



EAGLE TOWNSHIP, VINTON COUNTY

Regular Audit

**For the Fiscal Years Ended
December 31, 2004 and 2005**

J.L. UHRIG
AND ASSOCIATES INC.

CERTIFIED PUBLIC ACCOUNTANT AND MANAGEMENT CONSULTANTS





**Auditor of State
Betty Montgomery**

Board of Trustees
Eagle Township
30775 Beech Grove Road
Londonderry, Ohio 45647

We have reviewed the *Independent Auditor's Report* of the Eagle Township, Vinton County, prepared by J.L. Uhrig and Associates, Inc., for the audit period January 1, 2004 to December 31, 2005. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Eagle Township is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

July 7, 2006

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Independent Auditor's Report

Board of Trustees
Eagle Township, Vinton County
30775 Beech Grove Road
Londonderry, OH 45647

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Eagle Township (the Township), Vinton County as of and for the years ended December 31, 2004 and 2005, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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. We believe that our audit provides a reasonable basis for our opinion.

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

In our opinion, the financial statements referred to in the first paragraph above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Township as of December 31, 2004 and 2005, and the respective changes in financial position and the respective budgetary comparisons for the General Fund and major special revenue funds for the year then ended in conformity with the cash basis of accounting presented in Note 2.

As described in Note 3, during the years ended December 31, 2004 and 2005, the Township has implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Also as described in Note 3, during the years ended December 31, 2004 and 2005, the District implemented GASB Statement Nos. 37, 38 and 40.

Board of Trustees
Eagle Township, Vinton County
Independent Auditor's Report

In accordance with *Government Auditing Standards*, we have also issued a report dated June 2, 2006 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 grants. While we do 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* and should be read in conjunction with this report when considering 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 applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. We did not audit the information and express no opinion on it.

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.

June 20, 2006

EAGLE TOWNSHIP, VINTON COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2005 and 2004
Unaudited

This discussion and analysis of the Eagle Township's financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2005 and 2004, within the limitations of the Township's modified cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standard Board (GASB) in their Statements No. 34 "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments" issued in June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A. However, because this is the first year of implementing the new reporting model, certain necessary comparative information of the previous year was not prepared. Considering the financial resources necessary to prepare this information for the prior year, and that the GASB Statement No. 34 permits the omission of the comparative information in the first year of adoption of the new reporting model, the Township has elected to exclude the information in this report. Subsequent reports will include the comparative information.

Highlights

Key highlights for 2005 are as follows:

Net assets of governmental activities increased \$3,567, or 4.12 percent. The fund most affected by the increase in cash and cash equivalents was the Gasoline Tax Fund, which increased by the amount of \$13,063.

Program receipts accounted for \$89,729 or 66.30 percent of total receipts. General receipts accounted for \$45,604 or 33.70 percent of total receipts. The Township's general receipts are primarily property taxes and grants and entitlements not restricted to specific programs.

The Township had \$131,766 in disbursements; \$89,729 of these disbursements was offset by programs specific operating grants and contributions. General receipts of \$45,604 were utilized to provide for these programs.

Among the major funds, the Gasoline Tax Fund is the most significant with \$81,759 in receipts and \$68,696 in disbursements.

Key highlights for 2004 are as follows:

Net assets of governmental activities decreased \$1,677, or 1.90 percent. The fund most affected by the decrease in cash and cash equivalents was the General Fund, which decreased by the amount of \$10,141.

Program receipts accounted for \$74,766 or 65.86 percent of total receipts. General receipts accounted for \$38,750 or 34.14 percent of total receipts. The Township's general receipts are primarily property taxes and grants and entitlements not restricted to specific programs.

The Township had \$115,193 in disbursements; \$74,766 of these disbursements was offset by programs specific operating grants and contributions. General receipts of \$38,750 and \$1,677 of net assets carried over from prior years were utilized to provide for these programs.

Among the major funds, the Gasoline Tax Fund is the most significant with \$64,814 in receipts and \$64,034 in disbursements.

EAGLE TOWNSHIP, VINTON COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2005 and 2004
Unaudited

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.

Reporting the Township as a Whole

The statement of net assets and the statement of activities reflect how the Township did financially during 2005, within the limitations of cash basis accounting. The statement of net assets presents the cash balances 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 nonfinancial factors as well such as the Township 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.

EAGLE TOWNSHIP, VINTON COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2005 and 2004
Unaudited

In the statement of net assets and the statement of activities, the Township consists of one type of activity:

Governmental Activities - All of the Township's basic services are reported here, including fire, streets and general government services. State grants and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Government's Most Significant Funds

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Township consist of one category: governmental.

Governmental Funds - All of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General, Gasoline Tax, Motor Vehicle License, and Fire District Funds. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. We describe this relationship in reconciliations presented with the governmental fund financial statements.

The Township as a Whole

Table 1 provides a summary of the Township's net assets for 2005 compared to 2004 on a cash basis:

| (Table 1) | | |
|---------------------------|-------------------------|-----------------|
| Net Assets | | |
| | Governmental Activities | |
| | 2005 | 2004 |
| Assets | | |
| Cash and Cash Equivalents | \$ 90,116 | \$ 86,549 |
| Total Assets | 90,116 | 86,549 |
| Net Assets | | |
| <i>Restricted for:</i> | | |
| Other Purposes | 24,492 | 19,935 |
| Unrestricted | 65,624 | 66,614 |
| Total Net Assets | \$90,116 | \$86,549 |

EAGLE TOWNSHIP, VINTON COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2005 and 2004
Unaudited

As mentioned previously, net assets increased \$3,567 or 4.12 percent during 2005. The primary reasons contributing to the increase in cash balances are as follows:

- The Township had an increase in gasoline tax and motor vehicle fees received from the County Auditor.
- The Township was able to keep disbursements below the receipts during 2005, as they try to control spending.

