

RIDGE TOWNSHIP
WYANDOT COUNTY, OHIO

AUDITED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2006 AND 2005



Mary Taylor, CPA
Auditor of State

Board of Trustees
Ridge Township
3154 Township Highway 95
Carey, Ohio 43316

We have reviewed the *Independent Auditor's Report* of Ridge Township, Wyandot County, prepared by E. S. Evans and Company, for the audit period January 1, 2005 through December 31, 2006. 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. Ridge Township is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

October 9, 2007

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RIDGE TOWNSHIP
WYANDOT COUNTY, OHIO

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RIDGE TOWNSHIP
WYANDOT COUNTY, OHIO

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Robert E. Wendel, CPA • Dan F. Clifford, CPA • E.S. Evans, CPA, PFS (1930-1999)

August 13, 2007

INDEPENDENT AUDITOR'S REPORT

Ridge Township
Wyandot County, Ohio

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Ridge Township, Wyandot County, Ohio (the Township) as of and for the years ended December 31, 2006 and 2005, which collectively comprise the Township's basic financial statements as listed in the table of contents. The basic financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these basic 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. 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 opinions.

As discussed in Note 2, the Township has prepared these financial statements using the cash basis of accounting. This is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund and the aggregate remaining fund information of Ridge Township, Wyandot County, Ohio, as of December 31, 2006 and 2005, and the respective changes in cash basis financial position, thereof and the respective budgetary comparisons for the General and Gasoline Tax Funds for the years then ended in conformity with the basis of accounting described in Note 2.

Management's Discussion and Analysis and the respective budgetary comparison for the General and Gasoline Tax Funds are 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 inquires of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion on it.

As discussed in Note 3, the Township revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, Basic Financial Statements and Management's Discussion an Analysis for State and Local Governments.

In accordance with Government Auditing Standards, we have also issued a report dated August 13, 2007 on our consideration of Ridge 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 and should be read in conjunction with this report in considering the results of our audit.

A handwritten signature in red ink, appearing to read "E. J. Green and Company".

RIDGE TOWNSHIP
WYANDOT COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2006 and 2005

This discussion and analysis of Ridge Township's financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2006 and 2005, within the limitations of the Township's cash basis of accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2006 are as follows:

Net assets of governmental activities increased \$50,779, or 17.3 percent, a significant change from the prior year. The fund most affected by the increase in cash and cash equivalents was the General Fund, which realized the greatest increase in 2006.

The Township's general receipts are primarily property taxes. These receipts represent 11.62 percent of the total cash received for governmental activities during the year. Property tax receipts for 2006 changed somewhat compared to 2005 as development within the Township is modest.

Key highlights for 2005 are as follows:

Net assets of governmental activities increased \$8,373, or 3 percent, an insignificant change from the prior year. The fund most affected by the increase in cash and cash equivalents was the Gasoline Fund, followed by the General Fund, of which both funds realized the greatest burden of increased costs, however, cost increases affected most funds.

The Township's general receipts are primarily property taxes. These receipts represent 27 percent of the total cash received for governmental activities during the year. Property tax receipts for 2005 changed very little compared to 2004 as development within the Township is slow.

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.

RIDGE TOWNSHIP
WYANDOT COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2006 and 2005

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 2006 and 2005, within the limitations of the cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental and business-type activities of the Township year end. The statement of activities compares cash disbursements with program receipts for each governmental program and business-type activity. 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 or business-type activity draws from the Township's general receipts.

RIDGE TOWNSHIP
WYANDOT COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2006 and 2005

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other non-financial factors as well as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property and income taxes.

In the statement of net assets and the statement of activities, the Township discloses a single type of activity:

Governmental activities - Most of the Township's basic services are reported here, including State and federal 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 Township'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 are contained in one category: Governmental.

Governmental Funds - Most 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. Township 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 and the Gasoline Tax Fund. 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.

