



**WESTON TOWNSHIP  
WOOD COUNTY**

**REGULAR AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 2006**



**Mary Taylor, CPA**  
Auditor of State



**WESTON TOWNSHIP  
WOOD COUNTY**

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Weston Township  
Wood County  
14024 Van Tassel Road, PO Box 332  
Weston, Ohio 43569-0332

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 Weston Township, Wood County, Ohio (the Township), as of and for the year ended December 31, 2006, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As discussed in Note 1, 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 Weston Township, Wood County, Ohio, as of December 31, 2006, and the respective changes in cash financial position and the respective budgetary comparison for the General, Gas Tax, Road District, 1 Mill Fire Protection, and 3 Mill Fire Protection Funds, thereof for the year then ended in conformity with the basis of accounting Note 1 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2008, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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



**Mary Taylor, CPA**  
Auditor of State

June 26, 2008

**WESTON TOWNSHIP  
WOOD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
UNAUDITED**

This discussion and analysis of Weston Township's (the Township) financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2006, 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 2006 are as follows:

- Net assets of governmental activities decreased \$1,055,433, or 67 percent, a significant change from the prior year. The fund most affected by the decrease in net assets was the Fire/EMS Building Capital Fund, which reflected the construction expense for the building in 2006; however, cost increases affected most funds.

**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.

**WESTON TOWNSHIP  
WOOD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
UNAUDITED  
(Continued)**

**Reporting the Government as a Whole**

The statement of net assets and the statement of activities reflect how the Township did financially during 2006, within the limitations of cash basis accounting. The statement of net assets presents the cash balances of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental type activity. 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 activity 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.

In the statement of net assets and the statement of activities only the Governmental activities are shown.

The Township's basic services are reported here, including roads and fire. State 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 Government'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 governmental type 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, Gas Tax, Road District, 1 Mill Fire Protection Fund, 3 Mill Fire Protection, and Fire/EMS Building Capital Funds. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.



**WESTON TOWNSHIP  
WOOD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
UNAUDITED  
(Continued)**

**The Government as a Whole**

Table 1 provides a summary of the Township's net assets for 2006 compared to 2005 on a cash basis:

(Table 1)

**Net Assets**

	Governmental Activities	
	2006	2005
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$512,572	\$1,568,005
<b>Net Assets</b>		
Restricted for:		
Debt Service		
Capital Outlay	68,707	1,183,702
Other Purposes	360,186	301,019
Unrestricted	83,679	83,284
Total Net Assets	\$512,572	\$1,568,005

As mentioned previously, net assets of governmental activities decreased \$1,055,433 or 67 percent during 2006. The primary reasons contributing to the decreases in cash balances are as follows:

- 2005 carryover balances, from the bond issue, for construction of the new Fire/EMS Facility construction were spent as planned.
- In 2006, the Township made an extra payment of bond No. 50 debt for the new Fire/EMS Facility in the amount of \$40,000 due to the increase of revenue in the 3 Mill Fire Fund.

**WESTON TOWNSHIP  
WOOD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
UNAUDITED  
(Continued)**

Table 2 reflects the changes in net assets on a cash basis in 2006 and 2005 for governmental activities.

(Table 2)

**Changes in Net Assets**

	Governmental	
	Activities	
	2006	2005
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$4,555	\$4,935
Operating Grants and Contributions	98,950	90,530
Total Program Receipts	103,505	95,465
General Receipts:		
Property Taxes	153,985	146,458
Grants and Entitlements Not Restricted	35,587	30,016
Sale of Bonds		1,200,000
Earnings on Investments	36,437	9,482
Miscellaneous	23	
Total General Receipts	226,032	1,385,956
Total Receipts	329,537	1,481,421
Disbursements:		
General Government	35,998	30,793
Public Safety	24,421	29,644
Public Works	54,662	48,953
Health	694	676
Capital Outlay	1,143,792	71,276
Principal Retirement	68,000	
Interest	57,403	
Total Disbursements	1,384,970	181,342
Increase (Decrease) in Net Assets	(1,055,433)	1,300,079
Net Assets, Beginning of Year	1,568,005	267,926
Net Assets, Ending of Year	\$512,572	\$1,568,005

Program receipts represent 31 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as local government revenues, motor vehicle license, gas tax money.

