

**TIVERTON TOWNSHIP
COSHOCOTON COUNTY
Regular Audit
December 31, 2005**



Mary Taylor, CPA
Auditor of State

Board of Trustees
Tiverton Township
35820 CR 33
Warsaw, Ohio 43844

We have reviewed the *Independent Accountants' Report* of Tiverton Township, Coshocton County, prepared by Perry & Associates, CPA's, A.C., for the audit period January 1, 2005 through December 31, 2005. 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. Tiverton Township is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

May 18, 2007

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**TIVERTON TOWNSHIP
COSHOCOTON COUNTY**

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Perry & Associates
Certified Public Accountants, A.C.

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INDEPENDENT ACCOUNTANTS' REPORT

March 22, 2007

Tiverton Township
Coshocton County
35820 CR 33
Warsaw, OH 43844

To the Members of the Board:

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Township as of December 31, 2005 and the respective changes in the cash financial position and the respective budgetary comparison for the General Fund, Gasoline Tax Fund and Misc. Special Revenue (FEMA) Fund thereof for the year ended in conformity with the basis of accounting Note 2 describes.

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

Tiverton Township
Coshocton County
Independent Accountants' Report
Page 2

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2007, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

Respectfully Submitted,

Perry and Associates
Certified Public Accountants, A.C.

**TIVERTON TOWNSHIP
COSHOCOTON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED**

This discussion and analysis of the Tiverton Township's financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2005, within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2005 are as follows:

The Township's general receipts are primarily property taxes. These receipts represent a large majority of the total cash received for governmental activities during the year. Property tax receipts for 2005 changed very little compared to 2004 as development within the Township has slowed.

In December 2004 The Township was directed not to budget any expenditures from the local government fund until the state budget was assembled in 2005. Lawmakers had to approve a new two-year budget by June 30, 2005, and will start the process facing a projected short fall. It was indicated to the Township that at the state level they needed to combine services and become more efficient thus the possibility of cutting local government funds. After careful consideration, the Coshocoton County Budget Commission decided to certify as 2005 estimated local government revenue only fifty percent of the amount previously determined for 2005. The highlight of this situation came in July 2005 when the state government decided they would issue the remaining fifty percent of the local government funds.

In December 2004 Coshocoton County was struck with severe winter storms and flooding. The President declared a major disaster for all townships in Coshocoton County. This declaration allowed local governments, state agencies and certain non-profit agencies to apply for Public Assistance through the Federal Emergency Management Agency (FEMA). The Township applied for these funds and received \$24,137 towards repair and debris removal from township roadways.

The Township applied for FY2005 Community Development Block Grant (CDBG) funds in the amount of \$1,300 through the Board of Coshocoton County Commissioners. The grant was written for playground equipment for the Tiverton Community Park. The Township Board of Trustees was notified in June 2005 that as part of the grant request, the township would receive \$900 towards the playground equipment. The township has committed the remaining funds of \$400 for completion of the playground project. This project will be completed in 2006.

The Township Board of Trustees passed a resolution on December 29, 2004 to purchase a 2005 4300 Series International Truck equipped with dump bed, snow plow and spreader for approximately \$73,000. The cab/chassis was purchased through the State of Ohio Cooperative Purchasing Program (ODOT). A commercial loan at an interest rate of 3.95 percent was obtained from Ohio Heritage Bank, Coshocoton Ohio, for \$52,344 to be amortized over three (3) years. A payment schedule of \$17,448 plus interest annually was established. The board of trustees took possession of the truck in April 2005.

**TIVERTON TOWNSHIP
COSHOCOTON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED**

Using the Basic Financial Statements

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

Report Components

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

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

The notes to the 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 2005, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the Township at year-end. The statement of activities compares cash disbursements with program receipts for each governmental program activity. Program receipts include grants and contributions restricted to meeting the operational 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.

**TIVERTON TOWNSHIP
COSHOCOTON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED**

Reporting the Township as a Whole (continued)

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.