Table 2 reflects the changes in net assets in 2005 and 2004.

| (Table 2) | | |
|--|-------------------------|-----------------|
| Changes in Net Assets | | |
| | Governmental Activities | |
| | 2005 | 2004 |
| <u>Receipts:</u> | | |
| <i>Program Receipts:</i> | | |
| Operating Grants and Contributions | \$89,729 | \$74,766 |
| Total Program Receipts | 89,729 | 74,766 |
| <i>General Receipts:</i> | | |
| Property and Other Local Taxes | 24,325 | 23,413 |
| Grants and Entitlements Not Restricted to Specific Programs | 18,626 | 14,842 |
| Interest | 445 | 450 |
| Miscellaneous | 2,208 | 45 |
| Total General Receipts | 45,604 | 38,750 |
| Total Receipts | 135,333 | 113,516 |
| <u>Disbursements:</u> | | |
| General Government | 29,040 | 33,657 |
| Public Safety | 17,505 | 5,721 |
| Public Works | 70,382 | 64,988 |
| Health | 3,688 | 4,449 |
| Capital Outlay | 4,762 | 0 |
| Principal Retirement | 5,974 | 5,596 |
| Interest and Fiscal Charges | 415 | 782 |
| Total Disbursements | 131,766 | 115,193 |
| Increase (Decrease) in Net Assets | 3,567 | (1,677) |
| Net Assets, January 1, 2005 | 86,549 | 88,226 |
| Net Assets, December 31, 2005 | \$90,116 | \$86,549 |

EAGLE TOWNSHIP, VINTON COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2005 and 2004
Unaudited

Governmental Activities

Program receipts represent 66.30 percent of total receipts for 2005 and 65.86 percent of total receipts for 2004. Program receipts are primarily comprised of gasoline tax receipts and motor vehicle license fees.

General receipts represent 33.70 percent of total receipts for 2005 and 34.14 percent of total receipts for 2004. General receipts are comprised of property taxes, grants and entitlements not restricted to specific programs, interest and miscellaneous receipts. Property taxes represent 17.97 percent of total receipts in 2005 and 20.63 percent in 2004. Grants and entitlements not restricted to specific programs represent 13.76 percent of total receipts in 2005 and 13.07 percent in 2004.

The most significant program disbursements for the Township are Public Works and General Government. These programs account for 75.45 percent of total disbursements in 2005 and 85.63 percent in 2004. Public Works, which accounts for 53.41 percent of the total in 2005 and 56.41 percent in 2004, represents costs associated with maintaining the Township's roads and bridges. General Government, which accounts for 22.04 of the total in 2005 and 29.22 in 2004, represents the overhead costs of running the Township and the support services provided for the other Township activities. These include the costs of council, and the auditor, treasurer, and income tax departments, as well as internal services such as payroll and purchasing. Since these costs do not represent direct services to residents, we try to limit these costs.

If you look at the 2005 Statement of Activities on page 10 and the 2004 Statement of Activities on page 18 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 next column of the Statement entitled Program Receipts identify grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

| Governmental Activities | | | | |
|--------------------------------|------------------|-----------------|------------------|-----------------|
| | Total Cost | Net Cost | Total Cost | Net Cost |
| | Of Services | of Services | Of Services | of Services |
| | 2005 | 2005 | 2004 | 2004 |
| General Government | \$29,040 | \$29,040 | \$33,657 | \$33,657 |
| Public Safety | 17,505 | 16,324 | 5,721 | 4,487 |
| Public Works | 70,382 | (18,166) | 64,988 | (8,544) |
| Health | 3,688 | 3,688 | 4,449 | 4,449 |
| Capital Outlay | 4,762 | 4,762 | 0 | 0 |
| Principal Retirement | 5,974 | 5,974 | 5,596 | 5,596 |
| Interest and Fiscal Charges | 415 | 415 | 782 | 782 |
| Total Expenses | \$131,766 | \$42,037 | \$115,193 | \$40,427 |

It should be noted that 68.10 percent of the costs of services for 2005 and 64.91 percent for 2004, are derived from program receipts including operating grants and contributions.

EAGLE TOWNSHIP, VINTON COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2005 and 2004
Unaudited

The Township's Funds

Total governmental funds had receipts of \$135,332 and disbursements of \$131,765 in 2005. There was a small margin of difference between the receipts and disbursements for 2005.

Total governmental funds had receipts of \$113,516 and disbursements of \$115,193 in 2004. There was a small margin of difference between the receipts and disbursements for 2004.

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.

For the General Fund final budgeted receipts for 2005 were \$23,475 representing no change from the original budgeted receipts, while actual receipts were \$32,700. The difference between final budgeted receipts and actual receipts was \$9,225 or 39.30 percent.

General Fund final disbursements were budgeted at \$84,442 for 2005 representing no change from the original budgeted disbursements, while actual disbursements were \$33,690. The difference between final budgeted disbursements and actual disbursements was \$50,752 or 60.10 percent.

For the General Fund final budgeted receipts for 2005 were \$23,760 representing no change from the original budgeted receipts, while actual receipts were \$27,965. The difference between final budgeted receipts and actual receipts was \$4,205 or 17.70 percent.

General Fund final disbursements were budgeted at \$94,522 for 2005 representing no change from the original budgeted disbursements, while actual disbursements were \$38,106. The difference between final budgeted disbursements and actual disbursements was \$56,416 or 59.69 percent.

Debt Administration

At December 31, 2005, the Township has a total of \$18,362 in outstanding debt.

At December 31, 2004, the Township had a total of \$5,974 in outstanding debt.

During 2005 the Township issued a note in the amount of \$18,362 to purchase a Backhoe.

