



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.

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DAVE YOST  
Auditor of State

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**VIENNA TOWNSHIP  
TRUMBULL COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Accountants' Report.....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Government Wide Financial Statements:	
Statement of Net Assets – Cash Basis .....	9
Statement of Activities – Cash Basis .....	10
Fund Financial Statements:	
Statement of Cash Basis Assets and Fund Balances –Governmental Funds.....	11
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances-Governmental Funds.....	12
Statement of Receipts, Disbursements, and Changes in Fund Balance- Budget and Actual (Budget Basis)-General Fund.....	13
Statement of Receipts, Disbursements, and Changes in Fund Balance- Budget and Actual (Budget Basis)-Road and Bridge Fund .....	14
Statement of Receipts, Disbursements, and Changes in Fund Balance- Budget and Actual (Budget Basis)-Police District Fund.....	15
Statement of Receipts, Disbursements, and Changes in Fund Balance- Budget and Actual (Budget Basis)-Fire District Fund .....	16
Statement of Receipts, Disbursements, and Changes in Fund Balance- Budget and Actual (Budget Basis)-Ambulance and Emergency Medical Services Fund.....	17
Statement of Fiduciary Net Assets – Cash Basis- Private Purpose Trust Fund .....	18
Statement of Changes in Fiduciary Net Assets-Private Purpose Trust Fund.....	19
Notes to the Basic Financial Statements .....	21
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	33

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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, 2008, 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, 2008, and the respective changes in cash financial position thereof and the respective budgetary comparisons for the General Fund, Road and Bridge Fund, Police District 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.

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, 2008*  
*Unaudited*

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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, 2008, 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 2008 are as follows:

- Net assets of governmental activities decreased \$92,267, or 35.27 percent, a significant change from the prior year. Decreases in property taxes were complemented by increased spending on public safety and public works disbursements.
- The Townships's general receipts are primarily property taxes and intergovernmental. These receipts represent respectively 46.41 and 16.02 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, 2008*  
*Unaudited*

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**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 2008, 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, police district, fire district 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.

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

**Vienna Township, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2008*  
*Unaudited*

**The Township as a Whole**

Table 1 provides a summary of the Township's net assets for 2008 compared to 2007 on a cash basis.

**Table 1**  
**Net Assets**

	Governmental Activities		
	2008	2007	Change
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$169,312	\$261,579	(\$92,267)
<b>Net Assets</b>			
Restricted for:			
Capital Projects	4,330	9,075	(4,745)
Debt Service	12,064	16,562	(4,498)
Other Purposes	121,412	231,702	(110,290)
Unrestricted	31,506	4,240	27,266
<i>Total Net Assets</i>	\$169,312	\$261,579	(\$92,267)

As mentioned previously, net assets of governmental activities decreased \$92,267 or 35.27 percent during 2008. This was the direct result of the Township receiving less property tax collections over the prior year and increases in public safety and public works disbursements.

Table 2 reflects the changes in net assets in 2008 from 2007 on a cash basis.

**Table 2**  
**Changes in Net Assets**

	Governmental Activities		
	2008	2007	Change
<b>Receipts:</b>			
<i>Program Receipts</i>			
Charges for Services	\$172,472	\$152,738	\$19,734
Operating Grants and Contributions	208,378	113,475	94,903
<i>Total Program Receipts</i>	380,850	266,213	114,637
<i>General Receipts:</i>			
Property Taxes	541,359	624,510	(83,151)
Intergovernmental	186,926	173,873	13,053
Investment Earnings	3,020	13,106	(10,086)
Miscellaneous	54,387	2,293	52,094
<i>Total General Receipts</i>	785,692	813,782	(28,090)
<i>Total Receipts</i>	\$1,166,542	\$1,079,995	\$86,547

