



**WALDO TOWNSHIP
MARION COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2007-2006



Mary Taylor, CPA
Auditor of State

**WALDO TOWNSHIP
MARION COUNTY**

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**WALDOTOWNSHIP
MARION COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Waldo Township
Marion County
PO Box 64
Waldo, Ohio 43356

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities and each major fund of Waldo Township, Marion County, Ohio (the Township), as of and for the years ended December 31, 2007 and 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 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 and each major fund of Waldo Township, Marion County, Ohio, as of December 31, 2007 and 2006, and the respective changes in cash financial position and the respective budgetary comparisons for the General Fund, Motor Vehicle License Tax Fund, Gasoline Tax Fund, Road and Bridge Fund and Cemetery Fund thereof for the years 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 July 31, 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.

The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

July 31, 2008

WALDO TOWNSHIP, MARION COUNTY

Statement of Net Assets - Cash Basis

December 31, 2007

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$576,966.81
<i>Total Assets</i>	<u><u>\$576,966.81</u></u>
Net Assets	
Restricted for:	
Other Purposes	376,206.89
Unrestricted	200,759.92
<i>Total Net Assets</i>	<u><u>\$576,966.81</u></u>

See accompanying notes to the basic financial statements

**VILLAGE OF WALDO
MARION COUNTY**

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

	Program Cash Receipts			
Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	
Governmental Activities				
Security of Persons and Property	\$5,673.42	\$0.00	\$0.00	(\$5,673.42)
Public Health Services	1,169.24	0.00	0.00	(1,169.24)
Community Environment	1,618.07	150.00	0.00	(1,468.07)
Basic Utility Services	25,000.00	0.00	0.00	(25,000.00)
Transportation	25,432.61	0.00	19,631.72	(5,800.89)
General Government	19,109.43	105.00	0.00	(19,004.43)
<i>Total Governmental Activities</i>	\$78,002.77	\$255.00	\$19,631.72	(\$58,116.05)
General Receipts				
Property Taxes for General Purposes				\$36,443.80
Other Taxes				1,930.13
Grants and Entitlements not Restricted to Specific Programs				17,647.41
Earnings on Investments				8,617.67
Miscellaneous				1,248.80
<i>Total General Receipts</i>				65,887.81
Change in Net Assets				7,771.76
<i>Net Assets Beginning of Year</i>				226,621.30
<i>Net Assets End of Year</i>				\$234,393.06

See accompanying notes to the basic financial statements

WALDO TOWNSHIP, MARION COUNTY
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2007

	GENERAL	MOTOR VEHICLE LIC. TAX	GASOLINE TAX	ROAD AND BRIDGE	CEMETERY	TOTAL GOVERNMENTAL FUNDS
Assets						
Equity in Pooled Cash and Cash Equivalents	\$200,759.92	\$70,959.63	\$204,522.74	\$78,104.60	\$22,619.92	\$576,966.81
<i>Total Assets</i>	<u>\$200,759.92</u>	<u>\$70,959.63</u>	<u>\$204,522.74</u>	<u>\$78,104.60</u>	<u>\$22,619.92</u>	<u>\$576,966.81</u>
Fund Balances						
Unreserved:						
Undesignated (Deficit), Reported in:						
General Fund	200,759.92	0.00	0.00	0.00	0.00	200,759.92
Special Revenue Funds	0.00	70,959.63	204,522.74	78,104.60	22,619.92	376,206.89
<i>Total Fund Balances</i>	<u>\$200,759.92</u>	<u>\$70,959.63</u>	<u>\$204,522.74</u>	<u>\$78,104.60</u>	<u>\$22,619.92</u>	<u>\$576,966.81</u>

