



Mary Taylor, CPA
Auditor of State

**AMBOY TOWNSHIP
FULTON COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Amboy Township
Fulton County
P.O. Box 172
Metamora, Ohio 43540-0172

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

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Amboy Township, Fulton County, Ohio, as of December 31, 2007, and the respective changes in cash financial position and the respective budgetary comparison for the General, Gasoline Tax, Road and Bridge, Fire Department and Fire and Rescue Ambulance EMS Service Funds thereof for the year then ended in conformity with the basis of accounting Note 2 describes.

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

September 5, 2008

**AMBOY TOWNSHIP
FULTON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
UNAUDITED**

This discussion and analysis of the Amboy Township's (the Township) financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2007, 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 2007 are as follows:

- Net assets of governmental activities increased \$184,725, or 31 percent, a significant change from the prior year. The fund most affected by the increase in cash and cash equivalents was the Gasoline Tax Fund, which realized no significant expenditures during FY 2007.
- The Township's general receipts are primarily property and other local taxes. These receipts represent 70 percent of the total cash received for governmental activities during the year. Property tax receipts for 2007 changed very little compared to 2006.

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.

**AMBOY TOWNSHIP
FULTON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
UNAUDITED
(Continued)**

Reporting the Government as a Whole

Police protection is under the jurisdiction of the Fulton County Sheriff. The Township is zoned and owns a cemetery.

The statement of net assets and the statement of activities reflect how the Township did financially during 2007, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program 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 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 non financial 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, we report governmental activities which include the Township's basic services, including, fire protection, EMS service and road maintenance. 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 Township's Most Significant Funds

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Township are governmental 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 and Bridge, Fire Department and Fire Rescue Ambulance EMS Service Funds. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

**AMBOY TOWNSHIP
FULTON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
UNAUDITED
(Continued)**

The Township as a Whole

Table 1 provides a summary of the Township's net assets for 2007 compared to 2006 on a cash basis:

	<u>Governmental Activities</u>	
	<u>2007</u>	<u>2006</u>
Assets		
Cash and Cash Equivalents	\$779,592	\$594,867
Total Assets	<u>\$779,592</u>	<u>\$594,867</u>
Net Assets		
Restricted for:		
Other Purposes	676,836	519,576
Unrestricted	<u>102,756</u>	<u>75,291</u>
Total Net Assets	<u>\$779,592</u>	<u>\$594,867</u>

As mentioned previously, net assets of governmental activities increased \$184,725 or 31 percent during 2007. The primary reasons contributing to the increase in cash balances are as follows:

- Increases in interest receipts during 2007.
- Lack of major road repairs and related expenditures.

**AMBOY TOWNSHIP
FULTON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
UNAUDITED
(Continued)**

Table 2 reflects the changes in net assets on a cash basis in 2007 and 2006 for governmental activities.

(Table 2)
Changes in Net Assets

	Governmental Activities	
	2007	2006
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$107,650	\$107,150
Operating Grants and Contributions	100,798	113,367
Total Program Receipts	208,448	220,517
Property Taxes Levied for:		
General Purposes	42,815	41,378
Road and Bridge	59,709	56,815
Fire Department	92,732	90,804
Other Taxes	18,848	18,591
Grants and Entitlements not Restricted to Specific Programs	52,772	46,135
Interest	22,268	11,395
Note Proceeds		147,476
Sale of Fixed Assets	9,778	
Other	5,553	4,943
Total General Receipts	304,475	417,537
Total Receipts	512,923	638,054
Disbursements:		
General Government	97,350	97,541
Public Safety	131,220	111,370
Public Works	31,423	50,508
Health	16,804	16,932
Capital Outlay	15,251	254,983
Debt Service:		
Principal Retirement	29,495	12,000
Interest and Fiscal Charges	6,655	330
Total Disbursements	328,198	543,664
Increase in Net Assets	184,725	94,390
Net Assets, January 1	594,867	500,477
Net Assets, December 31	\$779,592	\$594,867

**AMBOY TOWNSHIP
FULTON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
UNAUDITED
(Continued)**

Program receipts represent 41 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, EMS and Fire contract services and cemetery fees.

