



**Auditor of State  
Betty Montgomery**



**HOAGLIN TOWNSHIP  
VAN WERT COUNTY**

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HOAGLIN TOWNSHIP  
VAN WERT COUNTY

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Hoaglin Township  
Van Wert County  
16487 Galvin Road  
Van Wert, Ohio 45891

To the Members of the Board:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hoaglin Township, Van Wert County, (the Township), as of and for the years ended December 31, 2005 and 2004, 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. 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 financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Hoaglin Township, as of December 31, 2005 and 2004, and the respective changes in financial position thereof and the respective budgetary comparisons for the General, Motor Vehicle License, Gasoline Tax, Road and Bridge, and Fire District funds for the year ended December 31, 2004 and the General, Motor Vehicle License, Gasoline Tax and Fire District funds for the year ended December 31, 2005, in conformity with the basis of accounting Note 2 describes.

For the year ended December 31, 2004, the Township revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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

**Betty Montgomery**  
Auditor of State

June 13, 2006

**HOAGLIN TOWNSHIP  
VAN WERT COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004  
UNAUDITED**

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

**Highlights**

Key highlights for 2005 are as follows:

Net assets of governmental activities increased \$ 35,417 or 43 percent, a significant change from the prior year. The funds most affected by the increase in cash and cash equivalents were the General Fund and the Motor Vehicle License Fund. The General Fund realized the largest increase in funds due to settlement of a large estate tax settlement.

The Township's general receipts are primarily property, estate, and gasoline taxes. Local property and estate taxes combined for 43 percent of total receipts, with 32 percent of the total receipts coming from gasoline taxes. Property and gasoline taxes increased, as all other funds did not meet expectations.

Property tax receipts in the fire levy fund did not meet the increasing cost of fire protection to the township. The Township currently has enough reserve in the fire fund for a year's payments. However, a proposed increase in millage to voters is probable upon expiration of the fire levy in 2006.

Key highlights for 2004 are as follows:

Net assets of governmental activities increased \$ 3,261 or 4 percent, a slight change from the prior year. The fund most affected by the decrease in cash and cash equivalents was the General Fund. The General Fund realized the greatest burden for decreased receipts in 2004; however, cost increases affected most funds.

The Township's general receipts are primarily property, estate, and gasoline taxes. Local property and estate taxes combined for 23 percent of total receipts, with 40 percent of the total receipts coming from gasoline taxes. Property and gasoline taxes remained constant; however, estate tax receipts decreased significantly from the previous year.

Property tax receipts in the fire levy fund did not meet the increasing cost of fire protection to the township. The Township currently has enough reserve in the fire fund for a year's payments. However, a proposed increase in millage to voters is probable upon expiration of the fire levy in 2006.

The equipment acquisition bond issued previously to finance the purchase of a new Township dump truck was retired in 2004.

**HOAGLIN TOWNSHIP  
VAN WERT COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004  
UNAUDITED  
(Continued)**

**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 modified 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. Hoaglin 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 and 2004, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. General receipts are all receipts not classified as program receipts.



**HOAGLIN TOWNSHIP  
VAN WERT COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004  
UNAUDITED  
(Continued)**

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 Hoaglin Township's financial condition, you should also consider other non-financial factors as well such as the Township's property tax base, the extent of the Townships debt obligations, and the need for continued growth in the major local revenue sources such as local property, estate and gasoline taxes.

In the statement of net assets and the statement of activities, we determined that Hoaglin Township only administered governmental activities in 2005 and 2004.

**Governmental Activities** - All of the Township's basic services are reported here, including fire protection and road, ditch, and cemetery maintenance. Property, estate, and gasoline taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them. Cemetery maintenance is partially funded by burial fees and sales of cemetery lots. The remainder of cemetery maintenance and upkeep is expended from property taxes from the township General fund.

**Reporting the Township's Most Significant Funds**

Fund financial statements provide detailed information about Hoaglin Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. Hoaglin Township utilizes only the governmental fund category at this time, having no proprietary or fiduciary funds.

**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 non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General Fund, the Motor Vehicle License Fund, Gasoline Tax Fund, and the Fire Fund for 2004, and the General Fund, the Motor Vehicle License Fund, Gasoline Tax Fund, Road and Bridge, and the Fire Fund for 2004. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

**HOAGLIN TOWNSHIP  
VAN WERT COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004  
UNAUDITED  
(Continued)**

**The Township as a Whole**

Table 1 provides a summary of the Township's net assets for 2005 and 2004 compared to 2003 on the cash basis:

	<b>Table 1</b>		
	<b>Net Assets</b>		
	<b>Governmental Activities</b>		
	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>Assets</b>			
Cash and Cash Equivalents	\$117,696	\$82,279	\$79,018
<b>Total Assets:</b>	<u>\$117,696</u>	<u>\$82,279</u>	<u>\$79,018</u>
<b>Net Assets</b>			
Restricted for:			
Permanent Fund	683	500	500
Other Purposes	71,206	75,664	55,668
Unrestricted	<u>45,807</u>	<u>6,115</u>	<u>22,850</u>
<b>Total Net Assets:</b>	<u>\$117,696</u>	<u>\$82,279</u>	<u>\$79,018</u>

As mentioned previously, net assets of governmental activities increased \$35,417 or 43 percent during 2005. The primary reasons contributing to the increase in cash balances are as follows:

- 1) Settlement of a large estate—resulting in a significant tax settlement for the Township
- 2) Increase in Gasoline Tax Receipts

For 2004 the net asset increase was \$3,261 or 4 percent which did not represent a significant change from 2003.