See accompanying notes to the basic financial statements

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

	GENERAL	MOTOR VEHICLE LIC. TAX	GASOLINE TAX	ROAD AND BRIDGE	CEMETERY	TOTAL
Receipts						
Property and Other Local Taxes	\$56,154.55	\$0.00	\$0.00	\$6,376.12	\$0.00	\$62,530.67
Charges for Services	487.96	42.22	0.00	0.00	9,400.00	9,930.18
Licenses, Permits and Fees	1,377.50	0.00	0.00	0.00	0.00	1,377.50
Intergovernmental	17,865.29	5,414.64	83,787.21	0.00	0.00	107,067.14
Earnings on Investments	13,503.47	3,158.21	10,064.87	0.00	0.00	26,726.55
Miscellaneous	0.00	0.00	0.00	0.00	2,450.00	2,450.00
Total Receipts	<u>89,388.77</u>	<u>8,615.07</u>	<u>93,852.08</u>	<u>6,376.12</u>	<u>11,850.00</u>	<u>210,082.04</u>
Disbursements						
Current:						
General Government	42,567.91	0.00	0.00	0.00	0.00	42,567.91
Public Works	0.00	519.84	81,452.42	1,586.42	0.00	83,558.68
Health	9,564.11	0.00	0.00	0.00	18,399.32	27,963.43
Total Disbursements	<u>52,132.02</u>	<u>519.84</u>	<u>81,452.42</u>	<u>1,586.42</u>	<u>18,399.32</u>	<u>154,090.02</u>
Excess of Receipts Over (Under) Disbursements	37,256.75	8,095.23	12,399.66	4,789.70	(6,549.32)	55,992.02
Fund Balances Beginning of Year	<u>163,503.17</u>	<u>62,864.40</u>	<u>192,123.08</u>	<u>73,314.90</u>	<u>29,169.24</u>	<u>520,974.79</u>
Fund Balances End of Year	<u><u>\$200,759.92</u></u>	<u><u>\$70,959.63</u></u>	<u><u>\$204,522.74</u></u>	<u><u>\$78,104.60</u></u>	<u><u>\$22,619.92</u></u>	<u><u>\$576,966.81</u></u>

See accompanying notes to the basic financial statements

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$57,504.00	\$57,504.00	\$56,154.55	(\$1,349.45)
Charges for Services	5,000.00	5,000.00	487.96	(4,512.04)
Licenses, Permits and Fees	5,000.00	5,000.00	1,377.50	(3,622.50)
Intergovernmental	14,694.64	14,694.64	17,865.29	3,170.65
Earnings on Investments	8,500.00	8,500.00	13,503.47	5,003.47
<i>Total receipts</i>	90,698.64	90,698.64	89,388.77	(1,309.87)
Disbursements				
Current:				
General Government	97,100.00	97,100.00	42,567.91	54,532.09
Public Works	1,500.00	1,500.00	0.00	1,500.00
Health	38,750.00	38,750.00	9,564.11	29,185.89
Other	250.00	250.00	0.00	250.00
Capital Outlay	23,650.00	23,650.00	0.00	23,650.00
<i>Total Disbursements</i>	161,250.00	161,250.00	52,132.02	109,117.98
<i>Excess of Receipts Over (Under) Disbursements</i>	(70,551.36)	(70,551.36)	37,256.75	107,808.11
<i>Fund Balance Beginning of Year</i>	163,503.17	163,503.17	163,503.17	0.00
<i>Fund Balance End of Year</i>	\$92,951.81	\$92,951.81	\$200,759.92	\$107,808.11

