



Dave Yost • Auditor of State

**WALDO TOWNSHIP
MARION COUNTY**

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**WALDO TOWNSHIP
MARION COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Waldo Township
Marion County
PO Box 64
Waldo, Ohio 43356

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities and each major fund of Waldo Township, Marion County, Ohio, (the Township), as of and for the years ended December 31, 2011 and 2010, 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(A) mandates the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinions.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities and each major fund of Waldo Township, Marion County, Ohio, as of December 31, 2011 and 2010, and the respective changes in cash financial position, thereof and the respective budgetary comparisons for the General Fund, Motor Vehicle License Tax Fund, Gasoline Tax Fund, Road and Bridge Fund and Cemetery Fund thereof for the years then ended in conformity with the accounting basis Note 2 describes.

As described in Note 3, during 2010 Waldo Township, Marion County, Ohio, adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 8, 2012, 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.

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

May 8, 2012

**WALDO TOWNSHIP
MARION COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2011**

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$627,629.78</u>
<i>Total Assets</i>	<u><u>\$627,629.78</u></u>
Net Assets	
Restricted for:	
Other Purposes	\$395,327.06
Unrestricted	<u>232,302.72</u>
<i>Total Net Assets</i>	<u><u>\$627,629.78</u></u>

See accompanying notes to the basic financial statements

**WALDO TOWNSHIP
MARION COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Program Cash Receipts			Net (Disbursements) Receipts and Change in Net Assets
Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	
Governmental Activities				
Current:				
General Government	\$57,791.88	\$167.20	\$1.00	(\$57,623.68)
Public Works	98,203.05	0.00	86,002.66	(12,200.39)
Health	32,545.54	11,250.00	0.00	(21,295.54)
Conservation-Recreation	2,500.00	0.00	0.00	(2,500.00)
Other	0.00	584.30	0.00	584.30
<i>Total Governmental Activities</i>	<i>\$191,040.47</i>	<i>\$12,001.50</i>	<i>\$86,003.66</i>	<i>(\$93,035.31)</i>
 General Receipts:				
Property Taxes for General Purposes				\$69,051.39
Grants and Entitlements not Restricted to Specific Programs				19,004.11
Earnings on Investments				1,955.10
Miscellaneous				40.12
Total General Receipts				90,050.72
<i>Change in Net Assets</i>				(2,984.59)
<i>Net Assets Beginning of Year</i>				630,614.37
<i>Net Assets End of Year</i>				\$627,629.78

See accompanying notes to the basic financial statements

**WALDO TOWNSHIP
MARION COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2011**

	GENERAL	MOTOR VEHICLE LIC. TAX	GASOLINE TAX	ROAD AND BRIDGE	CEMETERY	TOTAL GOVERNMENTAL FUNDS
Assets						
Equity in Pooled Cash and Cash Equivalents	\$232,302.72	\$94,316.73	\$218,133.77	\$48,986.29	\$33,890.27	\$627,629.78
<i>Total Assets</i>	<u>\$232,302.72</u>	<u>\$94,316.73</u>	<u>\$218,133.77</u>	<u>\$48,986.29</u>	<u>\$33,890.27</u>	<u>\$627,629.78</u>
Fund Balances						
Restricted	\$0.00	\$94,316.73	\$218,133.77	\$48,986.29	\$33,890.27	\$395,327.06
Unassigned (Deficit)	232,302.72	0.00	0.00	0.00	0.00	232,302.72
<i>Total Fund Balances</i>	<u>\$232,302.72</u>	<u>\$94,316.73</u>	<u>\$218,133.77</u>	<u>\$48,986.29</u>	<u>\$33,890.27</u>	<u>\$627,629.78</u>