Table 2 reflects the changes in net assets in 2005 and 2004. Since the Township did not prepare financial statements in this format for 2003, a comparative analysis of government-wide data has not been presented for 2003.

	<b>Table 2</b>	
	<b>Change in Net Assets</b>	
	<b>Governmental Activities</b>	
	<u>2005</u>	<u>2004</u>
<b>Receipts:</b>		
Program Receipts:		
Charges for Services	\$4,920	\$5,258
Operating Grants and Contributions	95,989	86,240
<b>Total Program Receipts</b>	<u>100,909</u>	<u>91,498</u>
General Receipts:		
Property Taxes	41,651	37,716
Grants and Entitlements	92,964	30,179
Miscellaneous	6,218	6,987
<b>Total General Receipts</b>	<u>140,833</u>	<u>74,882</u>
<b>Total Receipts</b>	<u>241,742</u>	<u>166,380</u>

(Continued)

**HOAGLIN TOWNSHIP  
VAN WERT COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004  
UNAUDITED  
(Continued)**

	<b>Governmental Activities</b>	
	<b>2005</b>	<b>2004</b>
<b>Disbursements:</b>		
General Government	\$48,787	\$44,587
Public Safety	21,084	15,499
Public Works	122,427	71,388
Health	13,419	14,716
Capital Outlay	608	5,000
Debt Service	0	11,929
<b>Total Disbursements</b>	<b>\$206,325</b>	<b>\$163,119</b>

**2005**

General receipts represent 58.25 percent of the Hoaglin Township's total receipts and of this amount over 65 percent were estate taxes. Estate tax receipts are unpredictable and tend to vary greatly from year to year. 31.9 percent of the Township's total receipts were received from gasoline taxes.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the cost of the Board of Trustees and the fiscal officer and payroll.

Public Safety represents fire and ambulance protection contracted with the Villages of Grover Hill, Scott and Middle Point.

Hoaglin Township is a member of the Van Wert County Health District and the disbursement entitled Health is payment to that public entity for services provided for the Township and its residents.

**2004**

General receipts represent 45 percent of the Hoaglin Township's total receipts for the year. 40.9 percent of the Township's total receipts were received from gasoline taxes.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the cost of the Board of Trustees and the fiscal officer and payroll.

Public Safety represents fire and ambulance protection contracted with the Villages of Grover Hill, Scott and Middle Point.

Hoaglin Township is a member of the Van Wert County Health District and the disbursement entitled Health is payment to that public entity for services provided for the Township and its residents.

**HOAGLIN TOWNSHIP  
VAN WERT COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004  
UNAUDITED  
(Continued)**

**Governmental Activities**

If you look at the Statements of Activities on pages 12 and 19, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of reimbursing these services. For 2005, the major program disbursements for governmental activities were for general government and public works which account for approximately 24% and 59% of all Township disbursements, respectively. For 2004, the major program disbursements for governmental activities were for general government and public works which account for approximately 27% and 44% percent of all Township disbursements, respectively. A comparison between the total cost of services and the net cost is presented in Table 3 for 2005 and 2004.

**(Table 3)**

<b>Governmental Activities</b>				
	<b>Total Cost Of Services 2005</b>	<b>Net Cost Of Services 2005</b>	<b>Total Cost Of Services 2004</b>	<b>Net Cost Of Services 2004</b>
General Government	\$48,787	\$47,587	\$44,587	\$44,089
Public Safety	21,084	20,084	15,499	15,499
Public Works	122,427	27,438	71,388	(14,852)
Health	13,419	9,699	14,716	9,956
Capital Outlay	608	608	5,000	5,000
Debt Service			11,929	11,929
<b>Total Expenses</b>	<b>\$206,325</b>	<b>\$105,416</b>	<b>\$163,119</b>	<b>\$71,621</b>

**The Township's Funds**

For 2005 the total governmental funds had receipts of \$241,742 and disbursements of \$206,325. For 2004 the total governmental funds had receipts of \$166,380 and disbursements of \$163,119. The greatest change within governmental funds occurred within the General Fund. The fund balance of the General Fund increased in the amount of \$39,692 as the result of a significant increase in estate tax receipts. It is important to remember that Estate tax receipts are unpredictable from year to year.

General Fund receipts were significantly greater during 2005 than disbursements indicating that the General Fund has recovered from deficit spending in 2004. The Township budget and financial committee consisting of the Board of Township Trustees and the Township Clerk, will continue to monitor disbursements, understanding the uncertainty of estate tax receipts and general slow growth in most areas of tax receipts.

The Township Fire levy receipts were slightly less than anticipated and did not cover the entire cost of township fire and EMS protection. As the yearly carry-over in this fund begins to decrease, the need for added millage will need to be addressed by the finance committee of the township.

**HOAGLIN TOWNSHIP  
VAN WERT COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004  
UNAUDITED  
(Continued)**

**General Fund Budgeting Highlights**

Hoaglin 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.