Activities of the Township are listed in the statement of net assets and the statement of activities:

Governmental activities. Most of the Township's basic services are reported here, including, fire, streets and parks. State and federal grants 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.

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, Gasoline Tax, and FEMA Funds. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

**TIVERTON TOWNSHIP
COSHOCOTON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED**

The Township as a Whole

Table 1 provides a summary of the Township's net assets for 2005 compared to 2004 on a cash basis:

(Table 1)

**Net Assets
Governmental Activities**

	2005	2004
Assets		
Cash and Cash Equivalents	\$ 145,241	\$ 102,070
Total Assets	\$ 145,241	\$ 102,070
Net Assets		
Restricted for:		
Permanent Fund	\$ 14,724	\$ 14,724
Other Purposes	115,139	66,494
Unrestricted	15,378	20,852
Total Net Assets	\$ 145,241	\$ 102,070

Net Assets of governmental activities increased \$43,171 or 42% during 2005.

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

**TIVERTON TOWNSHIP
COSHOCOTON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED**

**(Table 2)
Changes in Net Assets
Governmental Activities 2005**

	2005
Receipts:	
Program Receipts:	
Operating Grants and Contributions	\$ 104,930
Total Program Receipts	104,930
General Receipts:	
Property Taxes	22,476
Grants and Entitlements Not Restricted to Specific Programs	16,531
Interest	1,544
Note Proceeds	52,344
Miscellaneous	9,512
Total General Receipts	102,407
Total Receipts	207,337
Disbursements:	
General Government	37,587
Public Health Services	6,170
Conservation/Recreation	600
Public Works	41,785
Capital Outlay	76,207
Other	1,817
Total Disbursements	164,166
Excess (Deficiency) Before Transfers	43,171
Transfers	
Increase (Decrease) in Net Assets	43,171
Net Assets, January 1, 2005	102,070
Net Assets, December 31, 2005	\$145,241

Program receipts represent 51 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gasoline tax money.

General receipts represent 49 percent of the Township's total receipts, and of this amount, most are local taxes and note proceeds. State and federal grants and entitlements make up the balance of the Township's general receipts. Other receipts are very insignificant and somewhat unpredictable revenue sources.

**TIVERTON TOWNSHIP
COSHOCTON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED**

Governmental Activities

In the "Statement of Activities" the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The largest program disbursement for governmental activities was for capital outlay, which accounted for 46 percent of all governmental disbursements. General government represents about 23 percent. The next column of the Statement entitled Program Receipts identifies amounts grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service, which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts, which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

**Net Cost of Services
Governmental Activities**

	Total Cost Of Services 2005	Net Cost of Services 2005
General Government	\$ 37,587	\$ (37,587)
Public Works	41,785	63,145
Public Health Services	6,170	(6,170)
Conservation-Recreation	600	(600)
Other	1,817	(1,817)
Capital Outlay	76,207	(76,207)
Total Expenses	\$ 164,166	\$ (59,236)

The dependence upon operating grants and contributions is apparent as over 64 percent of governmental activities are supported through these program receipts.

The Government's Funds

Total governmental funds had receipts of \$207,337 and disbursements of \$164,166.

General Fund receipts were \$5,474 under disbursements. Overall receipts were \$43,171 over disbursements during 2005 carried by the Gasoline Tax and FEMA Funds.

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 Ohio Revised Code requires that each fund (except certain agency funds be budgeted annually).

**TIVERTON TOWNSHIP
COSHOCOTON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED**

Debt

At December 31, 2005, the Township's outstanding debt included a promissory note for \$52,344 issued in 2005 to finance the purchase of a dump truck and accessories. The Township makes payments on an annual basis.

For information regarding the Township's Debt, refer to the Notes to the Financial Statements Note 11-Notes Payable.

Current Issues

The vision for the Township 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. At present, the Township financial status is stable. However, after reviewing our sources of revenue, we are streamlining our spending without deleting services to our community.