**WESTON TOWNSHIP  
WOOD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
UNAUDITED  
(Continued)**

General receipts represent 69 percent of the Township's total receipts, and of this amount, over 68 percent are local taxes. State and federal grants and entitlements make up the balance of the Township's general receipts (31 percent). Other receipts are very insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the costs of board of trustees, fiscal officer, fire department, zoning office, and road department.

Public Safety is the costs of fire protection, as police protection is provided by the County Sheriff. Public Works is the cost of maintaining roads and recycling. Health is the cost of our share of the County Health Department.

**Governmental Activities**

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for general government, public safety, public works (mainly roads), and capital outlay for roads and the new Fire/EMS Facility; which account for \$1,258,873. General government also represents about 3 percent of disbursements. The next two columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

**Governmental Activities**

	Total Cost of Services 2006	Net Cost of Services 2006	Total Cost of Services 2005	Net Cost of Services 2005
General Government	\$35,998	\$35,568	\$30,793	\$30,203
Public Safety	24,421	24,421	29,644	29,644
Public Works	54,662	(48,413)	48,953	(45,922)
Health	694	694	676	676
Capital Outlay	1,143,792	1,143,792	71,276	71,276
Principal Retirement	68,000	68,000		
Interest and Fiscal Charges	57,403	57,403		
<b>Total Expenses</b>	<b>\$1,384,970</b>	<b>\$1,281,465</b>	<b>\$181,342</b>	<b>\$85,877</b>

The dependence upon property tax receipts is apparent as over 64 percent of governmental activities, outside of the Capital Outlay for Fire/EMS Facility, are supported through these general receipts.

**WESTON TOWNSHIP  
WOOD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
UNAUDITED  
(Continued)**

**The Government's Funds**

Total governmental funds had receipts of \$329,537 and disbursements of \$1,384,970. The greatest change within governmental funds occurred within the Fire/EMS Building Capital Fund. The fund balance of that fund decreased \$1,114,995 as the result of construction expense.

General Fund receipts were more than disbursements by \$395 indicating that the General Fund is in good condition. However, this does not eliminate the need for additional funds to replace local government funding.

**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 General Fund is a significant fund.

During 2006, the Township amended the General Fund budget once to reflect changing circumstances. Final budgeted receipts were \$25,128 more than original budgeted receipts.

Final disbursements and other financing sources were budgeted at \$103,990 while actual disbursements and other financing sources were \$77,526. Receipts were more than expected, and disbursements were less than budgeted and appropriated. The Township kept spending close to budgeted amounts as demonstrated by the reported variances. The result is an increase in fund balance of \$395 for 2006.

**Capital Assets and Debt Administration**

**Capital Assets**

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

**Debt**

At December 31, 2006, the Township's outstanding debt included \$1,132,000 in general obligation bonds issued for the Fire/EMS Facility. For further information regarding the Township's debt, refer to Note 9 included in the basic financial statements.

**Current Issues**

The challenge for all Governments is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on local taxes and have very little industry to support the tax base. Our financial forecast predicts a solid 2007; therefore, the finance committee and the administration will spend wisely. The replacement of the 3 mill continuing levy, with the 5 mill, for fire and EMS should handle those departments for several years. We reviewed our sources of revenue and determined that increases were unlikely. We then reviewed the disbursement history of the Township. We have determined that major road work could probably only be done with the aid of a grant, such as an Ohio Public Works Grant. We now have to one do Weston Road between US Highway 6 and Poe Road. The improvement will include widening and resurfacing to meet state minimum rural road standards. That job should be done during 2007.