Current Issues

The challenge for all Governments is to provide quality services to the public while staying within the restrictions imposed by limited funding. As indicated in the preceding financial information, the Township relies heavily on local taxes and intergovernmental receipts to operate at the current level of services.

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 Linda L. Hinson, Fiscal Officer for Eagle Township, Vinton County, Ohio at 30775 Beech Grove Road, Londonderry, Ohio 45647.

EAGLE TOWNSHIP, VINTON COUNTY

Statement of Net Assets - Cash Basis

December 31, 2005

| | <u>Governmental Activities</u> |
|--|------------------------------------|
| <u>Assets:</u> | |
| Equity in Pooled Cash and Cash Equivalents | <u>\$90,116</u> |
| <i>Total Assets</i> | <u>90,116</u> |
| <u>Net Assets:</u> | |
| <i>Restricted for:</i> | |
| Other Purposes | 24,492 |
| Unrestricted | <u>65,624</u> |
| <i>Total Net Assets</i> | <u><u>\$90,116</u></u> |

See accompanying notes to the basic financial statements.

EAGLE TOWNSHIP, VINTON COUNTY
Statement of Activities - Cash Basis
For the Fiscal Year Ended December 31, 2005

| | Disbursements | Program Receipts | Net (Disbursements) Receipts and Changes in Net Assets |
|---|---------------|--|--|
| | | Operating Grants and Contributions | Governmental Activities |
| <u>Governmental Activities:</u> | | | |
| General Government | \$29,040 | \$0 | (\$29,040) |
| Public Safety | 17,505 | 1,181 | (16,324) |
| Public Works | 70,382 | 88,548 | 18,166 |
| Health | 3,688 | 0 | (3,688) |
| Capital Outlay | 4,762 | 0 | (4,762) |
| <i>Debt Service:</i> | | | |
| Principal Retirement | 5,974 | 0 | (5,974) |
| Interest and Fiscal Charges | 415 | 0 | (415) |
| <i>Total Governmental Activities</i> | \$131,766 | \$89,729 | (42,037) |
| <u>General Receipts:</u> | | | |
| Property Taxes | | | 24,325 |
| Grants and Entitlements not Restricted to Specific Programs | | | 18,626 |
| Earnings on Investments | | | 445 |
| Miscellaneous | | | 2,208 |
| <i>Total General Receipts</i> | | | 45,604 |
| Change in Net Assets | | | 3,567 |
| <i>Net Assets at Beginning of Year</i> | | | 86,549 |
| <i>Net Assets at End of Year</i> | | | \$90,116 |

See accompanying notes to the basic financial statements.

EAGLE TOWNSHIP, VINTON COUNTY
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2005

| | General | Gasoline Tax | Motor Vehicle License | Fire District | Total Governmental Funds |
|--|-----------------|-----------------|-----------------------------|------------------|--------------------------------|
| <u>Assets:</u> | | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$65,624 | \$17,333 | \$2,338 | \$4,821 | \$90,116 |
| <i>Total Assets</i> | <u>\$65,624</u> | <u>\$17,333</u> | <u>\$2,338</u> | <u>\$4,821</u> | <u>\$90,116</u> |
| <u>Fund Balances:</u> | | | | | |
| <i>Unreserved</i> | | | | | |
| General Fund | \$65,624 | \$0 | \$0 | \$0 | \$65,624 |
| Special Revenue Funds | 0 | 17,333 | 2,338 | 4,821 | 24,492 |
| <i>Total Fund Balances</i> | <u>\$65,624</u> | <u>\$17,333</u> | <u>\$2,338</u> | <u>\$4,821</u> | <u>\$90,116</u> |

See accompanying notes to the basic financial statements.

EAGLE TOWNSHIP, VINTON COUNTY
Statement of Receipts, Disbursements and Changes in Cash Basis Fund Balances
 Governmental Funds
 For the Fiscal Year Ended December 31, 2005

| | General | Gasoline Tax | Motor Vehicle License | Fire District | Total Governmental Funds |
|--|------------------------|------------------------|-----------------------------|-----------------------|--------------------------------|
| <u>Receipts:</u> | | | | | |
| Property Taxes and other Local Taxes | \$13,267 | \$0 | \$0 | \$11,058 | \$24,325 |
| Intergovernmental | 18,626 | 80,691 | 7,857 | 1,181 | 108,355 |
| Earnings on Investments | 368 | 61 | 16 | 0 | 445 |
| Miscellaneous | 439 | 1,007 | 762 | 0 | 2,208 |
| <i>Total Receipts</i> | <u>32,700</u> | <u>81,759</u> | <u>8,635</u> | <u>12,239</u> | <u>135,333</u> |
| <u>Disbursements:</u> | | | | | |
| <i>Current:</i> | | | | | |
| General Government | 29,040 | 0 | 0 | 0 | 29,040 |
| Public Safety | 0 | 0 | 0 | 17,505 | 17,505 |
| Public Works | 0 | 58,507 | 11,875 | 0 | 70,382 |
| Health | 3,688 | 0 | 0 | 0 | 3,688 |
| Capital Outlay | 962 | 3,800 | 0 | 0 | 4,762 |
| <i>Debt Service:</i> | | | | | |
| Principal Retirement | 0 | 5,974 | 0 | 0 | 5,974 |
| Interest and Fiscal Charges | 0 | 415 | 0 | 0 | 415 |
| <i>Total Disbursements</i> | <u>33,690</u> | <u>68,696</u> | <u>11,875</u> | <u>17,505</u> | <u>131,766</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | (990) | 13,063 | (3,240) | (5,266) | 3,567 |
| <i>Fund Balances at Beginning of Year</i> | <u>66,614</u> | <u>4,270</u> | <u>5,578</u> | <u>10,087</u> | <u>86,549</u> |
| <i>Fund Balances at End of Year</i> | <u><u>\$65,624</u></u> | <u><u>\$17,333</u></u> | <u><u>\$2,338</u></u> | <u><u>\$4,821</u></u> | <u><u>\$90,116</u></u> |

See accompanying notes to the basic financial statements.

