experienced in 2008 a 43 percent increase in fuel expense over 2007.
- Revenue for the Gasoline Fund decreased by \$8,375 or 10 percent in 2008.
- General Tax revenue slightly increased and sale of cemetery lots doubled from the budgeted amount for the Cemetery Fund.

Tiffin Township Local Government
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

Table 2 reflects the changes in net assets on a cash basis in 2008, 2007 and 2006.

Table 2
Changes in Net Assets

	Governmental Activities		
	2008	2007	2006
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$ 6,525	\$ 4,100	\$ 10,850
Operating Grants and Contributions	108,789	113,268	108,739
Capital Grants and Contributions	-	-	76,279
Total Program Receipts	<u>115,314</u>	<u>117,368</u>	<u>195,868</u>
General Receipts:			
Property and Other Local Taxes	111,962	102,814	99,880
Other Taxes	27	54	
Grants and Entitlements Not Restricted to Specific Programs	84,071	39,073	112,345
Interest	1,657	2,774	2,100
Miscellaneous	288	2,083	3,847
Total General Receipts	<u>198,005</u>	<u>146,798</u>	<u>218,172</u>
Total Receipts	<u>313,319</u>	<u>264,166</u>	<u>414,040</u>
Disbursements:			
General Government	74,009	77,660	74,878
Public Safety	9,779	9,389	9,185
Public Works	126,467	114,243	117,817
Public Health Services	39,635	28,722	29,078
Capital Outlay	27,997	1,175	97,576
Principal Retirement	9,809	38,247	17,157
Interest and Fiscal Charges	-	1,054	1,522
Total Disbursements	<u>287,696</u>	<u>270,490</u>	<u>347,213</u>
Increase (Decrease) in Net Assets	25,623	(6,324)	66,827
Net Assets, January 01	<u>133,242</u>	<u>139,566</u>	<u>72,739</u>
Net Assets, December 31	<u>\$ 158,865</u>	<u>\$ 133,242</u>	<u>\$ 139,566</u>

2008 program receipts represent only 37 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license, gas tax money, fire levy monies, cemetery monies, and OPWC monies.

Tiffin Township Local Government
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

General receipts represent 63 percent of the Township's total receipts. State and federal grants and entitlements make up the balance of the Township's general receipts (43 percent). Other receipts are very insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the costs of the Board of Trustees and Fiscal Officer well as internal services such as payroll and purchasing. Since these costs do not represent direct services to residents, we try to limit these costs to 38 percent of General Fund unrestricted receipts.

Public Safety is the cost of police and fire protection; Public Health Services is the Health Department; Public works is the cost of maintaining and keeping the roads safe for the residents of Tiffin Township. Capital Outlay was for improvements and maintenance at West Union Cemetery and for long-range maintenance of roads.

Governmental Activities

If you look at the Statement of Activities on Exhibit A, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for Public Safety and Public Works which account for \$136,247.22 and 47 percent of all governmental disbursements, respectively. General government also represents a significant cost, about 26 percent. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

	Total Cost of Services 2008	Net Cost of Services 2008	Total Cost of Services 2007	Net Cost of Services 2007	Total Cost of Services 2006	Net Cost of Services 2006
General Government	\$ 74,009	\$ (74,009)	\$ 77,660	\$ (77,660)	\$ 74,878	\$ (74,878)
Public Safety	9,779	(9,779)	9,389	(9,389)	9,185	(9,185)
Public Health	126,467	(17,678)	114,243	(975)	117,817	(9,078)
Public Health Services	39,635	(33,110)	28,722	(24,622)	29,078	(18,228)
Capital Outlay	27,997	(27,997)	1,175	(1,175)	97,576	(21,297)
Principal Retirement	9,809	(9,809)	38,247	(38,247)	17,157	(17,157)
Interest and Fiscal Charges	-	-	1,054	(1,054)	1,522	(1,522)
Total Expenses	\$ 287,696	\$ (172,382)	\$ 270,490	\$ (153,122)	\$ 347,213	\$ (151,345)

The dependence upon property and income tax receipts is apparent as over 38 percent of governmental activities are supported through these general receipts.