General Fund receipts were less than budget expectations for 2005. Actual receipts in the General Fund were \$99,143 with an expected budget amount of \$ 105,924. General Fund receipts were less than budget expectations for 2004. Actual receipts in the General Fund were \$37,642 with an expected budget amount of \$53,129.

Actual 2005 disbursements in the General Fund amounted to \$59,451. There was a significant increase in the general fund balance of \$ 39,692. Actual 2004 disbursements in the General Fund amounted to \$54,071 or \$20,421 less than the amount budgeted.

**Current Issues**

The challenge for Townships is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. Hoaglin Township relies heavily on local taxes and has very little industry to support the tax base. No major capital investments for equipment are planned, and management will continue to provide the best service to township residents while staying within budget guidelines.

**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 Franklin T. Snyder, Hoaglin Township Clerk, 16487 Galvin Road, Van Wert, Ohio 45891.

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HOAGLIN TOWNSHIP  
VAN WERT COUNTY

STATEMENT OF NET ASSETS - CASH BASIS  
DECEMBER 31, 2005

	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$117,696</u>
Total Assets	<u><u>\$117,696</u></u>
<b>Net Assets</b>	
Restricted for:	
Permanent Fund: Cemetery Bequest	
Expendable	\$183
Nonexpendable	500
Other Purposes	71,206
Unrestricted	<u>45,807</u>
Total Net Assets	<u><u>\$117,696</u></u>

*See accompanying notes to the basic financial statements.*

**HOAGLIN TOWNSHIP  
VAN WERT COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Assets
Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>			
General Government	\$48,787	\$1,200	(\$47,587)
Public Safety	21,084		(20,084)
Public Works	122,427		(27,438)
Health	13,419	3,720	(9,699)
Capital Outlay	608		(608)
Total Governmental Activities	206,325	4,920	95,989
<b>General Receipts</b>			
Property Taxes			41,651
Grants and Entitlements not Restricted to Specific Programs			92,964
Miscellaneous			6,218
			140,833
Total General Receipts			140,833
Change in Net Assets			35,417
Net Assets Beginning of Year			82,279
Net Assets End of Year			\$117,696

*See accompanying notes to the basic financial statements.*



**HOAGLIN TOWNSHIP  
VAN WERT COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2005**

	<u>General</u>	<u>Motor Vehicle Licence Tax</u>	<u>Gasoline Tax</u>	<u>Fire District</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>						
Equity in Pooled Cash and Cash Equivalents	\$45,807	\$6,186	\$33,149	\$21,227	\$11,327	\$117,696
Total Assets	<u>\$45,807</u>	<u>\$6,186</u>	<u>\$33,149</u>	<u>\$21,227</u>	<u>\$11,327</u>	<u>\$117,696</u>
<b>Fund Balances</b>						
Reserved:						
Reserved for Encumbrances						
Unreserved:						
Undesignated (Deficit), Reported in:						
General Fund	45,807					45,807
Special Revenue Funds		6,186	33,149	21,227	10,644	71,206
Debt Service Fund						
Capital Projects Funds						
Permanent Fund					683	683
Total Fund Balances	<u>\$45,807</u>	<u>\$6,186</u>	<u>\$33,149</u>	<u>\$21,227</u>	<u>\$11,327</u>	<u>\$117,696</u>

See accompanying notes to the basic financial statements.

**HOAGLIN TOWNSHIP  
VAN WERT COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<b>General</b>	<b>Motor Vehicle Licence Tax</b>	<b>Gasoline Tax</b>	<b>Fire District</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Receipts</b>						
Property and Other Local Taxes	\$5,866			\$14,667	\$21,118	\$41,651
Licenses, Permits and Fees	488				3,400	3,888
Intergovernmental	86,882	\$17,756	\$77,233	1,931	4,151	187,953
Interest	(58)	22	100		189	253
Other	5,965			1,000	1,032	7,997
<b>Total Receipts</b>	<b>99,143</b>	<b>17,778</b>	<b>77,333</b>	<b>17,598</b>	<b>29,890</b>	<b>241,742</b>
<b>Disbursements</b>						
Current:						
General Government	48,787					48,787
Public Safety				21,084		21,084
Public Works		23,035	78,834		20,559	122,428
Health	10,094				3,324	13,418
Capital Outlay	570		38			608
<b>Total Disbursements</b>	<b>59,451</b>	<b>23,035</b>	<b>78,872</b>	<b>21,084</b>	<b>23,883</b>	<b>206,325</b>
Excess of Receipts Over (Under) Disbursements	39,692	(5,257)	(1,539)	(3,486)	6,007	35,417
Net Change in Fund Balances	39,692	(5,257)	(1,539)	(3,486)	6,007	35,417
Fund Balances Beginning of Year	6,115	11,443	34,688	24,713	5,320	82,279
Fund Balances End of Year	<u>\$45,807</u>	<u>\$6,186</u>	<u>\$33,149</u>	<u>\$21,227</u>	<u>\$11,327</u>	<u>\$117,696</u>

See accompanying notes to the basic financial statements.

