

HIRAM TOWNSHIP
PORTAGE COUNTY, OHIO
AUDIT REPORT

For the Years Ended December 31, 2009 and 2008

Charles E. Harris and Associates, Inc.
Certified Public Accountants and Government Consultants



Mary Taylor, CPA
Auditor of State

Board of Trustees
Hiram Township
P.O. Box 1872
Hiram, Ohio 44234

We have reviewed the *Report of Independent Accountants* of Hiram Township, Portage County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2008 through December 31, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

October 27, 2010

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***HIRAM TOWNSHIP
PORTAGE COUNTY
AUDIT REPORT***

For the years ended December 31, 2009 and 2008

Table of Contents

<u><i>Title</i></u>	<u><i>Page</i></u>
Report of Independent Accountants	1-2
Management’s Discussion and Analysis	3-8
Basic Financial Statements:	
Government-wide Financial Statements - 2009:	
Statement of Net Assets – Cash Basis	9
Statement of Activities – Cash Basis	10
Fund Financial Statements - 2009:	
Statement of Cash Basis Assets and Fund Balances.....	11
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Basis Fund Balances	12
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Basis Fund Balance – Budget and Actual – Budget Basis - General Fund.....	13
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Basis Fund Balance – Budget and Actual – Budget Basis – Gasoline Tax Fund.....	14
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Basis Fund Balance – Budget and Actual – Budget Basis – Road and Bridge Fund	15
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Basis Fund Balance – Budget and Actual – Budget Basis – Road and Bridge Levy (2 Mill) Fund	16
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Basis Fund Balance – Budget and Actual – Budget Basis – Road and Bridge Levy (3 Mill) Fund	17
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Basis Fund Balance – Budget and Actual – Budget Basis – EMS Levy Fund.....	18
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Basis Fund Balance – Budget and Actual – Budget Basis – Fire Levy Fund	19

**HIRAM TOWNSHIP
PORTAGE COUNTY
AUDIT REPORT**

For the years ended December 31, 2009 and 2008

Table of Contents

<u>Title</u>	<u>Page</u>
Basic Financial Statements: (continued)	
Government-wide Financial Statements - 2008:	
Statement of Net Assets – Cash Basis	20
Statement of Activities – Cash Basis.....	21
Fund Financial Statements - 2008:	
Statement of Cash Basis Assets and Fund Balances.....	22
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Basis Fund Balances	23
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Basis Fund Balance – Budget and Actual – Budget Basis - General Fund.....	24
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Basis Fund Balance – Budget and Actual – Budget Basis – Gasoline Tax Fund.....	25
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Basis Fund Balance – Budget and Actual – Budget Basis – Road and Bridge Fund	26
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Basis Fund Balance – Budget and Actual – Budget Basis – Road and Bridge Levy (2 Mill) Fund	27
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Basis Fund Balance – Budget and Actual – Budget Basis – Road and Bridge Levy (3 Mill) Fund	28
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Basis Fund Balance – Budget and Actual – Budget Basis – EMS Levy Fund.....	29
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Basis Fund Balance – Budget and Actual – Budget Basis – Fire Levy Fund	30
Notes to the Basic Financial Statements	31-41
Independent Accountants’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	42-43
Schedule of Findings	44-45
Status of Prior Audit’s Citations and Recommendations	46

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

REPORT OF INDEPENDENT ACCOUNTANTS

Hiram Township
Portage County
P.O. Box 1872
Hiram, Ohio 44234

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 Hiram Township, Portage County, Ohio, (the Township), as of and for the years ended December 31, 2009 and 2008, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Hiram Township, Portage County, Ohio, as of December 31, 2009 and 2008, and the respective changes in cash basis financial position and the respective budgetary comparison for the General Fund, the Gasoline Tax Fund, the Road and Bridge Fund, the Road Levy (3 mill) Fund, the Road Levy (2 mill) Fund, EMS Levy Fund, and Fire Levy Fund thereof for the years then ended in conformity with accounting basis Note 2 describes.

The management's discussion and analysis on pages 3 to 8 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, which consisted principally on inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2010 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, 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 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.

Charles E. Harris & Associates, Inc.
July 30, 2010

Hiram Township
Portage County

Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

The discussion and analysis of the Hiram Township (the Township) financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2009 and 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 Financial Highlights for 2009 and 2008 are as follows:

Net assets of governmental activities increased \$112,827, or 10 percent in 2009 and increased \$3,643 or .3 percent in 2008, a slight change from the prior years.

The Village's general receipts are primarily property taxes. These receipts represent 77 percent for 2009 and 82 percent for 2008 of the total general receipts for governmental activities. Property tax receipts for 2009 changed very little compared to 2008 as development within the Village has slowed.

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

Government-Wide Financial Statement: The statement of net assets and the statement of activities provide information about the cash activities of the Township as a whole.

Fund Financial Statements: These 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.

Notes to the Financial Statements: 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.

Hiram Township
Portage County

Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

Reporting the Township as a Whole

The statement of net assets and the statement of activities reflect how the Township did financially during 2009 and 2008, within the limitations of the cash basis accounting. The statement of net assets presents the cash balances of the governmental type 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.

The Township only has Governmental type activity, thus the statement of net assets and the statement of activities will show only Governmental types activities:

Governmental activities:

All of the Township's basic services are reported here. State and federal grants and income and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Township's Most Significant Funds

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

Governmental Funds – All of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General Fund, the Gasoline Tax Fund, Road and Bridge Fund, the Road Levy (3 mill) Fund, the Road Levy (2 mill) Fund, the EMS Levy Fund, and Fire Levy Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

Hiram Township
Portage County

Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

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

	Governmental Activities		
	<u>2009</u>	<u>2008</u>	<u>2007</u>
Assets:			
Cash and Investments	<u>\$ 1,277,767</u>	<u>\$ 1,164,940</u>	<u>\$ 1,161,297</u>
<i>Total Assets</i>	<u><u>1,277,767</u></u>	<u><u>1,164,940</u></u>	<u><u>1,161,297</u></u>
Net Assets:			
Restricted	897,401	868,151	661,390
Unrestricted	<u>380,366</u>	<u>296,789</u>	<u>499,907</u>
<i>Total Net Assets</i>	<u><u>\$ 1,277,767</u></u>	<u><u>\$ 1,164,940</u></u>	<u><u>\$ 1,161,297</u></u>

Net assets of governmental activities increased \$112,827 or 10 percent in 2009, and \$3,643 or .3 percent in 2008, a slight change from previous years.