RIDGE TOWNSHIP
WYANDOT COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2006 and 2005

The Township as a Whole

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

(Table 1)
Net Assets

	Governmental Activities	
	2006	2005
Assets		
Cash and Cash Equivalents \$	\$ 344,306	\$ 293,527
Net Assets		
Restricted for:		
Other Purposes	\$ 251,975	\$ 210,787
Unrestricted	92,331	82,740
Total Net Assets	\$ 344,306	\$ 293,527

As mentioned previously, net assets of governmental activities increased \$ 8,373 or 3 percent during 2005. The primary reasons contributing to the increases in cash balances are as follows:

- An increase in interest for the General Fund and an increase in gasoline revenue for the Gasoline Fund.

As mentioned previously, net assets of governmental activities increased \$50,779 or 17.3 percent during 2006. The primary reasons contributing to the increases in cash balances are as follows:

- General fund revenue increased over 35% due to increases in interest and an estate tax receipt of \$7,780.
- Capital improvements were made during the calendar year with only one road repaved at 3/10ths mile vs. one mile of road paved in calendar year 2005. This was a savings in capital improvements of \$12,063.
- Health benefit costs decreased substantially as one employee retired and the newly elected trustee chose not to take insurance during 2006. This was a savings to the township of \$15,585.

RIDGE TOWNSHIP
WYANDOT COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2006 and 2005

Table 2 reflects the changes in net assets in 2006 and 2005.

(Table 2)
Changes in Net Assets

	<u>Governmental Activities 2006</u>	<u>Governmental Activities 2005</u>
Receipts:		
Program Receipts:		
Operating Grants and Contributions	\$ 80,301	\$ 91,181
Total Program Receipts	<u>80,301</u>	<u>91,181</u>
General Receipts:		
Property and Other Local Taxes	16,828	16,189
Other Taxes	2,141	2,166
Grants and Entitlements Not Restricted to Specific Programs	23,804	28,812
Interest	14,090	8,160
Miscellaneous	6,354	12,592
Total General Receipts	<u>63,217</u>	<u>67,919</u>
Total Receipts	<u>143,518</u>	<u>159,100</u>
Disbursements:		
General Government	19,775	24,303
Public Safety	7,196	9,198
Public Works	62,263	100,856
Health	255	1,056
Capital Outlay	3,250	15,314
Total Disbursements	<u>92,739</u>	<u>150,727</u>
Increase (Decrease) in Net Assets	50,779	8,373
Net Assets, January 1st	<u>293,527</u>	<u>285,154</u>
Net Assets, December 31st	<u><u>\$344,306</u></u>	<u><u>\$293,527</u></u>

RIDGE TOWNSHIP
WYANDOT COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2006 and 2005

Program receipts represent 55.48 percent of total receipts for 2006 and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money.

General receipts represent 44.52 percent of the Township's total receipts for 2006, and of this amount, 17.25 percent are local taxes. State and federal grants and entitlements make up the balance of the Township's general receipts (27.27 percent). Other receipts are very insignificant and somewhat unpredictable revenue sources.

Disbursements for the Township represent the overhead costs of running the Township and the support services provided for the other Township's activities. These include the costs of trustees and fiscal officer and their associated benefits. Since these costs do not represent direct services to residents, we try to limit these costs to 50% of General Fund unrestricted receipts.

Security of Persons and Property are the responsibility of the sheriff and fire protection is provide per a contract with two Townships; Public Health Services are provided by the County health department, of which the township's share is billed on an annual basis; and the trustees are committed to the cost of maintaining the roads.

Governmental Activities

If you look at the Statements of Activities, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for General Government and Public Works, which account for 21 and 67 percent of disbursements in 2006 and 16 and 67 percent of disbursements in 2005, respectively. The next three columns of the Statement entitled Program Cash Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The Net Receipt (Disbursement) column compares the program receipts to the cost of the service. The "net cost" amount represents 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 and services and the net cost is presented in Table 3.