Contacting the Government's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Betty J. Haines, Fiscal Officer, Tiverton Township, 35820 CR 33, Warsaw, Ohio 43844-9510.

Tiverton Township, Coshocton County
Statement of Net Assets - Cash Basis
December 31, 2005

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 145,241
<i>Total Assets</i>	145,241
 Net Assets	
Unreserved:	
Undesignated (Deficit), Reported in:	
General Fund	15,378
Special Revenue Funds	115,139
Permanent Fund	14,724
<i>Total Net Assets</i>	\$ 145,241

The notes to the financial statements are an integral part of this statement.

Tiverton Township, Coshocton County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2005

	Cash Disbursements	Operating Grants and Contributions	Net (Disbursements) Receipts and Changes in Net Assets Governmental Activities
Governmental Activities			
General Government	\$ 37,587	\$ -	\$ (37,587)
Public Works	41,785	157,274	115,489
Health	6,170	-	(6,170)
Conservation-Recreation	600	-	(600)
Other	1,817	-	(1,817)
Capital Outlay	76,207	-	(76,207)
<i>Total Governmental Activities</i>	<u>\$ 164,166</u>	<u>\$ 157,274</u>	<u>\$ (6,892)</u>
General Receipts			
Property Taxes			22,476
Grants and Entitlements not Restricted to Specific			16,531
Interest			1,544
Miscellaneous			9,512
<i>Total General Receipts</i>			<u>50,063</u>
Change in Net Assets			<u>43,171</u>
<i>Net Assets Beginning of Year</i>			<u>102,070</u>
<i>Net Assets End of Year</i>			<u>\$ 145,241</u>

The notes to the financial statements are an integral part of this statement.

Tiverton Township, Coshocton County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2005

	General	Gaasoline Tax	FEMA	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 15,378	\$ 83,890	\$ 10,028	\$ 35,945	\$ 145,241
<i>Total Assets</i>	<u>15,378</u>	<u>83,890</u>	<u>10,028</u>	<u>35,945</u>	<u>145,241</u>
Fund Balances					
Unreserved:					
Undesignated (Deficit), Reported in:					
General Fund	15,378	-	-	-	15,378
Special Revenue Funds	-	83,890	10,028	21,221	115,139
Permanent Fund	-	-	-	14,724	14,724
<i>Total Fund Balances</i>	<u>\$ 15,378</u>	<u>\$ 83,890</u>	<u>\$ 10,028</u>	<u>\$ 35,945</u>	<u>\$ 145,241</u>

The notes to the financial statements are an integral part of this statement.

Tiverton Township, Coshocton County
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
 Governmental Funds
 For the Year Ended December 31, 2005

	General	Gasoline Tax	FEMA	Other Governmental Funds	Total Governmental Funds
Receipts					
Property and Other Local Taxes	\$ 21,159	\$ -	\$ -	\$ 1,317	\$ 22,476
Intergovernmental	16,531	73,230	24,137	7,563	121,461
Interest	326	804	-	414	1,544
Other	-	-	-	3,275	3,275
<i>Total Receipts</i>	<u>38,016</u>	<u>74,034</u>	<u>24,137</u>	<u>12,569</u>	<u>148,756</u>
Disbursements					
Current:					
General Government	37,337	250	-	-	37,587
Public Works	700	36,387	-	4,698	41,785
Health	4,680	-	-	1,490	6,170
Conservation-Recreation	600	-	-	-	600
Capital Outlay	558	74,249	-	1,400	76,207
<i>Total Disbursements</i>	<u>43,875</u>	<u>110,886</u>	<u>-</u>	<u>7,588</u>	<u>162,349</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(5,859)	(36,852)	24,137	4,981	(13,593)
Other Financing Sources (Uses)					
Note Proceeds	-	52,344	-	-	52,344
Transfers In	-	12,384	-	-	12,384
Transfers Out	-	-	(12,384)	-	(12,384)
Other Financing Sources	477	5,760	-	-	6,237
Other Financing Uses	(92)	-	(1,725)	-	(1,817)
<i>Total Other Financing Sources (Uses)</i>	385	70,488	(14,109)	-	56,764
<i>Net Change in Fund Balances</i>	<u>(5,474)</u>	<u>33,636</u>	<u>10,028</u>	<u>4,981</u>	<u>43,171</u>
<i>Fund Balances Beginning of Year</i>	<u>20,852</u>	<u>50,254</u>	<u>-</u>	<u>30,964</u>	<u>102,070</u>
<i>Fund Balances End of Year</i>	<u>\$ 15,378</u>	<u>\$ 83,890</u>	<u>\$ 10,028</u>	<u>\$ 35,945</u>	<u>\$ 145,241</u>