Table 2 reflects the changes in net assets in 2009 and 2008 for governmental activities.

Hiram Township
Portage County

Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

Table 2

	Governmental Activities		
	2009	2008	2007
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$ 2,219	\$ 1,675	\$ 10,303
Operating Grants and Contributions	94,020	97,193	214,716
General Receipts:			
Property and Other Local Taxes	663,089	636,103	639,153
Grants and Entitlements not Restricted	162,887	100,451	92,360
Interest	29,338	35,068	-
Miscellaneous	3,737	555	864
Total Receipts	955,290	871,045	957,396
Disbursements:			
Current:			
General Government	285,748	348,823	377,945
Public Safety	227,691	187,006	186,284
Public Works	219,383	272,353	202,999
Capital Outlay	109,641	47,687	23,213
Debt Service:			
Principal Retirement	-	11,168	7,103
Fiscal and Interest Charges	-	365	628
Total Disbursements	842,463	867,402	798,172
Changes in Net Assets	\$ 112,827	\$ 3,643	\$ 159,224

Program receipts represent only 10 percent of total receipts in 2009 and 11 percent in 2008 respectively. Program receipts are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money.

General receipts represent 90 percent of the Township's 2009 total receipts and 89 percent of total receipts in 2008, and of this amount, over 77 percent are property taxes in 2009 and 82 percent in 2008. State and federal grants and entitlements make up the balance of the Government's general receipts. 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 Trustees, and the Fiscal Officer Salaries and benefits.

Public Safety is the cost of EMS contracts and Public Works is the costs of maintaining roads.

Governmental Activities

The Statement of Activities lists the major services provided by the Township. Included are the costs of providing these services. The major program disbursements for Township activities are for capital road projects, road and bridge maintenance, fire protection, and administration of the Township.

Hiram Township
Portage County

Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

Table 3
Total and Cost of Program Services

	Governmental Activities	
	2009	
	Total Cost of Service	Net Cost of Service
General Government	\$ 285,748	\$ (283,529)
Public Safety	227,691	(227,691)
Public Works	219,383	(125,363)
Capital Outlay	109,641	(109,641)
Total Program Services	\$ 842,463	\$ (746,224)
	Governmental Activities	
	2008	
	Total Cost of Service	Net Cost of Service
General Government	\$ 348,823	\$ (347,148)
Public Safety	187,006	(187,006)
Public Works	272,353	(175,160)
Capital Outlay	47,687	(47,687)
Debt Service:		
Principal Payment	11,168	(11,168)
Interest and Fiscal Charges	365	(365)
Total Program Services	\$ 867,402	\$ (768,534)
	Governmental Activities	
	2007	
	Total Cost of Service	Net Cost of Service
General Government	\$ 377,945	\$ (376,065)
Public Safety	186,284	(185,943)
Public Works	202,999	(107,602)
Other	-	127,401
Capital Outlay	23,213	(23,213)
Debt Service:		
Principal Payment	7,103	(7,103)
Interest and Fiscal Charges	628	(628)
Total Program Services	\$ 798,172	\$ (573,153)

The dependence upon property tax receipts is apparent as over 88 percent in 2009 and 89 percent in 2008 of governmental activities are supported through these general receipts.

Hiram Township
Portage County

Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

The Township's Funds

In 2009 governmental activities had receipts of \$954,543 and disbursements of \$842,463. In 2008 governmental activities had receipts of \$870,989 and disbursements of \$867,402. The fund balances for 2009 and 2008 saw fund balances remain stable with increases in most funds.

General Fund Budgeting Highlights

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

During 2009 and 2008, the Township amended its General Fund Budget.

Final disbursements in 2009 were budgeted at \$497,000 while the actual disbursements were \$153,755. The result was a \$343,245 decrease in spending which was in the range of expectation.

Final disbursements in 2008 were budgeted at \$620,000 while the actual disbursements were \$190,841. The result was a \$429,159 decrease in spending which was in the range of expectation.

Debt Administration

As of December 31, 2009, the Township has no outstanding loans. In 2008, the Township paid off a truck loan. Refer to Note 10 in the Financial Statements Notes for details.

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 show the Township's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Doug Brewer, Fiscal Office, Hiram Township, P.O. Box 1827, Hiram, Ohio, 44234.

Hiram Township, Portage County

Statement of Net Assets - Cash Basis

December 31, 2009

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 1,277,767</u>
<i>Total Assets</i>	<u><u>\$ 1,277,767</u></u>
Net Assets	
Restricted for:	
Land Acquisition (General Fund)	\$ 297,282
Permanent Fund - Trust Hoffman	
Expendable	71
Nonexpendable	1,200
Other Purposes	629,323
Unrestricted	<u>349,891</u>
<i>Total Net Assets</i>	<u><u>\$ 1,277,767</u></u>

See accompanying notes to the basic financial statements

Hiram Township, Portage County

Statement of Activities - Cash Basis

For the Year Ended December 31, 2009

	Cash Disbursements	Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
General Government	\$ 285,748	\$ 2,219	-	\$ (283,529)
Public Safety	227,691	-	-	(227,691)
Public Works	219,383	-	\$ 94,020	(125,363)
Capital Outlay	109,641	-	-	(109,641)
<i>Total Governmental Activities</i>	<u>\$ 842,463</u>	<u>\$ 2,219</u>	<u>\$ 94,020</u>	<u>\$ (746,224)</u>
General Receipts				
Property Taxes Levied for:				
General Purposes				\$ 53,352
Special Purposes				604,751
Other Local Taxes				4,986
Grants and Entitlements not Restricted to Special Programs				162,887
Interest				29,338
Miscellaneous				3,737
<i>Total General Receipts</i>				<u>859,051</u>
Change in Net Assets				112,827
<i>Net Assets Beginning of Year</i>				<u>1,164,940</u>
<i>Net Assets End of Year</i>				<u>\$ 1,277,767</u>