See accompanying notes to the basic financial statements

**WALDO TOWNSHIP
MARION COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	GENERAL	MOTOR VEHICLE LIC. TAX	GASOLINE TAX	ROAD AND BRIDGE	CEMETERY	TOTAL
Receipts						
Property and Other Local Taxes	\$61,463.04	\$0.00	\$0.00	\$7,588.35	\$0.00	\$69,051.39
Charges for Services	0.00	0.00	584.30	0.00	9,150.00	9,734.30
Licenses, Permits and Fees	167.20	0.00	0.00	0.00	0.00	167.20
Intergovernmental	13,545.38	5,077.81	86,002.66	381.92	0.00	105,007.77
Earnings on Investments	1,049.11	278.60	627.39	0.00	0.00	1,955.10
Miscellaneous	0.00	0.00	40.12	0.00	2,100.00	2,140.12
<i>Total Receipts</i>	<u>76,224.73</u>	<u>5,356.41</u>	<u>87,254.47</u>	<u>7,970.27</u>	<u>11,250.00</u>	<u>188,055.88</u>
Disbursements						
Current:						
General Government	57,268.16	0.00	523.72	0.00	0.00	57,791.88
Public Works	0.00	521.39	64,082.20	33,599.46	0.00	98,203.05
Health	22,933.61	0.00	0.00	0.00	9,611.93	32,545.54
Conservation-Recreation	2,500.00	0.00	0.00	0.00	0.00	2,500.00
<i>Total Disbursements</i>	<u>82,701.77</u>	<u>521.39</u>	<u>64,605.92</u>	<u>33,599.46</u>	<u>9,611.93</u>	<u>191,040.47</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(6,477.04)	4,835.02	22,648.55	(25,629.19)	1,638.07	(2,984.59)
<i>Fund Balances Beginning of Year</i>	<u>238,779.76</u>	<u>89,481.71</u>	<u>195,485.22</u>	<u>74,615.48</u>	<u>32,252.20</u>	<u>630,614.37</u>
<i>Fund Balances End of Year</i>	<u>\$232,302.72</u>	<u>\$94,316.73</u>	<u>\$218,133.77</u>	<u>\$48,986.29</u>	<u>\$33,890.27</u>	<u>\$627,629.78</u>

See accompanying notes to the basic financial statements

**WALDO TOWNSHIP
MARION COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$60,283.00	\$60,283.00	\$61,463.04	\$1,180.04
Licenses, Permits and Fees	0.00	500.00	167.20	(332.80)
Intergovernmental	16,346.27	16,346.27	13,545.38	(2,800.89)
Earnings on Investments	7,320.00	7,320.00	1,049.11	(6,270.89)
<i>Total Receipts</i>	83,949.27	84,449.27	76,224.73	(8,224.54)
Disbursements				
Current:				
General Government	96,650.00	96,650.00	57,268.16	39,381.84
Public Works	1,250.00	1,250.00	0.00	1,250.00
Health	48,000.00	48,000.00	22,933.61	25,066.39
Conservation-Recreation	5,000.00	5,000.00	2,500.00	2,500.00
Other	500.00	500.00	0.00	500.00
<i>Total Disbursements</i>	151,400.00	151,400.00	82,701.77	68,698.23
<i>Excess of Receipts Under Disbursements</i>	(67,450.73)	(66,950.73)	(6,477.04)	60,473.69
<i>Unencumbered Fund Balance Beginning of Year</i>	238,780.00	238,779.76	238,779.76	0.00
<i>Unencumbered Fund Balance End of Year</i>	\$171,329.27	\$171,829.03	\$232,302.72	\$60,473.69

See accompanying notes to the basic financial statements

**WALDO TOWNSHIP
MARION COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
MOTOR VEHICLE LICENSE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$5,230.00	\$5,230.00	\$5,077.81	(\$152.19)
Earnings on Investments	1,790.00	1,790.00	278.60	(1,511.40)
<i>Total Receipts</i>	7,020.00	7,020.00	5,356.41	(1,663.59)
Disbursements				
Current:				
General Government	500.00	500.00	0.00	500.00
Public Works	2,000.00	2,000.00	521.39	1,478.61
Other	17,500.00	17,500.00	0.00	17,500.00
<i>Total Disbursements</i>	20,000.00	20,000.00	521.39	19,478.61
<i>Excess of Receipts Over (Under) Disbursements</i>	(12,980.00)	(12,980.00)	4,835.02	17,815.02
<i>Unencumbered Fund Balance Beginning of Year</i>	89,481.71	89,481.71	89,481.71	0.00
<i>Unencumbered Fund Balance End of Year</i>	\$76,501.71	\$76,501.71	\$94,316.73	\$17,815.02