**WESTON TOWNSHIP  
WOOD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
UNAUDITED  
(Continued)**

**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 Stan B. Bucksy, Fiscal Officer, 14024 Van Tassel Road, PO Box 332, Weston, Ohio 43569-0332, or by phone or fax at 419-669-3811.

**WESTON TOWNSHIP  
WOOD COUNTY**

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

	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$512,572</u>
<b>Net Assets</b>	
Restricted for:	
Capital Projects	68,707
Other Purposes	360,186
Unrestricted	<u>83,679</u>
<i>Total Net Assets</i>	<u><u>\$512,572</u></u>

See accompanying notes to the basic financial statements

**WESTON TOWNSHIP  
WOOD COUNTY**

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

		Program Cash Receipts			
	Cash	Charges	Operating		Net (Disbursements)
	Disbursements	for Services	Grants and		Receipts and
		and Sales	Contributions		Changes in Net
					Assets Governmental
					Activities
<b>Governmental Activities</b>					
General Government	\$35,998	\$430			(\$35,568)
Public Safety	24,421				(24,421)
Public Works	54,662	4,125	\$98,950		48,413
Health	694				(694)
Capital Outlay	1,143,792				(1,143,792)
Debt Service:					
Principal Retirement	68,000				(68,000)
Interest and Fiscal Charges	57,403				(57,403)
<b>Total</b>	<b>\$1,384,970</b>	<b>\$4,555</b>	<b>\$98,950</b>		<b>(1,281,465)</b>
<b>General Receipts</b>					
Property Taxes Levied for:					
					27,654
					24,860
					74,445
					27,026
					35,587
					36,437
					23
					226,032
					(1,055,433)
					1,568,005
					\$512,572

See accompanying notes to the basic financial statements

**WESTON TOWNSHIP  
WOOD COUNTY**

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

	<u>General</u>	<u>Gas Tax Fund</u>	<u>Road District Fund</u>	<u>1 Mill Fire Protection Fund</u>
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$83,679	\$131,408	\$80,556	\$67,164
<i>Total Assets</i>	<u><u>\$83,679</u></u>	<u><u>\$131,408</u></u>	<u><u>\$80,556</u></u>	<u><u>\$67,164</u></u>
<b>Fund Balances</b>				
Reserved:				
Reserved for Encumbrances				20,758
Unreserved:				
Undesignated, Reported in:				
General Fund	83,679			
Special Revenue Funds		131,408	80,556	46,406
Capital Projects Funds				
<i>Total Fund Balances</i>	<u><u>\$83,679</u></u>	<u><u>\$131,408</u></u>	<u><u>\$80,556</u></u>	<u><u>\$67,164</u></u>

See accompanying notes to the basic financial statements



<u>3 Mill Fire Protection Fund</u>	<u>Fire / EMS Building Capital Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$1,220	\$68,707	\$79,838	\$512,572
<u>\$1,220</u>	<u>\$68,707</u>	<u>\$79,838</u>	<u>\$512,572</u>
148	\$59,999		80,905
1,072		79,838	83,679
	8,708		339,280
<u>\$1,220</u>	<u>\$68,707</u>	<u>\$79,838</u>	<u>\$512,572</u>
			8,708