See accompanying notes to the basic financial statements

WALDO TOWNSHIP, MARION COUNTY
*Statement of Receipts, Disbursements and Changes
 In Fund Balance - Budget and Actual -Budget Basis
 Motor Vehicle License Tax Fund
 For the Year Ended December 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Charges for Services	\$0.00	\$0.00	\$42.22	\$42.22
Intergovernmental	5,800.00	5,800.00	5,414.64	(385.36)
Earnings on Investments	2,800.00	2,800.00	3,158.21	358.21
<i>Total receipts</i>	<u>8,600.00</u>	<u>8,600.00</u>	<u>8,615.07</u>	<u>15.07</u>
Disbursements				
Current:				
Public Works	2,000.00	2,000.00	519.84	1,480.16
Capital Outlay	18,000.00	18,000.00	0.00	18,000.00
<i>Total Disbursements</i>	<u>20,000.00</u>	<u>20,000.00</u>	<u>519.84</u>	<u>19,480.16</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(11,400.00)	(11,400.00)	8,095.23	19,495.23
<i>Fund Balance Beginning of Year</i>	<u>62,864.40</u>	<u>62,864.40</u>	<u>62,864.40</u>	<u>0.00</u>
<i>Fund Balance End of Year</i>	<u>\$51,464.40</u>	<u>\$51,464.40</u>	<u>\$70,959.63</u>	<u>\$19,495.23</u>

See accompanying notes to the basic financial statements

WALDO TOWNSHIP, MARION 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>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$75,000.00	\$75,000.00	\$83,787.21	\$8,787.21
Earnings on Investments	9,800.00	9,800.00	10,064.87	264.87
<i>Total receipts</i>	<u>84,800.00</u>	<u>84,800.00</u>	<u>93,852.08</u>	<u>9,052.08</u>
Disbursements				
Current:				
Public Works	108,500.00	118,500.00	81,452.42	37,047.58
Capital Outlay	10,000.00	0.00	0.00	0.00
<i>Total Disbursements</i>	<u>118,500.00</u>	<u>118,500.00</u>	<u>81,452.42</u>	<u>37,047.58</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(33,700.00)	(33,700.00)	12,399.66	46,099.66
<i>Fund Balance Beginning of Year</i>	<u>192,123.08</u>	<u>192,123.08</u>	<u>192,123.08</u>	<u>0.00</u>
<i>Fund Balance End of Year</i>	<u>\$158,423.08</u>	<u>\$158,423.08</u>	<u>\$204,522.74</u>	<u>\$46,099.66</u>

See accompanying notes to the basic financial statements

WALDO TOWNSHIP, MARION 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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$6,635.00	\$6,635.00	\$6,376.12	(\$258.88)
Intergovernmental	566.00	566.00	0.00	(566.00)
<i>Total receipts</i>	<u>7,201.00</u>	<u>7,201.00</u>	<u>6,376.12</u>	<u>(824.88)</u>
Disbursements				
Current:				
Public Works	45,500.00	45,500.00	1,586.42	43,913.58
<i>Total Disbursements</i>	<u>45,500.00</u>	<u>45,500.00</u>	<u>1,586.42</u>	<u>43,913.58</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(38,299.00)	(38,299.00)	4,789.70	43,088.70
<i>Fund Balance Beginning of Year</i>	<u>73,314.90</u>	<u>73,314.90</u>	<u>73,314.90</u>	<u>0.00</u>
<i>Fund Balance End of Year</i>	<u>\$35,015.90</u>	<u>\$35,015.90</u>	<u>\$78,104.60</u>	<u>\$43,088.70</u>

See accompanying notes to the basic financial statements

WALDO TOWNSHIP, MARION COUNTY
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Cemetery Fund
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Charges for Services	\$10,000.00	\$10,000.00	\$9,400.00	(\$600.00)
Miscellaneous	0.00	0.00	2,450.00	2,450.00
<i>Total receipts</i>	<u>10,000.00</u>	<u>10,000.00</u>	<u>11,850.00</u>	<u>1,850.00</u>
Disbursements				
Current:				
Health	28,250.00	28,250.00	18,399.32	9,850.68
<i>Total Disbursements</i>	<u>28,250.00</u>	<u>28,250.00</u>	<u>18,399.32</u>	<u>9,850.68</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(18,250.00)	(18,250.00)	(6,549.32)	11,700.68
<i>Fund Balance Beginning of Year</i>	<u>29,169.24</u>	<u>29,169.24</u>	<u>29,169.24</u>	<u>0.00</u>
<i>Fund Balance End of Year</i>	<u>\$10,919.24</u>	<u>\$10,919.24</u>	<u>\$22,619.92</u>	<u>\$11,700.68</u>