See accompanying notes to the basic financial statements

**WALDO TOWNSHIP
MARION COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GASOLINE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Charges for Services	\$0.00	\$0.00	\$584.30	\$584.30
Intergovernmental	85,625.00	85,625.00	86,002.66	377.66
Earnings on Investments	4,255.00	4,255.00	627.39	(3,627.61)
Miscellaneous	0.00	0.00	40.12	40.12
<i>Total Receipts</i>	<u>89,880.00</u>	<u>89,880.00</u>	<u>87,254.47</u>	<u>(2,625.53)</u>
Disbursements				
Current:				
General Government	1,500.00	1,500.00	523.72	976.28
Public Works	159,250.00	159,250.00	64,082.20	95,167.80
<i>Total Disbursements</i>	<u>160,750.00</u>	<u>160,750.00</u>	<u>64,605.92</u>	<u>96,144.08</u>
<i>Excess of Receipts Under Disbursements</i>	(70,870.00)	(70,870.00)	22,648.55	93,518.55
<i>Unencumbered Fund Balance Beginning of Year</i>	194,435.22	194,435.22	194,435.22	0.00
<i>Prior Year Encumbrances Appropriated</i>	<u>1,050.00</u>	<u>1,050.00</u>	<u>1,050.00</u>	<u>0.00</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$124,615.22</u>	<u>\$124,615.22</u>	<u>\$218,133.77</u>	<u>\$93,518.55</u>

See accompanying notes to the basic financial statements

**WALDO TOWNSHIP
MARION COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
ROAD AND BRIDGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$7,455.00	\$7,455.00	\$7,588.35	\$133.35
Intergovernmental	460.75	460.75	381.92	(78.83)
<i>Total Receipts</i>	<u>7,915.75</u>	<u>7,915.75</u>	<u>7,970.27</u>	<u>54.52</u>
Disbursements				
Current:				
Public Works	45,000.00	45,000.00	33,599.46	11,400.54
<i>Total Disbursements</i>	<u>45,000.00</u>	<u>45,000.00</u>	<u>33,599.46</u>	<u>11,400.54</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(37,084.25)	(37,084.25)	(25,629.19)	11,455.06
<i>Unencumbered Fund Balance Beginning of Year</i>	74,615.48	74,615.48	74,615.48	0.00
<i>Unencumbered Fund Balance End of Year</i>	<u>\$37,531.23</u>	<u>\$37,531.23</u>	<u>\$48,986.29</u>	<u>\$11,455.06</u>

See accompanying notes to the basic financial statements

**WALDO TOWNSHIP
MARION COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
CEMETERY FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Charges for Services	\$10,100.00	\$10,100.00	\$9,150.00	(\$950.00)
Miscellaneous	4,900.00	4,900.00	2,100.00	(2,800.00)
<i>Total Receipts</i>	<u>15,000.00</u>	<u>15,000.00</u>	<u>11,250.00</u>	<u>(3,750.00)</u>
Disbursements				
Current:				
Health	23,000.00	23,000.00	9,611.93	13,388.07
<i>Total Disbursements</i>	<u>23,000.00</u>	<u>23,000.00</u>	<u>9,611.93</u>	<u>13,388.07</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(8,000.00)	(8,000.00)	1,638.07	9,638.07
<i>Unencumbered Fund Balance Beginning of Year</i>	<u>32,252.20</u>	<u>32,252.20</u>	<u>32,252.20</u>	<u>0.00</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$24,252.20</u>	<u>\$24,252.20</u>	<u>\$33,890.27</u>	<u>\$9,638.07</u>

See accompanying notes to the basic financial statements

**WALDO TOWNSHIP
MARION COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2010**

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$630,614.37
<i>Total Assets</i>	<u><u>\$630,614.37</u></u>
Net Assets	
Restricted for:	
Other Purposes	\$391,834.61
Unrestricted	238,779.76
<i>Total Net Assets</i>	<u><u>\$630,614.37</u></u>

See accompanying notes to the basic financial statements

**WALDO TOWNSHIP
MARION COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Program Cash Receipts			Net (Disbursements) Receipts and Change in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
General Government	\$59,644.36	\$330.00	\$1,135.79	(\$58,178.57)
Public Works	152,640.86	0.00	87,940.59	(64,700.27)
Health	31,814.52	17,350.00	0.00	(14,464.52)
<i>Total Governmental Activities</i>	<u>\$244,099.74</u>	<u>\$17,680.00</u>	<u>\$89,076.38</u>	(137,343.36)

General Receipts:

Property Taxes for General Purposes	71,783.65
Grants and Entitlements not Restricted to Specific Programs	24,545.20
Earnings on Investments	9,047.12
	<u>105,375.97</u>
Total General Receipts	(31,967.39)
<i>Change in Net Assets</i>	<u>662,581.76</u>
<i>Net Assets Beginning of Year</i>	<u>\$630,614.37</u>
<i>Net Assets End of Year</i>	