General receipts represent 59 percent of the Township's total receipts, and of this amount, 70 percent are local taxes. State and federal grants, entitlements and interest make up the balance of the Township's general receipts (30 percent). Other receipts are very insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the costs of the board of trustees, the fiscal officer as well as internal services such as payroll and purchasing.

Public Safety is the cost of fire protection services; Public Works is the cost of maintaining the roads; and Capital Outlay is the cost of fire equipment.

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 disbursement for governmental activities is public safety, which accounts for 40 percent of all governmental disbursements. General government also represents a significant cost, about 30 percent. 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 Government that must be used to provide a specific service. The Net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

	Total Cost of Services 2007	Net Cost of Services 2007	Total Cost of Services 2006	Net Cost of Services 2006
General Government				
General Government	\$97,350	\$97,350	\$97,541	\$97,541
Public Safety	131,220	26,520	111,370	8,270
Public Works	31,423	(69,375)	50,508	(62,859)
Health	16,804	13,854	16,932	12,882
Capital Outlay	15,251	15,251	254,983	254,983
Debt Service:				
Principal Retirement	29,495	29,495	12,000	12,000
Interest and Fiscal Charges	6,655	6,655	330	330
Total Expenses	<u>\$328,198</u>	<u>\$119,750</u>	<u>\$543,664</u>	<u>\$323,147</u>

**AMBOY TOWNSHIP
FULTON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
UNAUDITED
(Continued)**

The dependence upon property tax unrestricted grants and entitlements is over 36 percent of governmental activities are supported through these general receipts.

The Township's Funds

Total governmental funds had receipts and other financing sources of \$512,923 and disbursements of \$328,199. The greatest change within governmental funds occurred within the Gasoline Tax Fund. The fund balance of the Gasoline Tax Fund increased \$86,571 since there were no major expenditures from that fund.

General Fund Budgeting Highlights

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

During 2007, the Township did not amend its General Fund. Budgeted receipts were less than actual receipts, which reflects a conservative approach to the budgeting process.

Final disbursements in the General Fund were budgeted at \$145,230 while actual disbursements were \$66,736. This also reflects a conservative approach to the budgeting process. The result is the increase in the General Fund balance of \$27,465 for 2007.

Capital Assets and Debt Administration

Capital Assets

The Township does not record capital assets in the accompanying basic financial statements, but records payments for capital assets as disbursements.

Debt

At December 31, 2007, the Township's debt included \$117,981 for a fire truck.

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. We reviewed our sources of revenue and determined that increases were unlikely. We then reviewed the disbursement history of the Township. We concluded the Township may have to reduce planned road projects in favor of repairs and maintenance, so as to have the least impact on other services provided. Departments are reducing spending for non essential supplies that will not affect services to the taxpayers.

Contacting the Township's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Suzanne Holland, Fiscal Officer, Amboy Township, P.O. Box 172, Metamora, Ohio 43540-0172.

**AMBOY TOWNSHIP
FULTON COUNTY**

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

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$779,592</u>
Net Assets	
Restricted for:	
Other Purposes	676,836
Unrestricted	<u>102,756</u>
<i>Total Net Assets</i>	<u><u>\$779,592</u></u>

See accompanying notes to the basic financial statements

**AMBOY TOWNSHIP
FULTON COUNTY**

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

		Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
General Government	\$97,350			(\$97,350)
Public Safety	131,220	\$104,700		(26,520)
Public Works	31,423		\$100,798	69,375
Health	16,804	2,950		(13,854)
Capital Outlay	15,251			(15,251)
Debt Service:				
Principal Retirement	29,495			(29,495)
Interest and Fiscal Charges	6,655			(6,655)
Total	\$328,198	\$107,650	\$100,798	(\$119,750)
		General Receipts		
		Property Taxes Levied for:		
		General Purposes		\$42,815
		Road and Bridge		59,709
		Fire Department		92,732
		Other Taxes		18,848
		Grants and Entitlements not Restricted to Specific Programs		52,772
		Interest		22,268
		Sale of Fixed Assets		9,778
		Other		5,553
		<i>Total General Receipts</i>		304,475
		Change in Net Assets		184,725
		<i>Net Assets Beginning of Year</i>		594,867
		<i>Net Assets End of Year</i>		\$779,592