**WESTON TOWNSHIP  
WOOD COUNTY**

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

	General	Gas Tax Fund	Road District Fund	1 Mill Fire Protection Fund
<b>Receipts</b>				
Property and Other Local Taxes	\$27,654		\$27,026	\$24,860
Charges for Services		\$4,125		
Licenses, Permits and Fees	430			
Intergovernmental	18,339	86,201	4,060	3,547
Interest	31,475	3,815		
Other	23			
<i>Total Receipts</i>	<u>77,921</u>	<u>94,141</u>	<u>31,086</u>	<u>28,407</u>
<b>Disbursements</b>				
Current:				
General Government	35,998			
Public Safety	17,093			6,012
Public Works	741	43,665	10,065	
Health	694			
Capital Outlay				24,678
Principal Retirement				
Interest and Fiscal Charges				
<i>Total Disbursements</i>	<u>54,526</u>	<u>43,665</u>	<u>10,065</u>	<u>30,690</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>23,395</u>	<u>50,476</u>	<u>21,021</u>	<u>(2,283)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In				
Transfers Out	(23,000)			
<i>Total Other Financing Sources (Uses)</i>	<u>(23,000)</u>			
<i>Net Change in Fund Balances</i>	395	50,476	21,021	(2,283)
<i>Fund Balances Beginning of Year</i>	<u>83,284</u>	<u>80,932</u>	<u>59,535</u>	<u>69,447</u>
<i>Fund Balances End of Year</i>	<u><u>\$83,679</u></u>	<u><u>\$131,408</u></u>	<u><u>\$80,556</u></u>	<u><u>\$67,164</u></u>

See accompanying notes to the basic financial statements

<u>3 Mill Fire Protection Fund</u>	<u>Fire / EMS Building Capital Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$74,445			\$153,985
			4,125
			430
10,382		\$12,008	134,537
		1,147	36,437
			23
<u>84,827</u>		<u>13,155</u>	<u>329,537</u>
			35,998
1,316			24,421
		191	54,662
			694
102	\$1,114,995	4,017	1,143,792
		68,000	68,000
		57,403	57,403
<u>1,418</u>	<u>1,114,995</u>	<u>129,611</u>	<u>1,384,970</u>
<u>83,409</u>	<u>(1,114,995)</u>	<u>(116,456)</u>	<u>(1,055,433)</u>
		125,403	125,403
<u>(102,403)</u>			<u>(125,403)</u>
<u>(102,403)</u>		<u>125,403</u>	
(18,994)	(1,114,995)	8,947	(1,055,433)
<u>20,214</u>	<u>1,183,702</u>	<u>70,891</u>	<u>1,568,005</u>
<u>\$1,220</u>	<u>\$68,707</u>	<u>\$79,838</u>	<u>\$512,572</u>

**WESTON TOWNSHIP  
WOOD COUNTY**

*Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual - Budget Basis  
General Fund  
For the Year Ended December 31, 2006*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$24,187	\$27,644	\$27,654	\$10
Licenses, Permits and Fees	600	400	430	30
Intergovernmental	12,352	18,303	18,339	36
Interest	15,490	31,400	31,475	75
Miscellaneous	10	20	23	3
<i>Total receipts</i>	<u>52,639</u>	<u>77,767</u>	<u>77,921</u>	<u>154</u>
<b>Disbursements</b>				
Current:				
General Government	46,205	46,205	35,998	10,207
Public Safety	23,350	23,350	17,093	6,257
Public Works	1,741	1,741	741	1,000
Health	694	694	694	
Capital Outlay	2,000	2,000		2,000
<i>Total Disbursements</i>	<u>73,990</u>	<u>73,990</u>	<u>54,526</u>	<u>19,464</u>
<i>Excess of Disbursements Over Receipts</i>	<u>(21,351)</u>	<u>3,777</u>	<u>23,395</u>	<u>19,618</u>
<b>Other Financing (Uses)</b>				
Transfers Out	(5,000)	(25,000)	(23,000)	2,000
Other Financing Uses	(5,000)	(5,000)		5,000
<i>Total Other Financing (Uses)</i>	<u>(10,000)</u>	<u>(30,000)</u>	<u>(23,000)</u>	<u>7,000</u>
<i>Net Change in Fund Balance</i>	(31,351)	(26,223)	395	26,618
<i>Fund Balance Beginning of Year</i>	<u>83,284</u>	<u>83,284</u>	<u>83,284</u>	
<i>Fund Balance End of Year</i>	<u><u>\$51,933</u></u>	<u><u>\$57,061</u></u>	<u><u>\$83,679</u></u>	<u><u>\$26,618</u></u>

