



Mary Taylor, CPA
Auditor of State



Dave Yost • Auditor of State

June 28, 2011

Portions of the attached audit report were completed prior to the commencement of my term of office on January 10, 2011. Those portions completed prior to that date contain the signature of my predecessor.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

DAVE YOST
Auditor of State

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**VIENNA TOWNSHIP
TRUMBULL COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Vienna Township
Trumbull County
848 Youngstown – Kingsville Road
Vienna, Ohio 44473

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

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

As discussed in Note 1, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Vienna Township, Trumbull County, Ohio, as of December 31, 2006, and the respective changes in cash financial position thereof and the respective budgetary comparisons for the General Fund, Road and Bridge Fund, Fire District Fund and Ambulance and Emergency Medical Services Fund for the year then ended in conformity with the basis of accounting Note 1 describes.

For the year ended December 31, 2006, the Township revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2010, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts 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.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

July 30, 2010

Vienna Township, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2006
Unaudited

This discussion and analysis of the Vienna Township financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2006, within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2006 are as follows:

- Net assets of governmental activities increased \$1,385, or .76 percent, a slight change from the prior year. Increases in property taxes were offset by greater spending on general government, public works and capital outlay disbursements. .
- The Townships's general receipts are primarily property taxes and intergovernmental. These receipts represent respectively 49.45 and 14.97 percent of the total cash received for governmental activities during the year.

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.

Vienna Township, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2006
Unaudited

Reporting the Township as a Whole

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the Township consists of all funds, agencies, departments and offices that are not legally separated from the Township.

The statement of net assets and the statement of activities reflect how the Township did financially during 2006, within the limitations of cash basis accounting. The statement of net assets presents the cash balances 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. 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 and income taxes.

Reporting on the Most Significant Funds of Vienna Township

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. All of the Township's activities are reported in governmental funds and fiduciary 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 non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the general fund, the road and bridge, fire protection and ambulance and emergency medical services special revenue funds. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

Vienna Township, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2006
Unaudited

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected on the government-wide financial statements because the resources of these funds are not available to support the City's programs.

The Township as a Whole

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

Table 1
Net Assets

	Governmental Activities		
	2006	2005	Change
Assets			
Equity in Pooled Cash and Cash Equivalents	\$184,405	\$183,020	\$1,385
Net Assets			
Restricted for:			
Capital Projects	10,419	1,444	8,975
Other Purposes	112,699	120,913	(8,214)
Unrestricted	61,287	60,663	624
<i>Total Net Assets</i>	\$184,405	\$183,020	\$1,385

As mentioned previously, net assets of governmental activities increased \$1,385 or .76 percent during 2006. This was the direct result of the Township receiving greater property tax collections over the prior fiscal year, offset by greater general government, public works and capital outlay disbursements.

Table 2 reflects the changes in net assets in 2006. Since the Township did not prepare financial statements in this format for 2005, a comparative analysis of government-wide data has not been presented. In future years, when prior year information is available, a comparative analysis will be presented.

Table 2
Changes in Net Assets

	Governmental Activities 2006
Receipts:	
<i>Program Receipts</i>	
Charges for Services	\$179,358
Operating Grants and Contributions	134,046
<i>Total Program Receipts</i>	313,404
<i>General Receipts:</i>	
Property Taxes	531,569
Intergovernmental	160,873
Investment Earnings	7,533
Proceeds of Loan	16,754
Miscellaneous	44,795
<i>Total General Receipts</i>	761,524
<i>Total Receipts</i>	\$1,074,928

Vienna Township, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2006
Unaudited

Table 2
Changes in Net Assets (continued)

	Governmental Activities
	2006
Disbursements:	
General Government	\$350,158
Public Safety	387,075
Public Works	239,553
Health	30,825
Capital Outlay	36,823
Principal Retirement	21,995
Interest and Fiscal Charges	7,114
<i>Total Disbursements</i>	1,073,543
Increase in Net Assets	1,385
<i>Net Assets, January 1, 2006</i>	183,020
<i>Net Assets, December 31, 2006</i>	\$184,405

Governmental program receipts represent 29.16 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, building permits and inspection fees, charges to the airport for police services provided under contract and ambulance service charges.