The notes to the financial statements are an integral part of this statement.

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

	Budgeted Amounts			(Optional)
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$ 24,228	\$ 24,228	\$ 21,159	\$ (3,069)
Intergovernmental	6,399	6,399	16,531	10,132
Interest			326	326
Other	30	30	-	(30)
<i>Total receipts</i>	<u>30,657</u>	<u>30,657</u>	<u>38,016</u>	<u>7,359</u>
Disbursements				
Current:				
General Government	40,296	40,700	37,337	3,363
Public Works	750	750	700	50
Health	5,000	5,000	4,680	320
Conservation-Recreation	-	1,000	600	400
Capital Outlay	4,932	3,528	559	2,969
<i>Total Disbursements</i>	<u>50,978</u>	<u>50,978</u>	<u>43,875</u>	<u>7,103</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(20,321)</u>	<u>(20,321)</u>	<u>(5,859)</u>	<u>14,462</u>
Other Financing Sources (Uses)				
Other Financing Sources	70	70	477	407
Other Financing Uses	(600)	(600)	(92)	508
<i>Total Other Financing Sources (Uses)</i>	<u>(530)</u>	<u>(530)</u>	<u>385</u>	<u>915</u>
<i>Net Change in Fund Balance</i>	(20,851)	(20,851)	(5,474)	15,377
<i>Fund Balance Beginning of Year</i>	<u>20,852</u>	<u>20,852</u>	<u>20,852</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 15,378</u>	<u>\$ 15,377</u>

The notes to the financial statements are an integral part of this statement.

Tiverton Township, Coshocton County
Statement of Cash Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Gas Fund
For the Year Ended December 31, 2005

	Budgeted Amounts			(Optional)
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Receipts				
Intergovernmental	\$ 69,656	\$ 69,656	\$ 73,230	\$ 3,574
Interest			804	804
<i>Total receipts</i>	<u>69,656</u>	<u>69,656</u>	<u>74,034</u>	<u>4,378</u>
Disbursements				
Current:				
General Government	750	750	250	500
Public Works	76,989	76,989	36,387	40,602
Capital Outlay	75,000	75,000	74,249	751
Debt Service:				
Principal Retirement	17,448	17,448	-	17,448
Interest and Fiscal Charges	2,067	2,067	-	2,067
<i>Total Disbursements</i>	<u>172,254</u>	<u>172,254</u>	<u>110,886</u>	<u>61,368</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(102,598)</u>	<u>(102,598)</u>	<u>(36,852)</u>	<u>65,746</u>
Other Financing Sources (Uses)				
Note Proceeds	52,344	52,344	52,344	-
Transfers In	-	-	12,384	12,384
Other Financing Sources	-	-	5,760	5,760
<i>Total Other Financing Sources (Uses)</i>	<u>52,344</u>	<u>52,344</u>	<u>70,488</u>	<u>18,144</u>
<i>Net Change in Fund Balance</i>	(50,254)	(50,254)	33,636	83,890
<i>Fund Balance Beginning of Year</i>	<u>50,254</u>	<u>50,254</u>	<u>50,254</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83,890</u>	<u>\$ 83,890</u>

The notes to the financial statements are an integral part of this statement.