RIDGE TOWNSHIP
WYANDOT COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2006 and 2005

(Table 3)

	Governmental Activities			
	Total Cost Of Services	Net Cost of Services	Total Cost Of Services	Net Cost of Services
	<u>2005</u>	<u>2005</u>	<u>2006</u>	<u>2006</u>
General Government	\$ 24,303	\$ 24,303	\$ 19,775	\$ 19,775
Public Safety	9,198	9,198	7,196	7,196
Public Works	100,856	9,675	62,263	(18,038)
Health	1,056	1,056	255	255
Capital Outlay	15,314	15,314	3,250	3,250
Total Expenses	\$ <u>150,727</u>	\$ <u>59,546</u>	\$ <u>92,739</u>	\$ <u>12,438</u>

The dependence upon state funding is apparent as 68% in 2006 and 45% in 2005 of governmental activities are supported through these general receipts.

The Township's Funds

Total governmental funds had receipts of \$143,519 in 2006 and \$159,100 in 2005 and disbursements of \$92,739 in 2006 and \$150,727 in 2005, which means there was an excess of revenue over expenditures for both years.

General Fund receipts were less than disbursements by \$4,198 in 2005 indicating that the General Fund is in a deficit spending situation. It was the recommendation of the trustees to allocate more of this type of expenditure to the Gasoline Fund. In 2006, general fund receipts were \$9,591 more than disbursements.

General Fund Budgeting Highlights

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During 2005, the Township amended its General Fund budget once to reflect changing circumstances. The budget was not amended for 2006. Final budgeted receipts were above original budgeted receipts in both 2005 and 2006 due to increased interest income, growth in tax receipts, and estate tax receipts. The difference between final budgeted receipts and actual receipts was not significant.

RIDGE TOWNSHIP
WYANDOT COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2006 and 2005

Final disbursements were budgeted at \$84,550 while actual disbursements were \$30,341 in 2005. Final disbursements were budgeted at \$80,222 while actual disbursements were \$25,178 in 2006. Although receipts failed to live up to expectations, appropriations were not reduced. The Township spending was very closely monitored.

Capital Assets and Debt Administration

Capital Assets

The Township's financial statements are prepared on the cash basis of accounting and thus, capital assets acquired by the district are recorded as disbursements and have not been capitalized.

Debt

The Township did not have any outstanding at the end of 2005 or 2006.

Current Issues

The challenge for all Governments is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on local taxes and have no industry to support the tax base. We rely on agriculture/residential taxes to support our General Fund. The trustees are cognizant of this fact and are controlling costs. The Township is considering the purchase of a tractor and mower in 2007. The Township has been careful to monitor expenditures for a number of years in order to make these expenditures.

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 Mary Klein, Fiscal Officer, Ridge Township, Wyandot County, 3154 Township Highway 95, Carey, OH 43316.

RIDGE TOWNSHIP
WYANDOT COUNTY, OHIO

STATEMENTS OF NET ASSETS - CASH BASIS

December 31, 2006

	<u>Governmental Activities</u>
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$ 344,306
Total Assets	<u>344,306</u>
<u>Net Assets:</u>	
Restricted For:	
Capital Projects	-
Debt Service	-
Other Purposes	251,975
Cemetery -	
Expendable	-
Non-Expendable	-
Unrestricted	<u>92,331</u>
Total Net Assets	<u>\$ 344,306</u>

The accompanying notes are an integral part of these financial statements.