Tiffin Township Local Government
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

The Township's Funds

Total governmental funds had receipts and other financing sources of \$313,319 and disbursements of \$287,696. The greatest change within governmental funds occurred within the General Fund. The fund balance of the General Fund increased \$35,855 as the result of receiving estate tax revenue.

General Fund receipts were more than disbursements by \$35,855. As mentioned previously, when taking the estate tax figures in consideration the increase would be \$4,412. It was the recommendation of the Board of Trustees and Fiscal Officer that a reduction in disbursements was preferable to requesting additional funds from the taxpayers. Some of these reductions have already been implemented for 2009 including to closely monitor travel and expense, continue to pay Trustees from Gasoline and Cemetery funds when their work is on road and cemetery issues, and participating with the State by being a member of the Adams County Township Pool for the Township audits for the periods January 01, 2007 through December 31, 2012. These cuts will not eliminate the need for additional funds (or additional cuts) in the future if the growth in property and income taxes remains stagnant.

The Gasoline Fund receipts for 2008 were \$84,937, a decrease of \$8,376 from 2007. The road Special funds held steady allowing the Township to spend approximately \$40,000 for chip and seal, \$14,500 for graveling and hauling, \$2,800 for cold and hot mix, \$491 for a used snowplow, and \$1,959 for repair to vehicles. Road salt was a major expense in 2008 as the price went from \$48.85 a ton to \$103.50 a ton. The majority of the salt and fly ash may be used in 2009, but the expense to the Township in 2008 was \$6,549. With careful spending, the fund ended with a good carryover balance of \$32,949.

The 2008 Cemetery Fund receipts were \$33,277, an increase of \$3,717 over 2007, due in part because of sale of cemetery lots in the amount of \$6,525. Disbursements were considerably higher, \$42,662, in 2008, a \$19,052 increase over 2007. The reasons for the higher disbursements were contracts for mowing country and West Union Cemetery (\$15,460), paving (\$8,434), and resurface the concrete around the flagpole (\$1,800). The Trustees will continue to be vigilant with the Cemetery funds and ways to make the residents proud of the Township cemeteries.

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 2008 and 2007, the Township amended its General Fund budget several times to reflect changing circumstances. Final budgeted receipts were below original budgeted receipts.

Final disbursements for 2008 and 2007 were budgeted at \$193,047 and \$167,851 respectively while actual disbursements were \$100,746 and \$113,352 respectively. The Township kept spending very close to budgeted amounts as demonstrated by the minor reported variances, and the Trustees are aware there may not always be the estate tax revenue. The result is the increase in fund balance of \$35,855 for 2008 and a decrease in fund balance of \$28,148 for 2007.

Capital Assets and Debt Administration

Capital Assets

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

Debt

At December 31, 2008, the Township's outstanding debt included \$122,622 in general obligation bonds issued for Gatewood-Page School road Restructuring. For further information regarding the Township's debt, refer to Note 13 to the basic financial statements.

Tiffin Township Local Government
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

Current Issues

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

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 Sharon Chenoweth, Fiscal Officer, Tiffin Township Local Township, 111 Madonna Drive, West Union, OH 45693.

Tiffin Township, Adams County
Statement of Net Assets - Cash Basis
As of December 31, 2008

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 158,865
<i>Total Assets</i>	\$ 158,865
Net Assets	
Restricted for:	
Permanent Fund: Care of Cemetery	
NonExpendable	\$ 2,890
Other Purposes	59,398
Unrestricted	96,577
<i>Total Net Assets</i>	\$ 158,865

See accompanying notes to the basic financial statements.

Tiffin Township, Adams County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2008

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
General Government	\$ 74,009	\$ -	\$ -	\$ (74,009)
Public Safety	9,779	-	-	(9,779)
Public Works	126,467	-	108,789	(17,678)
Health	39,635	6,525	-	(33,110)
Capital Outlay	27,997	-	-	(27,997)
Debt Service:				
Principal	9,809	-	-	(9,809)
<i>Total Governmental Activities</i>	<u>\$ 287,696</u>	<u>\$ 6,525</u>	<u>\$ 108,789</u>	<u>\$ (172,382)</u>
General Receipts				
Property Taxes Levied for:				
General Purposes				111,962
Other Purposes				27
Grants and Entitlements not Restricted to Specific Programs				84,071
Interest				1,657
Miscellaneous				288
<i>Total General Receipts</i>				<u>198,005</u>
Change in Net Assets				25,623
<i>Net Assets - Beginning of Year</i>				<u>133,242</u>
<i>Net Assets - End of Year</i>				<u>\$ 158,865</u>

See accompanying notes to the basic financial statements.