Tiverton Township, Coshocton County
Statement of Cash Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Misc. Special Revenue (FEMA)
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Receipts				
Intergovernmental	\$ 14,109	\$ 24,137	\$ 24,137	\$ -
<i>Total receipts</i>	<u>14,109</u>	<u>24,137</u>	<u>24,137</u>	<u>-</u>
Disbursements				
<i>Total Disbursements</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>14,109</u>	<u>24,137</u>	<u>24,137</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers Out	(12,384)	(22,412)	(12,384)	10,028
Other Financing Uses	<u>(1,725)</u>	<u>(1,725)</u>	<u>(1,725)</u>	<u>-</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(14,109)</u>	<u>(24,137)</u>	<u>(14,109)</u>	<u>10,028</u>
<i>Net Change in Fund Balance</i>	-	-	10,028	10,028
<i>Fund Balance Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,028</u>	<u>\$ 10,028</u>

The notes to the financial statements are an integral part of this statement.

**TIVERTON TOWNSHIP
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005**

Note 1 – Reporting Entity

The Tiverton Township, Coshocton County, Ohio (the Township), is a body politic and corporate established in the 1800's 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 and fiscal officer.

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

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's fire protection is provided by the Walhonding Valley Fire District. Police protection is provided by the Coshocton County Sheriff's department.

B. Component Units

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs of services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Township is obligated for the debt of the organization. The Township is also financially accountable for any organizations that are fiscally dependent of the Township in that the Township approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Township, are accessible to the Township and are significant in amount to the Township. The Township has no component units.

C. Joint Ventures, Jointly Governed Organizations and Public Entity Risk Pools

The Township does not participate in any joint ventures, jointly governed organizations. The Township participates in a public entity risk pool. Note 8 to the financial statements provide 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, 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. Following are the more significant of the Township's accounting policies.

**TIVERTON TOWNSHIP
COSHOCOTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005
(Continued)**

Note 2 – Summary of Significant Accounting Policies (continued)

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 no exchange transactions.

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 grants and contributions restricted to meeting the operational 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 fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

B. Fund Accounting

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

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.

**TIVERTON TOWNSHIP
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005
(Continued)**

Note 2 – Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

Gasoline Tax Fund - This fund receives gasoline tax money for constructing, maintaining, and repairing Township roads and bridges.

Miscellaneous Special (FEMA) Fund - This Fund is used to account for revenues received for emergency management disbursements. The Township received FEMA funds for damage and debris removal of township roadways following a Declaration of Major Disaster (ice storm) by the President in December 2004.

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

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

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

**TIVERTON TOWNSHIP
COSHOCOTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005
(Continued)**

Note 2 – Summary of Significant Accounting Policies (continued)

D. Budgetary Process

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”.

The Township does not receive substantial funds that warrant investing at present.

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.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2005 was \$261.

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. FEMA monies are used for specified road projects. The Cemetery Bequest Funds are used to maintain the cemetery.

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.

**TIVERTON TOWNSHIP
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005
(Continued)**

Note 2 – Summary of Significant Accounting Policies (continued)

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. The Township does not utilize Interfund Loans at present.

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. The Township does not have full time employees at present.

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 9 and 10, 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. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither another financing source nor capital outlay expenditure are reported at inception. Lease payments are reported when paid.

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.

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.

N. Fund Balance Reserves

The Township reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of a fund balance, which is available for appropriation in future periods.

**TIVERTON TOWNSHIP
COSHOCOTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005
(Continued)**

Note 2 – Summary of Significant Accounting Policies (continued O. Interfund Transactions)

O. Interfund Transactions

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

P. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence.

Note 3 – Change in Basis of Accounting

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

Note 4 – Accountability and Compliance

A. Accountability

The township has no deficit fund balances at present.

B. Compliance

The township does not have any significant violations.

Note 5 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund 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) (and outstanding year end advances are treated as an other financing source or use (budgetary basis) rather than as an interfund receivable or payable (cash basis). The township had no encumbrances outstanding at year-end.