RIDGE TOWNSHIP
WYANDOT COUNTY, OHIO

STATEMENT OF ACTIVITIES - CASH BASIS

For the Year Ended December 31, 2006

	<u>Cash</u> <u>Disbursements</u>	<u>Program</u> <u>Cash Receipts</u> <u>Operating Grants</u> <u>Contributions</u> <u>and Interest</u>	<u>Net (Disbursements)</u> <u>Receipts and</u> <u>Changes in Net Assets</u> <u>Governmental</u> <u>Activities</u>	<u>Total</u>
<u>Governmental Activities:</u>				
General Government	\$ 19,775	\$ -	\$ (19,775)	\$ (19,775)
Public Safety	7,196	-	(7,196)	(7,196)
Public Works	62,263	80,301	18,038	18,038
Health	255	-	(255)	(255)
Capital Outlay	3,250	-	(3,250)	(3,250)
Total Governmental Activities	<u>\$ 92,739</u>	<u>\$ 80,301</u>	<u>(12,438)</u>	<u>(12,438)</u>
 <u>General Receipts:</u>				
Property Taxes Levied for General Purposes			16,828	16,828
Other Taxes			2,141	2,141
Grants Not Restricted			23,804	23,804
Interest			14,090	14,090
Miscellaneous			6,354	6,354
Total General Receipts			<u>63,217</u>	<u>63,217</u>
Change in Net Assets			50,779	50,779
Net Assets Beginning of Year			293,527	293,527
Net Assets End of Year			<u>\$ 344,306</u>	<u>\$ 344,306</u>

The accompanying notes are an integral part of these financial statements.

RIDGE TOWNSHIP
WYANDOT COUNTY, OHIO

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
December 31, 2006

	General	Gasoline Tax	Other Governmental	Total Governmental Funds
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$ 92,331	\$ 190,890	\$ 61,085	\$ 344,306
Total Assets	92,331	190,890	61,085	344,306
<u>Fund Balances:</u>				
Unreserved, Reported in:				
General Fund	92,331	-	-	92,331
Special Revenue Funds	-	190,890	61,085	251,975
Capital Projects Funds	-	-	-	-
Total Fund Balances	\$ 92,331	\$ 190,890	\$ 61,085	\$ 344,306

The accompanying notes are an integral part of these financial statements.

RIDGE TOWNSHIP
WYANDOT COUNTY, OHIO

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS
FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended December 31, 2006

	<u>General</u>	<u>Gasoline Tax</u>	<u>Other Governmental</u>	<u>Total Governmental Funds</u>
<u>Receipts:</u>				
Property and Other Local Taxes	\$ 7,450	\$ -	\$ 9,378	\$ 16,828
Charges for Services	-	-	-	-
Fines, Licenses and Permits	-	-	-	-
Intergovernmental	21,509	80,301	4,436	106,246
Interest	4,679	8,528	883	14,090
Miscellaneous	1,131	5,223	-	6,354
Total Receipts	<u>34,769</u>	<u>94,052</u>	<u>14,697</u>	<u>143,518</u>
<u>Disbursements:</u>				
Current:				
General Government	19,775	-	-	19,775
Public Safety	4,767	-	2,430	7,196
Public Works	381	61,832	50	62,263
Health	255	-	-	255
Capital Outlay	-	-	3,250	3,250
Total Disbursements	<u>25,178</u>	<u>61,832</u>	<u>5,730</u>	<u>92,739</u>
Excess of Receipts Over (Under) Disbursements	<u>9,591</u>	<u>32,220</u>	<u>8,967</u>	<u>50,779</u>
Net Change in Fund Balances	9,591	32,220	8,967	50,779
Fund Balances Beginning of Year	82,740	158,669	52,118	293,527
Fund Balances End of Year	<u>\$ 92,331</u>	<u>\$ 190,889</u>	<u>\$ 61,085</u>	<u>\$ 344,306</u>

The accompanying notes are an integral part of these financial statements.