Governmental general receipts represent 70.84 percent of the Township's total receipts, and of this amount, over 69.80 percent are property taxes. State and federal grants and entitlements make up 21.13 percent of the Township's general receipts. Other receipts and interest make up the balance of the general receipts (9.07 percent).

Disbursements for general government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the costs of Trustees, the Fiscal Officer and the zoning department.

Public safety represents the costs of police and fire protection and ambulance service; public works is the cost of maintaining the streets and health is the operations of the cemetery.

Governmental Activities

If you look at the Statement of Activities on page 11, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for general government and public safety, which account for 32.62 and 36.06 percent of all governmental disbursements, respectively. The next two columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) columns compare the program receipts for governmental 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 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.

Vienna Township, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2006
Unaudited

Table 3
Governmental Activities

	Total Cost Of Services 2006	Net Cost of Services 2006
General Government	\$350,158	(\$290,294)
Public Safety	387,075	(261,111)
Public Works	239,553	(120,412)
Health	30,825	(22,390)
Capital Outlay	36,823	(36,823)
Debt Service:		
Principal Retirement	21,995	(21,995)
Interest and Fiscal Charges	7,114	(7,114)
<i>Total Expenses</i>	\$1,073,543	(\$760,139)

The dependence upon property taxes along with other general receipts is apparent as 70.81 percent of governmental activities are supported through these general receipts.

The Township's Funds

Total governmental funds had receipts of \$1,058,174 and disbursements of \$1,073,543. The greatest change within governmental funds occurred within the general fund. The fund balance of the general fund decreased \$59,626 as the result of increased general government and public safety disbursements.

General fund receipts were less than disbursements by \$39,793 indicating that the general fund is in a deficit spending situation. It was the recommendation of the administration to continue seeking reductions in disbursements to avoid needing to request additional funds from the taxpayers. Some of these reductions have already been implemented for 2006 including reductions in personnel in certain departments. The administration will monitor future spending to ensure deficit spending does not occur.

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.

The Township's final budgeted receipts were \$250,476 while actual receipts were \$399,001. The positive difference of \$148,525 was mainly due to higher than expected collections of intergovernmental revenue of \$78,810, charges for services of \$15,911 and miscellaneous revenues of \$10,951.

Final disbursements were budgeted at \$710,459 while actual disbursements were \$438,859. The positive difference of \$271,600 was due to greater spending controls for general government and health in the amounts of \$249,766 and \$14,388, respectively.

Vienna Township, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2006
Unaudited

Capital Assets and Debt Administration

Capital Assets

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

Debt

At December 31, 2006, the Township's outstanding debt for governmental activities included four general obligation notes for the purchase of a fire truck, two police cruiser and a dump truck. The amounts outstanding on these notes totaled \$130,680. See Note 12 to the basic financial statements for more information.

Current Issues

The challenge for all governments is to provide quality services to the public while staying within the restriction imposed by limited, and in some cases, shrinking funds. We rely heavily on local taxes and have very little industry to support the tax base.

The Township continues to seek out alternative funding in the way of grants to help our financial baseline. The Township is also seeking to continue to offer exceptional service to the citizens and all the services that they have come to expect.

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 Vicki Anzur, Fiscal Officer, Vienna Township, (330) 394-1728, P.O. Box 593, Vienna, Ohio 44473.

Vienna Township, Ohio
Statement of Net Assets - Cash Basis
December 31, 2006

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$184,405</u>
Net Assets	
Restricted for:	
Capital Projects	\$10,419
Road and Bridge	44,706
Fire District	17,368
Ambulance and Emergency Medical Services	23,086
Other Purposes	27,539
Unrestricted	<u>61,287</u>
<i>Total Net Assets</i>	<u><u>\$184,405</u></u>

See accompanying notes to the basic financial statements.