EAGLE TOWNSHIP, VINTON COUNTY
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended December 31, 2005*

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|---------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| <u>Receipts:</u> | | | | |
| Property Taxes | \$12,300 | \$12,300 | \$13,267 | \$967 |
| Intergovernmental | 5,173 | 5,173 | 7,005 | 1,832 |
| Earnings on Investments | 300 | 300 | 368 | 68 |
| Miscellaneous | 55 | 55 | 12,060 | 12,005 |
| <i>Total Receipts</i> | <u>17,828</u> | <u>17,828</u> | <u>32,700</u> | <u>14,872</u> |
| <u>Disbursements:</u> | | | | |
| <i>Current:</i> | | | | |
| General Government | 62,192 | 62,192 | 29,040 | 33,152 |
| Public Safety | 3,000 | 3,000 | 0 | 3,000 |
| Health | 12,250 | 12,250 | 3,688 | 8,562 |
| Capital Outlay | 7,000 | 7,000 | 962 | 6,038 |
| <i>Total Disbursements</i> | <u>84,442</u> | <u>84,442</u> | <u>33,690</u> | <u>50,752</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | (66,614) | (66,614) | (990) | 65,624 |
| <i>Fund Balance at Beginning of Year</i> | <u>66,614</u> | <u>66,614</u> | <u>66,614</u> | <u>0</u> |
| <i>Fund Balance at End of Year</i> | <u>\$0</u> | <u>\$0</u> | <u>\$65,624</u> | <u>\$65,624</u> |

See accompanying notes to the basic financial statements.

EAGLE TOWNSHIP, VINTON COUNTY
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Gasoline Tax Fund
For the Fiscal Year Ended December 31, 2005*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|----------|----------|---|
| | Original | Final | | |
| <u>Receipts:</u> | | | | |
| Intergovernmental | \$62,425 | \$62,425 | \$80,691 | \$18,266 |
| Earnings on Investments | 0 | 0 | 61 | 61 |
| Miscellaneous | 575 | 575 | 1,007 | 432 |
| <i>Total Receipts</i> | 63,000 | 63,000 | 81,759 | 18,759 |
| <u>Disbursements:</u> | | | | |
| <i>Current:</i> | | | | |
| Public Works | 56,870 | 56,870 | 58,507 | (1,637) |
| Capital Outlay | 4,000 | 4,000 | 3,800 | 200 |
| <i>Debt Service:</i> | | | | |
| Principal Retirement | 5,980 | 5,980 | 5,974 | 6 |
| Interest and Fiscal Charges | 420 | 420 | 415 | 5 |
| <i>Total Disbursements</i> | 67,270 | 67,270 | 68,696 | (1,426) |
| <i>Excess of Receipts Over (Under) Disbursements</i> | (4,270) | (4,270) | 13,063 | 17,333 |
| <i>Fund Balance at Beginning of Year</i> | 4,270 | 4,270 | 4,270 | 0 |
| <i>Fund Balance at End of Year</i> | \$0 | \$0 | \$17,333 | \$17,333 |

See accompanying notes to the basic financial statements.

EAGLE TOWNSHIP, VINTON COUNTY
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Motor Vehicle License Fund
For the Fiscal Year Ended December 31, 2005*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|---------|---------|---|
| | Original | Final | | |
| <u>Receipts:</u> | | | | |
| Intergovernmental | \$7,500 | \$7,500 | \$7,857 | \$357 |
| Earnings on Investments | 0 | 0 | 16 | 16 |
| Miscellaneous | 500 | 500 | 762 | 262 |
| <i>Total Receipts</i> | 8,000 | 8,000 | 8,635 | 635 |
| <u>Disbursements:</u> | | | | |
| <i>Current:</i> | | | | |
| Public Works | 13,378 | 13,378 | 11,875 | 1,503 |
| Capital Outlay | 200 | 200 | 0 | 200 |
| <i>Total Disbursements</i> | 13,578 | 13,578 | 11,875 | 1,703 |
| <i>Excess of Receipts Over (Under) Disbursements</i> | (5,578) | (5,578) | (3,240) | 2,338 |
| <i>Fund Balance at Beginning of Year</i> | 5,578 | 5,578 | 5,578 | 0 |
| <i>Fund Balance at End of Year</i> | \$0 | \$0 | \$2,338 | \$2,338 |

See accompanying notes to the basic financial statements.

EAGLE TOWNSHIP, VINTON COUNTY
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Fire District Fund
For the Fiscal Year Ended December 31, 2005*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|----------|----------|---|
| | Original | Final | | |
| <u>Receipts:</u> | | | | |
| Property Taxes | \$10,200 | \$10,200 | \$11,058 | \$858 |
| Intergovernmental | 0 | 0 | 1,181 | 1,181 |
| <i>Total Receipts</i> | 10,200 | 10,200 | 12,239 | 2,039 |
| <u>Disbursements:</u> | | | | |
| <i>Current:</i> | | | | |
| Public Safety | 20,287 | 20,287 | 17,505 | 2,782 |
| <i>Total Disbursements</i> | 20,287 | 20,287 | 17,505 | 2,782 |
| <i>Excess of Receipts Over (Under) Disbursements</i> | (10,087) | (10,087) | (5,266) | 4,821 |
| <i>Fund Balance at Beginning of Year</i> | 10,087 | 10,087 | 10,087 | 0 |
| <i>Fund Balance at End of Year</i> | \$0 | \$0 | \$4,821 | \$4,821 |

See accompanying notes to the basic financial statements.