See accompanying notes to the basic financial statements

WALDO TOWNSHIP, MARION COUNTY

Statement of Net Assets - Cash Basis

December 31, 2006

	<u>Governmental Activities</u>
Assets	
Equity in pooled cash & cash equivalents	\$520,974.79
<i>Total Assets</i>	<u><u>\$520,974.79</u></u>
Net Assets	
Restricted for:	
Other Purposes	357,471.62
Unrestricted	163,503.17
<i>Total Net Assets</i>	<u><u>\$520,974.79</u></u>

See accompanying notes to the basic financial statements

WALDO TOWNSHIP, MARION COUNTY

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

	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	\$50,084.72	\$9,381.00	\$0.00	(\$40,703.72)
Public Works	56,224.21	0.00	86,201.37	29,977.16
Health	29,233.98	9,400.00	0.00	(19,833.98)
<i>Total Primary Government</i>	<u>\$135,542.91</u>	<u>\$18,781.00</u>	<u>\$86,201.37</u>	<u>(\$30,560.54)</u>
General Receipts				
Property Taxes				\$61,512.93
Grants and Entitlements not Restricted to Specific Programs				29,893.91
Earnings on Investments				22,691.03
<i>Total General Receipts</i>				<u>114,097.87</u>
Change in Net Assets				83,537.33
<i>Net Assets Beginning of Year</i>				<u>437,437.46</u>
<i>Net Assets End of Year</i>				<u><u>\$520,974.79</u></u>

See accompanying notes to the basic financial statements

WALDO TOWNSHIP, MARION COUNTY
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2006

	GENERAL	MOTOR VEHICLE LIC. TAX	GASOLINE TAX	ROAD AND BRIDGE	CEMETERY	TOTAL GOVERNMENTAL FUNDS
Assets						
Equity in pooled cash & cash equivalents	\$163,503.17	\$62,864.40	\$192,123.08	\$73,314.90	\$29,169.24	\$520,974.79
<i>Total Assets</i>	<u>\$163,503.17</u>	<u>\$62,864.40</u>	<u>\$192,123.08</u>	<u>\$73,314.90</u>	<u>\$29,169.24</u>	<u>\$520,974.79</u>
Fund Balances						
Unreserved:						
Undesignated (Deficit), Reported in:						
General Fund	163,503.17	0.00	0.00	0.00	0.00	163,503.17
Special Revenue Funds	0.00	62,864.40	192,123.08	73,314.90	29,169.24	357,471.62
<i>Total Fund Balances</i>	<u>\$163,503.17</u>	<u>\$62,864.40</u>	<u>\$192,123.08</u>	<u>\$73,314.90</u>	<u>\$29,169.24</u>	<u>\$520,974.79</u>