See accompanying notes to the basic financial statements

Hiram Township, Portage County
Statement of Cash Basis Assets and Fund Balances
 Governmental Funds
 December 31, 2009

	General	Gasoline Tax Fund	Road and Bridge Fund	Road & Bridge Levy (2 Mill) Fund	Road & Bridge Levy (3 Mill) Fund	EMS Levy Fund	Fire Levy Fund	Other Governmental Funds	Total Governmental Funds
Assets									
Equity in Pooled Cash and Cash Equivalents	\$ 647,173	\$ 81,195	\$ 216,542	\$ 117,307	\$ 84,616	\$ 27,106	\$ 40,991	\$ 62,837	\$ 1,277,767
<i>Total Assets</i>	<u>\$ 647,173</u>	<u>\$ 81,195</u>	<u>\$ 216,542</u>	<u>\$ 117,307</u>	<u>\$ 84,616</u>	<u>\$ 27,106</u>	<u>\$ 40,991</u>	<u>\$ 62,837</u>	<u>\$ 1,277,767</u>
Fund Balances									
Reserved:									
Reserved for Land Acquisition	\$ 297,282	-	-	-	-	-	-	-	\$ 297,282
Permanent Fund	-	-	-	-	-	-	-	\$ 1,200	1,200
Unreserved:									
Undesignated (Deficit), Reported in:									
General Fund	349,891	-	-	-	-	-	-	-	349,891
Special Revenue Funds	-	\$ 81,195	\$ 216,542	\$ 117,307	\$ 84,616	\$ 27,106	\$ 40,991	\$ 61,566	629,323
Permanent Fund	-	-	-	-	-	-	-	71	71
<i>Total Fund Balances</i>	<u>\$ 647,173</u>	<u>\$ 81,195</u>	<u>\$ 216,542</u>	<u>\$ 117,307</u>	<u>\$ 84,616</u>	<u>\$ 27,106</u>	<u>\$ 40,991</u>	<u>\$ 62,837</u>	<u>\$ 1,277,767</u>

See accompanying notes to the basic financial statements

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

	General	Gasoline Tax Fund	Road and Bridge Fund	Road & Bridge Levy (2 Mill) Fund	Road & Bridge Levy (3 Mill) Fund	EMS Levy Fund	Fire Levy Fund	Other Governmental Funds	Total Governmental Funds
Receipts									
Property and Other Local Taxes	\$ 53,352	\$ -	\$ 100,777	\$ 140,578	\$ 138,324	\$ 106,525	\$ 118,547	\$ 4,986	663,089
Fines, Licenses and Permits	-	-	-	-	-	-	-	2,219	2,219
Intergovernmental	162,887	86,829	-	-	-	-	-	7,191	256,907
Interest	28,408	668	-	-	-	-	-	262	29,338
Miscellaneous	-	-	-	-	2,990	-	-	-	2,990
<i>Total Receipts</i>	<u>244,647</u>	<u>87,497</u>	<u>100,777</u>	<u>140,578</u>	<u>141,314</u>	<u>106,525</u>	<u>118,547</u>	<u>14,658</u>	<u>954,543</u>
Disbursements									
Current:									
General Government	153,755	-	-	-	131,343	-	-	650	285,748
Public Safety	-	-	-	-	-	108,750	118,941	-	227,691
Public Works	-	104,437	35,234	-	28,728	28,750	18,390	3,844	219,383
Capital Outlay	-	25,835	-	83,806	-	-	-	-	109,641
<i>Total Disbursements</i>	<u>153,755</u>	<u>130,272</u>	<u>35,234</u>	<u>83,806</u>	<u>160,071</u>	<u>137,500</u>	<u>137,331</u>	<u>4,494</u>	<u>842,463</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	90,892	(42,775)	65,543	56,772	(18,757)	(30,975)	(18,784)	10,164	112,080
Other Financing Sources (Uses)									
Other Financing Sources	747	-	-	-	-	-	-	-	747
<i>Net Change in Fund Balances</i>	91,639	(42,775)	65,543	56,772	(18,757)	(30,975)	(18,784)	10,164	112,827
<i>Fund Balances Beginning of Year</i>	<u>555,534</u>	<u>123,970</u>	<u>150,999</u>	<u>60,535</u>	<u>103,373</u>	<u>58,081</u>	<u>59,775</u>	<u>52,673</u>	<u>1,164,940</u>
<i>Fund Balances End of Year</i>	<u>\$ 647,173</u>	<u>\$ 81,195</u>	<u>\$ 216,542</u>	<u>\$ 117,307</u>	<u>\$ 84,616</u>	<u>\$ 27,106</u>	<u>\$ 40,991</u>	<u>\$ 62,837</u>	<u>\$ 1,277,767</u>

See accompanying notes to the basic financial statements

Hiram Township, Portage County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
General Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 738,703	\$ 59,409	\$ 53,352	\$ (6,057)
Intergovernmental	229,708	148,284	162,887	14,603
Interest	10,000	30,000	28,408	(1,592)
<i>Total receipts</i>	<u>978,411</u>	<u>237,693</u>	<u>244,647</u>	<u>6,954</u>
Disbursements				
Current:				
General Government	338,000	212,000	153,755	58,245
Public Works	125,000	35,000	-	35,000
Capital Outlay	250,000	250,000	-	250,000
<i>Total Disbursements</i>	<u>713,000</u>	<u>497,000</u>	<u>153,755</u>	<u>343,245</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>265,411</u>	<u>(259,307)</u>	<u>90,892</u>	<u>350,199</u>
Other Financing Sources (Uses)				
Other Financing Sources	-	60	747	687
<i>Net Change in Fund Balance</i>	265,411	(259,247)	91,639	350,886
<i>Fund Balance Beginning of Year</i>	<u>555,534</u>	<u>555,534</u>	<u>555,534</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 820,945</u>	<u>\$ 296,287</u>	<u>\$ 647,173</u>	<u>\$ 350,886</u>