**Vienna Township, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2008*  
*Unaudited*

**Table 2**  
**Changes in Net Assets (continued)**

	Governmental Activities		
	2008	2007	Change
<b>Disbursements:</b>			
General Government	\$308,643	\$315,825	\$7,182
Public Safety	480,948	382,851	(98,097)
Public Works	351,567	163,797	(187,770)
Health	39,084	15,806	(23,278)
Capital Outlay	55,884	108,756	52,872
Principal Retirement	18,798	12,394	(6,404)
Interest and Fiscal Charges	3,885	3,392	(493)
<i>Total Disbursements</i>	<u>1,258,809</u>	<u>1,002,821</u>	<u>(255,988)</u>
Change in Net Assets	(92,267)	77,174	(169,441)
<i>Net Assets, Beginning of Year</i>	<u>261,579</u>	<u>184,405</u>	<u>77,174</u>
<i>Net Assets, End of Year</i>	<u><u>\$169,312</u></u>	<u><u>\$261,579</u></u>	<u><u>(\$92,267)</u></u>

Governmental program receipts represent 32.65 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 69.35 percent of the Township's total receipts, and of this amount, over 68.90 percent are property taxes. Grants and entitlements not restricted make up 23.79 percent of the Township's general receipts. Other receipts and interest make up the balance of the general receipts (7.31 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 public safety and public works, which account for 38.21 and 27.93 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, 2008*  
*Unaudited*

**Table 3**  
**Governmental Activities**

	Total Cost Of Services 2008	Net Cost of Services 2008	Total Cost Of Services 2007	Net Cost of Services 2007
General Government	\$308,643	(\$266,623)	\$315,825	(\$245,492)
Public Safety	480,948	(288,627)	382,851	(277,775)
Public Works	351,567	(215,140)	163,797	(81,590)
Health	39,084	(29,002)	15,806	(7,209)
Capital Outlay	55,884	(55,884)	108,756	(108,756)
Debt Service:				
Principal Retirement	18,798	(18,798)	12,394	(12,394)
Interest and Fiscal Charges	3,885	(3,885)	3,392	(3,392)
<i>Total Expenses</i>	<u>\$1,258,809</u>	<u>(\$877,959)</u>	<u>\$1,002,821</u>	<u>(\$736,608)</u>

The dependence upon property taxes along with other general receipts is apparent as 69.75 percent of governmental activities are supported through these general receipts.

**The Township's Funds**

Total governmental funds had receipts of \$1,153,582 and disbursements of \$1,258,809. The greatest change within governmental funds occurred within the road and bridge special revenue fund. The fund balance of the road and bridge special revenue fund decreased \$72,417 as the result of increased roadwork projects.

General fund receipts were more than disbursements by \$8,299 indicating that the general fund's cost savings measures have had a positive effect. It was the recommendation of the administration to continue seeking reductions in disbursements to avoid needing to request additional funds from the taxpayers. These reductions were implemented in 2008 including reductions in spending in certain departments. The administration will monitor future spending to ensure surplus spending occurs.

**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 \$391,423 while actual receipts were \$393,756. The positive difference of \$2,333 was mainly due to higher than expected collections of intergovernmental revenue of \$89,855, offset by lower collections in miscellaneous revenues of \$99,000.

Final disbursements were budgeted at \$368,977 while actual disbursements were \$385,457. The negative difference of \$16,480 was due to larger than expected spending in general government.

**Vienna Township, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2008*  
*Unaudited*

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**Capital Assets and Debt Administration**

Capital Assets

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

Debt

At December 31, 2008, 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 each of these notes totaled \$99,488. See Note 11 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 committed to offering the exceptional services the citizens 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, 2008*

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	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$169,312
<b>Net Assets</b>	
Restricted for:	
Capital Projects	\$4,330
Debt Service	12,064
Road and Bridge	33,370
Ambulance and Emergency Medical Services	4,447
Fire District	26,462
Other Purposes	57,133
Unrestricted	31,506
<i>Total Net Assets</i>	\$169,312

See accompanying notes to the basic financial statements.