See accompanying notes to the basic financial statements

WALDO TOWNSHIP, MARION COUNTY

Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances

Governmental Funds

For the Year Ended December 31, 2006

	GENERAL	MOTOR VEHICLE LIC. TAX	GASOLINE TAX	ROAD AND BRIDGE	CEMETERY	TOTAL
Receipts						
Property and Other Local Taxes	\$55,169.71	\$0.00	\$0.00	\$6,343.22	\$0.00	\$61,512.93
Licenses, Permits and Fees	9,381.00	0.00	0.00	0.00	0.00	9,381.00
Intergovernmental	24,394.95	5,498.96	86,201.37	0.00	0.00	116,095.28
Earnings on Investments	11,461.93	2,771.41	8,457.69	0.00	0.00	22,691.03
Miscellaneous	0.00	0.00	0.00	0.00	9,400.00	9,400.00
Total Receipts	<u>100,407.59</u>	<u>8,270.37</u>	<u>94,659.06</u>	<u>6,343.22</u>	<u>9,400.00</u>	<u>219,080.24</u>
Disbursements						
Current:						
General Government	50,084.72	0.00	0.00	0.00	0.00	50,084.72
Public Works	0.00	506.10	54,876.90	841.21	0.00	56,224.21
Health	20,442.71	0.00	0.00	0.00	8,791.27	29,233.98
Total Disbursements	<u>70,527.43</u>	<u>506.10</u>	<u>54,876.90</u>	<u>841.21</u>	<u>8,791.27</u>	<u>135,542.91</u>
Excess of Receipts Over Disbursements	29,880.16	7,764.27	39,782.16	5,502.01	608.73	83,537.33
Fund Balances Beginning of Year	<u>133,623.01</u>	<u>55,100.13</u>	<u>152,340.92</u>	<u>67,812.89</u>	<u>28,560.51</u>	<u>437,437.46</u>
Fund Balances End of Year	<u><u>\$163,503.17</u></u>	<u><u>\$62,864.40</u></u>	<u><u>\$192,123.08</u></u>	<u><u>\$73,314.90</u></u>	<u><u>\$29,169.24</u></u>	<u><u>\$520,974.79</u></u>

See accompanying notes to the basic financial statements

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$59,272.00	\$59,272.00	\$55,169.71	(\$4,102.29)
Licenses, Permits and Fees	5,000.00	5,000.00	9,381.00	4,381.00
Intergovernmental	14,917.09	14,917.09	24,394.95	9,477.86
Earnings on Investments	6,825.00	6,825.00	11,461.93	4,636.93
<i>Total receipts</i>	<u>86,014.09</u>	<u>86,014.09</u>	<u>100,407.59</u>	<u>14,393.50</u>
Disbursements				
Current:				
General Government	105,150.00	105,150.00	50,084.72	55,065.28
Public Works	1,500.00	1,500.00	0.00	1,500.00
Health	35,650.00	35,650.00	20,442.71	15,207.29
Other	250.00	250.00	0.00	250.00
Capital Outlay	10,100.00	10,100.00	0.00	10,100.00
<i>Total Disbursements</i>	<u>152,650.00</u>	<u>152,650.00</u>	<u>70,527.43</u>	<u>82,122.57</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(66,635.91)	(66,635.91)	29,880.16	96,516.07
<i>Fund Balance Beginning of Year</i>	<u>133,623.01</u>	<u>133,623.01</u>	<u>133,623.01</u>	<u>0.00</u>
<i>Fund Balance End of Year</i>	<u>\$66,987.10</u>	<u>\$66,987.10</u>	<u>\$163,503.17</u>	<u>\$96,516.07</u>

See accompanying notes to the basic financial statements

WALDO TOWNSHIP, MARION COUNTY
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Motor Vehicle License Tax Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Intergovernmental	\$5,800.00	\$5,800.00	\$5,498.96	(\$301.04)
Earnings on Investments	1,600.00	1,600.00	2,771.41	1,171.41
<i>Total receipts</i>	<u>7,400.00</u>	<u>7,400.00</u>	<u>8,270.37</u>	<u>870.37</u>
Disbursements				
Current:				
Public Works	2,000.00	2,000.00	506.10	1,493.90
Capital Outlay	18,000.00	18,000.00	0.00	18,000.00
<i>Total Disbursements</i>	<u>20,000.00</u>	<u>20,000.00</u>	<u>506.10</u>	<u>19,493.90</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(12,600.00)	(12,600.00)	7,764.27	20,364.27
<i>Fund Balance Beginning of Year</i>	<u>55,100.13</u>	<u>55,100.13</u>	<u>55,100.13</u>	<u>0.00</u>
<i>Fund Balance End of Year</i>	<u>\$42,500.13</u>	<u>\$42,500.13</u>	<u>\$62,864.40</u>	<u>\$20,364.27</u>