Tiffin Township, Adams County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
As of December 31, 2008

	General Fund	Gasoline Tax Fund	Cemetery Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 99,532	\$ 32,949	\$ 12,031	\$ 14,353	\$ 158,865
<i>Total Assets</i>	<u>\$ 99,532</u>	<u>\$ 32,949</u>	<u>\$ 12,031</u>	<u>\$ 14,353</u>	<u>\$ 158,865</u>
Fund Balances					
Unreserved:					
Undesignated (Deficit), Reported in:					
General Fund	\$ 99,532	\$ -	\$ -	\$ -	\$ 99,532
Special Revenue Funds	-	32,949	12,031	11,463	56,443
Permanent Fund	-	-	-	2,890	2,890
<i>Total Fund Balances</i>	<u>\$ 99,532</u>	<u>\$ 32,949</u>	<u>\$ 12,031</u>	<u>\$ 14,353</u>	<u>\$ 158,865</u>

See accompanying notes to the basic financial statements.

Tiffin Township, Adams County
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2008

	General Fund	Gasoline Tax Fund	Cemetery Fund	Other Governmental Funds	Total Governmental Funds
Receipts					
Property and Other Local Taxes	\$ 45,172	\$ -	\$ 24,571	\$ 42,246	\$ 111,989
Intergovernmental	90,165	84,613	2,181	15,901	192,860
Earnings on Investments	1,128	324	-	205	1,657
Other	-	-	6,525	152	6,677
<i>Total Receipts</i>	<u>136,465</u>	<u>84,937</u>	<u>33,277</u>	<u>58,504</u>	<u>313,183</u>
Disbursements					
Current:					
General Government	74,009	-	-	-	74,009
Public Safety	-	-	-	9,779	9,779
Public Works	1,766	86,152	-	38,549	126,467
Health	7,813	-	31,822	-	39,635
Capital Outlay	17,158	-	10,839	-	27,997
Debt Service:					
Principal Retirement	-	-	-	9,809	9,809
<i>Total Disbursements</i>	<u>100,746</u>	<u>86,152</u>	<u>42,661</u>	<u>58,137</u>	<u>287,696</u>
<i>Excess of Receipts Over / (Under) Disbursements</i>	<u>35,719</u>	<u>(1,215)</u>	<u>(9,384)</u>	<u>367</u>	<u>25,487</u>
Other Financing Sources					
Other Financing Sources	136	-	-	-	136
<i>Total Other Financing Sources</i>	<u>136</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>136</u>
<i>Net Change in Fund Balances</i>	35,855	(1,215)	(9,384)	367	25,623
<i>Fund Balances - Beginning of Year</i>	<u>63,677</u>	<u>34,164</u>	<u>21,415</u>	<u>13,986</u>	<u>133,242</u>
<i>Fund Balances - End of Year</i>	<u>\$ 99,532</u>	<u>\$ 32,949</u>	<u>\$ 12,031</u>	<u>\$ 14,353</u>	<u>\$ 158,865</u>

See accompanying notes to the basic financial statements.

Tiffin Township, Adams County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
General Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 39,440	\$ 39,440	\$ 45,172	\$ 5,732
Intergovernmental	43,200	88,630	90,165	1,535
Interest	1,300	1,300	1,128	(172)
<i>Total Receipts</i>	83,940	129,370	136,465	7,095
Disbursements				
Current:				
General Government	96,043	100,843	74,009	26,834
Public Works	2,000	2,000	1,766	234
Health	13,261	8,461	7,813	648
Capital Outlay	36,313	81,743	17,158	64,585
<i>Total Disbursements</i>	147,617	193,047	100,746	92,301
<i>Excess of Receipts Over (Under) Disbursements</i>	(63,677)	(63,677)	35,719	99,396
Other Financing Sources (Uses)				
Other Financing Sources	-	-	136	136
<i>Total Other Financing Sources (Uses)</i>	-	-	136	136
<i>Net Change in Fund Balance</i>	(63,677)	(63,677)	35,855	99,532
<i>Fund Balance Beginning of Year</i>	63,677	63,677	63,677	-
<i>Fund Balance End of Year</i>	\$ -	\$ -	\$ 99,532	\$ 99,532

See accompanying notes to the basic financial statements.