See accompanying notes to the basic financial statements

**AMBOY TOWNSHIP
FULTON COUNTY**

*Statement of Assets and Fund Balances - Cash Basis
For the Year Ended December 31, 2007*

	General	Gasoline Tax	Road and Bridge	Fire Department	Fire and Rescue Ambulance EMS Service	Other Governmental Funds	Total Governmental Funds
Governmental Activities							
Equity in Pooled Cash and Cash Equivalents	\$102,756	\$188,622	\$73,350	\$149,674	\$161,787	\$103,403	\$779,592
Fund Balances							
Unreserved:							
Undesignated, Reported in:							
General Fund	102,756						102,756
Special Revenue Funds		188,622	73,350	149,674	161,787	103,403	676,836
<i>Total Fund Balances</i>	\$102,756	\$188,622	\$73,350	\$149,674	\$161,787	103,403	\$779,592

See accompanying notes to the basic financial statements

**AMBOY TOWNSHIP
FULTON COUNTY**

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

	General	Gasoline Tax	Road and Bridge	Fire Department	Fire and Rescue Ambulance EMS Service	Other Governmental Funds	Total Governmental Funds
Receipts							
Property and Other Local Taxes	\$42,815		\$59,709	\$92,732		\$18,848	\$214,104
Charges for Services			455	17,000	\$87,700		105,155
Licenses, Permits and Fees						200	200
Intergovernmental	35,812	\$81,081	6,515	8,950		21,211	153,569
Interest	15,489	5,490				1,289	22,268
Other	85			4,056		3,708	7,849
<i>Total Receipts</i>	<u>94,201</u>	<u>86,571</u>	<u>66,679</u>	<u>122,738</u>	<u>87,700</u>	<u>45,256</u>	<u>503,145</u>
Disbursements							
Current:							
General Government	66,736		30,614				97,350
Public Safety				52,306	78,914		131,220
Public Works			21,987			9,436	31,423
Health						16,804	16,804
Capital Outlay				12,272		2,979	15,251
Debt Service:							
Principal Retirement				29,495			29,495
Interest and Fiscal Charges				6,655			6,655
<i>Total Disbursements</i>	<u>66,736</u>	<u>86,571</u>	<u>52,601</u>	<u>100,728</u>	<u>78,914</u>	<u>29,219</u>	<u>328,198</u>
<i>Excess of Receipts Over Disbursements</i>	<u>27,465</u>	<u>86,571</u>	<u>14,078</u>	<u>22,010</u>	<u>8,786</u>	<u>16,037</u>	<u>174,947</u>
Other Financing Sources							
Sale of Fixed Assets				9,778			9,778
<i>Net Change in Fund Balances</i>	27,465	86,571	14,078	31,788	8,786	16,037	184,725
<i>Fund Balances Beginning of Year</i>	<u>75,291</u>	<u>102,051</u>	<u>59,272</u>	<u>117,886</u>	<u>153,001</u>	<u>87,366</u>	<u>594,867</u>
<i>Fund Balances End of Year</i>	<u><u>\$102,756</u></u>	<u><u>\$188,622</u></u>	<u><u>\$73,350</u></u>	<u><u>\$149,674</u></u>	<u><u>\$161,787</u></u>	<u><u>\$103,403</u></u>	<u><u>\$779,592</u></u>