See accompanying notes to the basic financial statements

**WESTON TOWNSHIP  
WOOD COUNTY**

*Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual - Budget Basis  
Gas Tax Fund  
For the Year Ended December 31, 2006*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Charges for Services	\$4,100	\$4,100	\$4,125	\$25
Intergovernmental	84,000	85,500	86,201	701
Interest	1,900	2,200	3,815	1,615
<i>Total receipts</i>	<u>90,000</u>	<u>91,800</u>	<u>94,141</u>	<u>2,341</u>
<b>Disbursements</b>				
Current:				
Public Works	70,200	70,200	43,665	26,535
Capital Outlay	100,000	100,000		100,000
<i>Total Disbursements</i>	<u>170,200</u>	<u>170,200</u>	<u>43,665</u>	<u>126,535</u>
<i>Net Change in Fund Balance</i>	<u>(80,200)</u>	<u>(78,400)</u>	<u>50,476</u>	<u>128,876</u>
<i>Fund Balance Beginning of Year</i>	<u>80,932</u>	<u>80,932</u>	<u>80,932</u>	
<i>Fund Balance End of Year</i>	<u><u>\$732</u></u>	<u><u>\$2,532</u></u>	<u><u>\$131,408</u></u>	<u><u>\$128,876</u></u>

See accompanying notes to the basic financial statements

**WESTON TOWNSHIP  
WOOD COUNTY**

*Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual - Budget Basis  
Road District Fund  
For the Year Ended December 31, 2006*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Property and Other Local Taxes	\$24,527	\$27,052	\$27,026	(\$26)
Intergovernmental	3,222	3,997	4,060	63
<i>Total Receipts</i>	<u>27,749</u>	<u>31,049</u>	<u>31,086</u>	<u>37</u>
<b>Disbursements</b>				
Current:				
Public Works	40,500	40,500	10,065	30,435
Capital Outlay	45,000	45,000		45,000
<i>Total Disbursements</i>	<u>85,500</u>	<u>85,500</u>	<u>10,065</u>	<u>75,435</u>
<i>Net Change in Fund Balance</i>	(57,751)	(54,451)	21,021	75,472
<i>Fund Balance Beginning of Year</i>	<u>59,535</u>	<u>59,535</u>	<u>59,535</u>	
<i>Fund Balance End of Year</i>	<u><u>\$1,784</u></u>	<u><u>\$5,084</u></u>	<u><u>\$80,556</u></u>	<u><u>\$75,472</u></u>

See accompanying notes to the basic financial statements

**WESTON TOWNSHIP  
WOOD COUNTY**

*Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual - Budget Basis  
1 Mill Fire Protection Fund  
For the Year Ended December 31, 2006*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Property and Other Local Taxes	\$24,187	\$24,853	\$24,860	\$7
Intergovernmental	3,384	3,545	3,547	2
<i>Total receipts</i>	<u>27,571</u>	<u>28,398</u>	<u>28,407</u>	<u>9</u>
<b>Disbursements</b>				
Current:				
Public Safety	8,000	8,000	6,012	1,988
Capital Outlay	87,450	87,450	45,436	42,014
<i>Total Disbursements</i>	<u>95,450</u>	<u>95,450</u>	<u>51,448</u>	<u>44,002</u>
<i>Net Change in Fund Balance</i>	(67,879)	(67,052)	(23,041)	44,011
<i>Fund Balance Beginning of Year</i>	63,997	63,997	63,997	
Prior Year Encumbrances Appropriated	5,450	5,450	5,450	
<i>Fund Balance End of Year</i>	<u><u>\$1,568</u></u>	<u><u>\$2,395</u></u>	<u><u>\$46,406</u></u>	<u><u>\$44,011</u></u>