**Vienna Township, Ohio**  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2008*

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Assessments	Operating Grants and Contributions	Total
<b>Governmental Activities</b>				
General Government	\$308,643	\$42,020	\$0	(\$266,623)
Public Safety	480,948	119,333	72,988	(288,627)
Public Works	351,567	1,037	135,390	(215,140)
Health	39,084	10,082	0	(29,002)
Capital Outlay	55,884	0	0	(55,884)
Principal Retirement	18,798	0	0	(18,798)
Interest and Fiscal Charges	3,885	0	0	(3,885)
<i>Total Governmental Activities</i>	<u>\$1,258,809</u>	<u>\$172,472</u>	<u>\$208,378</u>	<u>(877,959)</u>
<b>General Receipts</b>				
Property Taxes Levied for:				
General Purposes				134,617
Road and Bridge				123,580
Police Pension				78,402
Fire Pension				173,930
Debt Service				30,830
Grants and Entitlements not Restricted to Specific Programs				186,926
Investment Earnings				3,020
Miscellaneous				54,387
<i>Total General Receipts</i>				<u>785,692</u>
<i>Change in Net Assets</i>				(92,267)
<i>Net Assets Beginning of Year</i>				<u>261,579</u>
<i>Net Assets End of Year</i>				<u>\$169,312</u>

See accompanying notes to the financial statements.



**Vienna Township, Ohio**  
*Statement of Cash Basis Assets and Fund Balances*  
*Governmental Funds*  
*December 31, 2008*

	General	Road and Bridge	Police District	Fire District	Ambulance and Emergency Medical Services	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>							
Equity in Pooled Cash and Cash Equivalents	\$31,506	\$33,370	\$4,447	\$26,462	\$27,808	\$45,719	\$169,312
<b>Fund Balances</b>							
Unreserved, Undesignated, Reported in:							
General Fund	\$31,506	\$0	\$0	\$0	\$0	\$0	\$31,506
Debt Service Funds	0	0	0	0	0	12,064	12,064
Special Revenue Funds	0	33,370	4,447	26,462	27,808	29,325	121,412
Capital Projects Fund	0	0	0	0	0	4,330	4,330
<i>Total Fund Balances</i>	<u>\$31,506</u>	<u>\$33,370</u>	<u>\$4,447</u>	<u>\$26,462</u>	<u>\$27,808</u>	<u>\$45,719</u>	<u>\$169,312</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, 2008*