See accompanying notes to the basic financial statements

WALDO TOWNSHIP, MARION COUNTY
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Gasoline Tax Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Intergovernmental	\$50,000.00	\$50,000.00	\$86,201.37	\$36,201.37
Earnings on Investments	4,750.00	4,750.00	8,457.69	3,707.69
<i>Total receipts</i>	<u>54,750.00</u>	<u>54,750.00</u>	<u>94,659.06</u>	<u>39,909.06</u>
Disbursements				
Current:				
Public Works	108,500.00	108,500.00	54,876.90	53,623.10
Capital Outlay	10,000.00	10,000.00	0.00	10,000.00
<i>Total Disbursements</i>	<u>118,500.00</u>	<u>118,500.00</u>	<u>54,876.90</u>	<u>63,623.10</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(63,750.00)	(63,750.00)	39,782.16	103,532.16
<i>Fund Balance Beginning of Year</i>	<u>152,340.92</u>	<u>152,340.92</u>	<u>152,340.92</u>	<u>0.00</u>
<i>Fund Balance End of Year</i>	<u><u>\$88,590.92</u></u>	<u><u>\$88,590.92</u></u>	<u><u>\$192,123.08</u></u>	<u><u>\$103,532.16</u></u>

See accompanying notes to the basic financial statements

WALDO TOWNSHIP, MARION 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, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$6,840.00	\$6,840.00	\$6,343.22	(\$496.78)
Intergovernmental	566.00	566.00	0.00	(566.00)
<i>Total receipts</i>	<u>7,406.00</u>	<u>7,406.00</u>	<u>6,343.22</u>	<u>(1,062.78)</u>
Disbursements				
Current:				
Public Works	45,500.00	45,500.00	841.21	44,658.79
<i>Total Disbursements</i>	<u>45,500.00</u>	<u>45,500.00</u>	<u>841.21</u>	<u>44,658.79</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(38,094.00)	(38,094.00)	5,502.01	43,596.01
<i>Fund Balance Beginning of Year</i>	<u>67,812.89</u>	<u>67,812.89</u>	<u>67,812.89</u>	<u>0.00</u>
<i>Fund Balance End of Year</i>	<u>\$29,718.89</u>	<u>\$29,718.89</u>	<u>\$73,314.90</u>	<u>\$43,596.01</u>

See accompanying notes to the basic financial statements

WALDO TOWNSHIP, MARION COUNTY
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Cemetery 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>		
Receipts				
Miscellaneous	\$4,500.00	\$4,500.00	\$9,400.00	\$4,900.00
<i>Total receipts</i>	<u>4,500.00</u>	<u>4,500.00</u>	<u>9,400.00</u>	<u>4,900.00</u>
Disbursements				
Current:				
Health	24,750.00	24,750.00	8,791.27	15,958.73
<i>Total Disbursements</i>	<u>24,750.00</u>	<u>24,750.00</u>	<u>8,791.27</u>	<u>15,958.73</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(20,250.00)	(20,250.00)	608.73	20,858.73
<i>Fund Balance Beginning of Year</i>	<u>28,560.51</u>	<u>28,560.51</u>	<u>28,560.51</u>	<u>0.00</u>
<i>Fund Balance End of Year</i>	<u>\$8,310.51</u>	<u>\$8,310.51</u>	<u>\$29,169.24</u>	<u>\$20,858.73</u>

See accompanying notes to the basic financial statements

**WALDO TOWNSHIP
MARION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

Note 1 - Reporting Entity

Waldo Township, Marion 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 Clerk.

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

A. Primary Government

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

B. Component Units

Component units are legally separate organizations for which the Township is financially accountable.

There are no component units.

C. Joint Ventures

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility.

There are no joint ventures.

The Township does not participate in jointly governed organizations or public entity risk pools.

Note 2 - Summary of Significant Accounting Policies

As discussed further in Note 2.C, these financial statements are presented on a modified cash basis of accounting. This modified 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 modified 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 modified cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The Township does not apply FASB statements issued after November 30, 1989, to its business-type activities and to its enterprise funds. Following are the more significant of the Township's accounting policies.