EAGLE TOWNSHIP, VINTON COUNTY

Statement of Net Assets - Cash Basis

December 31, 2004

| | <u>Governmental Activities</u> |
|--|------------------------------------|
| <u>Assets:</u> | |
| Equity in Pooled Cash and Cash Equivalents | <u>\$86,549</u> |
| <i>Total Assets</i> | <u>86,549</u> |
| <u>Net Assets:</u> | |
| <i>Restricted for:</i> | |
| Other Purposes | 19,935 |
| Unrestricted | <u>66,614</u> |
| <i>Total Net Assets</i> | <u><u>\$86,549</u></u> |

See accompanying notes to the basic financial statements.

EAGLE TOWNSHIP, VINTON COUNTY
Statement of Activities - Cash Basis
For the Fiscal Year Ended December 31, 2004

| | Disbursements | Program Receipts | Net (Disbursements) Receipts and Changes in Net Assets |
|---|---------------|--|--|
| | | Operating Grants and Contributions | Governmental Activities |
| <u>Governmental Activities:</u> | | | |
| General Government | \$33,657 | \$0 | (\$33,657) |
| Public Safety | 5,721 | 1,234 | (4,487) |
| Public Works | 64,988 | 73,532 | 8,544 |
| Health | 4,449 | 0 | (4,449) |
| <i>Debt Service:</i> | | | |
| Principal Retirement | 5,596 | 0 | (5,596) |
| Interest and Fiscal Charges | 782 | 0 | (782) |
| <i>Total Governmental Activities</i> | \$115,193 | \$74,766 | (40,427) |
| <u>General Receipts:</u> | | | |
| Property Taxes | | | 23,413 |
| Grants and Entitlements not Restricted to Specific Programs | | | 14,842 |
| Earnings on Investments | | | 450 |
| Miscellaneous | | | 45 |
| <i>Total General Receipts</i> | | | 38,750 |
| Change in Net Assets | | | (1,677) |
| <i>Net Assets at Beginning of Year</i> | | | 88,226 |
| <i>Net Assets at End of Year</i> | | | \$86,549 |

See accompanying notes to the basic financial statements.

EAGLE TOWNSHIP, VINTON COUNTY
Statement of Cash Basis Assets and Fund Balances
 Governmental Funds
 December 31, 2004

| | General | Gasoline Tax | Motor Vehicle License | Fire District | Total Governmental Funds |
|--|-----------------|-----------------|-----------------------------|------------------|--------------------------------|
| <u>Assets:</u> | | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$66,614 | \$4,270 | \$5,578 | \$10,087 | \$86,549 |
| <i>Total Assets</i> | <u>\$66,614</u> | <u>\$4,270</u> | <u>\$5,578</u> | <u>\$10,087</u> | <u>\$86,549</u> |
| <u>Fund Balances:</u> | | | | | |
| <i>Unreserved</i> | | | | | |
| General Fund | \$66,614 | \$0 | \$0 | \$0 | \$66,614 |
| Special Revenue Funds | 0 | 4,270 | 5,578 | 10,087 | 19,935 |
| <i>Total Fund Balances</i> | <u>\$66,614</u> | <u>\$4,270</u> | <u>\$5,578</u> | <u>\$10,087</u> | <u>\$86,549</u> |

See accompanying notes to the basic financial statements.

EAGLE TOWNSHIP, VINTON COUNTY
Statement of Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Fiscal Year Ended December 31, 2004

| | General | Gasoline Tax | Motor Vehicle License | Fire District | Total Governmental Funds |
|--|-----------------|-----------------|-----------------------------|------------------|--------------------------------|
| <u>Receipts:</u> | | | | | |
| Property Taxes | \$12,732 | \$0 | \$0 | \$10,681 | \$23,413 |
| Intergovernmental | 14,842 | 64,734 | 8,798 | 1,234 | 89,608 |
| Earnings on Investments | 391 | 35 | 24 | 0 | 450 |
| Miscellaneous | 0 | 45 | 0 | 0 | 45 |
| <i>Total Receipts</i> | <u>27,965</u> | <u>64,814</u> | <u>8,822</u> | <u>11,915</u> | <u>113,516</u> |
| <u>Disbursements:</u> | | | | | |
| <i>Current:</i> | | | | | |
| General Government | 33,657 | 0 | 0 | 0 | 33,657 |
| Public Safety | 0 | 0 | 0 | 5,721 | 5,721 |
| Public Works | 0 | 57,656 | 7,332 | 0 | 64,988 |
| Health | 4,449 | 0 | 0 | 0 | 4,449 |
| <i>Debt Service:</i> | | | | | |
| Principal Retirement | 0 | 5,596 | 0 | 0 | 5,596 |
| Interest and Fiscal Charges | 0 | 782 | 0 | 0 | 782 |
| <i>Total Disbursements</i> | <u>38,106</u> | <u>64,034</u> | <u>7,332</u> | <u>5,721</u> | <u>115,193</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | (10,141) | 780 | 1,490 | 6,194 | (1,677) |
| <i>Fund Balances at Beginning of Year</i> | <u>76,755</u> | <u>3,490</u> | <u>4,088</u> | <u>3,893</u> | <u>88,226</u> |
| <i>Fund Balances at End of Year</i> | <u>\$66,614</u> | <u>\$4,270</u> | <u>\$5,578</u> | <u>\$10,087</u> | <u>\$86,549</u> |

See accompanying notes to the basic financial statements.