	General	Road and Bridge	Police District	Fire District	Ambulance and Emergency Medical Services	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>							
Property Taxes	\$134,617	\$123,580	\$78,402	\$173,930	\$0	\$30,830	\$541,359
Intergovernmental	173,966	16,066	9,501	62,148	0	119,324	381,005
Special Assessments	0	0	0	0	0	755	755
Charges for Services	8,784	0	22,326	0	90,645	3,550	125,305
Fees, Licenses and Permits	25,894	0	1,358	0	0	13,796	41,048
Fines and Forfeitures	3,115	0	2,249	0	0	0	5,364
Interest	3,020	0	0	0	0	0	3,020
Contributions and Donations	0	0	1,139	200	0	0	1,339
Miscellaneous	31,400	610	1,413	18,770	7	2,187	54,387
<i>Total Receipts</i>	<u>380,796</u>	<u>140,256</u>	<u>116,388</u>	<u>255,048</u>	<u>90,652</u>	<u>170,442</u>	<u>1,153,582</u>
<b>Disbursements</b>							
Current:							
General Government	297,209	0	0	0	0	11,434	308,643
Public Safety	52,313	0	153,908	221,181	53,546	0	480,948
Public Works	5,359	241,810	0	0	0	104,398	351,567
Health	26,439	0	0	0	0	12,645	39,084
Capital Outlay	3,500	6,265	0	46,119	0	0	55,884
Debt Service:							
Principal Retirement	637	0	0	0	0	18,161	18,798
Interest and Fiscal Charges	0	0	0	0	0	3,885	3,885
<i>Total Disbursements</i>	<u>385,457</u>	<u>248,075</u>	<u>153,908</u>	<u>267,300</u>	<u>53,546</u>	<u>150,523</u>	<u>1,258,809</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(4,661)</u>	<u>(107,819)</u>	<u>(37,520)</u>	<u>(12,252)</u>	<u>37,106</u>	<u>19,919</u>	<u>(105,227)</u>
<b>Other Financing Sources (Uses)</b>							
Advances In	95,000	53,050	9,000	6,000	100	19,900	183,050
Advances Out	(79,850)	(22,500)	0	(55,000)	(6,000)	(19,700)	(183,050)
Transfer In	10,017	5,552	5,000	0	100	1,700	22,369
Transfer Out	(6,200)	(700)	0	0	0	(15,469)	(22,369)
<i>Total Other Financing Sources (Uses)</i>	<u>18,967</u>	<u>35,402</u>	<u>14,000</u>	<u>(49,000)</u>	<u>(5,800)</u>	<u>(13,569)</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	14,306	(72,417)	(23,520)	(61,252)	31,306	6,350	(105,227)
<i>Fund Balances (Deficit)</i>							
<i>Beginning of Year</i>	<u>4,240</u>	<u>105,787</u>	<u>27,967</u>	<u>87,714</u>	<u>(3,498)</u>	<u>39,369</u>	<u>261,579</u>
<i>Fund Balances End of Year</i>	<u>\$18,546</u>	<u>\$33,370</u>	<u>\$4,447</u>	<u>\$26,462</u>	<u>\$27,808</u>	<u>\$45,719</u>	<u>\$156,352</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, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property Taxes	\$131,352	\$131,352	\$134,617	\$3,265
Intergovernmental	97,071	97,071	186,926	89,855
Charges for Services	0	0	8,784	8,784
Fees, Licenses and Permits	23,500	23,500	25,894	2,394
Fines and Forfeitures	4,000	4,000	3,115	(885)
Interest	5,100	5,100	3,020	(2,080)
Miscellaneous	130,400	130,400	31,400	(99,000)
<i>Total Receipts</i>	<u>391,423</u>	<u>391,423</u>	<u>393,756</u>	<u>2,333</u>
<b>Disbursements</b>				
Current:				
General Government	73,677	281,366	297,846	(16,480)
Public Safety	16,500	52,313	52,313	0
Public Works	4,100	5,359	5,359	0
Health	50,000	26,439	26,439	0
Capital Outlay	3,000	3,500	3,500	0
<i>Total Disbursements</i>	<u>147,277</u>	<u>368,977</u>	<u>385,457</u>	<u>(16,480)</u>
<i>Excess of Receipts Over Disbursements</i>	<u>244,146</u>	<u>22,446</u>	<u>8,299</u>	<u>14,147</u>
<b>Other Financing Sources (Uses)</b>				
Advances In	0	0	95,000	95,000
Advances Out	0	0	(79,850)	(79,850)
Transfers In	0	0	10,017	10,017
Transfers Out	0	(7,163)	(6,200)	963
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(7,163)</u>	<u>18,967</u>	<u>26,130</u>
<i>Net Change in Fund Balance</i>	244,146	15,283	27,266	40,277
<i>Fund Deficit Beginning of Year</i>	(4,499)	(4,499)	(4,499)	0
Prior Year Encumbrances Appropriated	<u>8,739</u>	<u>8,739</u>	<u>8,739</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$248,386</u></u>	<u><u>\$19,523</u></u>	<u><u>\$31,506</u></u>	<u><u>\$40,277</u></u>