Vienna Township, Ohio
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 Assessments	Operating Grants and Contributions	Total
Governmental Activities				
General Government	\$350,158	\$59,864	\$0	(\$290,294)
Public Safety	387,075	103,462	22,502	(261,111)
Public Works	239,553	7,597	111,544	(120,412)
Health	30,825	8,435	0	(22,390)
Capital Outlay	36,823	0	0	(36,823)
Principal Retirement	21,995	0	0	(21,995)
Interest and Fiscal Charges	7,114	0	0	(7,114)
<i>Total Governmental Activities</i>	<u>\$1,073,543</u>	<u>\$179,358</u>	<u>\$134,046</u>	<u>(760,139)</u>
General Receipts				
Property Taxes Levied for:				
General Purposes				156,223
Road and Bridge				145,650
Police Pension				89,937
Fire Pension				136,891
Debt Service				2,868
Grants and Entitlements not Restricted to Specific Programs				160,873
Proceeds from Loan				16,754
Investment Earnings				7,533
Miscellaneous				44,795
<i>Total General Receipts</i>				<u>761,524</u>
<i>Change in Net Assets</i>				1,385
<i>Net Assets Beginning of Year</i>				<u>183,020</u>
<i>Net Assets End of Year</i>				<u>\$184,405</u>

See accompanying notes to the financial statements.

Vienna Township, Ohio
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2006

	General	Road and Bridge	Fire District	Ambulance and Emergency Medical Services	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	\$61,287	\$44,706	\$17,368	\$23,086	\$37,958	\$184,405
Fund Balances						
Reserved for Encumbrances	\$65	\$0	\$0	\$0	\$0	\$65
Unreserved, Undesignated, Reported in:						
General Fund	61,222	0	0	0	0	61,222
Special Revenue Funds	0	44,706	17,368	23,086	27,539	112,699
Capital Projects Fund	0	0	0	0	10,419	10,419
<i>Total Fund Balances</i>	<u>\$61,287</u>	<u>\$44,706</u>	<u>\$17,368</u>	<u>\$23,086</u>	<u>\$37,958</u>	<u>\$184,405</u>

See accompanying notes to the basic financial statements.

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

	General	Road and Bridge	Fire District	Ambulance and Emergency Medical Services	Other Governmental Funds	Total Governmental Funds
Receipts						
Property Taxes	\$156,223	\$145,650	\$136,891	\$0	\$92,805	\$531,569
Intergovernmental	160,873	15,536	13,879	0	103,797	294,085
Special Assessments	0	0	0	0	7,101	7,101
Charges for Services	15,911	0	0	99,264	1,300	116,475
Fees, Licenses, and Permits	42,557	0	0	0	8,199	50,756
Fines and Forfeitures	5,026	0	0	0	0	5,026
Interest	7,460	0	0	0	73	7,533
Contributions and Donations	0	0	0	0	834	834
Miscellaneous	10,951	998	13,869	0	18,977	44,795
<i>Total Receipts</i>	<u>399,001</u>	<u>162,184</u>	<u>164,639</u>	<u>99,264</u>	<u>233,086</u>	<u>1,058,174</u>
Disbursements						
Current:						
General Government	340,170	0	0	0	9,988	350,158
Public Safety	68,821	0	56,425	163,700	98,129	387,075
Public Works	8,133	131,948	0	0	99,472	239,553
Health	18,535	0	0	0	12,290	30,825
Capital Outlay	3,135	0	13,270	0	20,418	36,823
Debt Service:						
Principal Retirement	0	0	0	0	21,995	21,995
Interest and Fiscal Charges	0	0	0	0	7,114	7,114
<i>Total Disbursements</i>	<u>438,794</u>	<u>131,948</u>	<u>69,695</u>	<u>163,700</u>	<u>269,406</u>	<u>1,073,543</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(39,793)</u>	<u>30,236</u>	<u>94,944</u>	<u>(64,436)</u>	<u>(36,320)</u>	<u>(15,369)</u>
Other Financing Sources (Uses)						
Proceeds of Loan	0	0	0	0	16,754	16,754
Advances In	2,395	4,964	15,369	111,734	43,965	178,427
Advances Out	(31)	(3,638)	(109,475)	(30,757)	(34,526)	(178,427)
Transfer In	0	313	0	0	21,884	22,197
Transfer Out	(22,197)	0	0	0	0	(22,197)
<i>Total Other Financing Sources (Uses)</i>	<u>(19,833)</u>	<u>1,639</u>	<u>(94,106)</u>	<u>80,977</u>	<u>48,077</u>	<u>16,754</u>
<i>Net Change in Fund Balances</i>	<u>(59,626)</u>	<u>31,875</u>	<u>838</u>	<u>16,541</u>	<u>11,757</u>	<u>1,385</u>
<i>Fund Balances Beginning of Year</i>	<u>120,913</u>	<u>12,831</u>	<u>16,530</u>	<u>6,545</u>	<u>26,201</u>	<u>183,020</u>
<i>Fund Balances End of Year</i>	<u>\$61,287</u>	<u>\$44,706</u>	<u>\$17,368</u>	<u>\$23,086</u>	<u>\$37,958</u>	<u>\$184,405</u>

See accompanying notes to the financial statements.