See accompanying notes to the basic financial statements

**WALDO TOWNSHIP
MARION COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2010**

	GENERAL	MOTOR VEHICLE LIC. TAX	GASOLINE TAX	ROAD AND BRIDGE	CEMETERY	TOTAL GOVERNMENTAL FUNDS
Assets						
Equity in Pooled Cash and Cash Equivalents	\$238,779.76	\$89,481.71	\$195,485.22	\$74,615.48	\$32,252.20	\$630,614.37
<i>Total Assets</i>	<u>\$238,779.76</u>	<u>\$89,481.71</u>	<u>\$195,485.22</u>	<u>\$74,615.48</u>	<u>\$32,252.20</u>	<u>\$0.00</u>
Fund Balances						
Restricted	\$0.00	\$89,481.71	\$195,485.22	\$74,615.48	\$32,252.20	\$391,834.61
Unassigned (Deficit)	238,779.76	0.00	0.00	0.00	0.00	238,779.76
<i>Total Fund Balances</i>	<u>\$238,779.76</u>	<u>\$89,481.71</u>	<u>\$195,485.22</u>	<u>\$74,615.48</u>	<u>\$32,252.20</u>	<u>\$630,614.37</u>

See accompanying notes to the basic financial statements

**WALDO TOWNSHIP
MARION COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	GENERAL	MOTOR VEHICLE LIC. TAX	GASOLINE TAX	ROAD AND BRIDGE	CEMETERY	TOTAL
Receipts						
Property and Other Local Taxes	\$64,082.59	\$0.00	\$0.00	\$7,701.06	\$0.00	\$71,783.65
Charges for Services	0.00	0.00	0.00	0.00	13,850.00	13,850.00
Licenses, Permits and Fees	330.00	0.00	0.00	0.00	0.00	330.00
Intergovernmental	20,630.07	5,050.92	87,940.59	0.00	0.00	113,621.58
Earnings on Investments	4,842.79	1,178.49	3,025.84	0.00	0.00	9,047.12
Miscellaneous	0.00	0.00	0.00	0.00	3,500.00	3,500.00
Total Receipts	89,885.45	6,229.41	90,966.43	7,701.06	17,350.00	212,132.35
Disbursements						
Current:						
General Government	58,272.96	202.70	1,168.70	0.00	0.00	59,644.36
Public Works	0.00	0.00	130,550.33	22,090.53	0.00	152,640.86
Health	22,092.25	0.00	0.00	0.00	9,722.27	31,814.52
Total Disbursements	80,365.21	202.70	131,719.03	22,090.53	9,722.27	244,099.74
<i>Excess of Receipts Over (Under) Disbursements</i>	9,520.24	6,026.71	(40,752.60)	(14,389.47)	7,627.73	(31,967.39)
<i>Fund Balances Beginning of Year</i>	229,259.52	83,455.00	236,237.82	89,004.95	24,624.47	662,581.76
<i>Fund Balances End of Year</i>	\$238,779.76	\$89,481.71	\$195,485.22	\$74,615.48	\$32,252.20	\$630,614.37

See accompanying notes to the basic financial statements

**WALDO TOWNSHIP
MARION COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$58,209.00	\$58,209.00	\$64,082.59	\$5,873.59
Licenses, Permits and Fees	300.00	300.00	330.00	30.00
Intergovernmental	11,988.04	11,988.04	20,630.07	8,642.03
Earnings on Investments	7,060.00	7,060.00	4,842.79	(2,217.21)
<i>Total receipts</i>	<i>77,557.04</i>	<i>77,557.04</i>	<i>89,885.45</i>	<i>12,328.41</i>
Disbursements				
Current:				
General Government	92,775.00	92,775.00	58,272.96	34,502.04
Public Works	1,250.00	1,250.00	0.00	1,250.00
Health	48,000.00	48,000.00	22,092.25	25,907.75
Conservation-Recreation	5,000.00	5,000.00	0.00	5,000.00
Other	500.00	500.00	0.00	500.00
Capital Outlay	3,875.00	3,875.00	0.00	3,875.00
<i>Total Disbursements</i>	<i>151,400.00</i>	<i>151,400.00</i>	<i>80,365.21</i>	<i>71,034.79</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>(73,842.96)</i>	<i>(73,842.96)</i>	<i>9,520.24</i>	<i>83,363.20</i>
<i>Unencumbered Cash Balance Beginning of Year</i>	<i>229,259.52</i>	<i>229,259.52</i>	<i>229,259.52</i>	<i>0.00</i>
<i>Unencumbered Cash Balance End of Year</i>	<i>\$155,416.56</i>	<i>\$155,416.56</i>	<i>\$238,779.76</i>	<i>\$83,363.20</i>