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, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Property Taxes	\$126,997	\$126,997	\$123,580	(\$3,417)
Intergovernmental	15,262	15,262	16,066	804
Miscellaneous	0	0	610	610
<i>Total Receipts</i>	<u>142,259</u>	<u>142,259</u>	<u>140,256</u>	<u>(2,003)</u>
<b>Disbursements</b>				
Current:				
Public Works	190,429	241,810	241,810	0
Capital Outlay	0	6,265	6,265	0
<i>Total Disbursements</i>	<u>190,429</u>	<u>248,075</u>	<u>248,075</u>	<u>0</u>
<i>Excess of Receipts Under Disbursements</i>	<u>(48,170)</u>	<u>(105,816)</u>	<u>(107,819)</u>	<u>2,003</u>
<b>Other Financing Sources (Uses)</b>				
Advances In	0	0	53,050	53,050
Advances Out	0	0	(22,500)	(22,500)
Transfers In	0	0	5,552	5,552
Transfers Out	0	(6,060)	(700)	5,360
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(6,060)</u>	<u>35,402</u>	<u>41,462</u>
<i>Net Change in Fund Balance</i>	<u>(48,170)</u>	<u>(111,876)</u>	<u>(72,417)</u>	<u>43,465</u>
<i>Fund Balance Beginning of Year</i>	<u>105,787</u>	<u>105,787</u>	<u>105,787</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$57,617</u>	<u>(\$6,089)</u>	<u>\$33,370</u>	<u>\$43,465</u>

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)*  
*Police District Fund*  
*For the Year Ended December 31, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property Taxes	\$79,501	\$79,501	\$78,402	(\$1,099)
Intergovernmental	9,050	9,050	9,501	451
Charges for Services	0	0	22,326	22,326
Fees, Licenses and Permits	150	150	1,358	1,208
Fines and Forfeitures	1,000	1,000	2,249	1,249
Contributions and Donations	3,850	3,850	1,139	(2,711)
Miscellaneous	0	0	1,413	1,413
<i>Total Receipts</i>	93,551	93,551	116,388	22,837
<b>Disbursements</b>				
Current:				
Public Safety	157,605	157,605	153,908	3,697
<i>Excess of Receipts Under Disbursements</i>	(64,054)	(64,054)	(37,520)	(26,534)
<b>Other Financing Sources</b>				
Advances In	0	0	9,000	9,000
Transfers In	0	0	5,000	5,000
<i>Total Other Financing Sources</i>	0	0	14,000	14,000
<i>Net Change in Fund Balance</i>	(64,054)	(64,054)	(23,520)	(12,534)
<i>Fund Balance Beginning of Year</i>	27,967	27,967	27,967	0
<i>Fund Balance (Deficit) End of Year</i>	(\$36,087)	(\$36,087)	\$4,447	(\$12,534)

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, 2008*

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<b>Receipts</b>				
Property Taxes	\$177,463	\$177,463	\$173,930	(\$3,533)
Intergovernmental	21,476	21,476	62,148	40,672
Contributions and Donations	0	0	200	200
Miscellaneous	0	0	18,770	18,770
<i>Total Receipts</i>	<u>198,939</u>	<u>198,939</u>	<u>255,048</u>	<u>56,109</u>
<b>Disbursements</b>				
Current:				
Public Safety	246,800	246,800	221,181	25,619
Capital Outlay	51,438	51,438	46,119	5,319
<i>Total Disbursements</i>	<u>298,238</u>	<u>298,238</u>	<u>267,300</u>	<u>30,938</u>
<i>Excess of Receipts Under Disbursements</i>	<u>(99,299)</u>	<u>(99,299)</u>	<u>(12,252)</u>	<u>(87,047)</u>
<b>Other Financing Sources (Uses)</b>				
Advances In	0	0	6,000	6,000
Advances Out	0	0	(55,000)	(55,000)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>(49,000)</u>	<u>(49,000)</u>
<i>Net Change in Fund Balance</i>	(99,299)	(99,299)	(61,252)	(136,047)
<i>Fund Balance Beginning of Year</i>	<u>87,714</u>	<u>87,714</u>	<u>87,714</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>(\$11,585)</u></u>	<u><u>(\$11,585)</u></u>	<u><u>\$26,462</u></u>	<u><u>(\$136,047)</u></u>