Vienna Township, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property Taxes	\$153,641	\$168,413	\$156,223	(\$12,190)
Intergovernmental	79,827	82,063	160,873	78,810
Charges for Services	0	0	15,911	15,911
Fees, Licenses and Permits	0	0	42,557	42,557
Fines and Forfeitures	0	0	5,026	5,026
Interest	0	0	7,460	7,460
Miscellaneous	16,754	0	10,951	10,951
<i>Total Receipts</i>	250,222	250,476	399,001	148,525
Disbursements				
Current:				
General Government	585,217	590,001	340,235	249,766
Public Safety	46,900	75,900	68,821	7,079
Public Works	7,200	8,500	8,133	367
Health	32,924	32,923	18,535	14,388
Capital Outlay	25,000	3,135	3,135	0
<i>Total Disbursements</i>	697,241	710,459	438,859	271,600
<i>Excess of Receipts Under Disbursements</i>	(447,019)	(459,983)	(39,858)	420,125
Other Financing Sources (Uses)				
Advances In	0	0	2,395	2,395
Advances Out	0	(31)	(31)	0
Transfers Out	(15,000)	(25,000)	(22,197)	2,803
<i>Total Other Financing Sources (Uses)</i>	(15,000)	(25,031)	(19,833)	5,198
<i>Net Change in Fund Balance</i>	(462,019)	(485,014)	(59,691)	425,323
<i>Fund Balance Beginning of Year</i>	120,913	120,913	120,913	0
<i>Fund Balance (Deficit) End of Year</i>	(\$341,106)	(\$364,101)	\$61,222	\$425,323

See accompanying notes to the basic financial statements.

Vienna Township, Ohio
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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property Taxes	\$133,602	\$133,602	\$145,650	\$12,048
Intergovernmental	2,317	2,317	15,536	13,219
Miscellaneous	4,150	4,150	998	(3,152)
<i>Total Receipts</i>	140,069	140,069	162,184	22,115
Disbursements				
Current:				
Public Works	163,656	163,656	131,948	31,708
<i>Excess of Receipts Over (Under) Disbursements</i>	(23,587)	(23,587)	30,236	(53,823)
Other Financing Sources (Uses)				
Advances In	3,264	3,264	4,964	1,700
Advances Out	(21,833)	(21,833)	(3,638)	18,195
Transfers In	313	313	313	0
<i>Total Other Financing Sources (Uses)</i>	(18,256)	(18,256)	1,639	19,895
<i>Net Change in Fund Balance</i>	(41,843)	(41,843)	31,875	(33,928)
<i>Fund Balance Beginning of Year</i>	12,831	12,831	12,831	0
<i>Fund Balance (Deficit) End of Year</i>	(\$29,012)	(\$29,012)	\$44,706	(\$33,928)

See accompanying notes to the basic financial statements.

Vienna Township, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual (Budget Basis)
Fire District Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property Taxes	\$134,706	\$148,011	\$136,891	(\$11,120)
Intergovernmental	0	2,759	13,879	11,120
Miscellaneous	4,000	14,214	13,869	(345)
<i>Total Receipts</i>	138,706	164,984	164,639	(345)
Disbursements				
Current:				
Public Safety	53,800	75,530	56,425	19,105
Capital Outlay	13,270	13,270	13,270	0
<i>Total Disbursements</i>	67,070	88,800	69,695	19,105
<i>Excess of Receipts Over Disbursements</i>	71,636	76,184	94,944	(18,760)
Other Financing Sources (Uses)				
Advances In	0	15,369	15,369	0
Advances Out	(89,083)	(109,475)	(109,475)	0
<i>Total Other Financing Sources (Uses)</i>	(89,083)	(94,106)	(94,106)	0
<i>Net Change in Fund Balance</i>	(17,447)	(17,922)	838	(18,760)
<i>Fund Balance Beginning of Year</i>	16,530	16,530	16,530	0
<i>Fund Balance (Deficit) End of Year</i>	(\$917)	(\$1,392)	\$17,368	(\$18,760)

See accompanying notes to the basic financial statements.