See accompanying notes to the basic financial statements

**AMBOY TOWNSHIP
FULTON COUNTY**

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$38,500	\$38,500	\$42,815	\$4,315
Intergovernmental	27,060	27,060	35,812	8,752
Interest	5,000	5,000	15,489	10,489
Other			85	85
<i>Total Receipts</i>	<u>70,560</u>	<u>70,560</u>	<u>94,201</u>	<u>23,641</u>
Disbursements				
Current:				
General Government	145,230	145,230	66,736	78,494
<i>Net Change in Fund Balance</i>	(74,670)	(74,670)	27,465	102,136
<i>Fund Balance Beginning of Year</i>	<u>75,291</u>	<u>75,291</u>	<u>75,291</u>	
<i>Fund Balance End of Year</i>	<u><u>\$621</u></u>	<u><u>\$621</u></u>	<u><u>\$102,756</u></u>	<u><u>\$102,136</u></u>

See accompanying notes to the basic financial statements

**AMBOY TOWNSHIP
FULTON COUNTY**

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$80,000	\$80,000	\$81,081	\$1,081
Interest	500	500	5,490	4,990
<i>Total Receipts</i>	<u>80,500</u>	<u>80,500</u>	<u>86,571</u>	<u>6,071</u>
Disbursements				
Current:				
Public Works	<u>180,000</u>	<u>180,000</u>		<u>180,000</u>
<i>Net Change in Fund Balance</i>	(99,500)	(99,500)	86,571	186,071
<i>Fund Balance Beginning of Year</i>	<u>102,051</u>	<u>102,051</u>	<u>102,051</u>	
<i>Fund Balance End of Year</i>	<u><u>\$2,551</u></u>	<u><u>\$2,551</u></u>	<u><u>\$188,622</u></u>	<u><u>\$186,071</u></u>

See accompanying notes to the basic financial statements

**AMBOY TOWNSHIP
FULTON COUNTY**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Road and Bridge Fund
For the Year Ended December 31, 2007*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$56,000	\$56,000	\$59,709	\$3,709
Charges for Services			455	455
Intergovernmental	6,000	6,000	6,515	515
<i>Total receipts</i>	<u>62,000</u>	<u>62,000</u>	<u>66,679</u>	<u>4,679</u>
Disbursements				
Current:				
General Government	30,620	30,620	30,614	6
Public Works	90,620	90,620	21,987	68,633
<i>Total Disbursements</i>	<u>121,240</u>	<u>121,240</u>	<u>52,601</u>	<u>68,639</u>
<i>Net Change in Fund Balance</i>	(59,240)	(59,240)	14,078	73,318
<i>Fund Balance Beginning of Year</i>	<u>59,272</u>	<u>59,272</u>	<u>59,272</u>	
<i>Fund Balance End of Year</i>	<u><u>\$32</u></u>	<u><u>\$32</u></u>	<u><u>\$73,350</u></u>	<u><u>\$73,318</u></u>

See accompanying notes to the basic financial statements

**AMBOY TOWNSHIP
FULTON COUNTY**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Fire Department Fund
For the Year Ended December 31, 2007*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$88,000	\$88,000	\$92,732	\$4,732
Charges for Services	17,000	17,000	17,000	
Intergovernmental	8,500	8,500	8,950	450
Interest			4,056	4,056
<i>Total Receipts</i>	113,500	113,500	122,738	9,238
Disbursements				
Current:				
Public Safety	164,350	164,350	52,306	112,044
Capital Outlay	30,000	30,000	12,272	17,728
Debt Service:				
Principal Retirement	30,000	30,000	29,495	505
Interest and Fiscal Charges	6,700	6,700	6,655	45
<i>Total Disbursements</i>	231,050	231,050	100,728	130,322
Other Financing Sources				
Sale of Fixed Assets			9,778	9,778
<i>Net Change in Fund Balance</i>	(117,550)	(117,550)	31,789	149,338
<i>Fund Balance Beginning of Year</i>	117,886	117,886	117,886	
<i>Fund Balance End of Year</i>	\$336	\$336	\$149,675	\$149,338