Tiffin Township, Adams County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Gasoline Tax
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Intergovernmental	\$ 79,548	\$ 79,548	\$ 84,613	\$ 5,065
Interest	450	450	324	(126)
<i>Total Receipts</i>	<u>79,998</u>	<u>79,998</u>	<u>84,937</u>	<u>4,939</u>
Disbursements				
Current:				
Public Works	<u>114,162</u>	<u>114,162</u>	<u>86,152</u>	<u>28,010</u>
<i>Total Disbursements</i>	<u>114,162</u>	<u>114,162</u>	<u>86,152</u>	<u>28,010</u>
<i>Net Change in Fund Balance</i>	(34,164)	(34,164)	(1,215)	32,949
<i>Fund Balance Beginning of Year</i>	<u>34,164</u>	<u>34,164</u>	<u>34,164</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,949</u>	<u>\$ 32,949</u>

See accompanying notes to the basic financial statements.

Tiffin Township, Adams County
*Statement of Receipts, Disbursements and Changes
 In Fund Balance - Budget and Actual -Budget Basis
 Cemetery
 For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$ 22,150	\$ 22,150	\$ 24,571	\$ 2,421
Intergovernmental	2,500	2,500	2,181	(319)
Other	3,000	6,000	6,525	525
<i>Total Receipts</i>	<u>27,650</u>	<u>30,650</u>	<u>33,277</u>	<u>2,627</u>
Disbursements				
Current:				
Health	33,065	39,065	31,822	7,243
Capital Outlay	16,000	13,000	10,839	2,161
<i>Total Disbursements</i>	<u>49,065</u>	<u>52,065</u>	<u>42,661</u>	<u>9,404</u>
<i>Net Change in Fund Balance</i>	(21,415)	(21,415)	(9,384)	12,031
<i>Fund Balance Beginning of Year</i>	<u>21,415</u>	<u>21,415</u>	<u>21,415</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,031</u>	<u>\$ 12,031</u>

See accompanying notes to the basic financial statements.

Tiffin Township, Adams County
Statement of Net Assets - Cash Basis
As of December 31, 2007

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 133,242
<i>Total Assets</i>	\$ 133,242
Net Assets	
Restricted for:	
Permanent Fund: Care of Cemetery	
NonExpendable	2,890
Other Purposes	69,630
Unrestricted	60,722
<i>Total Net Assets</i>	\$ 133,242

See accompanying notes to the basic financial statements.

Tiffin Township, Adams County
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	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
General Government	\$ 77,660	\$ -	\$ -	\$ (77,660)
Public Safety	9,389	-	-	(9,389)
Public Works	114,243	-	113,268	(975)
Health	28,722	4,100	-	(24,622)
Capital Outlay	1,175	-	-	(1,175)
Debt Service:				
Principal	38,247	-	-	(38,247)
Interest	1,054	-	-	(1,054)
<i>Total Governmental Activities</i>	<u>\$ 270,490</u>	<u>\$ 4,100</u>	<u>\$ 113,268</u>	<u>\$ (153,122)</u>
General Receipts				
Property Taxes Levied for:				
General Purposes				102,814
Other Purposes				54
Grants and Entitlements not Restricted to Specific Programs				39,073
Interest				2,774
Miscellaneous				2,083
<i>Total General Receipts</i>				<u>146,798</u>
Change in Net Assets				(6,324)
<i>Net Assets - Beginning of Year</i>				<u>139,566</u>
<i>Net Assets - End of Year</i>				<u>\$ 133,242</u>

See accompanying notes to the basic financial statements.