Vienna Township, Ohio
*Statement of Receipts, Disbursements and Changes
 In Fund Balance - Budget and Actual (Budget Basis)
 Ambulance and Emergency Medical Services Fund
 For the Year Ended December 31, 2006*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Charges for Services	\$99,264	\$99,264	\$99,264	\$0
Miscellaneous	4,948	4,948	0	(4,948)
<i>Total Receipts</i>	104,212	104,212	99,264	(4,948)
Disbursements				
Current:				
Public Safety	177,607	181,915	163,700	18,215
<i>Excess of Receipts Under Disbursements</i>	(73,395)	(77,703)	(64,436)	(13,267)
Other Financing Sources (Uses)				
Advances In	89,985	89,985	111,734	21,749
Advances Out	(18,867)	(30,757)	(30,757)	0
<i>Total Other Financing Sources (Uses)</i>	71,118	59,228	80,977	21,749
<i>Net Change in Fund Balance</i>	(2,277)	(18,475)	16,541	8,482
<i>Fund Balance Beginning of Year</i>	6,545	6,545	6,545	0
<i>Fund Balance (Deficit) End of Year</i>	\$4,268	(\$11,930)	\$23,086	\$8,482

See accompanying notes to the basic financial statements.

Vienna Township, Ohio
Statement of Fiduciary Net Assets - Cash Basis
Private Purpose Trust Fund
December 31, 2006

	<u>Private Purpose Trust</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$2,718</u>
Net Assets	
Held in Trust for Cemetery	<u>\$2,718</u>

See accompanying notes to the basic financial statements.

Vienna Township, Ohio
Statement of Changes in Fiduciary Net Assets
Private Purpose Trust Fund
For the Year Ended December 31, 2006

	Private Purpose Trust
Additions	
Miscellaneous	\$271
Deductions	
Miscellaneous	31
<i>Change in Net Assets</i>	240
<i>Net Assets Beginning of Year</i>	2,478
<i>Net Assets End of Year</i>	<u>\$2,718</u>

See accompanying notes to the basic financial statements.

Vienna Township, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Note 1 - Reporting Entity

Vienna Township, Trumbull County, (the Township) is a body corporate and politic 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 provides road and bridge maintenance, cemetery maintenance, fire protection, police services and emergency medical services.

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the Township consists of all funds, agencies, department and offices that are not legally separate from the Township. For Vienna Township this includes the departments and agencies that provide the following services: police protection, fire protection, emergency medical services and road and bridge maintenance. The Township has no component units.

The Township is associated with a shared risk pool, the Ohio Township Association Risk Management Authority, which is presented in Note 9 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

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

A. Basis of Presentation

The Township's basic financial statements consist of a government-wide statement of net assets and a statement of activities and fund financial statements providing 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. The statements usually distinguish between those activities of the Township that are governmental and those that are considered business-type activities. The Township, however, has no business-type activities.

The government-wide statement of net assets presents the cash balance of the governmental activities of the Township at year end. The government-wide statement of activities compares disbursements with program receipts for each function or program 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 government is responsible. 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, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each business segment or governmental function is self-financing on a cash basis or draws from the Township's general receipts.

Vienna Township, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Fund Financial Statements During the year, the Township segregates transactions related to certain Township functions or activities in separate funds in order 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. Fiduciary funds are reported by type.

B. Fund Accounting

The Township uses funds 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. There are three categories of funds: governmental, proprietary and fiduciary.

Governmental Funds Governmental funds are those through which most governmental functions of the Township are financed. The following are the Township's major governmental funds:

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

Road and Bridge Fund The road and bridge fund accounts for property taxes and grant monies designated for street maintenance and repair.

Fire District Fund The fire district fund accounts for a voted property tax operating levy which pays for firefighter wages.