**HOAGLIN TOWNSHIP  
VAN WERT COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
<b>Receipts</b>				
Property and Other Local Taxes	\$7,000	\$7,000	\$5,866	(\$1,134)
Licenses, Permits and Fees	1,000	1,000	488	(512)
Intergovernmental	39,795	93,824	86,882	(6,942)
Interest	100	100	(58)	(158)
Other	4,000	4,000	5,965	1,965
Total receipts	<u>51,895</u>	<u>105,924</u>	<u>99,143</u>	<u>(6,781)</u>
<b>Disbursements</b>				
Current:				
General Government	40,651	66,925	48,787	18,138
Public Works		16,595		16,595
Health	11,009	11,009	10,094	915
Capital Outlay	235	235	570	(335)
Total Disbursements	<u>51,895</u>	<u>94,764</u>	<u>59,451</u>	<u>35,313</u>
Excess of Receipts Over (Under) Disbursements		<u>11,160</u>	<u>39,692</u>	<u>28,532</u>
Net Change in Fund Balance		11,160	39,692	28,532
Fund Balance Beginning of Year	<u>6,115</u>	<u>6,115</u>	<u>6,115</u>	
Fund Balance End of Year	<u>\$6,115</u>	<u>\$17,275</u>	<u>\$45,807</u>	<u>\$28,532</u>

*See accompanying notes to the basic financial statements.*

**HOAGLIN TOWNSHIP  
VAN WERT COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
MOTOR VEHICLE LICENSE TAX  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Intergovernmental	\$18,200	\$18,200	\$17,756	(\$444)
Interest	40	40	22	(18)
Total receipts	<u>18,240</u>	<u>18,240</u>	<u>17,778</u>	<u>(462)</u>
<b>Disbursements</b>				
Current:				
Public Works	29,433	29,433	23,035	6,398
Capital Outlay	250	250		250
Total Disbursements	<u>29,683</u>	<u>29,683</u>	<u>23,035</u>	<u>6,648</u>
Excess of Receipts Over (Under) Disbursements	<u>(11,443)</u>	<u>(11,443)</u>	<u>(5,257)</u>	<u>6,186</u>
Net Change in Fund Balance	(11,443)	(11,443)	(5,257)	6,186
Fund Balance Beginning of Year	<u>11,443</u>	<u>11,443</u>	<u>11,443</u>	
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$6,186</u></u>	<u><u>\$6,186</u></u>

*See accompanying notes to the basic financial statements.*

**HOAGLIN TOWNSHIP  
VAN WERT COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GASOLINE TAX  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Intergovernmental	\$60,300	\$60,300	\$77,233	\$16,933
Interest	75	75	100	25
Total receipts	<u>60,375</u>	<u>60,375</u>	<u>77,333</u>	<u>16,958</u>
<b>Disbursements</b>				
Current:				
Public Works	94,563	94,563	78,834	15,729
Capital Outlay	500	500	38	462
Total Disbursements	<u>95,063</u>	<u>95,063</u>	<u>78,872</u>	<u>16,191</u>
Excess of Receipts Over (Under) Disbursements	<u>(34,688)</u>	<u>(34,688)</u>	<u>(1,539)</u>	<u>33,149</u>
Net Change in Fund Balance	(34,688)	(34,688)	(1,539)	33,149
Fund Balance Beginning of Year	<u>34,688</u>	<u>34,688</u>	<u>34,688</u>	
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$33,149</u></u>	<u><u>\$33,149</u></u>

*See accompanying notes to the basic financial statements.*

**HOAGLIN TOWNSHIP  
VAN WERT COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
FIRE DISTRICT  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$14,400	\$14,400	\$14,667	\$267
Intergovernmental	500	500	1,931	1,431
Other	660	660	1,000	340
Total receipts	<u>15,560</u>	<u>15,560</u>	<u>17,598</u>	<u>2,038</u>
<b>Disbursements</b>				
Current:				
Public Safety	<u>40,273</u>	<u>40,273</u>	<u>21,084</u>	<u>19,189</u>
Total Disbursements	<u>40,273</u>	<u>40,273</u>	<u>21,084</u>	<u>19,189</u>
Excess of Receipts Over (Under) Disbursements	<u>(24,713)</u>	<u>(24,713)</u>	<u>(3,486)</u>	<u>21,227</u>
Net Change in Fund Balance	(24,713)	(24,713)	(3,486)	21,227
Fund Balance Beginning of Year	<u>24,713</u>	<u>24,713</u>	<u>24,713</u>	
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$21,227</u></u>	<u><u>\$21,227</u></u>

*See accompanying notes to the basic financial statements.*

HOAGLIN TOWNSHIP  
VAN WERT COUNTY

STATEMENT OF NET ASSETS - CASH BASIS  
DECEMBER 31, 2004

	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$82,279</u>
Total Assets	<u><u>\$82,279</u></u>
<b>Net Assets</b>	
Restricted for:	
Permanent Fund: Cemetery Bequest	
Nonexpendable	\$500
Other Purposes	75,664
Unrestricted	<u>6,115</u>
Total Net Assets	<u><u>\$82,279</u></u>