Tiffin Township, Adams County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
As of December 31, 2007

	General Fund	Gassoline Tax Fund	Cemetery Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 63,677	\$ 34,164	\$ 21,415	\$ 13,986	\$ 133,242
<i>Total Assets</i>	<u>\$ 63,677</u>	<u>\$ 34,164</u>	<u>\$ 21,415</u>	<u>\$ 13,986</u>	<u>\$ 133,242</u>
Fund Balances					
Unreserved:					
Undesignated (Deficit), Reported in:					
General Fund	\$ 63,677	\$ -	\$ -	\$ -	\$ 63,677
Special Revenue Funds	-	34,164	21,415	11,096	66,675
Permanent Fund				2,890	2,890
<i>Total Fund Balances</i>	<u>\$ 63,677</u>	<u>\$ 34,164</u>	<u>\$ 21,415</u>	<u>\$ 13,986</u>	<u>\$ 133,242</u>

See accompanying notes to the basic financial statements.

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

	General Fund	Gasoline Tax Fund	Cemetery Fund	Other Governmental Funds	Total Governmental Funds
Receipts					
Property and Other Local Taxes	\$ 39,702	\$ -	\$ 23,001	\$ 40,165	\$ 102,868
Intergovernmental	43,397	90,871	2,459	15,614	152,341
Earnings on Investments	1,842	621	-	311	2,774
Other	-	1,820	4,100	-	5,920
<i>Total Receipts</i>	<u>84,941</u>	<u>93,312</u>	<u>29,560</u>	<u>56,090</u>	<u>263,903</u>
Disbursements					
Current:					
General Government	77,573	-	-	87	77,660
Public Safety	-	-	-	9,389	9,389
Public Works	-	82,547	-	31,696	114,243
Health	6,287	-	22,435	-	28,722
Capital Outlay	-	-	1,175	-	1,175
Debt Service:					
Principal Retirement	28,438	-	-	9,809	38,247
Interest and Fiscal Charges	1,054	-	-	-	1,054
<i>Total Disbursements</i>	<u>113,352</u>	<u>82,547</u>	<u>23,610</u>	<u>50,981</u>	<u>270,490</u>
<i>Excess of Receipts Over / (Under) Disbursements</i>	<u>(28,411)</u>	<u>10,765</u>	<u>5,950</u>	<u>5,109</u>	<u>(6,587)</u>
Other Financing Sources (Uses)					
Other Financing Sources	263	-	-	-	263
<i>Total Other Financing Sources (Uses)</i>	<u>263</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>263</u>
<i>Net Change in Fund Balances</i>	(28,148)	10,765	5,950	5,109	(6,324)
<i>Fund Balances - Beginning of Year (as restated - see note 13)</i>	<u>91,825</u>	<u>23,399</u>	<u>15,465</u>	<u>8,877</u>	<u>139,566</u>
<i>Fund Balances - End of Year</i>	<u>\$ 63,677</u>	<u>\$ 34,164</u>	<u>\$ 21,415</u>	<u>\$ 13,986</u>	<u>\$ 133,242</u>

See accompanying notes to the basic financial statements.

Tiffin Township, Adams County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
General Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 35,230	\$ 35,230	\$ 39,702	\$ 4,472
Intergovernmental	39,945	39,945	43,397	3,452
Interest	850	850	1,842	992
<i>Total Receipts</i>	76,025	76,025	84,941	8,916
Disbursements				
Current:				
General Government	95,346	95,346	77,573	17,773
Health	7,000	7,000	6,287	713
Capital Outlay	36,012	36,012	-	36,012
Debt Service:				
Principal Retirement	28,438	28,438	28,438	-
Interest and Fiscal Charges	1,054	1,054	1,054	-
<i>Total Disbursements</i>	167,850	167,850	113,352	54,498
<i>Excess of Receipts Over (Under) Disbursements</i>	(91,825)	(91,825)	(28,411)	63,414
Other Financing Sources				
Other Financing Sources	-	-	263	263
<i>Total Other Financing Sources (Uses)</i>	-	-	263	263
<i>Net Change in Fund Balance</i>	(91,825)	(91,825)	(28,148)	63,677
<i>Fund Balance Beginning of Year (as restated)</i>	91,826	91,826	91,826	-
<i>Fund Balance End of Year</i>	\$ 1	\$ 1	\$ 63,678	\$ 63,677

See accompanying notes to the basic financial statements.