A. Basis of Presentation

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

**WALDO TOWNSHIP
MARION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
(Continued)**

Note 2 - Summary of Significant Accounting Policies (continued)

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. The activity of the internal service fund is eliminated to avoid "doubling up" receipts and disbursements. The statements distinguish between those activities of the Township that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Township has no business –type activities.

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 or business-type activity is self-financing on a modified 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. The Township has no enterprise 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.

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 five major governmental funds are the General, Motor Vehicle License Tax, Gasoline Tax, Road & Bridge, and Cemetery Funds. 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. The other governmental funds of the Township account for grants and other resources whose use is restricted to a particular purpose.

**WALDO TOWNSHIP
MARION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 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 expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

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

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

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

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

E. Cash and Investments

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

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments. Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

**WALDO TOWNSHIP
MARION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
(Continued)**

Note 2 - Summary of Significant Accounting Policies (continued)

E. Cash and Investments (continued)

During 2006 and 2007, the Township invested in nonnegotiable certificates of deposit. The nonnegotiable certificates of deposit are reported at cost.

Interest earnings are allocated to Township funds according to State statutes or grant requirements. Interest receipts credited to the General Fund during 2007 was \$13,503.47 and 2006 was \$11,461.93.

F. 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.

G. 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 grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for Motor Vehicle License Tax, Gasoline Tax, Road & Bridge, and Cemetery.

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.

H. 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. There are no balance reserves.

I. Interfund Transactions

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements. There were no interfund transfers in 2007 or 2006.

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, Motor Vehicle License Tax, Gasoline Tax, Road & Bridge, and Cemetery funds are 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) (and outstanding year end advances are treated as an other financing source or use (budgetary basis) rather than as an interfund receivable or payable (cash basis)). There are no encumbrances outstanding at year end.

**WALDO TOWNSHIP
MARION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
(Continued)**

Note 4 - Deposits and Investments

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
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).

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

**WALDO TOWNSHIP
MARION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
(Continued)**

Note 4 - Deposits and Investments (continued)

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. Payment for investments may be made only upon delivery of the securities representing the investments to the Township or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

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 December 31, 2007, \$119,055 of the Township's bank balance of \$319,055 and at December 31, 2006, \$106,915 of the Township's bank balance of \$306,915 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 status. 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

The Township invests only in STAR Ohio, which had a carrying value at December 31, 2007 of \$297,345 and December 31, 2006 of \$220,342.

STAR Ohio carries a rating of AAAM by Standard and Poor's. The Township 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.

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 2007 represent the collection of 2006 taxes. Real property taxes received in 2007 were levied after October 1, 2006, on the assessed values as of January 1, 2006, 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.

**WALDO TOWNSHIP
MARION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
(Continued)**

Note 5 - Property Taxes (continued)

Public utility property tax receipts received in 2007 represent the collection of 2006 taxes. Public utility real and tangible personal property taxes received in 2006 became a lien on December 31, 2005, were levied after October 1, 2006, 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.

Tangible personal property tax receipts received in 2007 (other than public utility property) represent the collection of 2007 taxes. Tangible personal property taxes received in 2007 were levied after October 1, 2005, on the true value as of December 31, 2006. 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 and December 31, 2007, was \$2.90 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2006 and 2007 property tax receipts were based are as follows:

	2006	2007
Real Property		
Residential	\$15,331,220	\$15,417,680
Agriculture	\$3,512,590	\$ 3,579,440
Commercial/Industrial/Mineral	\$1,555,200	\$ 1,594,060
Public Utility Property		
Real	\$79,330	\$ 63,970
Personal	\$1,222,110	\$ 1,061,610
Tangible Personal Property	<u>\$1,613,010</u>	<u>\$ 851,320</u>
Total Assessed Value	<u>\$23,313,440</u>	<u>\$22,568,080</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.

**WALDO TOWNSHIP
MARION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 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, 2007 and 2006:

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

At December 31, 2007 and 2006, respectively, casualty coverage liabilities noted 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 \$2,192. 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.