*See accompanying notes to the basic financial statements.*

**HOAGLIN TOWNSHIP  
VAN WERT COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<b>Program Cash Receipts</b>		<b>Net (Disbursements) Receipts and Changes in Net Assets</b>
<b>Cash Disbursements</b>	<b>Charges for Services and Sales</b>	<b>Operating Grants and Contributions</b>	<b>Governmental Activities</b>
<b>Governmental Activities</b>			
General Government	\$44,587	\$498	(\$44,089)
Public Safety	15,499		(15,499)
Public Works	71,388	86,240	14,852
Health	14,716	4,760	(9,956)
Capital Outlay	5,000		(5,000)
Debt Service			
Principal	11,714		(11,714)
Interest	215		(215)
Total Governmental Activities	163,119	5,258	86,240
			(71,621)
 <b>General Receipts</b>			
Property Taxes			37,716
Grants and Entitlements not Restricted to Specific Prc			30,179
Miscellaneous			6,987
			74,882
Total General Receipts			74,882
Change in Net Assets			3,261
Net Assets Beginning of Year			79,018
Net Assets End of Year			\$82,279

*See accompanying notes to the basic financial statements.*



**HOAGLIN TOWNSHIP  
VAN WERT COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2004**

	<u>General</u>	<u>Motor Vehicle Licence Tax</u>	<u>Gasoline Tax</u>	<u>Road and Bridge</u>	<u>Fire District</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>							
Equity in Pooled Cash and Cash Equivalents	\$6,115	\$11,443	\$34,688	\$2,567	\$24,713	\$2,753	\$82,279
Total Assets	<u>\$6,115</u>	<u>\$11,443</u>	<u>\$34,688</u>	<u>\$2,567</u>	<u>\$24,713</u>	<u>\$2,753</u>	<u>\$82,279</u>
<b>Fund Balances</b>							
Reserved:							
Reserved for Encumbrances							
Unreserved:							
Undesignated (Deficit), Reported in:							
General Fund	\$6,115						6,115
Special Revenue Funds		\$11,443	\$34,688	\$2,567	\$24,713	\$2,253	75,664
Debt Service Fund							
Capital Projects Funds							
Permanent Fund						500	500
Total Fund Balances	<u>\$6,115</u>	<u>\$11,443</u>	<u>\$34,688</u>	<u>\$2,567</u>	<u>\$24,713</u>	<u>\$2,753</u>	<u>\$82,279</u>

See accompanying notes to the basic financial statements.

**HOAGLIN TOWNSHIP  
VAN WERT COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	General	Motor Vehicle Licence Tax	Gasoline Tax	Road and Bridge	Fire District	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>							
Property and Other Local Taxes	\$5,412			\$15,705	\$13,491	\$3,108	\$37,716
Licenses, Permits and Fees	498					2,500	2,998
Intergovernmental	24,835	\$18,148	\$68,092	1,700	1,431	2,213	116,419
Interest	41	15	57			3	116
Other	6,856			15		2,260	9,131
Total Receipts	<u>37,642</u>	<u>18,163</u>	<u>68,149</u>	<u>17,420</u>	<u>14,922</u>	<u>10,084</u>	<u>166,380</u>
<b>Disbursements</b>							
Current:							
General Government	44,490					98	44,588
Public Safety					15,499		15,499
Public Works		8,527	41,208	21,520		132	71,387
Health	9,581					5,135	14,716
Capital Outlay			5,000				5,000
Debt Service:							
Principal Retirement			3,083	4,391		4,240	11,714
Interest and Fiscal Charges			92	77		46	215
Total Disbursements	<u>54,071</u>	<u>8,527</u>	<u>49,383</u>	<u>25,988</u>	<u>15,499</u>	<u>9,651</u>	<u>163,119</u>
Excess of Receipts Over (Under) Disbursements	<u>(16,429)</u>	<u>9,636</u>	<u>18,766</u>	<u>(8,568)</u>	<u>(577)</u>	<u>433</u>	<u>3,261</u>
<b>Other Financing Sources (Uses)</b>							
Transfers In	552						552
Transfers Out						(552)	(552)
Total Other Financing Sources (Uses)	<u>552</u>					<u>(552)</u>	
Net Change in Fund Balances	(15,877)	9,636	18,766	(8,568)	(577)	(119)	3,261
Fund Balances Beginning of Year	21,992	1,807	15,922	11,135	25,290	2,872	79,018
Fund Balances End of Year	<u>\$6,115</u>	<u>\$11,443</u>	<u>\$34,688</u>	<u>\$2,567</u>	<u>\$24,713</u>	<u>\$2,753</u>	<u>\$82,279</u>

See accompanying notes to the basic financial statements.

**HOAGLIN TOWNSHIP  
VAN WERT COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$7,030	\$7,030	\$5,412	(\$1,618)
Licenses, Permits and Fees	1,000	1,000	498	(502)
Intergovernmental	43,424	43,424	24,835	(18,589)
Interest	175	175	41	(134)
Other	1,500	1,500	6,856	5,356
<b>Total receipts</b>	<u>53,129</u>	<u>53,129</u>	<u>37,642</u>	<u>(15,487)</u>
<b>Disbursements</b>				
Current:				
General Government	61,884	61,884	44,490	17,394
Public Safety				
Public Works	125	125		125
Health	11,983	11,983	9,581	2,402
Capital Outlay	500	500		500
<b>Total Disbursements</b>	<u>74,492</u>	<u>74,492</u>	<u>54,071</u>	<u>20,421</u>
Excess of Receipts Over (Under) Disbursements	<u>(21,363)</u>	<u>(21,363)</u>	<u>(16,429)</u>	<u>4,934</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In			552	552
Other Financing Sources	50	50		(50)
<b>Total Other Financing Sources (Uses)</b>	<u>50</u>	<u>50</u>	<u>552</u>	<u>502</u>
Net Change in Fund Balance	(21,313)	(21,313)	(15,877)	5,436
Fund Balance Beginning of Year	21,992	21,992	21,992	
Fund Balance End of Year	<u>\$679</u>	<u>\$679</u>	<u>\$6,115</u>	<u>\$5,436</u>