See accompanying notes to the basic financial statements

**WALDO TOWNSHIP
MARION COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
MOTOR VEHICLE LICENSE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$5,230.00	\$5,230.00	\$5,050.92	(\$179.08)
Earnings on Investments	1,675.00	1,675.00	1,178.49	(496.51)
<i>Total receipts</i>	6,905.00	6,905.00	6,229.41	(675.59)
Disbursements				
Current:				
General Government	0.00	500.00	202.70	297.30
Public Works	2,000.00	2,000.00	0.00	2,000.00
Capital Outlay	18,000.00	17,500.00	0.00	17,500.00
<i>Total Disbursements</i>	20,000.00	20,000.00	202.70	19,797.30
<i>Excess of Receipts Over (Under) Disbursements</i>	(13,095.00)	(13,095.00)	6,026.71	19,121.71
<i>Unencumbered Cash Balance Beginning of Year</i>	83,455.00	83,455.00	83,455.00	0.00
<i>Unencumbered Cash Balance End of Year</i>	\$70,360.00	\$70,360.00	\$89,481.71	\$19,121.71

See accompanying notes to the basic financial statements

**WALDO TOWNSHIP
MARION COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GASOLINE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$85,625.00	\$85,625.00	\$87,940.59	\$2,315.59
Earnings on Investments	4,580.00	4,580.00	3,025.84	(1,554.16)
<i>Total receipts</i>	<u>90,205.00</u>	<u>90,205.00</u>	<u>90,966.43</u>	<u>761.43</u>
Disbursements				
Current:				
General Government	0.00	1,595.18	1,168.70	426.48
Public Works	159,028.50	157,433.32	131,600.33	25,832.99
<i>Total Disbursements</i>	<u>159,028.50</u>	<u>159,028.50</u>	<u>132,769.03</u>	<u>26,259.47</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(68,823.50)</u>	<u>(68,823.50)</u>	<u>(41,802.60)</u>	<u>27,020.90</u>
<i>Unencumbered Cash Balance Beginning of Year</i>	232,237.82	232,237.82	232,237.82	0.00
Prior Year Encumbrances Appropriated	4,000.00	4,000.00	4,000.00	0.00
<i>Unencumbered Cash Balance End of Year</i>	<u>\$167,414.32</u>	<u>\$167,414.32</u>	<u>\$194,435.22</u>	<u>\$27,020.90</u>

See accompanying notes to the basic financial statements

**WALDO TOWNSHIP
MARION COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
ROAD AND BRIDGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$7,020.00	\$7,020.00	\$7,701.06	\$681.06
Intergovernmental	470.00	470.00	0.00	(470.00)
<i>Total receipts</i>	<u>7,490.00</u>	<u>7,490.00</u>	<u>7,701.06</u>	<u>211.06</u>
Disbursements				
Current:				
Public Works	45,000.00	45,000.00	22,090.53	22,909.47
<i>Total Disbursements</i>	<u>45,000.00</u>	<u>45,000.00</u>	<u>22,090.53</u>	<u>22,909.47</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(37,510.00)	(\$37,510.00)	(14,389.47)	23,120.53
<i>Unencumbered Cash Balance Beginning of Year</i>	<u>89,004.95</u>	<u>89,004.95</u>	<u>89,004.95</u>	<u>0.00</u>
<i>Unencumbered Cash Balance End of Year</i>	<u>\$51,494.95</u>	<u>\$51,494.95</u>	<u>\$74,615.48</u>	<u>\$23,120.53</u>

See accompanying notes to the basic financial statements

**WALDO TOWNSHIP
MARION COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
CEMETERY FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Charges for Services	\$10,100.00	\$10,100.00	\$13,850.00	\$3,750.00
Miscellaneous	6,300.00	6,300.00	3,500.00	(2,800.00)
<i>Total receipts</i>	16,400.00	16,400.00	17,350.00	950.00
Disbursements				
Current:				
Health	23,000.00	23,000.00	9,722.27	13,277.73
<i>Total Disbursements</i>	23,000.00	23,000.00	9,722.27	13,277.73
<i>Excess of Receipts Over (Under) Disbursements</i>	(6,600.00)	(6,600.00)	7,627.73	14,227.73
<i>Unencumbered Cash Balance Beginning of Year</i>	24,624.47	24,624.47	24,624.47	0.00
<i>Unencumbered Cash Balance End of Year</i>	\$18,024.47	\$18,024.47	\$32,252.20	\$14,227.73

See accompanying notes to the basic financial statements

**WALDO TOWNSHIP
MARION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

Note 1 – Reporting Entity

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

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

A. Primary Government

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

B. Component Units

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board; and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Township is obligated for the debt of the organization. Component units may also include organizations for which the Township authorizes the issuance of debt or the levying of taxes or determines the budget if there is also the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Township. There are no component units of Waldo Township.