**WALDO TOWNSHIP
MARION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
(Continued)**

Note 6 - Risk Management (continued)

<u>Contributions to OTARMA</u>	
2005	\$3,526
2006	\$2,905
2007	\$2,332

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

Note 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.

For the year ended December 31, 2007 and 2006, members of all three plans, except those in law enforcement participating in the traditional plan, were required to contribute 9.5% in 2007 and 9% in 2006 of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1% in 2007 and 2006 of their annual covered salary. The Township's contribution rate for pension benefits for 2007 was 13.85% and 2006 was 13.7%, except for those plan members in law enforcement or public safety. For these classifications, the Township's pension contributions were 17.17% in 2007 and 16.93% in 2006 of covered payroll. 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, 2007 and 2006 were \$6,837 and \$6,597 respectively. The full amount has been contributed for 2007 and 2006.

**WALDO TOWNSHIP
MARION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
(Continued)**

Note 8 - Postemployment Benefits

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and serve 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 2007 local government employer contribution rate was 13.85% in 2007 and 13.7% in 2006 of covered payroll; 5.00% from January 1 through June 30, 2007 and 6.00% from July 1 through December 31, 2007 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%, 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 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 contribution for 2007 which were used to fund postemployment benefits was \$7,859. 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 \$12.0 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) which was effective 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, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the healthcare plan.



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

Waldo Township
Marion County
PO Box 64
Waldo, Ohio 43356

To the Board of Trustees:

We have audited the financial statements of the governmental activities and each major fund of Waldo Township, Marion County, Ohio, (the Township) as of and for the years ended December 31, 2007 and 2006, which collectively comprise the Township's basic financial statements and have issued our report thereon dated July 31, 2008, wherein we noted the Township used 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 Section 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code Sections 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 opinions on the financial statements, but not to opine on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with 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 the 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 July 31, 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 an instance of noncompliance or other matter that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item: 2007-001.

We also noted a certain noncompliance or other matter not requiring inclusion in this report that we reported to the Township's management in a separate letter dated July 31, 2008.

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



Mary Taylor, CPA
Auditor of State

July 31, 2008

WALDO TOWNSHIP
MARION COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2007-001

Noncompliance Citation
Certification of Expenditures

Ohio Rev. Code Section 5705.41(D)(1) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the Fiscal Officer is attached thereto. The Fiscal Officer must certify that the amount required to meet such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Every such contract made without such a certificate shall be void and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the standard requirement stated above that a Fiscal Officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. "Then and Now" Certificate – If the Fiscal Officer can certify that both at the time that the contract or order was made ("then"), and at the time that the Fiscal Officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Fiscal Officer can authorize the drawing of a warrant for the payment of the amount due. The Township has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 may be paid by the Fiscal Officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Township.

2. Blanket Certificate – Fiscal Officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

3. Super Blanket Certificate – The Township may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the Fiscal Officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

Fourteen percent of the transactions tested during the audit period were not certified by the Fiscal Officer at the time the commitment was incurred and there was no evidence that the Township followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Township's funds exceeding budgetary spending limitations, we recommend that the Fiscal Officer certify that the funds are or will be available prior to obligation by the Township. When prior certification is not possible, "then and now" certification should be used.

**WALDO TOWNSHIP
MARION COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006
(Continued)**

<p>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</p>

FINDING NUMBER 2007-001 (Continued)

**Noncompliance Citation
Certification of Expenditures (Continued)**

We recommend the Fiscal Officer certify purchases to which section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language 5705.41(D) requires to authorize disbursements. The Fiscal Officer should sign the certification at the time the Township incurs a commitment, and only when the requirements of 5705.41(D) are satisfied. The Fiscal Officer should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

Officials' response

We did not receive a response from Officials to this finding.



Mary Taylor, CPA
Auditor of State

WALDO TOWNSHIP

MARION 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 14, 2008**