Ambulance and Emergency Medical Services Fund The ambulance and emergency medical services fund accounts for funds used to operate an ambulance and provide EMS to the citizens of the Township.

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

Fiduciary Funds Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the Township under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Township's own programs. The Township's private-purpose trust fund accounts for cemetery bequest monies. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results or operations. The Township does not have any agency funds.

C. Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Township are described in the appropriate section in the notes.

Vienna Township, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

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. Cash and Cash Equivalents

To improve cash management, cash received by the Township is pooled and invested. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through Township records. Interest in the pool is presented as "equity in pooled cash and cash equivalents".

During 2006, the Township invested in STAR Ohio. STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows government 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, 2006.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest revenue credited to the general fund during 2006 amounted to \$7,460, which includes \$4,956 assigned from other Township funds.

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are presented on the financial statements as cash equivalents. Investments with an initial maturity or more than three months that were not purchased from the pool are reported as investments.

E. 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.

F. 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.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's cash basis of accounting.

H. Long-term Obligations

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

I. 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 10 and 11, the employer contributions include portions for pension benefits and for post-retirement health care benefits.

Vienna Township, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

J. Interfund Receivables/Payables

The Township reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

K. Fund Balance Reserves

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

L. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions, enabling legislation (adopted by the Township) or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The government-wide statement of net assets reports \$123,118 of restricted net assets, none of which is restricted by enabling legislation. Net assets restricted for other purposes include resources restricted for police protection, zoning, and cemetery services. 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.

M. Interfund Activity

Transfers between governmental activities are eliminated on the government wide financial statements. Internal events that are allocations of overhead disbursements from one function to another or within the same function are eliminated on the Statement of Activities. Interfund payments for services provided and used are not eliminated.

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.

N. 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 Board of Trustees may appropriate. The appropriations ordinance is the Township Board of Trustees's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Township Board of Trustees. The legal level of control has been established by the Township Board of Trustees at the object level for all funds. Any budgetary modifications at this level may only be made by ordinance of the Township Board of Trustees.

The certificate of estimated resources may be amended during the year if the Township Fiscal Officer projects increases or decreases in receipts. The amounts reported as the original and final budget in the budgetary statements reflect the amounts in the amended certificate of estimated resources in effect at the time the original and final appropriations ordinance were passed by the Township Board of Trustees.

Vienna Township, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

The Township Board of Trustees may amend appropriations throughout the year with the restriction that appropriations may not exceed estimated resources. The amounts reported as the original budget reflect the first appropriation ordinance for a fund covering the entire year, including amounts automatically carried over from prior years. The amounts reported as the final budget represent the final appropriation ordinance the Township Board of Trustees passed during the year.

Note 3 – Compliance

The Township had a negative cash fund balance in the cemetery special revenue fund in the amount of \$84 indicating that revenue from other sources were used to pay obligations of this fund contrary to Ohio Revised Code Section 5705.10. Although the cash deficit was not corrected by year end, management has indicated that cash will be closely monitored to prevent future violations.

Note 4 – 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 – Budget Basis for the general fund, the road and bridge, fire district and the ambulance and emergency medical services major special revenue funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is that outstanding year end encumbrances are treated as expenditures (budgetary basis) rather than as a reservation of fund balance (cash basis). The general fund encumbrances outstanding at year end (budgetary basis) amounted to \$65. All the major special revenue funds had no outstanding encumbrances at year end.

Note 5 – Deposits and Investments

State statutes classify monies held by the Township into these categories.

Active monies are public monies necessary to meet current demands on the treasury. Such 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 monies are public monies that the Trustees has identified as not required for use within the current five year period of designation of depositories. Inactive monies 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.

Protection of the Township's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the finance director by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Vienna Township, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Interim monies 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 payment of principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, 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 securities listed above;
4. Bonds and other obligations of the State of Ohio;
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);
7. The State Treasurer's investment pool (STAROhio); and

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

Investments are reported at fair value. As of December 31, 2006, the Township had \$193,196 invested in STAR Ohio with an average maturity of 59 days.

Interest Rate Risk. The Township has no investment policy that addresses interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and that an investment must be purchased with the expectation that it will be held to maturity. Repurchase agreements are limited to 30 days and the market value of the securities must exceed the principal value of the agreement by at least two percent and be marked to market daily.