EAGLE TOWNSHIP, VINTON COUNTY
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended December 31, 2004*

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|-------------------|------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| <u>Receipts:</u> | | | | |
| Property Taxes | \$11,450 | \$11,450 | \$12,732 | \$1,282 |
| Intergovernmental | 5,517 | 5,517 | 7,091 | 1,574 |
| Earnings on Investments | 300 | 300 | 391 | 91 |
| Miscellaneous | 500 | 500 | 7,751 | 7,251 |
| <i>Total Receipts</i> | <u>17,767</u> | <u>17,767</u> | <u>27,965</u> | <u>10,198</u> |
| <u>Disbursements:</u> | | | | |
| <i>Current:</i> | | | | |
| General Government | 66,800 | 66,800 | 33,657 | 33,143 |
| Public Safety | 4,000 | 4,000 | 0 | 4,000 |
| Health | 15,222 | 15,222 | 4,449 | 10,773 |
| Capital Outlay | 8,500 | 8,500 | 0 | 8,500 |
| <i>Total Disbursements</i> | <u>94,522</u> | <u>94,522</u> | <u>38,106</u> | <u>56,416</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | (76,755) | (76,755) | (10,141) | 66,614 |
| <i>Fund Balance at Beginning of Year</i> | <u>76,755</u> | <u>76,755</u> | <u>76,755</u> | <u>0</u> |
| <i>Fund Balance at End of Year</i> | <u><u>\$0</u></u> | <u><u>\$0</u></u> | <u><u>\$66,614</u></u> | <u><u>\$66,614</u></u> |

See accompanying notes to the basic financial statements.

EAGLE TOWNSHIP, VINTON COUNTY
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Gasoline Tax Fund
For the Fiscal Year Ended December 31, 2004*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|----------|----------|---|
| | Original | Final | | |
| <u>Receipts:</u> | | | | |
| Intergovernmental | \$66,000 | \$66,000 | \$64,634 | (\$1,366) |
| Earnings on Investments | 0 | 0 | 35 | 35 |
| Miscellaneous | 0 | 0 | 145 | 145 |
| <i>Total Receipts</i> | 66,000 | 66,000 | 64,814 | (1,186) |
| <u>Disbursements:</u> | | | | |
| <i>Current:</i> | | | | |
| Public Safety | 63,090 | 63,090 | 57,656 | 5,434 |
| <i>Debt Service:</i> | | | | |
| Principal Retirement | 5,600 | 5,600 | 5,596 | 4 |
| Interest and Fiscal Charges | 800 | 800 | 782 | 18 |
| <i>Total Disbursements</i> | 69,490 | 69,490 | 64,034 | 5,456 |
| <i>Excess of Receipts Over (Under) Disbursements</i> | (3,490) | (3,490) | 780 | 4,270 |
| <i>Fund Balance at Beginning of Year</i> | 3,490 | 3,490 | 3,490 | 0 |
| <i>Fund Balance at End of Year</i> | \$0 | \$0 | \$4,270 | \$4,270 |

See accompanying notes to the basic financial statements.

EAGLE TOWNSHIP, VINTON COUNTY
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Motor Vehicle License Fund
For the Fiscal Year Ended December 31, 2004*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|---------|---------|---|
| | Original | Final | | |
| <u>Receipts:</u> | | | | |
| Property Taxes | \$9,150 | \$9,150 | \$8,031 | (\$1,119) |
| Earnings on Investments | 0 | 0 | 24 | 24 |
| Miscellaneous | 1,450 | 1,450 | 767 | (683) |
| <i>Total Receipts</i> | 10,600 | 10,600 | 8,822 | (1,778) |
| <u>Disbursements:</u> | | | | |
| <i>Current:</i> | | | | |
| Public Works | 14,488 | 14,488 | 7,332 | 7,156 |
| Capital Outlay | 200 | 200 | 0 | 200 |
| <i>Total Disbursements</i> | 14,688 | 14,688 | 7,332 | 7,356 |
| <i>Excess of Receipts Over (Under) Disbursements</i> | (4,088) | (4,088) | 1,490 | 5,578 |
| <i>Fund Balance at Beginning of Year</i> | 4,088 | 4,088 | 4,088 | 0 |
| <i>Fund Balance at End of Year</i> | \$0 | \$0 | \$5,578 | \$5,578 |

See accompanying notes to the basic financial statements.

EAGLE TOWNSHIP, VINTON COUNTY
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Fire District Fund
For the Fiscal Year Ended December 31, 2004*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|----------|----------|---|
| | Original | Final | | |
| <u>Receipts:</u> | | | | |
| Property Taxes | \$10,400 | \$10,400 | \$10,681 | \$281 |
| Intergovernmental | 0 | 0 | 1,234 | 1,234 |
| <i>Total Receipts</i> | 10,400 | 10,400 | 11,915 | 1,515 |
| <u>Disbursements:</u> | | | | |
| <i>Current:</i> | | | | |
| Public Safety | 14,293 | 14,293 | 5,721 | 8,572 |
| <i>Total Disbursements</i> | 14,293 | 14,293 | 5,721 | 8,572 |
| <i>Excess of Receipts Over (Under) Disbursements</i> | (3,893) | (3,893) | 6,194 | 10,087 |
| <i>Fund Balance at Beginning of Year</i> | 3,893 | 3,893 | 3,893 | 0 |
| <i>Fund Balance at End of Year</i> | \$0 | \$0 | \$10,087 | \$10,087 |

See accompanying notes to the basic financial statements.

EAGLE TOWNSHIP, VINTON COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004

Note 1 – Reporting Entity

The Eagle Township, Vinton 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 Township provides general government services, maintenance of Township roads, maintenance of cemeteries and fire protection. The Vinton County Sheriff's Department provides the township with protection at no cost to the township.

The primary government consists of all departments, boards and agencies that are not legally separate from the Township.

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA), a public entity risk-sharing pool. Note 7 to the financial statements provide additional information for this entity.

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 modified cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the modified cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The Township does not apply FASB statements issued after November 30, 1989, to its governmental activities. 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. The statements distinguish between those activities of the Township that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. The Township has no Business-type activities.