See accompanying notes to the basic financial statements

**AMBOY TOWNSHIP
FULTON COUNTY**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Fire and Rescue Ambulance EMS Fund
For the Year Ended December 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Charges for Services	<u>\$80,000</u>	<u>\$80,000</u>	<u>\$87,700</u>	<u>\$7,700</u>
Disbursements				
Current:				
Public Safety	<u>230,000</u>	<u>230,000</u>	<u>78,914</u>	<u>151,086</u>
<i>Net Change in Fund Balance</i>	(150,000)	(150,000)	8,786	158,786
<i>Fund Balance Beginning of Year</i>	<u>153,001</u>	<u>153,001</u>	<u>153,001</u>	
<i>Fund Balance End of Year</i>	<u><u>\$3,001</u></u>	<u><u>\$3,001</u></u>	<u><u>\$161,787</u></u>	<u><u>\$158,786</u></u>

See accompanying notes to the basic financial statements

**AMBOY TOWNSHIP
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

NOTE 1 – REPORTING ENTITY

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

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

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, and cemetery maintenance and fire protection. Police protection is provided by the Fulton County Sheriff.

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 these criteria, the Township has no component units.

C. Public Entity Risk Pool

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA) public entity risk pool. Note 6 to the financial statements provides additional information for these entities.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Township's accounting policies.

**AMBOY TOWNSHIP
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(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, except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

The statement of net assets presents the cash balances 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 requirements of 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 categorized 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

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.

**AMBOY TOWNSHIP
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)**

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

2. Gasoline Tax Fund

The Gasoline Tax Fund receives fuel excise taxes to pay for constructing, maintaining and repairing Township Roads.

3. Road and Bridge Fund

The Road and Bridge Fund receives property tax monies for constructing, maintaining and repairing Township Roads.

4. Fire Department Fund

The Fire Department Fund receives property tax monies for providing fire protection within the Township.

5. Fire and Rescue Ambulance EMS Service Fund

The Fire and Rescue Ambulance EMS Service Fund receives contract monies from Fulton County to provide fire and EMS services within the Township.

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

C. Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. 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 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.

**AMBOY TOWNSHIP
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)**

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

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

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

E. Cash and Investments

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

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

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

During 2007, the Township invested in STAR Ohio.

STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2007.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2007 was \$15,489.

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.

**AMBOY TOWNSHIP
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)**

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

H. Employer Contributions to Cost-Sharing Pension Plans

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

I. Long-Term Obligations

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

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 other purposes include resources restricted for road and bridge construction, maintenance and repair, fire protection and cemetery maintenance. 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 fund balance which is available for appropriation in future periods. There were no fund balance reserves as of December 31, 2007.

NOTE 3 – BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund and major special revenue funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. There are no differences between the budgetary basis and the cash basis in as much as the Township cancels outstanding year end encumbrances.

NOTE 4 – DEPOSITS AND INVESTMENTS

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

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

**AMBOY TOWNSHIP
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)**

NOTE 4 – DEPOSITS AND INVESTMENTS – (CONTINUED)

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).

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.

**AMBOY TOWNSHIP
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)**

NOTE 4 – DEPOSITS AND INVESTMENTS – (CONTINUED)

Deposits

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

Investments

As of December 31, 2007, the Township had the following investments

	<u>Carrying Value</u>	<u>Average Rate</u>
STAR Ohio	<u>\$ 571,423</u>	5.05%

STAR Ohio carries a rating of AAAm by Standard and Poor's. The Township's has no investment policy dealing with investment credit risk beyond the requirements in state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

NOTE 5 – PROPERTY TAXES

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

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

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

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

2007 tangible property taxes are levied after October 1, 2006, on the value as of December 31, 2006. Collections are made in 2007. Tangible personal property assessments are being phased out – the assessment percentage for all property including inventory for 2007 is 12.5 percent. This will be reduced to 6.25 percent for 2008, and zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 3, with the remainder due September 20.