Tiffin Township, Adams County
*Statement of Receipts, Disbursements and Changes
 In Fund Balance - Budget and Actual -Budget Basis
 Gasoline Tax
 For the Year Ended December 31, 2007*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$ 78,860	\$ 83,860	\$ 90,871	\$ 7,011
Interest	400	400	621	221
Other	-	-	1,820	1,820
<i>Total Receipts</i>	79,260	84,260	93,312	9,052
Disbursements				
Current:				
Public Works	102,659	107,659	82,547	25,112
<i>Total Disbursements</i>	102,659	107,659	82,547	25,112
<i>Net Change in Fund Balance</i>	(23,399)	(23,399)	10,765	34,164
<i>Fund Balance Beginning of Year</i>	23,399	23,399	23,399	-
<i>Fund Balance End of Year</i>	\$ -	\$ -	\$ 34,164	\$ 34,164

See accompanying notes to the basic financial statements.

Tiffin Township, Adams County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Cemetery
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>	
Receipts				
Property and Other Local Taxes	\$ 18,932	\$ 18,932	\$ 23,001	\$ 4,069
Intergovernmental	3,900	3,900	2,459	(1,441)
Other	6,000	4,100	4,100	-
<i>Total Receipts</i>	<u>28,832</u>	<u>26,932</u>	<u>29,560</u>	<u>2,628</u>
Disbursements				
Current:				
Health	24,297	32,297	22,435	9,862
Capital Outlay	20,000	10,100	1,175	8,925
<i>Total Disbursements</i>	<u>44,297</u>	<u>42,397</u>	<u>23,610</u>	<u>18,787</u>
<i>Net Change in Fund Balance</i>	(15,465)	(15,465)	5,950	21,415
<i>Fund Balance Beginning of Year</i>	<u>15,465</u>	<u>15,465</u>	<u>15,465</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,415</u>	<u>\$ 21,415</u>

See accompanying notes to the basic financial statements.

Tiffin Township
Notes to the Financial Statements
For the Year Ended December 31, 2008

Note 1 – Reporting Entity

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

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

A. Primary Government

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

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. The following are the more significant of the Township's accounting policies.

A. Basis of Presentation

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

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. The funds of the Township are classified as governmental.

Governmental Funds

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

General Fund – The General Fund is the general operating fund. It is used to account for all Financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

Cemetery Fund – This fund accounts for all finances available to the Township through property tax and sale of cemetery lots. The Cemetery Fund balance is used for upkeep, maintenance, and care of 12 cemeteries in Tiffin Township.

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

C. Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Township are described in the appropriate section in this note.

As a result of the use of this 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

Note 2 – Summary of Significant Accounting Policies (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

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

During 2008, the Township invested in nonnegotiable certificate of deposit at Adams County Building and Loan. The nonnegotiable certificate of deposit is reported at cost. It is a cemetery/non-expendable certificate of deposit in the amount of \$2,890, and the interest is spent every year for the intended use, care of the cemetery.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the Township during 2008 were \$1,128 to the General Fund, \$324 to the Gasoline Fund, and \$205 to other Governmental funds.

F. 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.

G. Accumulated Leave

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

H. Employer Contributions to Cost-Sharing Pension Plans

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

I. Long-Term Obligations

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

Note 2 – Summary of Significant Accounting Policies (continued)

J. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available. Restricted net assets represent \$62,288 of a total fund balance of \$158,865 for 2008 and \$72,520 of a total fund balance of \$133,242 for 2007.

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund is (and any major special revenue fund are) prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference(s) between the budgetary basis and the cash basis is (are) outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The Township did not have any encumbrances outstanding at December 31, 2008 and 2007.

Note 4 – Deposits and Investments

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

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

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

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

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;

Note 4 – Deposits and Investments (continued)

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

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

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end 2008, \$100,000 of the Township's bank balance of \$158,865 was covered by FDIC. The remaining balance of \$58,865 was collateralized by the financial institution's public entity pools in the manner described below.