See accompanying notes to the basic financial statements

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$ 145,888	\$ 80,000	\$ 86,829	\$ 6,829
Interest	-	-	668	668
<i>Total receipts</i>	145,888	80,000	87,497	7,497
Disbursements				
Current:				
Public Works	120,000	120,000	104,437	15,563
Capital Outlay	-	80,000	25,835	54,165
<i>Total Disbursements</i>	120,000	200,000	130,272	69,728
<i>Net Change in Fund Balance</i>	25,888	(120,000)	(42,775)	77,225
<i>Fund Balance Beginning of Year</i>	123,970	123,970	123,970	-
<i>Fund Balance End of Year</i>	\$ 149,858	\$ 3,970	\$ 81,195	\$ 77,225

See accompanying notes to the basic financial statements

Hiram Township, Portage County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Road and Bridge Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 331,542	\$ 114,760	\$ 100,777	\$ (13,983)
Disbursements				
Current:				
Public Works	300,000	250,000	35,234	214,766
<i>Net Change in Fund Balance</i>	31,542	(135,240)	65,543	200,783
<i>Fund Balance Beginning of Year</i>	150,999	150,999	150,999	-
<i>Fund Balance End of Year</i>	<u>\$ 182,541</u>	<u>\$ 15,759</u>	<u>\$ 216,542</u>	<u>\$ 200,783</u>

See accompanying notes to the basic financial statements

Hiram Township, Portage County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Road and Bridge Levy (2 Mill) Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 252,301	\$ 134,995	\$ 140,578	\$ 5,583
Disbursements				
Capital Outlay	250,000	150,000	83,806	66,194
<i>Net Change in Fund Balance</i>	2,301	(15,005)	56,772	71,777
<i>Fund Balance Beginning of Year</i>	60,535	60,535	60,535	-
<i>Fund Balance End of Year</i>	<u>\$ 62,836</u>	<u>\$ 45,530</u>	<u>\$ 117,307</u>	<u>\$ 71,777</u>

See accompanying notes to the basic financial statements

Hiram Township, Portage County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Road and Bridge Levy (3 Mill) Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 251,250	\$ 181,802	\$ 138,324	\$ (43,478)
Miscellaneous	-	-	2,990	2,990
<i>Total receipts</i>	251,250	181,802	141,314	(40,488)
Disbursements				
Current:				
General Government	-	150,000	131,343	18,657
Public Works	210,000	100,000	28,728	71,272
<i>Total Disbursements</i>	210,000	250,000	160,071	89,929
<i>Net Change in Fund Balance</i>	41,250	(68,198)	(18,757)	49,441
<i>Fund Balance Beginning of Year</i>	103,373	103,373	103,373	-
<i>Fund Balance End of Year</i>	\$ 144,623	\$ 35,175	\$ 84,616	\$ 49,441

See accompanying notes to the basic financial statements

Hiram Township, Portage County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
EMS Levy Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 148,308	\$ 121,202	\$ 106,525	\$ (14,677)
Disbursements				
Current:				
Public Safety	120,000	130,000	108,750	21,250
Public Works	-	30,000	28,750	1,250
Health	10,000	15,000	-	15,000
<i>Total Disbursements</i>	<u>130,000</u>	<u>175,000</u>	<u>137,500</u>	<u>37,500</u>
<i>Net Change in Fund Balance</i>	18,308	(53,798)	(30,975)	22,823
<i>Fund Balance Beginning of Year</i>	<u>58,081</u>	<u>58,081</u>	<u>58,081</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 76,389</u>	<u>\$ 4,283</u>	<u>\$ 27,106</u>	<u>\$ 22,823</u>

See accompanying notes to the basic financial statements

Hiram Township, Portage County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Fire Levy Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 175,986	\$ 134,995	\$ 118,547	\$ (16,448)
Disbursements				
Current:				
Public Safety	130,000	130,000	118,941	11,059
Public Works	-	50,000	18,390	31,610
<i>Total Disbursements</i>	130,000	180,000	137,331	42,669
<i>Net Change in Fund Balance</i>	45,986	(45,005)	(18,784)	26,221
<i>Fund Balance Beginning of Year</i>	59,775	59,775	59,775	-
<i>Fund Balance End of Year</i>	<u>\$ 105,761</u>	<u>\$ 14,770</u>	<u>\$ 40,991</u>	<u>\$ 26,221</u>

See accompanying notes to the basic financial statements

Hiram Township, Portage County

Statement of Net Assets - Cash Basis

December 31, 2008

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 1,164,940</u>
<i>Total Assets</i>	<u><u>\$ 1,164,940</u></u>
Net Assets	
Restricted for:	
Land Acquisition (General Fund)	\$ 273,913
Permanent Fund - Trust Hoffman	
Expendable	71
Nonexpendable	1,200
Other Purposes	608,135
Unrestricted	<u>281,621</u>
<i>Total Net Assets</i>	<u><u>\$ 1,164,940</u></u>

See accompanying notes to the basic financial statements

Hiram Township, Portage County

Statement of Activities - Cash Basis

For the Year Ended December 31, 2008

	Cash Disbursements	Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
General Government	\$ 348,823	\$ 1,675	-	\$ (347,148)
Public Safety	187,006	-	-	(187,006)
Public Works	272,353	-	\$ 97,193	(175,160)
Capital Outlay	47,687	-	-	(47,687)
Debt Service:				
Principal Retirement	11,168	-	-	(11,168)
Interest and Fiscal Charges	365	-	-	(365)
<i>Total Governmental Activities</i>	<u>\$ 867,402</u>	<u>\$ 1,675</u>	<u>\$ 97,193</u>	<u>\$ (768,534)</u>
General Receipts				
Property Taxes Levied for:				
General Purposes				\$ 76,308
Special Purposes				554,963
Other Local Taxes				4,832
Grants and Entitlements not Restricted to Special Programs				100,451
Interest				35,068
Miscellaneous				555
<i>Total General Receipts</i>				<u>772,177</u>
Change in Net Assets				3,643
<i>Net Assets Beginning of Year</i>				<u>1,161,297</u>
<i>Net Assets End of Year</i>				<u>\$ 1,164,940</u>