EAGLE TOWNSHIP, VINTON COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004

Note 2 – Summary of Significant Accounting Policies (continued)

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

Fund Financial Statements

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

B. Fund Accounting

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

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. Governmental funds focus on the sources, uses, and balances of current financial resources.

The following is the Township's major governmental funds:

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

Gasoline Tax Fund – This fund is comprised of taxes on the sale of gasoline which is distributed to the township based upon road mileage determined by the state. The Township uses the Gasoline Tax Fund for the repair and maintenance of township roads.

Motor Vehicle License Fund – This fund is used to account for motor vehicle registration fees which are distributed to the township based upon residence of the motor vehicle owner. These fees are designated for the repair and maintenance of township roads.

Fire District Fund – This fund is comprised of taxes designated for the operation of the fire department.

EAGLE TOWNSHIP, VINTON COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004

Note 2 – Summary of Significant Accounting Policies (continued)

C. Basis of Accounting

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

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

D. Budgetary Process

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

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

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

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

E. Cash and Investments

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

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

EAGLE TOWNSHIP, VINTON COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004

Note 2 – Summary of Significant Accounting Policies (continued)

During 2005, the Township invested in nonnegotiable certificates of deposit, and STAR Ohio. The nonnegotiable certificates of deposit are reported at cost.

STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2005.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2005 was \$368 which includes interest earned from the Fire District Fund.

F. Inventory and Prepaid Items

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

G. Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

H. 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.

I. 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.

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 health care benefits.

K. Long-Term Obligations

The Township's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure are reported at inception. Lease payments are reported when paid.

EAGLE TOWNSHIP, VINTON COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004

Note 2 – Summary of Significant Accounting Policies (continued)

L. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for state grants reported in special revenue funds.

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. Fund Balance Reserves

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

N. 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 and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 – Prior Period Adjustment and Change in Basis of Accounting

Change in Basis of Accounting

At December 31, 2003, the Township reported fund financial statements by fund type using the regulatory basis of accounting as prescribed by the State Auditor's Office. For 2005 and 2004, the Township has implemented the modified cash basis of accounting described in note 2. For 2005 and 2004, the Township has implemented GASB Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments," GASB Statement No. 37, "Basic Financial Statements for State and Local Governments: Omnibus," GASB Statement No. 38 "Certain Financial Statement Note Disclosures," GASB Statement No. 40, "Deposit and Investment Risk Disclosures." The implementation of GASB Statement No. 40 had some effect on the disclosure requirements, however, there was no effect on the prior period fund balances of the Township. The fund financial statements now present each major fund in a separate column with nonmajor funds aggregated and presented in a single column, rather than a column for each fund type.

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 Fund, Gasoline Tax Fund, Motor Vehicle License Fund, and Fire District Fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. There are no differences between the budgetary basis and the cash basis.

EAGLE TOWNSHIP, VINTON COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004

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.

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

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

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

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

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investment may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

EAGLE TOWNSHIP, VINTON COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004

Note 5 – Deposits and Investments - (continued)

The following information classifies deposits by categories of risk as defined in GASB Statement No. 3, “Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements” and GASB Statement No. 40, “Deposits and Investment Risk Disclosures.”

Deposits: Custodial credit risk is the risk that, in the event of a bank failure, the Township’s deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the Township.

At December 31, 2005, the carrying amount of all Township deposits was \$90,116. Based on the criteria described in GASB Statement No. 40, “Deposit and Investment Risk Disclosures”, as of December 31, 2005, \$4,675 of the Township’s bank balance of \$104,675 was exposed to custodial risk as discussed above, while \$100,000 was covered by Federal Deposit Insurance. The \$4,675 exposed to custodial risk was collateralized with securities held by the Township or its agency in the Township’s name.

At December 31, 2004, the carrying amount of all Township deposits was \$86,549. Based on the criteria described in GASB Statement No. 40, “Deposit and Investment Risk Disclosures”, as of December 31, 2004, \$92,632 of the Township’s bank balance was covered by Federal Deposit Insurance. The Township had no bank balance that was exposed to custodial risk.

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 property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2005 represent the collection of 2004 taxes. Real property taxes received in 2005 were levied after October 1, 2004, on the assessed values as of January 1, 2004, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2005 represent the collection of 2004 taxes. Public utility real and tangible personal property taxes received in 2004 became a lien on December 31, 2003, were levied after October 1, 2004, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2005 (other than public utility property) represent the collection of 2005 taxes. Tangible personal property taxes received in 2005 were levied after October 1, 2004, on the true value as of December 31, 2004. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

EAGLE TOWNSHIP, VINTON COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004

Note 6 – Property Taxes - (continued)

The full tax rate for all Township operations for the year ended December 31, 2005, was \$7.40 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2005 property tax receipts were based are as follows:

| | 2005 | 2004 |
|-------------------------------|-------------|-------------|
| Real Property | | |
| Residential & Agriculture | \$5,584,310 | \$5,538,560 |
| Commercial/Industrial/Mineral | 63,490 | 63,490 |
| Public Utility Property | | |
| Personal | 1,057,700 | 1,351,730 |
| Tangible Personal Property | 136,130 | 100,080 |
| Total Assessed Value | \$6,841,630 | \$7,053,860 |

Note 7 – Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2005 the Township contracted with the Ohio Township Association Risk Management Authority (OTARMA), a risk sharing pool available to Ohio Townships. OTAMRA provides property and casualty coverage for its members. OTAMRA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTAMRA. OTAMRA pays judgments, settlements, and other expenses resulting from covered claims that exceed the members' deductibles. Coverage provided by OTAMRA is as follows:

| | | |
|----------------------|-------------|----------------|
| Legal Liability | \$2,000,000 | Limit |
| Automobile Liability | 2,000,000 | Limit |
| Wrongful Acts | 2,000,000 | Limit |
| Property | 97,300 | Total Coverage |

There were no significant reductions in coverage from prior years and claims have not exceeded insurance coverage in any of the past three years. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is based on accident history and administrative costs.