*See accompanying notes to the basic financial statements.*

**HOAGLIN TOWNSHIP  
VAN WERT COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
MOTOR VEHICLE LICENSE TAX  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Intergovernmental	\$18,150	\$18,150	\$18,148	(\$2)
Interest	50	50	15	(35)
Total receipts	<u>18,200</u>	<u>18,200</u>	<u>18,163</u>	<u>(37)</u>
<b>Disbursements</b>				
Current:				
Public Works	15,287	15,287	8,527	6,760
Capital Outlay	100	100		100
Debt Service:				
Principal Retirement	4,500	4,500		4,500
Interest and Fiscal Charges	120	120		120
Total Disbursements	<u>20,007</u>	<u>20,007</u>	<u>8,527</u>	<u>11,480</u>
Excess of Receipts Over (Under) Disbursements	<u>(1,807)</u>	<u>(1,807)</u>	<u>9,636</u>	<u>11,443</u>
Net Change in Fund Balance	(1,807)	(1,807)	9,636	11,443
Fund Balance Beginning of Year	<u>1,807</u>	<u>1,807</u>	<u>1,807</u>	
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$11,443</u></u>	<u><u>\$11,443</u></u>

*See accompanying notes to the basic financial statements.*

**HOAGLIN TOWNSHIP  
VAN WERT COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IM FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GASOLINE TAX  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Intergovernmental	\$51,150	\$51,150	\$68,092	\$16,942
Interest			57	57
Other	100	100		(100)
Total receipts	<u>51,250</u>	<u>51,250</u>	<u>68,149</u>	<u>16,899</u>
<b>Disbursements</b>				
Current:				
Public Works	60,528	63,389	41,208	22,181
Capital Outlay	500	500	5,000	(4,500)
Debt Service:				
Principal Retirement	5,944	3,083	3,083	
Interest and Fiscal Charges	200	200	92	108
Total Disbursements	<u>67,172</u>	<u>67,172</u>	<u>49,383</u>	<u>17,789</u>
Excess of Receipts Over (Under) Disbursements	<u>(15,922)</u>	<u>(15,922)</u>	<u>18,766</u>	<u>34,688</u>
Net Change in Fund Balance	(15,922)	(15,922)	18,766	34,688
Fund Balance Beginning of Year	<u>15,922</u>	<u>15,922</u>	<u>15,922</u>	
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$34,688</u></u>	<u><u>\$34,688</u></u>

*See accompanying notes to the basic financial statements.*

**HOAGLIN TOWNSHIP  
VAN WERT COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
ROAD AND BRIDGE  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Budgeted Amounts</u>			<b>(Optional) Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$16,500	\$16,500	\$15,705	(\$795)
Intergovernmental	1,800	1,800	1,700	(100)
Other	5,000	5,000	15	(4,985)
Total receipts	<u>23,300</u>	<u>23,300</u>	<u>17,420</u>	<u>(5,880)</u>
<b>Disbursements</b>				
Current:				
Public Works	28,291	28,291	21,520	6,771
Debt Service:				
Principal Retirement	5,944	5,944	4,391	1,553
Interest and Fiscal Charges	200	200	77	123
Total Disbursements	<u>34,435</u>	<u>34,435</u>	<u>25,988</u>	<u>8,447</u>
Excess of Receipts Over (Under) Disbursements	<u>(11,135)</u>	<u>(11,135)</u>	<u>(8,568)</u>	<u>2,567</u>
Net Change in Fund Balance	(11,135)	(11,135)	(8,568)	2,567
Fund Balance Beginning of Year	<u>11,135</u>	<u>11,135</u>	<u>11,135</u>	
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$2,567</u></u>	<u><u>\$2,567</u></u>

*See accompanying notes to the basic financial statements.*

**HOAGLIN TOWNSHIP  
VAN WERT COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
FIRE DISTRICT  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Budgeted Amounts</u>			<b>(Optional) Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$14,400	\$14,400	\$13,491	(\$909)
Intergovernmental	500	500	1,431	931
Other	1,000	1,000		(1,000)
Total receipts	<u>15,900</u>	<u>15,900</u>	<u>14,922</u>	<u>(978)</u>
<b>Disbursements</b>				
Current:				
Public Safety	41,190	41,190	15,499	25,691
Total Disbursements	<u>41,190</u>	<u>41,190</u>	<u>15,499</u>	<u>25,691</u>
Excess of Receipts Over (Under) Disbursements	<u>(25,290)</u>	<u>(25,290)</u>	<u>(577)</u>	<u>24,713</u>
Net Change in Fund Balance	(25,290)	(25,290)	(577)	24,713
Fund Balance Beginning of Year	<u>25,290</u>	<u>25,290</u>	<u>25,290</u>	
Fund Balance End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$24,713</u>	<u>\$24,713</u>

*See accompanying notes to the basic financial statements.*

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**HOAGLIN TOWNSHIP  
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

**1. DESCRIPTION OF ENTITY**

Hoaglin Township, Van Wert county, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Township Clerk. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the Villages of Grover Hill, Middle Point, and Scott for fire protection and ambulance services. Police protection is provided by the Van Wert County Sheriff's Department.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These financial statements are presented on a cash basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements 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.