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, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Charges for Services	\$84,000	\$84,000	\$90,645	\$6,645
Miscellaneous	0	0	7	7
<i>Total Receipts</i>	84,000	84,000	90,652	6,652
<b>Disbursements</b>				
Current:				
Public Safety	83,656	83,656	53,546	30,110
<i>Excess of Receipts Over Disbursements</i>	344	344	37,106	(36,762)
<b>Other Financing Sources (Uses)</b>				
Advances In	0	0	100	100
Advances Out	0	0	(6,000)	(6,000)
Transfers In	0	0	100	100
<i>Total Other Financing Sources (Uses)</i>	0	0	(5,800)	(5,800)
<i>Net Change in Fund Balance</i>	344	344	31,306	(42,562)
<i>Fund Deficit Beginning of Year</i>	(3,498)	(3,498)	(3,498)	0
<i>Fund Balance (Deficit) End of Year</i>	(\$3,154)	(\$3,154)	\$27,808	(\$42,562)

See accompanying notes to the basic financial statements.

**Vienna Township, Ohio**  
*Statement of Fiduciary Net Assets - Cash Basis*  
*Private Purpose Trust Fund*  
*December 31, 2008*

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	<u>Private Purpose Trust</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$2,968</u>
<b>Net Assets</b>	
Held in Trust for Cemetery	<u>\$2,968</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, 2008*

	Private Purpose Trust
<b>Additions</b>	
Interest	\$350
<b>Deductions</b>	0
<i>Change in Net Assets</i>	350
<i>Net Assets Beginning of Year</i>	2,618
<i>Net Assets End of Year</i>	\$2,968

See accompanying notes to the basic financial statements.

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**Vienna Township, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2008*

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**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, 2008*

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***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.

***Police District Fund*** The police district fund accounts for a voted property tax operating levy which pays for police wages.

***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, 2008*

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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 2008, 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, 2008.

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 2008 amounted to \$3,020, which includes \$2,570 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.

**Vienna Township, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2008*

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***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.

***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 \$137,806 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

**Vienna Township, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2008*

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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.

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 – 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 and the road and bridge, police district, fire district and the ambulance and emergency medical services 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). There were no outstanding encumbrances at year end.

### **Note 4 – 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 have 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, 2008*

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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, 2008, the Township had \$51,948 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, 2008 is 100 percent to STAR Ohio.



**Vienna Township, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2008*

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**Note 5 – Receivables**

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the Township. Property tax revenue received during 2008 for real and public utility property taxes represents collections of the 2007 taxes. Property tax payments received during 2008 for tangible personal property (other than public utility property) are for 2008 taxes.

2008 real property taxes are levied after October 1, 2007, on the assessed value as of January 1, 2008, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2008 real property taxes are collected in and intended to finance 2009.

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

The full tax rate for all Township operations for the year ended December 31, 2008, was \$7.00 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2008 property tax receipts were based are as follows:

Real Property	
Residential/Agricultural	\$68,503,760
Other Real Estate	15,263,700
Public Utility Personal Property	3,057,020
Tangible Personal Property	<u>2,038,687</u>
Total	<u><u>\$88,863,167</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 6 - 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, 2008*

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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, 2008.

***B. Litigation***

Vienna Township is a party to legal proceedings. The 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 7 - 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 2008, 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 9.

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 8 – 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.

**Vienna Township, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2008*

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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).