RIDGE TOWNSHIP
WYANDOT COUNTY, OHIO

STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND

For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		(Under)
<u>Receipts:</u>				
Property and Other Local Taxes	\$ 7,100	\$ 7,100	\$ 7,450	\$ 350
Intergovernmental	18,593	18,593	21,509	2,916
Interest	3,400	3,400	4,679	1,279
Miscellaneous	1,600	1,600	1,131	(469)
Total Receipts	30,693	30,693	34,769	4,076
<u>Disbursements:</u>				
Current:				
General Government	70,622	70,622	19,775	50,847
Public Safety	6,500	6,500	4,767	1,733
Public Works	500	500	381	119
Health	2,100	2,100	255	1,845
Total Disbursements	79,722	79,722	25,178	54,544
Excess of Receipts Over (Under) Disbursements	(49,029)	(49,029)	9,591	58,620
<u>Other Financing Sources (Uses):</u>				
Transfers Out	(500)	(500)	-	500
Total Other Financing Sources (Uses)	(500)	(500)	-	500
Net Change in Fund Balances	(49,529)	(49,529)	9,591	59,120
Fund Balance at Beginning of Year	82,740	82,740	82,740	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance at End of Year	\$ 33,211	\$ 33,211	\$ 92,331	\$ 59,120

The accompanying notes are an integral part of these financial statements.

RIDGE TOWNSHIP
WYANDOT COUNTY, OHIO

STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
GASOLINE TAX FUND

For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		(Under)
<u>Receipts:</u>				
Intergovernmental	\$ 90,000	\$ 90,000	\$ 80,301	\$ (9,699)
Interest	5,500	5,500	8,528	3,028
Miscellaneous	8,000	8,000	5,223	(2,777)
Total Receipts	103,500	103,500	94,052	(9,448)
<u>Disbursements:</u>				
Current:				
Public Works	116,700	116,700	61,832	54,868
Total Disbursements	116,700	116,700	61,832	54,868
Excess of Receipts Over (Under) Disbursements	(13,200)	(13,200)	32,220	45,420
<u>Other Financing Sources (Uses):</u>				
Other Financing Sources (Uses)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(13,200)	(13,200)	32,220	45,420
Fund Balance at Beginning of Year	158,669	158,669	158,669	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance at End of Year	\$ 145,469	\$ 145,469	\$ 190,889	\$ 45,420

The accompanying notes are an integral part of these financial statements.

RIDGE TOWNSHIP
WYANDOT COUNTY, OHIO

STATEMENTS OF NET ASSETS - CASH BASIS

December 31, 2005

	<u>Governmental Activities</u>
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$ 293,527
Total Assets	<u>293,527</u>
<u>Net Assets:</u>	
Restricted For:	
Capital Projects	-
Debt Service	-
Other Purposes	210,787
Cemetery -	-
Expendable	-
Non-Expendable	-
Unrestricted	<u>82,740</u>
Total Net Assets	<u>\$ 293,527</u>

The accompanying notes are an integral part of these financial statements.

RIDGE TOWNSHIP
WYANDOT COUNTY, OHIO

STATEMENT OF ACTIVITIES - CASH BASIS

For the Year Ended December 31, 2005

	<u>Cash</u>	<u>Program Cash Receipts Operating Grants</u>	<u>Net (Disbursements) Receipts and Changes in Net Assets</u>	
	<u>Disbursements</u>	<u>Contributions and Interest</u>	<u>Governmental Activities</u>	<u>Total</u>
<u>Governmental Activities:</u>				
General Government	\$ 24,303	\$ -	\$ (24,303)	\$ (24,303)
Public Safety	9,198	-	(9,198)	(9,198)
Public Works	100,856	91,181	(9,675)	(9,675)
Health	1,056	-	(1,056)	(1,056)
Capital Outlay	15,314	-	(15,314)	(15,314)
Total Governmental Activities	<u>\$ 150,727</u>	<u>\$ 91,181</u>	<u>(59,546)</u>	<u>(59,546)</u>
 <u>General Receipts:</u>				
Property Taxes Levied for General Purposes			16,189	16,189
Other Taxes			2,166	2,166
Grants Not Restricted			28,812	28,812
Interest			8,159	8,159
Miscellaneous			12,593	12,593
Total General Receipts			<u>67,919</u>	<u>67,919</u>
Change in Net Assets			8,373	8,373
Net Assets Beginning of Year			285,154	285,154
Net Assets End of Year			<u>\$ 293,527</u>	<u>\$ 293,527</u>

The accompanying notes are an integral part of these financial statements.