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.

Note 5 – Property Taxes

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

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

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

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

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

Tiffin Township
Notes to the Financial Statements
For the Year Ended December 31, 2008

Note 5 – Property Taxes

The full tax rate for all Township operations for the year ended December 31, 2007 was \$2.50 per \$1,000 of assessed value. The assessed values of real and personal property upon which 2008 property tax receipts were based are as follows:

	<u>2008</u>	<u>2007</u>
Real Property	\$64,351,630	\$58,660,680
Public Utility Property	4,381,810	3,914,940
Tangible Personal Property	1,411,130	3,049,300
Total Assessed Values	<u>\$70,144,570</u>	<u>\$65,624,920</u>

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

Casualty Coverage

For an occurrence prior to January 1, 2006 OTARMA retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year. For an occurrence on or subsequent to January 1, 2006, the Pool retains casualty risk up to \$350,000 per occurrence, 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 values. If the stop loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2008 was 1,901,127.

Tiffin Township
Notes to the Financial Statements
For the Year Ended December 31, 2008

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 government.

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, 2007 and 2006.

	2007	2006
Assets	\$ 43,210,703	\$ 42,042,275
Liabilities	(13,357,837)	(12,120,661)
Retained earnings	\$ 29,852,866	\$ 29,921,614

At December 31, 2007 and 2006, respectively, liabilities above included 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 \$9,144. This payable includes the subsequent year’s contributions 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:

Year	Contribution
2008	\$4,527
2007	4,549
2006	4,572

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

Note 7 – Post –Employment Benefits

Ohio Public Employees Retirement System (OPERS)

A. Plan Description Plan Description

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

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

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

The Ohio revised code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

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

B. Funding Policy

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2008, state and local employers contributed at a rate of 14.00% of covered payroll, and public safety and law enforcement employers contributed at 17.40%. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for state and local employer units and 18.1% of covered payroll for law and public safety employer units. Active members do not make contributions to the OPEB plan.

C. Information from employer's records

The rates stated in Section B, above, are the contractually required contribution rates for OPERS. As part of the disclosure, it will be necessary for the employer to disclose the employer contributions actually made to fund post-employment benefits can be approximated by multiplying actual employer contributions for January 1 through December 31, 2008 by 0.5000 for state and local employers and 0.4023 for both law enforcement and public safety employers.

Note 7 – Post –Employment Benefits

D. OPERS Retirement Board Implements its Health Care Preservation Plan

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

Social Security System

Effective July 1, 1991, all employees not otherwise covered by a State Retirement System have an option to choose Social Security or the appropriate state system. As of December 31, 2008, none have elected Social Security.

Note 8 – Pension Benefits

Ohio Public Employees Retirement System (OPERS)

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

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program, and Medicare Part B premium reimbursement, to qualifying members of both the TP and the CO Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age and service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interest parties may obtain a copy by writing OPERS, Attention: Finance Director, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

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

Employer's contributions are expressed as a percentage of the covered payroll of active members. In 2008, the District contributed at 14.0% of covered payroll. The Ohio Revised Code currently limits the employer contribution rate not to exceed 14.0% of covered payroll. Active members do not make contributions to the OPEB Plan.

Tiffin Township
Notes to the Financial Statements
For the Year Ended December 31, 2008

Note 8 – Pension Benefits (continued)

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. For 2008, the employer contributions allocated to the health care plan was 14.0% of covered payroll. For 2007, these percentages were 5.0% for January through June 2007 and 6.0% for July through December 2007. For 2006, this percentage was 4.5%. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

- C. The employer contributions that were used to fund post-employment benefits were \$4,637.02 for 2008, \$3,871.22 for 2007, and \$3,398.81 for 2006.
- D. The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

Note 9– Debt

The Township's long-term debt activity for the year ended December 31, 2008, was as follows:

Governmental Activities	Interest Rate	Balance			Balance	
		December 31, 2006	Additions	Reductions	December 31, 2007	Due Within One Year
Ohio Public Works Commission	0%	\$ 142,240	\$ -	\$ 9,809	\$ 132,431	\$ 9,809
Ohio Township Association						
Leasing LLC	4.78%	28,438	-	28,438	-	-
Total		\$ 170,678	\$ -	\$ 38,247	\$ 132,431	\$ 9,809