See accompanying notes to the basic financial statements

**WESTON TOWNSHIP  
WOOD COUNTY**

*Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual - Budget Basis  
3 Mill Fire Protection Fund  
For the Year Ended December 31, 2006*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Property and Other Local Taxes	\$75,463	\$74,562	\$74,445	(\$117)
Intergovernmental	5,606	10,240	10,382	142
<i>Total receipts</i>	<u>81,069</u>	<u>84,802</u>	<u>84,827</u>	<u>25</u>
<b>Disbursements</b>				
Current:				
Public Safety	1,600	1,350	1,316	34
Capital Outlay		250	250	
<i>Total Disbursements</i>	<u>1,600</u>	<u>1,600</u>	<u>1,566</u>	<u>34</u>
<i>Excess of Receipts Over Disbursements</i>	<u>79,469</u>	<u>83,202</u>	<u>83,261</u>	<u>59</u>
<b>Other Financing Uses</b>				
Transfers Out	(99,000)	(103,400)	(102,403)	997
<i>Net Change in Fund Balance</i>	(19,531)	(20,198)	(19,142)	1,056
<i>Fund Balance Beginning of Year</i>	<u>20,214</u>	<u>20,214</u>	<u>20,214</u>	
<i>Fund Balance End of Year</i>	<u><u>\$683</u></u>	<u><u>\$16</u></u>	<u><u>\$1,072</u></u>	<u><u>\$1,056</u></u>

See accompanying notes to the basic financial statements



**WESTON TOWNSHIP  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

**NOTE 1 – REPORTING ENTITY**

The Weston Township, Wood County, Ohio (the Township), is a body politic and corporate established June 14, 1830 to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Township Fiscal Officer.

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

**A. Primary Government**

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges. The Township contracts with the Village of Weston for fire protection and Emergency Medical Services.

**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 or 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 on 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.

Based on the criteria, the Township has no component units.

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA), a public entity risk pool. Note 6 to the financial statements provide additional information for this entity. This organization is:

**Public Entity Risk Pool:**

OTARMA is available to Ohio townships. OTARMA provides property and casualty coverage for its members.

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

**WESTON TOWNSHIP  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

Following are the more significant of the Township's accounting policies.

**A. Basis of Presentation**

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

**Government-Wide Financial Statements**

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

The statement of net assets presents the cash balance 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 and enterprise 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.

**WESTON TOWNSHIP  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**B. Fund Accounting**

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

**1. General Fund**

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

**2. Gas Tax Fund**

The Gas Tax Fund receives state fuel excise taxes to pay for constructing, maintaining, and repairing Township roads.

**3. Road District Fund**

The Road District Fund receives property taxes to pay for constructing, maintaining, and repairing Township roads.

**4. 1 Mill Fire Protection Fund**

The 1 Mill Fire Fund receives property tax monies to provide fire services for the Township.

**5. 3 Mill Fire Protection Fund**

The 3 Mill Fire Fund receives property tax monies to provide fire and EMS services for the Township.

**6. Fire / EMS Building Capital Fund**

The Fire / EMS Building Fund received the bond proceeds money to construct a Fire / EMS Building.

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

**WESTON TOWNSHIP  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)**

**NOTE 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.

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

**D. Budgetary Process**

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

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

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**

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".

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 2006 was \$31,475 which includes \$25,645 assigned from other Township funds.

**WESTON TOWNSHIP  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

F. Inventory and Prepaid Items

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

G. Capital Assets

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

H. Employer Contributions to Cost-Sharing Pension Plans

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

I. Long-Term Obligations

The Township's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid.

J. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for capital projects include resources restricted for the construction of a Fire / EMS Building 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.

K. Fund Balance Reserves

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

L. Interfund Transactions

Transfers between governmental funds on the government-wide financial statements are reported in the same manner as general receipts.

**WESTON TOWNSHIP  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)**

**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 and major special revenue funds and prepared is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$20,758 in the 1 Mill Fire Protection Fund, and \$148 in the 3 Mill Fire Protection Fund.