**TIVERTON TOWNSHIP
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005
(Continued)**

Note 6 – Deposits and Investments

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

**TIVERTON TOWNSHIP
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005
(Continued)**

Note 6 – Deposits and Investments (continued)

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

The Township's financial institution, Ohio Heritage Bank, Coshocton Ohio, and a collateral pool from Federal Home Loan Bank of Cincinnati, Cincinnati, Ohio, pledge to secure the repayment of all public monies deposited by the Township.

At year-end, the Township had no undeposited cash on hand which is included as part of "Equity in Pooled Cash and Cash Equivalents".

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

At year-end, the total carrying amount of the Township's deposits was \$145,241 and the bank balance was \$136,921. Of the bank balance of \$100,000, was covered by federal depository insurance and \$36,921 was covered by, the Township's financial institution, Ohio Heritage Bank, Coshocton Ohio, and a collateral pool from Federal Home Loan Bank of Cincinnati, Cincinnati, Ohio, pledge to secure the repayment of all public monies deposited by the Township. Although all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements by the financial institution could potentially subject the Township to an unsuccessful claim against the FDIC.

The Township's investments are required to be categorized to give an indication of the level of risk assumed by the Township at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the Township or its agent in the Township's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the Township's name. Category 3 includes uninsured and unregistered investments which are held by the counterparty, or by its trust department or agent but not in the Township's name. The investments in U.S. Treasury Bills are classified in category three. Investments in STAR Ohio and the money market mutual fund are not classified since they are not evidenced by securities that exist in physical or book-entry form.

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 7 – Property Taxes

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

**TIVERTON TOWNSHIP
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005
(Continued)**

Note 7 – Property Taxes (continued)

December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2005 represent the collection of 2004 taxes. Public utility real and tangible personal property taxes received in 2004 became a lien on December 31, 2003, was levied after October 1, 2004, and is collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

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

The full tax rate for all Township operations for the year ended December 31, 2005, was \$2.90 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2006 property tax receipts were based are as follows:

Real Property	
Residential	\$2,428,380.00
Agricultural	5,060,830.00
Commercial/Industrial/Mineral	223,310.00
Tangible Personal Property	
Business – (Commercial)	151,062.00
Public Utility	275,380.00
Total Assessed Value	<u><u>\$8,138,962.00</u></u>

**TIVERTON TOWNSHIP
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005
(Continued)**

Note 8 – Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2005 the Township contracted with the Ohio Risk Management that provides the following coverage:

General Liability	\$1,000,000.00	Per Occurrence
General Liability	\$3,000,000.00	Annual Aggregate Limit
Personal & Advertising Injury	\$1,000,000.00	Per Occurrence
Medical Expense	\$ 50,000.00	Per Accident
Medical Expense	\$ 10,000.00	Per Person
Bodily Injury	\$1,000,000.00	Each Accident
Bodily Injury by Disease	\$1,000,000.00	Each Employee
Bodily Injury by Accident	\$1,000,000.00	Aggregate
Each Incident	\$1,000,000.00	Each Incident
Annual Aggregate	\$3,000,000.00	Annual Aggregate
Public Official Liability	\$1,000,000.00	Each Wrongful Act
Annual Aggregate	\$3,000,000.00	Annual Aggregate
Automobile Coverage	\$1,000,000.00	Each Accident
Medical Payments	\$ 1,000.00	Each Accident
Equipment	Actual Cash Value	
Property Coverage & Leg. Liability	\$1,418,298.00	

There were no significant reductions in coverage from prior years and claims have not exceeded insurance coverage in any of the past three years. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is based on accident history and administrative costs.