Credit Risk. STAR Ohio carries a rating of AAA by Standard and Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The Township has no investment policy that addresses credit risk.

Concentration of Credit Risk. The Township places no limit on the amount it may invest in any one issuer. The Township's allocation as of December 31, 2006 is 100 percent to STAR Ohio.

Vienna Township, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Note 6 – Receivables

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the Township. Property tax revenue received during 2006 for real and public utility property taxes represents collections of the 2005 taxes. Property tax payments received during 2006 for tangible personal property (other than public utility property) are for 2006 taxes.

2006 real property taxes are levied after October 1, 2006, on the assessed value as of January 1, 2006, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2006 real property taxes are collected in and intended to finance 2007.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2006 public utility property taxes which became a lien December 31, 2005, are levied after October 1, 2006, and are collected in 2007 with real property taxes. 2006 tangible personal property taxes are levied after October 1, 2005, on the value as of December 31, 2005. Collections are made in 2006. Tangible personal property assessments are being phased out – the assessment percentage for all property including inventory for 2006 is 18.75 percent. This will be reduced to 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009.

The full tax rate for all Township operations for the year ended December 31, 2006, was \$6.50 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2006 property tax receipts were based are as follows:

Real Property	
Residential/Agricultural	\$67,569,890
Other Real Estate	15,721,920
Public Utility Personal Property	3,806,580
Tangible Personal Property	9,064,060
Total	<u><u>\$96,162,450</u></u>

Real property taxes are payable annually or semi-annually. If paid annually, the payment is due December 31; if paid semi-annually, 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.

Tangible personal property taxes paid by multi-Township taxpayers are due September 20. Single Township 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 30; with the remainder payable by September 20.

The County Treasurer collects property tax on behalf of all taxing districts within the Township. The County Auditor periodically remits to the taxing districts their portions of the taxes collected.

Note 7 - Contingencies

A. Grants

The Township receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or any other applicable funds.

Vienna Township, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Township at December 31, 2006.

B. Litigation

Vienna Township is a party to legal proceedings. Township management is of the opinion that ultimate disposition of these claims and legal proceedings will not have a material effect, if any, on the financial condition of the Township.

Note 8 - Risk Management

Vienna Township is exposed to various risks of loss to torts; thefts of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disaster. During 2006, the Township belonged to the Ohio Township Associated Risk Management Authority (OTARMA), a risk sharing pool. More information for OTARMA can be found in Note 10.

Settled claims have not exceeded coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

The Township has elected to provide a comprehensive medical benefits package to the employees through a fully-insured program. This package provides a comprehensive medical, dental and vision plan, which is administered by Anthem. The medical premium varies based on the age and health history of the employee and the number of dependents covered. There is no copayment or deductible for the health plan. The dental premium for single is \$45.82, \$95.54 for employee and spouse, and \$147.80 for family per month. The vision premium for single is \$7.93, \$13.89 for employee and spouse, and \$23.01 for family per month.

The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The System administers and pays all claims.

Note 9 – Shared Risk Pool

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 aggregate per year. For occurrence on or subsequent to January 1, 2006, the Pool retains casualty risk up to \$350,000 per occurrence. 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 aggregate per year. Governments can elect up to \$10,000,000 in additional coverage with General Reinsurance Corporation, through contracts with OTARMA.

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

Vienna Township, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Property Coverage

OTARMA retains 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 \$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 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 \$1,682,589.

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.

Members may withdraw on each anniversary date they joined OTARMA. They must 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 premium. Also upon withdrawal, payments for all property and casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the withdrawal.

Financial Position

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

	<u>2006</u>	<u>2005</u>
Assets	\$42,042,275	\$39,663,434
Liabilities	<u>(12,120,661)</u>	<u>(13,750,607)</u>
Members' Equity	<u>\$29,921,614</u>	<u>\$25,912,827</u>

Note 10 - Defined Benefit Pension Plans

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.