**NOTE 4 – DEPOSITS**

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;

**WESTON TOWNSHIP  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)**

**NOTE 4 – DEPOSITS – (CONTINUED)**

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

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

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$363,345 of the Township's bank balance of \$521,022 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.

**NOTE 5 – 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 2006 represent the collection of 2005 taxes. Real property taxes received in 2006 were levied after October 1, 2005, on the assessed values as of January 1, 2005, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2006 represent the collection of 2005 taxes. Public utility real and tangible personal property taxes received in 2006 became a lien on December 31, 2005, were levied after October 1, 2005, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

**WESTON TOWNSHIP  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)**

**NOTE 5 – PROPERTY TAXES – (CONTINUED)**

Tangible personal property tax receipts received in 2006 (other than public utility property) represent the collection of 2006 taxes. Tangible personal property taxes received in 2005 were levied after October 1, 2005, on the true value as of December 31, 2005. 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, 2006, was \$5 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	\$21,855,390
Agricultural	2,421,720
Commercial/Industrial/Mineral	3,255,320
Public Utility Property	
Real	25,770
Personal	900,350
General	673,980
Total Assessed Value	<u>\$29,132,530</u>

**NOTE 6 – RISK MANAGEMENT**

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

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

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

**Casualty Coverage**

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



**WESTON TOWNSHIP  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)**

**NOTE 6 – RISK MANAGEMENT – (CONTINUED)**

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

Property Coverage

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

Beginning in 2005, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable values. If the stop loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2006 was \$1,901,127.

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

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

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2006 and 2005:

<u>Casualty Coverage</u>	<u>2006</u>	<u>2005</u>
Assets	\$32,031,312	\$30,485,638
Liabilities	(11,443,952)	(12,344,576)
Retained earnings	<u>\$20,587,360</u>	<u>\$18,141,062</u>

<u>Property Coverage</u>	<u>2006</u>	<u>2005</u>
Assets	\$10,010,963	\$9,177,796
Liabilities	(676,709)	(1,406,031)
Retained earnings	<u>\$9,334,254</u>	<u>\$7,771,765</u>

**WESTON TOWNSHIP  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)**

**NOTE 6 – RISK MANAGEMENT – (CONTINUED)**

At December 31, 2006 and 2005, respectively, casualty coverage liabilities noted above include approximately \$10.8 million and \$11.6 million of estimated incurred claims payable. The Casualty Coverage assets and retained earnings above also include approximately \$10.8 million and \$11.6 million of unpaid claims to be billed to approximately 958 member governments in the future, as of December 31, 2006 and 2005, 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 \$23,000. This payable includes the subsequent year's contribution due if the

Township terminates participation, as described in the last paragraph below.

Based on discussions with OTARMA, the expected rates 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.

<b><u>Contributions to OTARMA</u></b>	
2004	\$10,760
2005	\$11,403
2006	\$11,453

**NOTE 7 – DEFINED BENEFIT PENSION PLAN**

Ohio Public Employees Retirement System

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

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

**WESTON TOWNSHIP  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)**

**NOTE 7 – DEFINED BENEFIT PENSION PLAN – (CONTINUED)**

For the year ended December 31, 2006, the members of all three plans, except those in law enforcement participating in the traditional plan, were required to contribute 9 percent of their annual covered salaries. The Township's contribution rate for pension benefits for 2006 was 13.7 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, 2006, 2005, and 2004, were \$6,681, \$5,445, and \$4,762 respectively. The full amount has been contributed for 2006, 2005, and 2004.

**NOTE 8 - POSTEMPLOYMENT BENEFITS**

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 qualified survivor benefit recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. 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 2006 local government employer contribution rate was 13.7 percent of covered payroll; 4.50 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the individual entry age actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2006, include a rate of return on investments of 6.50 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care costs were assumed to increase between .50 and 6.00 percent annually for the next nine years and 4.00 percent annually after nine years.