**A. Basis of Accounting**

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.

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 basis of accounting, certain assets and their related revenues, and certain liabilities and their related expenses are not recorded in these financial statements.

**B. 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 non-exchange transactions.

The statement of net assets presents the cash balance, the nonexpendable cemetery funds, the unrestricted fund balance and the other purposes 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.

**HOAGLIN TOWNSHIP  
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. 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. Non-major funds are aggregated and presented in a single column. Operating receipts generally result from exchange transactions such as charges for services directly relating to the funds' principal services. Operating disbursements include costs of sales and services and administrative costs. The fund statements report all other receipts and disbursements as non-operating.

**D. 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 Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other non-exchange transactions as governmental funds. In 2005 the Township's major governmental funds were the General Fund, Motor Vehicle License Fund, Gasoline Tax Fund, and the Fire District Fund. In 2004 the General Fund, Motor Vehicle License Fund, Gasoline Tax Fund, Road and Bridge and Bridge Fund, and the Fire District Fund.

1. **General Fund** -The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.
2. **Motor Vehicle License Tax** – this fund receives motor vehicle license tax money for constructing, maintaining and repairing Township roads.
3. **Gasoline Tax Fund** – This fund receives gasoline tax money for constructing, maintaining, and repairing Township roads
4. **Road and Bridge Fund** – This fund receives property tax money for constructing, maintaining, and repairing Township roads and bridges.
5. **Fire District Fund** – This fund receives property taxes levied by the Township for fire protection.

**E. Cash and Investments**

Deposits are valued at cost.

**F. 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.

**HOAGLIN TOWNSHIP  
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- 1. Appropriations** - 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. Budgetary expenditures (disbursements and encumbrances) may not exceed appropriations at the fund, function, object level of control. The Board of Trustees must annually approve the appropriation measure and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.
- 2. Estimated Resources** - 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.

**3. Encumbrances**

The Ohio Revised Code requires the Board to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

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.

**G. Capital Assets**

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

**H. Restricted Assets**

The Township holds a restricted asset which represents the balance of the Cemetery Bequest permanent fund whose value was \$500 at Decembers 31, 2004 and \$683 at December 31, 2005. The bequest prohibits the use of the initial \$500 with interest allowable for cemetery maintenance.

**I. Total Columns on Financial Statements**

Total columns on the financial statements are captioned (Memorandum Only) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, or results of operations in conformity with the basis of accounting described above. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**HOAGLIN TOWNSHIP  
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004  
(Continued)**

**3. CHANGES IN THE BASIS OF ACCOUNTING**

Prior to 2004 the Township reported fund financial statements by fund type using the regulatory basis of accounting prescribed by the Auditor of State. For 2004 the Township has implemented the basis of accounting described in Note 2. The fund financial statements now present each major fund in a separate column rather than a column for each fund type.

**4. EQUITY IN POOLED CASH AND INVESTMENTS**

The Township maintains a cash and investments pool used by all funds. 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;

**HOAGLIN TOWNSHIP  
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004  
(Continued)**

**4. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)**

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.

As of December 31, 2005 and 2004, the Township had no undeposited cash on hand.

**A. Deposits**

The carrying amount of cash deposits at December 31, 2005 was \$ 117,696. The carrying amount of cash deposits at December 31, 2004 was \$82,279.

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.

The deposits were insured by the Federal Depository Insurance Corporation.

**5. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October a date for which rates are adopted by the Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements. Payments are due to the county by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located with the Township.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

Van Wert County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

**HOAGLIN TOWNSHIP  
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004  
(Continued)**

**6. RETIREMENT SYSTEM**

**Ohio Public Employees Retirement System**

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

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

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

For the years ended December 31, 2005 and 2004, the members participated in the traditional plan, and were required to contribute 8.5 percent of their annual covered salaries. The Township's contribution rate for pension benefits for 2005 and 2004 was 13.55 percent. 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 \$5,527, \$4,515, and \$5,471 respectively. The full amount has been contributed for 2005, 2004 and 2003. The Public Employees Retirement System of Ohio (PERS) is a state operated, cost-sharing, multiple employer public employee retirement system. PERS provides retirement benefits to vested employees who are eligible to retire based upon years of service. PERS also provides survivor and disability benefits to vested employees.

**7. 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 Post-employment 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 and 2004 local government employer contribution rate was 13.55 percent of covered payroll. 4.00 percent of covered payroll was the portion that was used to fund health care.

**HOAGLIN TOWNSHIP  
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004  
(Continued)**

**7. 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 369,885. Actual employer contributions for 2005 and 2004 which were used to fund post-employment benefits were \$1,872 and \$1,529, respectively. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2004, (the latest information available) were \$10.5 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$26.9 billion and \$16.4 billion, respectively.