Governmental Activities	Interest Rate	Balance			Balance	
		December 31, 2007	Additions	Reductions	December 31, 2008	Due Within One Year
Ohio Public Works Commission	0%	\$ 132,431	\$ -	\$ 9,809	\$ 122,622	\$ 9,809
Total		\$ 132,431	\$ -	\$ 9,809	\$ 122,622	\$ 9,809

The Ohio Public Works Commission Loan was issued in 2003 and bears no interest. This loan is collateralized by local government revenue.

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

Year	Principal
2009	\$ 9,809
2010	9,809
2011	9,809
2012	9,809
2013	9,809
2014--2018	49,048
2019--2021	24,529
Totals	\$ 122,622

Tiffin Township
Notes to the Financial Statements
For the Year Ended December 31, 2008

Note 10 – Construction and Contractual Commitments

In 2008, the Township contracted with South Central Construction to chip and seal roads. They also contracted for the following: Michelle Rodney for mowing West Union Cemetery; Aaron McCann and Jeff Raines for mowing country cemeteries; McNeilan’s Trash Removal for garbage pickup, and Blue Flame of Ripley to provide gas for heating the Maintenance Building.

Note 11– Contingent Liabilities

The Township did not have any Contingent Liabilities in 2008 or 2007.

Note 12 – Subsequent Events

The year 2009 started with an ice storm that caused considerable damage to the Township roads and cemetery roads. There will be extra expense for fuel and to repair and keep equipment running and in good working condition for public safety of all Tiffin Township residents.

Note 13 – Restatement

A restatement of net assets was made to correct an adjustment that was posted in error during the prior audit.

	General	Other Governmental Funds
Net Assets, December 31, 2006	\$ 88,870	\$ 11,832
Restatements	2,955	(2,955)
Net Assets, January 1, 2007	\$ 91,825	\$ 8,877

Note 14 – Change in Accounting Principles

For the fiscal year ended June 30, 2008, the Township has implemented GASB Statements No.45, “Accounting and Financial Reporting for Post Employment Benefits Other Than Pensions”, and No. 50, “Pension Disclosures – an amendment of GASB Statements No.25 and No.27”.

GASB Statement No.45 establishes the reporting disclosure requirements for governments related to benefits offered to employees after employment ends other than pensions. For the Township, the changes contained within the Statement only affected the required disclosures related to the health care benefits offered to retirees through the multi-employer, cost-sharing state retirement systems. These disclosures are contained in Note 8 to the basic financial statements.

GASB Statement No.50 more closely aligns the financial reporting requirements for pensions with those for other post employment benefits (OPEB) and, in doing so, enhances information disclosed in notes to the financial statements or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits.

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Ohio Society of Certified Public Accountants

Report On Internal Control Over Financial Reporting and On Compliance and Other Matters Based On An Audit Of Financial Statements Performed in Accordance With *Government Auditing Standards*

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Tiffin Township, Adams County, Ohio, (the Township) as of and for the years ended December 31, 2008 and 2007, which collectively comprise the Township's basic financial statements and have issued our report thereon dated June 5, 2009, wherein we noted that the Township adopted Governmental Accounting Standards Board Statement No. 45 and Statement No. 50. We also noted that the Township used a comprehensive basis of accounting other than generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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 the accounting basis described in Note 2 such that there is more than a remote likelihood that the Township's internal controls will not prevent or detect a more-than-inconsequential financial statement misstatement.

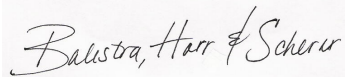
A material weakness is a significant deficiency, or combination of significant deficiencies, resulting in more than a remote likelihood that the Township's internal control will not prevent or detect a material financial statement misstatement.

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

Compliance and Other Matters

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

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



Balestra, Harr & Scherer, CPAs, Inc.
June 5, 2009



Mary Taylor, CPA
Auditor of State

TIFFIN TOWNSHIP

ADAMS COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 29, 2009**