All investments are carried at market value. 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, not to exceed a 12 percent corridor.

The number of active contributing participants in the traditional and combined plans was 374,979. The number of active contributing participants for both plans used in the December 31, 2006, actuarial valuation was 362,130. Actual employer contributions for 2007 which were used to fund postemployment benefits were \$6,861. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2006 were \$12 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$30.7 billion and \$18.7 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. To improve the solvency of the Health Care Fund, OPERS created a separate investment pool for health care assets. Member and employer contribution rates increased as of January 1, 2006, and January 1, 2007, which will allow additional funds to be allocated to the health care plan.

**WESTON TOWNSHIP  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)**

**NOTE 9 – DEBT**

The Township's long-term debt activity for the year ended December 31, 2006, was as follows:

	Interest Rate	Balance December 31, 2006	Additions	Reductions	Balance December 31, 2006	Due Within One Year
<u>Governmental Activities</u>						
<u>General Obligation Bonds</u>						
2005 Issue (\$1,200,000)	3.7%	\$1,200,000		\$68,000	\$1,132,000	\$29,000

The Township issued bonds for the construction of a Fire/EMS Building. The general obligation bonds are supported by the full faith and credit of the Township and are payable from unvoted property tax receipts to the extent that other resources are not available to meet annual principal and interest payments.

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

Year	<u>G.O. Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2007	\$29,000	\$51,076
2008	30,500	49,975
2009	31,500	48,803
2010	32,500	47,576
2011	33,500	46,295
2012–2016	191,500	209,633
2017–2021	237,500	164,699
2022–2026	293,500	104,979
2027–2030	252,500	26,688
Totals	<u>\$1,132,000</u>	<u>\$749,724</u>

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, 2006, were an overall debt margin of \$1,602,289 and an unvoted debt margin of \$3,058,916.

**NOTE 10 – INTERFUND TRANSFERS**

During 2006 the following transfers were made:

Transfers from the General Fund to:	
Other Governmental Funds	\$23,000
Transfers from 3 Mill Fire Protection Fund to:	
Other Governmental Funds	<u>102,403</u>
Total Transfers from Major Funds	<u>\$125,403</u>

**WESTON TOWNSHIP  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)**

**NOTE 10 – INTERFUND TRANSFERS – (CONTINUED)**

Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance an extra principal payment of Bond Debt in accordance with budgetary authorizations.

Transfers from 3 Mill Fire Protection Fund was to finance payments of Bond Debt in accordance with debt covenants.

**NOTE 11 – CONSTRUCTION AND CONTRACTUAL COMMITMENTS**

The Township has the following material contractual commitments for the construction of the Fire / EMS Building at the fiscal year end December 31, 2006:

Miller Contracting	\$34,411
Westfield Electric	30,633
Downey PHC	9,127
M. White & Sons	5,755

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# Mary Taylor, CPA

Auditor of State

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

Weston Township  
Wood County  
14024 Van Tassel Road, PO Box 332  
Weston, Ohio 43569-0332

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 Weston Township, Wood County, as of and for the year ended December 31, 2006, which collectively comprise the Township's basic financial statements and have issued our report thereon dated June 26, 2008, wherein, we noted the Township uses a comprehensive accounting basis other than generally accepted accounting principles. We also noted the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

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

One Government Center / Room 1420 / Toledo, OH 43604-2246  
Telephone: (419) 245-2811 (800) 443-9276 Fax: (419) 245-2484  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

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

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

We noted a certain matter that we reported to the Township's management in a separate letter dated June 26, 2008.

### **Compliance and Other Matters**

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

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



**Mary Taylor, CPA**  
Auditor of State

June 26, 2008





**Mary Taylor, CPA**  
Auditor of State

**WESTON TOWNSHIP**

**WOOD 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  
JULY 29, 2008**