C. Public Entity Risk Pool

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA) public entity risk pool. Note 7 to the basic financial statements provides additional information for this entity. The organization is:

Public Entity Risk Pool:

The Ohio Township Association Risk Management Authority (OTARMA) is a risk sharing pool available to Ohio Townships. OTARMA provides property and casualty coverage for its members.

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

Note 2 – Summary of Significant Accounting Policies

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

**WALDO TOWNSHIP
MARION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(Continued)**

Note 2 – Summary of Significant Accounting Policies (Continued)

In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements. Following are the more significant of the Township's accounting policies.

A. Basis of Presentation

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

Government-Wide Financial Statements

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

The statement of net assets presents the cash balance of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that are required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Township's general receipts.

Fund Financial Statements

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental 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. The Township has no nonmajor funds.

B. Fund Accounting

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

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The following are the Township's major governmental funds:

**WALDO TOWNSHIP
MARION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(Continued)**

Note 2 – Summary of Significant Accounting Policies (Continued)

B. Fund Accounting (Continued)

General The general fund accounts for and reports all financial resources not accounted for and reported 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.

Gas Tax Fund The gasoline tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

Motor Vehicle License Tax Fund The motor vehicle license tax fund accounts for and reports that portion of motor vehicle license registration fees restricted for maintenance and repair of roads within the Township.

Road and Bridge Fund The road and bridge fund accounts for and reports property tax (inside millage) committed for the construction, reconstruction, resurfacing and repair of Township roads and bridges.

Cemetery Fund This fund receives monies from fees charged to users of the cemetery for maintaining and use of the cemetery.

C. Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

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

D. Budgetary Process

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

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

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

**WALDO TOWNSHIP
MARION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(Continued)**

Note 2 – Summary of Significant Accounting Policies (Continued)

D. Budgetary Process (Continued)

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

E. Cash and Investments

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

Investments 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 of more than three months that were not purchased from the pool are reported as investments.

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

During 2011 and 2010, the Township invested in nonnegotiable certificates of deposit. The nonnegotiable certificates of deposit are reported at cost.

Interest earnings are allocated to Township funds according to State statutes or grant requirements. Interest receipts credited to the General Fund during 2011 was \$1,049 and 2010 was \$4,843.

F. Restricted Assets

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. The Township does not have any restricted assets.

G. 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.

H. 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.

I. 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. There were no interfund activities during 2011 or 2010.

**WALDO TOWNSHIP
MARION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(Continued)**

Note 2 – Summary of Significant Accounting Policies (Continued)

J. 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 8 and 9, the employer contributions include portions for pension benefits and for postretirement healthcare benefits.

K. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for construction, reconstruction, resurfacing, maintenance and repair of Township roads and bridges as well as for maintenance of the Township cemetery. The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

L. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Township is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Restricted Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of Township Trustees. Those committed amounts cannot be used for any other purpose unless the Township Trustees remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the Township for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

**WALDO TOWNSHIP
MARION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(Continued)**

Note 2 – Summary of Significant Accounting Policies (Continued)

L. Fund Balance (Continued)

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

M. Interfund Transactions

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements. There were no interfund transfers in 2011 or 2010.

Note 3 – Change in Accounting Principle

For 2011 and 2010, the Township implemented Governmental Accounting Standard Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of GASB Statement No. 54 did not have an effect on fund balances.

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 – Budgetary Basis presented for the General, Motor Vehicle License Tax, Gasoline Tax, Road and Bridge, and Cemetery funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis) (and outstanding year end advances are treated as an other financing source or use (budgetary basis) rather than as an interfund receivable or payable (cash basis)). The encumbrances outstanding at year end in 2010 (budgetary basis) amounted to \$1,050 for the Gasoline Tax fund. There were no encumbrances outstanding in 2011 and there were no outstanding advances at year end for 2011 or 2010.