Note 9 – Defined Benefit Pension Plan

A. Ohio Public Employees Retirement System

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

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

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio

**TIVERTON TOWNSHIP
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005
(Continued)**

A. Ohio Public Employees Retirement System (Continued)

Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

For the year ended December 31, 2005, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. The Township's contribution rate for pension benefits for 2005 was 13.55 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2005, 2004, and 2003 was 13.55 percent for all contributions respectively. The full amount has been contributed for 2005, 2004 and 2003. Contributions to the member-directed plan for 2005 were \$4,806 made by the Township and \$3,015 made by the plan members.

The Township does not participate in the Defined Benefit Pension Plan.

Note 10 - Postemployment Benefits

A. Ohio Public Employees Retirement System

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

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2004, include a rate of return on investments of 8 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase between 1 and 6 percent annually for the next eight years and 4 percent annually after eight years.

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

**TIVERTON TOWNSHIP
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005
(Continued)**

Note 10 - Postemployment Benefits (Continued)

A. Ohio Public Employees Retirement System (Continued)

The number of active contributing participants in the traditional and combined plans was 369,885. Actual employer contributions for 2005 which were used to fund postemployment benefits were \$210,421. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2004, (the latest information available) were \$10.5 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$26.9 billion and \$16.4 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs.

Note 11 - Notes Payable

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

	Interest Rate	Balance December 31, 2004	Additions	Reductions	Balance December 31, 2005
<u>Promissory Note</u>	3.95%	\$0	\$52,344	\$0	\$52,344

This note was obtained for the purchase of a 2005 International Dump Truck and Accessories. All note proceeds had been spent at December 31, 2005. The note is backed by the full faith and credit of the Township and matures within three years. The Township pays a yearly payment of \$17,448 plus interest annually until the principal amount and interest is paid in full to the Order of Ohio Heritage Bank, Coshocton, Ohio. The first payment is due in January 2006.

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

Year	Promissory Note	
	Principal	Interest
2006	\$17,448.00	\$2,067.59
2007	\$17,448.00	\$2,067.59
2008	\$17,448.00	\$2,067.59
Totals	\$52,344.00	\$6,202.77

The Ohio Revised Code provides that net general obligation debt of the Township, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the Township. The Revised Code further provides that total voted and unvoted net debt of the Township less the same exempt debt shall never exceed amount equal to 10.5 percent of its tax valuation. The effects of the debt limitations at December 31, 2005, were an overall debt margin of \$52,344 and an unvoted debt margin of \$0.

**TIVERTON TOWNSHIP
COSHOCOTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005
(Continued)**

Note 12 – Transfers

During 2005 one transfer was made for \$12,384 from the FEMA Fund to the Gasoline Tax Fund. This was to reimburse the Gasoline Tax Fund for FEMA related expenditures.

Note 13 – Contingent Liabilities

The Township has no contingent liabilities.

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

Perry & Associates Certified Public Accountants, A.C.

PARKERSBURG
1035 Murdoch Avenue
Parkersburg, WV 26101
(304) 422-2203

MARIETTA
428 Second Street
Marietta, OH 45750
(740) 373-0056

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

March 22, 2007

Tiverton Township
Coshocton County
35820 CR 33
Warsaw, OH 43844

To the Members of the Board:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **Tiverton Township, Coshocton County, Ohio** (the Township), as of and for the year ended December 31, 2005, which collectively comprise the Township's basic financial statements and have issued our report thereon dated March 22, 2007, wherein we noted the Township revised its financial presentation comparable to the requirements of Governmental Accounting Standards Board Statement No. 34. 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 a combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Township's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

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

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Internal Control Over Financial Reporting (Continued)

Our consideration of 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.

We did note certain matters that we reported to the Township's management in a separate letter dated March 22, 2007.

Compliance and Other Matters

As part of reasonably assuring whether the Township's basic 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 did note one matter pertaining to noncompliance or other matters that we reported to the Township's management in a separate letter dated March 22, 2007.

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

Respectfully Submitted,

Perry and Associates
Certified Public Accountants, A.C.



Mary Taylor, CPA
Auditor of State

TIVERTON TOWNSHIP

COSHOCTON 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
DECEMBER 20, 2007**