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 2008 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, 2007 (the most recent information):

	<u>2007</u>
Assets	\$43,210,703
Liabilities	<u>(13,357,837)</u>
Members' Equity	<u><u>\$29,852,866</u></u>

**Note 9 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Plan Description – The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension 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

**Vienna Township, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2008*

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a cost-sharing, multiple-employer defined benefit pension plan. Under the combined plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the traditional pension plan benefit. Member contributions, the investment of which is self-directed by the members, 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 pension 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. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2008, members in state and local classifications contributed 10.0 percent of covered payroll and public safety and law enforcement members contributed 10.1 percent.

The Township's contribution rate for 2008 was 14 percent, except for those plan members in law enforcement or public safety, for whom the City's contribution was 17.4 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, 2008, 2007, and 2006 were \$33,628, \$38,340 and \$42,072 respectively; 96.03 percent has been contributed for 2008 and 100 percent for 2007 and 2006. There were no contributions to the member-directed plan for 2008.

## **Note 10 – Postemployment Benefits**

### ***Ohio Public Employees Retirement System***

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

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

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

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

**Vienna Township, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2008*

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2008, state and local employers contributed at a rate of 14.0 percent of covered payroll (17.40 percent for public safety and law enforcement). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. For 2008, the amount of the employer contributions which was allocated to fund post-employment health care was 7.0 percent of covered payroll.

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

The Township's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2008, 2007, and 2006 were \$33,268, \$25,254 and \$20,579 respectively; 96.03 percent has been contributed for 2008 and 100 percent for 2007 and 2006.

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

**Note 11 - 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	Additions	Reductions	Balance	Amounts
	12/31/07			12/31/08	Due in One Year
<b><i>General Obligation Notes</i></b>					
Fire Truck	\$39,722	\$0	\$7,222	\$32,500	\$10,833
Police Cruiser	12,288	0	2,055	10,233	8,220
Police Cruiser II	11,170	0	5,585	5,585	5,585
Dump Truck	55,106	0	3,936	51,170	15,744
<b><i>Total General Obligation Notes</i></b>	<b>\$118,286</b>	<b>\$0</b>	<b>\$18,798</b>	<b>\$99,488</b>	<b>\$40,382</b>

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 \$9,241,022 with an unvoted debt margin of \$4,797,863 at December 31, 2008. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2008 are as follows:

**Vienna Township, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2008*

**General Obligation Notes**

	Fire Truck		Police Cruiser		Police Cruiser II		Dump Truck	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$10,833	\$2,225	\$8,220	\$865	\$5,585	\$365	\$15,744	\$5,203
2010	7,222	941	2,013	54	0	0	7,872	1,840
2011	7,222	598	0	0	0	0	7,872	1,407
2012	7,223	258	0	0	0	0	7,872	977
2013	0	0	0	0	0	0	7,872	541
2014	0	0	0	0	0	0	3,938	108
<i>Total</i>	<u>\$32,500</u>	<u>\$4,022</u>	<u>\$10,233</u>	<u>\$919</u>	<u>\$5,585</u>	<u>\$365</u>	<u>\$51,170</u>	<u>\$10,076</u>

**Note 12 – Interfund Transfers**

**A. Interfund Transfers**

During 2008, the following transfers were made:

Transfer To	Transfer From			Total
	General Fund	Road and Bridge	Other Governmental Funds	
Major Fund:				
General	\$0	\$0	\$10,017	\$10,017
Road and Bridge	100	0	5,452	5,552
Police District	5,000	0	0	5,000
Ambulance and Emergency Medical Services	100	0	0	100
Other Governmental Funds	1,000	700	0	1,700
Total All Funds	<u>\$6,200</u>	<u>\$700</u>	<u>\$15,469</u>	<u>\$22,369</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; to move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to provide additional resources for current operations or debt service; to segregate money for anticipated capital projects; and to return money to the fund from which it was originally provided once a project is completed.

**B. Interfund Balances**

During 2008, the general fund advanced \$79,850 to various special revenue funds to support of programs and due to the timing of receipt of grant monies. This interfund balance is expected to be repaid within one year.



# 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, 2008, 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