**AMBOY TOWNSHIP
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)**

NOTE 5 – PROPERTY TAXES – (CONTINUED)

The full tax rate for all Township operations for the year ended December 31, 2007, was \$48.19 per \$1,000 of assessed value. The assessed values of real and personal property upon which 2007 property tax receipts were based are as follows:

Real Property	\$35,373,280
Public Utility Property	3,564,640
Tangible Personal Property	1,949,795
Total Assessed Values	<u>\$ 40,887,715</u>

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

NOTE 6 – RISK MANAGEMENT

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

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

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

Casualty Coverage

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

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

Property Coverage

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

**AMBOY TOWNSHIP
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)**

NOTE 6 – RISK MANAGEMENT – (CONTINUED)

Beginning in 2005, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable value. If the stop loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2007 was \$2,014,548.

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

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

Financial Position

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

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

At December 31, 2007 and 2006, respectively, liabilities above include approximately \$12.5 million and \$11.3 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$11.6 million and \$10.8 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2007 and 2006, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township's share of these unpaid claims collectible in future years is approximately \$6,000. 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 charged by OTARMA to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership. The Townships contributions to OTARMA for the past three years are as follows:

<u>Year</u>	<u>Contribution</u>
2007	\$6,420
2006	10,554
2005	9,909

**AMBOY TOWNSHIP
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)**

NOTE 6 – RISK MANAGEMENT – (CONTINUED)

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

NOTE 7 – DEFINED BENEFIT PENSION PLAN

A. Ohio Public Employees Retirement System

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

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

The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2007, members in state and local classifications contributed 9.5 percent of covered payroll.

The Township's contribution rate for 2007 was 13.85 percent of covered payroll. For the period January 1, through June 30, 2007, a portion of the Township's contribution equal to 8.85 percent of covered payroll was allocated to fund the postemployment healthcare plan; for the period July 1 through December 31, 2007, this amount was decreased to 7.85 percent. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the Township of 14 percent.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2007, 2006, and 2005, were \$7,947, \$8,745, and \$8,991 respectively. The full amount has been contributed for 2007, 2006, and 2005.

**AMBOY TOWNSHIP
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)**

NOTE 8 - POSTEMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System

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

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

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

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

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2007, local government employers contributed 13.85 percent of covered payroll. Each year, The OPERS retirement board determines the portion of the employer contribution that will be set aside for funding postemployment healthcare benefits. The amount of the employer contributions which was allocated to fund postemployment healthcare was 5 percent of covered payroll from January 1 through June 30, 2007, and 6 percent from July 1 through December 31, 2007.

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

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

**AMBOY TOWNSHIP
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)**

NOTE 9 – DEBT

The Township's long-term debt activity for the year ended December 31, 2007, was as follows:

	Interest Rate	Balance December 31, 2006	Reductions	Balance December 31, 2007	Due Within One Year
<u>Governmental Activities</u>					
General Obligation Notes					
2006 Issue (\$147,476)	4.75%	\$147,476	\$29,495	\$117,981	\$29,495

The general obligation note is 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	G.O. Note	
	Principal	Interest
2008	\$29,495	\$5,254
2009	29,495	3,853
2010	29,495	2,452
2011	29,496	1,051
Totals	\$117,981	\$12,610

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, 2007, were an overall debt margin of \$4,175,229 and an unvoted debt margin of \$2,248,824.

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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*

Amboy Township
Fulton County
P.O. Box 172
Metamora, Ohio 43540-0172

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the remaining aggregate fund information of Amboy Township, Fulton County, (the Township) as of and for the year ended December 31, 2007, and have issued our report thereon dated September 5, 2008 where in we noted the Township prepared its financial statements on the cash basis of accounting. 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 because the Auditor of State designed, developed, implemented, and as requested, operates UAN. 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.

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

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

Compliance and Other Matters

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

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



Mary Taylor, CPA
Auditor of State

September 5, 2008



Mary Taylor, CPA
Auditor of State

AMBOY TOWNSHIP

FULTON 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
OCTOBER 9, 2008**