See accompanying notes to the basic financial statements

Hiram Township, Portage County
Statement of Cash Basis Assets and Fund Balances
 Governmental Funds
 December 31, 2008

	General	Gasoline Tax Fund	Road and Bridge Fund	Road & Bridge Levy (2 Mill) Fund	Road & Bridge Levy (3 Mill) Fund	EMS Levy Fund	Fire Levy Fund	Other Governmental Funds	Total Governmental Funds
Assets									
Equity in Pooled Cash and Cash Equivalents	\$ 555,534	\$ 123,970	\$ 150,999	\$ 60,535	\$ 103,373	\$ 58,081	\$ 59,775	\$ 52,673	\$ 1,164,940
<i>Total Assets</i>	<u>\$ 555,534</u>	<u>\$ 123,970</u>	<u>\$ 150,999</u>	<u>\$ 60,535</u>	<u>\$ 103,373</u>	<u>\$ 58,081</u>	<u>\$ 59,775</u>	<u>\$ 52,673</u>	<u>\$ 1,164,940</u>
Fund Balances									
Reserved:									
Reserved for Land Acquisition	\$ 273,913	-	-	-	-	-	-	-	\$ 273,913
Permanent Fund	-	-	-	-	-	-	-	\$ 1,200	1,200
Unreserved:									
Undesignated (Deficit), Reported in:									
General Fund	281,621	-	-	-	-	-	-	-	281,621
Special Revenue Funds	-	\$ 123,970	\$ 150,999	\$ 60,535	\$ 103,373	\$ 58,081	\$ 59,775	51,402	608,135
Permanent Fund	-	-	-	-	-	-	-	71	71
<i>Total Fund Balances</i>	<u>\$ 555,534</u>	<u>\$ 123,970</u>	<u>\$ 150,999</u>	<u>\$ 60,535</u>	<u>\$ 103,373</u>	<u>\$ 58,081</u>	<u>\$ 59,775</u>	<u>\$ 52,673</u>	<u>\$ 1,164,940</u>

See accompanying notes to the basic financial statements

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

	General	Gasoline Tax Fund	Road and Bridge Fund	Road & Bridge Levy (2 Mill) Fund	Road & Bridge Levy (3 Mill) Fund	EMS Levy Fund	Fire Levy Fund	Other Governmental Funds	Total Governmental Funds
Receipts									
Property and Other Local Taxes	\$ 76,308	\$ -	\$ 103,815	\$ 92,938	\$ 159,792	\$ 106,616	\$ 91,719	\$ 4,915	636,103
Special Assessments	41	-	-	-	-	-	-	-	41
Fines, Licenses and Permits	-	-	-	-	-	-	-	1,675	1,675
Intergovernmental	100,451	89,805	-	-	-	-	-	7,388	197,644
Interest	33,437	971	-	-	-	-	-	660	35,068
Miscellaneous	380	-	-	78	-	-	-	-	458
<i>Total Receipts</i>	<u>210,617</u>	<u>90,776</u>	<u>103,815</u>	<u>93,016</u>	<u>159,792</u>	<u>106,616</u>	<u>91,719</u>	<u>14,638</u>	<u>870,989</u>
Disbursements									
Current:									
General Government	166,810	-	-	137,376	42,687	-	-	1,950	348,823
Public Safety	-	-	-	-	-	100,000	87,006	-	187,006
Public Works	24,031	33,850	63,669	-	125,889	-	14,482	10,432	272,353
Capital Outlay	-	32,908	-	14,779	-	-	-	-	47,687
Debt Service:									
Principal Retirement	-	-	11,168	-	-	-	-	-	11,168
Interest and Fiscal Charges	-	-	365	-	-	-	-	-	365
<i>Total Disbursements</i>	<u>190,841</u>	<u>66,758</u>	<u>75,202</u>	<u>152,155</u>	<u>168,576</u>	<u>100,000</u>	<u>101,488</u>	<u>12,382</u>	<u>867,402</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	19,776	24,018	28,613	(59,139)	(8,784)	6,616	(9,769)	2,256	3,587
Other Financing Sources (Uses)									
Other Financing Sources	56	-	-	-	-	-	-	-	56
<i>Net Change in Fund Balances</i>	19,832	24,018	28,613	(59,139)	(8,784)	6,616	(9,769)	2,256	3,643
<i>Fund Balances Beginning of Year</i>	535,702	99,952	122,386	119,674	112,157	51,465	69,544	50,417	1,161,297
<i>Fund Balances End of Year</i>	<u>\$ 555,534</u>	<u>\$ 123,970</u>	<u>\$ 150,999</u>	<u>\$ 60,535</u>	<u>\$ 103,373</u>	<u>\$ 58,081</u>	<u>\$ 59,775</u>	<u>\$ 52,673</u>	<u>\$ 1,164,940</u>

See accompanying notes to the basic financial statements

Hiram Township, Portage 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	\$ 356,554	\$ 49,840	\$ 76,308	\$ 26,468
Special Assessments	38	27	41	14
Intergovernmental	146,600	65,609	100,451	34,842
Interest	30,000	21,839	33,437	11,598
Miscellaneous	-	248	380	132
<i>Total receipts</i>	533,192	137,563	210,617	73,054
Disbursements				
Current:				
General Government	172,000	328,000	166,810	161,190
Public Works	75,000	37,000	24,031	12,969
Capital Outlay	250,000	255,000	-	255,000
<i>Total Disbursements</i>	497,000	620,000	190,841	429,159
<i>Excess of Receipts Over (Under) Disbursements</i>	36,192	(482,437)	19,776	502,213
Other Financing Sources (Uses)				
Other Financing Sources	60	-	56	56
<i>Net Change in Fund Balance</i>	36,252	(482,437)	19,832	502,269
<i>Fund Balance Beginning of Year</i>	535,702	535,702	535,702	-
<i>Fund Balance End of Year</i>	\$ 571,954	\$ 53,265	\$ 555,534	\$ 502,269