The Township also provides health insurance coverage to full-time employees through United Healthcare and life insurance through Humana.

Note 8 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

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

EAGLE TOWNSHIP, VINTON COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004

Note 8 – Defined Benefit Pension Plan - (continued)

The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

For the year ended December 31, 2005, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9 percent. The Township's contribution rate for pension benefits for 2005 was 9.55 percent, except for those plan members in law enforcement or public safety. For those classifications, the Township's pension contributions were 12 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

For the year ended December 31, 2004, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9 percent. The Township's contribution rate for pension benefits for 2004 was 9.55 percent, except for those plan members in law enforcement or public safety. For those classifications, the Township's pension contributions were 12 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, 2005, 2004, and 2003 were \$3,110, \$3,154 and \$2,622 respectively. The full amount has been contributed for 2005, 2004 and 2003.

Note 9 - Postemployment Benefits

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2005 local government employer contribution rate was 13.55 percent of covered payroll (16.7 percent for public safety and law enforcement); 4.00 percent of covered payroll was the portion that was used to fund health care. The 2004 local government employer contribution rate was 13.55 percent of covered payroll (16.7 percent for public safety and law enforcement); 4.00 percent of covered payroll was the portion that was used to fund health care.

EAGLE TOWNSHIP, VINTON COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004

Note 9 - Postemployment Benefits - (continued)

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2004, include a rate of return on investments of 8.00 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase between 1.00 and 6.00 percent annually for the next eight years and 4.00 percent annually after eight years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 376,109. Actual employer contributions for 2005, which were used to fund post employment benefits were \$1,303. Actual employer contributions for 2004 which were used to fund post employment benefits were \$1,321. The actual contribution and the actuarially required contribution amounts are the same. The actual value of OPERS's net assets available for payment of benefits at December 31, 2004, (the latest information available) was \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.5 billion and \$18.7 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs.

Note 10 - Notes Payable

A summary of the note transactions for the year ended December 31, 2004, follows:

| | Interest Rate | Balance December 31, 2003 | Additions | Reductions | Balance December 31, 2004 |
|---------------------------------|------------------|---------------------------------|------------|------------|---------------------------------|
| <u>Governmental Activities:</u> | | | | | |
| Case Tractor/Mower | 6.75% | \$11,570 | \$0 | \$5,596 | \$5,974 |
| Total Governmental Activities | | <u>\$11,570</u> | <u>\$0</u> | <u>\$0</u> | <u>\$5,974</u> |

A summary of the note transactions for the year ended December 31, 2005, follows:

| | Interest Rate | Balance December 31, 2004 | Additions | Reductions | Balance December 31, 2005 |
|---------------------------------|------------------|---------------------------------|-----------------|----------------|---------------------------------|
| <u>Governmental Activities:</u> | | | | | |
| Case Tractor/Mower | 6.75% | \$5,974 | 0 | \$5,974 | 0 |
| Ford Backhoe | 6.50% | 0 | 18,362 | 0 | 18,362 |
| Total Governmental Activities | | <u>\$5,974</u> | <u>\$18,362</u> | <u>\$5,974</u> | <u>\$18,362</u> |

In 2000, the Township issued a \$26,327 note from Vinton County National Bank to purchase a Case Tractor/Mower. It was repaid in 5 annual installments of \$6,378, beginning on July 15, 2001 and ending on July 15, 2005. This loan was repaid from the Gasoline Tax Fund.

EAGLE TOWNSHIP, VINTON COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004

Note 10 - Notes Payable - (continued)

In July 2005, the Township issued an \$18,362 note from Vinton County National Bank to purchase a Ford Backhoe. It will be repaid in 3 annual installments of \$6,933, beginning on July 15, 2006 and ending on July 15, 2008. This loan will be repaid from the Gasoline Tax Fund.

Amortization of the above debt, including interest, is scheduled as follows:

| <u>Year Ending December 31</u> | <u>Ford Backhoe</u> |
|------------------------------------|-------------------------|
| 2006 | \$6,933 |
| 2007 | 6,933 |
| 2008 | <u>6,933</u> |
| Total Debt Payments | 20,799 |
| Less: Amount Representing Interest | <u>2,437</u> |
| Total Principal | <u><u>\$18,362</u></u> |

Note 11 – Contingent Liabilities

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Required by
Government Auditing Standards**

Board of Trustees
Eagle Township, Vinton County
30775 Beech Grove Road
Londonderry, OH 45647

We have audited the accompanying financial statements of Eagle Township, Vinton County, Ohio (Township), as of and for the years ended December 31, 2005 and 2004, and have issued our report thereon dated June 20, 2006, which we noted the Township implemented Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements for State and Local Governments: Omnibus*, GASB Statement No. 38 *Certain Financial Statement Note Disclosures* and GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. As discussed in Note 2, the Township followed the cash basis of accounting, which is a comprehensive basis other than accounting principles generally accepted in the United States of America. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted certain matters involving the internal control over financial reporting that we did not deem a reportable conditions, that we have reported to management of the Township in a separate letter dated June 20, 2006.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we did note certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated June 20, 2006.

Board of Trustees
Eagle Township, Vinton County
Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Required by
Government Auditing Standards

This report is intended for the information and use of the Board of Trustees, management, and audit committee, and is not intended to be and should not be used by anyone other than these specified parties.

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.

June 20, 2006



**Auditor of State
Betty Montgomery**

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EAGLE TOWNSHIP

VINTON 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
JULY 25, 2006**