On September 9, 2005, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2008. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs.

**8. RISK MANAGEMENT**

**A. Risk Pool Membership**

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

**B. Casualty Coverage**

OTARMA retains casualty risks up to \$250,000 per claim, including loss adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$5,000,000 in the aggregate per year. Townships can elect additional coverage, from \$2,000,000 to \$10,000,000 from the General Reinsurance Corporation.

If losses exhaust OTARMA's retained earnings, APEEP covers OTARMA losses up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

**HOAGLIN TOWNSHIP  
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004  
(Continued)**

**8. RISK MANAGEMENT (Continued)**

**C. Property Coverage**

OTARMA retains property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsures losses exceeding \$100,000 up to \$500,000,000 per occurrence. APEEP's Guarantee Fund pays losses and loss adjustment expenses exceeding operating contributions.

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

**D. 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 2004 and 2003 (the latest information available).

<u>Casualty Coverage</u>	<u>2004</u>	<u>2003</u>
Assets	\$30,687,203	\$27,792,223
Liabilities	(13,640,962)	(11,791,300)
Retained earnings	<u>\$17,046,241</u>	<u>\$16,000,923</u>

<u>Property Coverage</u>	<u>2004</u>	<u>2003</u>
Assets	\$7,799,073	\$6,791,060
Liabilities	(753,906)	(750,956)
Retained earnings	<u>\$7,045,167</u>	<u>\$6,040,104</u>





**Auditor of State  
Betty Montgomery**

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

Hoaglin Township  
Van Wert County  
16487 Galvin Road  
Van Wert, Ohio 45891

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hoaglin Township, Van Wert County, (the Township), as of and for the years ended December 31, 2005 and 2004, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 13, 2006, wherein we noted that the Township uses a comprehensive basis of accounting other than generally accepted accounting principles. 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 to determine our auditing procedures in order to express our opinions on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control 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 material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the Township's management dated June 13, 2006, we reported other matters related to internal control we deemed immaterial.

**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 matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2005-001. In a separate letter to the Township's management dated June 13, 2006, we reported other matters related to noncompliance we deemed immaterial.

Hoaglin Township  
Van Wert County  
Independent Accountants' Report on Internal Control Over Financial Reporting and  
on Compliance and Other Matters Required by *Government Auditing Standards*  
Page 2

We intend this report solely for the information and use of the management and Board of Trustees. It is not intended for anyone other than these specified parties.

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

**Betty Montgomery**  
Auditor of State

June 13, 2006

**HOAGLIN TOWNSHIP  
VAN WERT COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

**FINDING 2005-001**

**FINDING FOR RECOVERY – REPAID UNDER AUDIT**

**Ohio Rev. Code Section 505.60 (A)** states in pertinent part, the board of township trustees of any township may procure and pay all or any part of the cost of insurance policies that may provide benefits for hospitalization, surgical care, major medical care, disability, dental care, eye care, medical care, hearing aids, prescription drugs, or sickness and accident insurance, or a combination of any of the foregoing types of insurance for township officers and employees.

Section 505.60 outlines the provision of group coverage and allowable reimbursements should an officer or employee be denied coverage or elect not to participate in the group health care plan. Ohio Rev. Code Section 505.601 outlines provisions for providing reimbursements for premiums if a board of township trustees does not procure an insurance policy or group health care services as provided in section 505.60 of the Revised Code. Section 505.601(B) states that a resolution provides for a uniform maximum monthly or yearly payment amount for each officer or employee, beyond which the township will not reimburse the officer or employee. The stipulations for reimbursement under each section are different.

Per the resolution passed by the Hoaglin Township Board of Trustees on December 28, 1999, the Township set the maximum dollar amount of insurance reimbursement at \$1,000 per month. Frank Snyder, Township Clerk, exceeded the \$1,000 limit per month insurance reimbursement by \$364 in January, February, and March of 2004 resulting in a total overpayment of \$1,092. During the audit of 2003 and 2002 a portion of this overpayment was detected and the Clerk repaid \$654 of this amount resulting in \$438 still owed to the Township.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery is issued against Frank Snyder, Hoaglin Township Clerk, and Hoaglin Township Trustees Alfred Osting, Milo Schaffner, and Wayne Kemler, and the Ohio Township Association Risk Management Authority, their bonding company, jointly and severally, in the amount of \$438 in favor of the Township's General Fund.

The finding was repaid under audit by Frank Snyder in the amount of \$438 on June 6, 2006, on Township Receipt No. 49-2006.

**Officials Response**

The Township Officials had no response.

**HOAGLIN TOWNSHIP  
VAN WERT COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2003-001	ORC 505.60(A) – finding for recovery for insurance premium reimbursements.	Yes	See finding 2005-001
2003-002	ORC 5705.41(B) – expenditures exceeding appropriations.	Yes	N/A
2003-003	ORC 5705.41(D) – encumbering funds prior to entering into purchase commitments.	Partially	Reported in a separate letter to management of the Township.
2003-004	Accurate input to budgetary accounting system.	Partially	Reported in a separate letter to management of the Township.



**Auditor of State  
Betty Montgomery**

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**HOAGLIN TOWNSHIP**

**VAN WERT 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 18, 2006**