See accompanying notes to the basic financial statements

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$ 203,971	\$ 62,800	\$ 89,805	\$ 27,005
Interest	-	2,200	971	(1,229)
<i>Total receipts</i>	203,971	65,000	90,776	25,776
Disbursements				
Current:				
Public Works	140,000	75,000	33,850	41,150
Capital Outlay	60,000	75,000	32,908	42,092
<i>Total Disbursements</i>	200,000	150,000	66,758	83,242
<i>Net Change in Fund Balance</i>	3,971	(85,000)	24,018	109,018
<i>Fund Balance Beginning of Year</i>	99,952	99,952	99,952	-
<i>Fund Balance End of Year</i>	\$ 103,923	\$ 14,952	\$ 123,970	\$ 109,018

See accompanying notes to the basic financial statements

Hiram Township, Portage County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Road and Bridge Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 263,322	\$ 112,033	\$ 103,815	\$ (8,218)
Special Assessments	-	290	-	(290)
<i>Total receipts</i>	263,322	112,323	103,815	(8,508)
Disbursements				
Current:				
Public Works	200,000	170,000	63,669	106,331
Capital Outlay	50,000	50,000	-	50,000
Debt Service:				
Principal Retirement	-	-	11,168	(11,168)
Interest and Fiscal Charges	-	-	365	(365)
<i>Total Disbursements</i>	250,000	220,000	75,202	144,798
<i>Net Change in Fund Balance</i>	13,322	(107,677)	28,613	136,290
<i>Fund Balance Beginning of Year</i>	122,386	122,386	122,386	-
<i>Fund Balance End of Year</i>	\$ 135,708	\$ 14,709	\$ 150,999	\$ 136,290

See accompanying notes to the basic financial statements

Hiram Township, Portage County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Road and Bridge Levy (2 Mill) 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	\$ 161,726	\$ 101,191	\$ 92,938	\$ (8,253)
Miscellaneous	-	-	78	78
<i>Total receipts</i>	161,726	101,191	93,016	(8,175)
Disbursements				
Current:				
General Government	-	165,000	137,376	27,624
Capital Outlay	150,000	35,000	14,779	20,221
<i>Total Disbursements</i>	150,000	200,000	152,155	47,845
<i>Net Change in Fund Balance</i>	11,726	(98,809)	(59,139)	39,670
<i>Fund Balance Beginning of Year</i>	119,674	119,674	119,674	-
<i>Fund Balance End of Year</i>	\$ 131,400	\$ 20,865	\$ 60,535	\$ 39,670

See accompanying notes to the basic financial statements

Hiram Township, Portage County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Road and Bridge Levy (3 Mill) 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	\$ 266,191	\$ 177,987	\$ 159,792	\$ (18,195)
Disbursements				
Current:				
General Government	150,000	60,000	42,687	17,313
Public Works	100,000	215,000	125,889	89,111
<i>Total Disbursements</i>	<u>250,000</u>	<u>275,000</u>	<u>168,576</u>	<u>106,424</u>
<i>Net Change in Fund Balance</i>	16,191	(97,013)	(8,784)	88,229
<i>Fund Balance Beginning of Year</i>	<u>112,157</u>	<u>112,157</u>	<u>112,157</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 128,348</u>	<u>\$ 15,144</u>	<u>\$ 103,373</u>	<u>\$ 88,229</u>

See accompanying notes to the basic financial statements

Hiram Township, Portage County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
EMS Levy 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	\$ 176,739	\$ 118,658	\$ 106,616	\$ (12,042)
Disbursements				
Current:				
Public Safety	130,000	110,000	100,000	10,000
Public Works	30,000	25,000	-	25,000
Health	15,000	15,000	-	15,000
<i>Total Disbursements</i>	<u>175,000</u>	<u>150,000</u>	<u>100,000</u>	<u>50,000</u>
<i>Net Change in Fund Balance</i>	1,739	(31,342)	6,616	37,958
<i>Fund Balance Beginning of Year</i>	<u>51,465</u>	<u>51,465</u>	<u>51,465</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 53,204</u>	<u>\$ 20,123</u>	<u>\$ 58,081</u>	<u>\$ 37,958</u>

See accompanying notes to the basic financial statements

Hiram Township, Portage County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Fire Levy 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	\$ 191,919	\$ 101,191	\$ 91,719	\$ (9,472)
Disbursements				
Current:				
Public Safety	130,000	120,000	87,006	32,994
Public Works	50,000	30,000	14,482	15,518
<i>Total Disbursements</i>	<u>180,000</u>	<u>150,000</u>	<u>101,488</u>	<u>48,512</u>
<i>Net Change in Fund Balance</i>	11,919	(48,809)	(9,769)	39,040
<i>Fund Balance Beginning of Year</i>	<u>69,544</u>	<u>69,544</u>	<u>69,544</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 81,463</u>	<u>\$ 20,735</u>	<u>\$ 59,775</u>	<u>\$ 39,040</u>

See accompanying notes to the basic financial statements

Hiram Township
Portage County

Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 1 – REPORTING ENTITY

Hiram Township, Portage County, Ohio (the Township), is a body politic and corporate established in 1817 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 solely of the primary government.

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 Hiram to provide fire protection and emergency medical services.

B. Public Entity Risk Pool

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. Note 7 to the financial statements provides additional information for this entity.

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

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 2.C, these financial statements are presented on 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 cash basis of accounting. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The Township has no proprietary funds. Following are the more significant of the Township's accounting policies.