Note 5 – Deposits and Investments

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

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

**WALDO TOWNSHIP
MARION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(Continued)**

Note 5 – Deposits and Investments (Continued)

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

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

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the clerk or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**WALDO TOWNSHIP
MARION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(Continued)**

Note 5 – Deposits and Investments (Continued)

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2011, \$180,833 of the Township's bank balance of \$633,732 and at December 31, 2010, \$54,038 of the Township's bank balance of \$632,101 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

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

Note 6 – Property Taxes

Property taxes include amounts levied against all real and public utility property located in the Township. Property tax revenue received during 2011 for real and public utility property taxes represents collections of 2010 taxes, and property tax revenue received during 2010 for real and public utility property taxes represents collections of 2009 taxes.

2011 real property taxes are levied after October 1, 2011, on the assessed value as of January 1, 2011, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2011 real property taxes are collected in and intended to finance 2012.

Real property taxes are payable annually or semi-annually. If paid annually, 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 later payment dates to be established.

Public utility personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2011 public utility property taxes which became a lien December 31, 2010, are levied after October 1, 2011, and are collected in 2011 with real property taxes.

The full tax rate for all Township operations for the year ended December 31, 2011, was \$2.90 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2011 property tax receipts were based are as follows:

Real Property	
Residential	\$16,699,700
Agriculture	\$4,288,890
Commercial/Industrial/Mineral	\$1,680,280
Public Utility Personal Property	
Real	79,030
Personal	1,113,350
	<hr/>
Total	<u>\$23,861,250</u>

**WALDO TOWNSHIP
MARION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(Continued)**

Note 6 – Property Taxes (Continued)

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

Note 7 – Risk Management

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

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

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of OTARMA and provides underwriting, claims, loss control, risk management, and reinsurance services for OTARMA. OTARMA is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. 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 and Property Coverage

APEEP provides OTARMA with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2010, OTARMA retained \$350,000 for casualty claims and \$150,000 for property claims.

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

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

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2010 and 2009 (the latest information available):

	<u>2010</u>	<u>2009</u>
Assets	\$35,855,252	\$38,982,088
Liabilities	<u>(10,664,724)</u>	<u>(12,880,766)</u>
Net Assets	<u>\$25,190,528</u>	<u>\$26,101,322</u>

At December 31, 2010 and 2009, respectively, the liabilities above include approximately \$9.9 and \$12.0 million of estimated incurred claims payable. The assets above also include approximately \$9.5 and \$11.5 million of unpaid claims to be billed to approximately 940 member governments in the future, as of December 31, 2010 and 2009, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2010, the Township's share of these unpaid claims collectible in future years is approximately \$2,677.

**WALDO TOWNSHIP
MARION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(Continued)**

Note 7 – Risk Management (Continued)

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

<u>Contributions to OTARMA</u>	
<u>2010</u>	<u>2009</u>
\$2,161	\$2,456

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

Note 8 – Defined Benefit Pension Plan

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 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, but less than, 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 and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law enforcement and public safety employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll for members in the State and local divisions and 12 percent for law enforcement and public safety members. For the years ended December 31, 2011 and 2010, members in the state and local divisions contributed 10 percent of covered payroll.

**WALDO TOWNSHIP
MARION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(Continued)**

Note 8 – Defined Benefit Pension Plan (Continued)

Ohio Public Employees Retirement System (Continued)

The Township's 2011 and 2010 contribution rate was 14.0 percent. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 5.5 percent from January 1 through February 28, 2010, and 5 percent from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73 percent from January 1 through February 28, 2010, and 4.23 percent from March 1 through December 31, 2010 (the latest information available). Employer contribution rates are actuarially determined.

The Township's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2011, 2010, and 2009 were \$8,512, \$8,434, and \$7,577, respectively; 100 percent has been contributed for 2011, 2010 and 2009. No contributions were made to the Member-Directed Plan by the Township or by plan members for 2011 and 2010.

Note 9 - Postemployment Benefits

Ohio Public Employees Retirement System

Plan Description – Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost sharing, multiple employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. The plan includes a medical plan, prescription drug program and Medicare Part B premium reimbursement.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 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 mandate, 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 the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The post-employment health care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2010 (the latest information available), state and local employers contributed at a rate of 14.0 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units.

**WALDO TOWNSHIP
MARION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(Continued)**

Note 9 - Postemployment Benefits (Continued)

A. Ohio Public Employees Retirement System (Continued)

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 5.5 percent from January 1 through February 28, 2010, and 5 percent from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73 percent from January 1 through February 28, 2010, and 4.23 percent from March 1 through December 31, 2010.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment health care plan.