Vienna Township, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

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

For the year ended December 31, 2006, the members of all three plans, except those in law enforcement participating in the traditional plan, were required to contribute 9 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary. The Township's contribution rate for pension benefits for 2006 was 13.7 percent, except for those plan members in law enforcement or public safety. For those classifications, the Township's pension contributions were 16.93 percent 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, 2006, 2005 and 2004 were \$42,072, \$39,969 and \$38,271 respectively; 91.79 percent has been contributed for 2006 and 100 percent for 2005 and 2004. No contributions to the member-directed plan for 2006 were made.

Note 11 - Postemployment Benefits

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and qualified survivor benefit recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2006 local government employer contribution rate was 13.7 percent of covered payroll (16.93 percent for public safety and law enforcement); 4.50 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the individual entry age actuarial cost method. Significant actuarial assumptions, based on OPERS's actuarial review performed as of December 31, 2006, include a rate of return on investments of 6.5 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between 4.5 percent and 10.3 percent based on additional annual pay increases. Health care costs were assumed to increase between .50 and 9.00 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 381,464. Actual employer contributions for 2006 which were used to fund postemployment benefits were \$20,579. 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.

Vienna Township, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

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

Note 12 - Long-Term Obligations

Original issue amounts and interest rates of the Township's debt issues were as follows:

Debt Issue	Interest Rate	Original Issue	Year of Maturity
General Obligation Notes - Fire Truck	4.75%	\$65,000	2012
General Obligation Notes - Police Cruiser	5.25	20,547	2010
General Obligation Notes - Police Cruiser II	5.25	16,754	2009
General Obligation Notes - Dump Truck	5.50	70,850	2014

The changes in long-term obligations during the year were as follows:

	Balance 12/31/05	Additions	Reductions	Balance 12/31/06	Amounts Due in One Year
General Obligation Notes					
Fire Truck	\$50,555	\$0	\$7,222	\$43,333	\$3,611
Police Cruiser	18,452	0	4,109	14,343	2,055
Police Cruiser II	0	16,754	2,792	13,962	2,792
Dump Truck	66,914	0	7,872	59,042	3,936
Total General Obligation Notes	\$135,921	\$16,754	\$21,995	\$130,680	\$12,394

The general obligation notes were issued to finance the purchases of a fire truck, two police cruisers, and dump truck. The notes are collateralized by the Township's taxing authority and will be paid from property tax revenues.

The Township's overall legal debt margin was \$9,966,377 with an unvoted debt margin of \$5,158,255 at December 31, 2006. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2006 are as follows:

	General Obligation Notes							
	Fire Truck		Police Cruiser		Police Cruiser II		Dump Truck	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2007	\$3,611	\$1,024	\$2,055	\$378	\$2,792	\$367	\$3,936	\$1,624
2008	7,222	1,801	4,110	595	5,584	512	7,872	2,930
2009	7,222	1,454	4,110	378	5,586	219	7,872	2,490
2010	7,222	1,112	4,068	162	0	0	7,872	2,056
2011	7,222	770	0	0	0	0	7,872	1,624
2012 - 2014	10,834	515	0	0	0	0	23,618	2,275
Total	\$43,333	\$6,676	\$14,343	\$1,513	\$13,962	\$1,098	\$59,042	\$12,999

Vienna Township, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Note 13 – Interfund Transfers

During 2006, the following transfers were made:

<u>Transfer To</u>	<u>Transfer From</u>
	<u>General Fund</u>
Major Fund:	
Road and Bridge	\$312
Other Governmental Funds	21,885
Total All Funds	<u>\$22,197</u>

The general fund transfer to the road and bridge fund was to move unrestricted balances to support road maintenance. Transfers from the general fund to other governmental funds represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 14 - Subsequent Event

On November 26, 2007, the Township passed a 1.0 mill five-year operating levy to support fire and emergency medical services disbursements.



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*

Vienna Township
Trumbull County
848 Youngstown – Kingsville Road
Vienna, Ohio 44473

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Vienna Township (the Township) as of and for the year ended December 31, 2006, which collectively comprise the Township's basic financial statements and have issued our report thereon dated July 30, 2010. 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.

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

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 did note certain noncompliance or other matters that we reported to the Township's management in a separate letter dated July 30, 2010.

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



Mary Taylor, CPA
Auditor of State

July 30, 2010



Dave Yost • Auditor of State

VIENNA TOWNSHIP

TRUMBULL 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
JUNE 28, 2011