A. Basis of Presentation

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

Government-Wide Financial Statements

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

Hiram Township
Portage County

Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis of Presentation

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

B. Fund Accounting

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

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The following are the Township's major governmental funds:

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

Road and Bridge Fund -This fund receive property tax money for constructing, maintaining, and repairing Township roads and bridges.

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

Special Levy Road and Bridge Funds – These funds receive property taxes for maintaining and repairing Township roads and bridges.

EMS Levy Fund – This fund receives property tax monies for the contract agreement for EMS Services.

Fire Levy Fund – This fund receives property tax monies for the contract agreement for Fire Services.

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

Hiram Township
Portage County

Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. 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 expenses and liabilities) 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 resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

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

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

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution 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. Individual fund integrity is maintained through Township records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. The Township has no investments with an initial maturity of more than three months.

E. Cash and 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.

Hiram Township
Portage County

Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

During 2009 and 2008, the Township invested in nonnegotiable certificates of deposit. The nonnegotiable certificates of deposit are reported at cost.

Interest earnings are allocated to Township funds according to State statutes. Interest receipts credited to the General Fund during 2009 and 2008 were \$28,408 and \$33,437 respectively, with interest receipts of \$930 and \$1,631 credited to other Township Funds respectively (i.e., Motor Vehicle License (MVL), Gas Tax & Permissive MVL and Permanent Funds).

F. Restricted Assets

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. There were no restricted assets at either year-end.

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 cash 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 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

L. 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.

Hiram Township
Portage County

Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. 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 land acquisition and the Hoffman trust fund.

N. Fund Balance Reserves

The Township's reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for land acquisition and the permanent fund.

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, gasoline tax fund, road and bridge fund, road and bridge levy 2 mill fund, road and bridge levy 3 mill fund, EMS levy fund, and fire levy fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. There were no encumbrances at either year-end.

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 withdraw-able 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;

Hiram Township
Portage County

Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 4 - DEPOSITS AND INVESTMENTS (Continued)

3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

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

Deposits

At year end, the Township had no undeposited cash on hand.

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 2009 and 2008, \$1,038,835 of the Township's bank balance of \$1,288,835 which includes \$297,282 of non-negotiable certificates of deposit and \$930,313 of the Township's bank balance of \$1,180,313 which includes \$273,913 of non-negotiable certificates of deposit, respectively, 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.

Investments

Interest Rate Risk - As a means to limiting its exposure to fair value losses caused by raising interest rates, the Township investment policy requires that operating funds to invested primarily in short-term investments maturing in a relatively short period of time from the date of purchase (a three months term).

Credit Risk -The Township investment policy limits its investments choices to those investments maturing within a relatively short period of time.

Concentration Credit Risk - The Township places no limit on the amount it may invest in short term investments.

Hiram Township
Portage County

Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 4 - DEPOSITS AND INVESTMENTS (Continued)

As of December 31, 2009 and 2008, the Township had no investments.

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 2009 and 2008 for real and public utility property taxes represents collections of the 2008 and 2007 taxes. Property tax payments received during 2009 and 2008 for tangible personal property (other than public utility property) is for 2008 and 2007 taxes.

2009 and 2008 real property taxes are levied after October 1, 2008 and 2007 on the assessed values as of January 1, 2009 and 2008, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. 2008 and 2007 real property taxes are collected in and intended to finance 2009 and 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. 2009 and 2008 public utility property taxes which became a lien on December 31, 2008 and 2007, are levied after October 1, 2009 and 2008, and are collected in 2008 and 2007 with real property taxes.

2009 and 2008 tangible property taxes are levied after October 1, 2008 and 2007, on the value as of December 31, 2008 and 2007. Collections are made in 2009 and 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 semiannually. 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.

The full tax rate for all Township operations for the year ended December 31, 2008 was \$12.60 per \$1,000 of assessed value. The assessed values of real and personal property upon which 2008 property tax receipts were based are as follows:

Real Property	
Residential and Agricultural	\$ 64,024,990
Other	339,110
Tangible Personal Property	
General	186,750
Public Utility	<u>1,521,430</u>
Total Assessed Value	<u>\$ 66,072,280</u>

The full tax rate for all Township operations for the year ended December 31, 2009, was \$12.60 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2009 property tax receipts were based are as follows:

Hiram Township
Portage County

Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 5 - PROPERTY TAXES (Continued)

Real Property	
Residential and Agricultural	\$ 65,318,320
Other	486,270
Tangible Personal Property	
General	112,962
Public Utility	<u>1,588,370</u>
Total Assessed Value	<u>\$ 67,505,922</u>

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

Note 7 – 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. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of OTARMA and provides underwriting, claims, loss control, risk management, and reinsurance services for OTARMA. OTARMA is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. 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 and Property Coverage

APEEP provides OTARMA with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2008, OTARMA retained \$350,000 for casualty claims and \$100,000 for property claims.

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

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years, and there were no reductions of coverage from last year.

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, 2008 and 2007 (the latest information available):

Hiram Township
Portage County

Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 7 – RISK MANAGEMENT (Continued)

	<u>2008</u>	<u>2007</u>
Assets	\$ 40,737,740	\$ 43,210,703
Liabilities	<u>(12,981,818)</u>	<u>(13,357,837)</u>
Net Assets	<u>\$ 27,755,922</u>	<u>\$ 29,852,866</u>

At December 31, 2008 and 2007, respectively, liabilities above include approximately \$12.1 and \$12.5 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$10.9 and \$11.6 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2008 and 2007, 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 \$3,111.

Based on discussions with OTARMA, the expected rates OTARMA charges 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 annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

<u>Contributions to OTARMA</u>		
2009	\$	9,582
2008	\$	10,742

After completing one year of membership, members may withdraw on each anniversary of the date they joined OTARMA provided they provide written notice to OTARMA 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital 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 8 – DEFINED BENEFIT PENSION PLAN

A. Ohio Public Employees Retirement System

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

Hiram Township
Portage County

Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 8 – DEFINED BENEFIT PENSION PLAN (Continued)

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2009 and 2008, members in state and local classifications contributed 10 percent of covered payroll.