The Township's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2011, 2010, and 2009 were \$426, \$422, and \$379, respectively; 100 percent has been contributed for 2011, 2010, and 2009.

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 on January 1 of each year from 2006 to 2008. These rate increases allowed additional funds to be allocated to the health care plan.

Note 10 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Township is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds are presented below:

2011 Fund Balances	General	Motor Vehicle License Tax	Gasoline Tax	Road & Bridge	Cemetery	Total
Restricted for Other Purposes	\$0.00	\$94,316.73	\$218,133.77	\$48,986.29	\$33,890.27	\$395,327.06
Unrestricted	\$232,302.71	\$0.00	\$0.00	\$0.00	\$0.00	\$232,302.71
Total	<u>\$232,302.71</u>	<u>\$94,316.73</u>	<u>\$218,133.77</u>	<u>\$48,986.29</u>	<u>\$33,890.27</u>	<u>\$627,629.77</u>

2010 Fund Balances	General	Motor Vehicle License Tax	Gasoline Tax	Road & Bridge	Cemetery	Total
Restricted for Other Purposes	\$0.00	\$89,481.71	\$195,485.22	\$74,615.48	\$32,252.20	\$391,834.61
Unrestricted	\$238,779.76	\$0.00	\$0.00	\$0.00	\$0.00	\$238,779.76
Total	<u>\$238,779.76</u>	<u>\$89,481.71</u>	<u>\$195,485.22</u>	<u>\$74,615.48</u>	<u>\$32,252.20</u>	<u>\$630,614.37</u>



Dave Yost • Auditor of State

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

Waldo Township
Marion County
PO Box 64
Waldo, Ohio 43356

To the Board of Trustees:

We have audited the financial statements of the governmental activities and each major fund of Waldo Township, Marion County, Ohio, (the Township) as of and for the years ended December 31, 2011 and 2010, which collectively comprise the Township's basic financial statements and have issued our report thereon dated May 8, 2012, wherein we noted the Township adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. We also noted 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 Section 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code Section 117.11 (A) mandates the Auditor of State to audit Ohio governments. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and timely corrected. We consider finding 2011-002 described in the accompanying schedule of findings to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matter we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2011-001.

We also noted certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated May 8, 2012.

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



Dave Yost
Auditor of State

May 8, 2012

**WALDO TOWNSHIP
MARION COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2011 AND 2010**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2011-001

**Noncompliance Citation
Certification of Expenditures**

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

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

1. "Then and Now" Certificate – If the Fiscal Officer can certify that both at the time that the contract or order was made ("then"), and at the time that the Fiscal Officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Fiscal Officer can authorize the drawing of a warrant for the payment of the amount due. The Township has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution. Amounts of less than \$3,000 may be paid by the Fiscal Officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Township.
2. Blanket Certificate – The Fiscal Officer may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. Super Blanket Certificate – The Township may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the Fiscal Officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

**WALDO TOWNSHIP
MARION COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2011 AND 2010
(Continued)**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

FINDING NUMBER 2011-001 (Continued)

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

The Fiscal Officer did not properly certify the availability of funds prior to purchase commitment for 15 out of 42 expenditures tested (36%) of the expenditures tested and there was no evidence that the Township followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances. Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Township's funds exceeding budgetary spending limitations, we recommend that the Fiscal Officer certify that the funds are or will be available prior to obligation by the Township. When prior certification is not possible, "then and now" certification should be used.

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

FINDING NUMBER 2011-002

**Material Weakness
Financial Monitoring**

The Township prepared their notes to the financial statements for the audit period January 1, 2010 through December 31, 2011. Our review of these notes to the financial statements identified various deficiencies in the disclosures.

The notes to the financial statements omitted key information related to several material note disclosures, such as the Summary of Significant Accounting Policies, Change in Accounting Principle, Risk Management, Postemployment Benefits, and Fund Balances. The notes to the financial statements are essential to the fair presentation of the financial statements. We proposed changes to the notes to the financial statements. The Township agreed to make these changes and they are reflected in the note disclosures.

The Township should implement monitoring procedures over completeness and accuracy of financial information reported within its annual report.

Officials Response

We did not receive a response from officials to the findings reported above.



Dave Yost • Auditor of State

WALOD TOWNSHIP

MARION COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 21, 2012**