The Township's contribution rate for 2009 and 2008 was 14 percent.

Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the Township of 14 percent.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2009, 2008, and 2007 were \$33,471, \$37,626, and \$44,875 respectively. The full amount has been contributed for 2009, 2008 and 2007.

Note 9 – POSTEMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System

Plan Description - OPERS maintains a cost-sharing multiple-employer defined benefit postemployment healthcare plan for qualifying members of both the traditional and combined pension plans. Members of the member-directed plan do not qualify for ancillary benefits, including postemployment healthcare. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for postemployment healthcare coverage, age and service retirees under the traditional and combined plans must have ten years or more of qualifying Ohio service credit. Healthcare coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised code permits, but does not require, OPERS to provide healthcare benefits to eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are provided separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222 – 7377.

Funding Policy – The postemployment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code 401 (h). State statute requires that public employers fund postemployment healthcare through contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postemployment healthcare.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2009 and 2008, local government employers contributed 14 percent of covered payroll.

Each year, The OPERS retirement board determines the portion of the employer contribution that will be set aside for funding postemployment healthcare benefits.

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

Hiram Township
Portage County

Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 9 – POSTEMPLOYMENT BENEFITS (Continued)

The Township's contributions allocated to fund postemployment healthcare benefits for the years ended December 31, 2009, 2008, and 2007 were \$16,735, \$18,813, and \$44,875 respectively; 100 percent has been contributed for 2009, 2008 and 2007.

The Health Care Preservation Plan (HCPP) adopted by 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 10 – DEBT

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

	<u>Interest Rates</u>	<u>Balance at 1/1/2008</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance at 12/31/2008</u>
Governmental Activities:					
Truck Loan	3.75%	<u>\$ 11,168</u>	<u>\$ -</u>	<u>\$ 11,168</u>	<u>\$ -</u>

The prior year ending debt balance was overstated by \$428.

The truck loan was to finance a truck for the Township's Road Department. This debt was backed by the full faith of the Township.

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

Hiram Township
Portage County
P.O. Box 1827
Hiram, Ohio 44234

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 Hiram Township, Portage County Ohio (the Township) as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated July 30, 2010, wherein we noted the Township followed the cash basis of accounting rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Controls 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 auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented or detected and timely corrected.

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

Compliance and Other Matters

As part of 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 grants 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 such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards*, which are described in the accompanying Schedule of Findings as items 2009-01 through 2009-03.

The Township's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Township's responses and, accordingly, we express no opinion on them.

We noted certain matters that we have reported to management of the Township in a separate letter dated July 30, 2010.

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

Charles E. Harris and Associates, Inc.

July 30, 2010

**HIRAM TOWNSHIP
PORTAGE COUNTY**

**SCHEDULE OF FINDINGS
December 31, 2009 and 2008**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number 2009-01 – Non-compliance Citation

Ohio Revised Code Section 5705.36(A)(4) requires that upon a determination by the fiscal officer of a subdivision that the revenue to be collected by the subdivision will be less than the amount included in an official certificate and that the amount of the deficiency will reduce available resources below the level of current appropriations, the fiscal officer shall certify the amount of the deficiency to the commission, and the commission shall certify an amended certificate reflecting the deficiency. The following funds had actual receipts below estimated receipts, which the deficiency reduced the estimated resources below the level of appropriations.

<u>2009 Fund</u>	<u>Estimated Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
Road and Bridge Levy (3Mill) - Special Revenue Fund	\$181,802	\$141,314	(\$40,488)
EMS Levy - Special Revenue Fund	121,202	106,525	(14,677)
Fire Levy - Special Revenue Fund	134,995	118,547	(16,448)

Management’s Response: Management will do a year-end amended certificate for revenue and modify appropriations.

Finding Number 2009-02 – Non-compliance Citation

Ohio Revised Code Section 5705.41 (B) states that no subdivision or taxing authority shall make any expenditure of money unless it has been appropriated and unless it has been appropriated as provided in such chapter. In addition, Auditor of State Audit Bulletin 97-010 requires budgetary compliance to be tested at the legal level of control at the end of the year, as well as at various points during the year.

At December 31, 2008, the following fund line items had expenditures plus encumbrances exceeding total appropriations at the legal level of control:

- Road and Bridge Fund - Principal Retirement (\$11,168)
- Road and Bridge Fund - Interest and Fiscal Charges (\$365)

We recommend that the Township better monitor their budgetary process on a monthly basis.

Management’s Response: Management will better monitor appropriations versus expenditures.

**HIRAM TOWNSHIP
PORTAGE COUNTY**

**SCHEDULE OF FINDINGS - (Continued)
December 31, 2009 and 2008**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (Continued)**

Finding Number 2009-03 – Non-compliance Citation

Ohio Revised Code Section 5705.10 requires that money paid into a fund must be used only for the purposes for which the fund has been established. During 2008 and 2009, the Township paid OPERS for all employees from the Road & Bridge Levy (3 Mill) and Gasoline Tax, including those who are not permitted to be paid from these funds. The following adjustments were made in the financial statements to correct this issue:

2008						
	General Fund - General Government				\$ 15,168	
	Road & Bridge Levy (3Mill) - General Government					\$ 15,168

2009						
	General Fund - General Government				\$ 15,307	
	Gasoline Tax - Public Works					\$ 15,307

We recommend that the Township pay OPERS out of funds that the employees are associated with.

Management’s Response: Management will better monitor OPERS payments.

**HIRAM TOWNSHIP
PORTAGE COUNTY
For the Years Ended December 31, 2009 and 2008**

STATUS OF PRIOR AUDIT'S CITATIONS AND RECOMMENDATIONS

The prior audit report, as of December 31, 2007 and 2006, reported no material citations or recommendations.



Mary Taylor, CPA
Auditor of State

HIRAM TOWNSHIP

PORTAGE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 9, 2010**