RIDGE TOWNSHIP
WYANDOT COUNTY, OHIO

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

	General	Gasoline Tax	Other Governmental	Total Governmental Funds
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$ 82,740	\$ 158,669	\$ 52,118	\$ 293,527
Total Assets	82,740	158,669	52,118	293,527
<u>Fund Balances:</u>				
Unreserved, Reported in:				
General Fund	82,740	-	-	82,740
Special Revenue Funds	-	158,669	52,118	210,787
Capital Projects Funds	-	-	-	-
Total Fund Balances	\$ 82,740	\$ 158,669	\$ 52,118	\$ 293,527

The accompanying notes are an integral part of these financial statements.

RIDGE TOWNSHIP
WYANDOT COUNTY, OHIO

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS
FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended December 31, 2005

	<u>General</u>	<u>Gasoline Tax</u>	<u>Other Governmental</u>	<u>Total Governmental Funds</u>
<u>Receipts:</u>				
Property and Other Local Taxes	\$ 7,189	\$ -	\$ 9,000	\$ 16,189
Charges for Services	-	-	-	-
Fines, Licenses and Permits	-	-	-	-
Intergovernmental	14,495	91,181	16,483	122,159
Interest	2,981	4,640	538	8,159
Miscellaneous	1,478	11,115	-	12,593
Total Receipts	<u>26,143</u>	<u>106,936</u>	<u>26,021</u>	<u>159,100</u>
<u>Disbursements:</u>				
Current:				
General Government	24,303	-	-	24,303
Public Safety	4,685	-	4,513	9,198
Public Works	297	99,204	1,355	100,856
Health	1,056	-	-	1,056
Capital Outlay	-	-	15,314	15,314
Total Disbursements	<u>30,341</u>	<u>99,204</u>	<u>21,182</u>	<u>150,727</u>
Excess of Receipts Over (Under) Disbursements	<u>(4,198)</u>	<u>7,732</u>	<u>4,839</u>	<u>8,373</u>
Net Change in Fund Balances	(4,198)	7,732	4,839	8,373
Fund Balances Beginning of Year	86,938	150,937	47,279	285,154
Fund Balances End of Year	<u>\$ 82,740</u>	<u>\$ 158,669</u>	<u>\$ 52,118</u>	<u>\$ 293,527</u>

The accompanying notes are an integral part of these financial statements.

RIDGE TOWNSHIP
WYANDOT COUNTY, OHIO

STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND

For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
<u>Receipts:</u>				
Property and Other Local Taxes	\$ 7,229	\$ 7,229	\$ 7,189	\$ (40)
Intergovernmental	24,036	24,036	14,495	(9,541)
Interest	1,300	1,300	2,981	1,681
Miscellaneous	2,500	2,500	1,478	(1,022)
Total Receipts	35,065	35,065	26,143	(8,922)
<u>Disbursements:</u>				
Current:				
General Government	72,850	72,850	24,303	48,547
Public Safety	6,000	6,000	4,685	1,315
Public Works	500	500	297	203
Health	4,200	4,200	1,056	3,144
Total Disbursements	83,550	83,550	30,341	53,209
Excess of Receipts Over (Under) Disbursements	(48,485)	(48,485)	(4,198)	44,287
<u>Other Financing Sources (Uses):</u>				
Transfers Out	(1,000)	(1,000)	-	1,000
Total Other Financing Sources (Uses)	(1,000)	(1,000)	-	1,000
Net Change in Fund Balances	(49,485)	(49,485)	(4,198)	45,287
Fund Balance at Beginning of Year	86,938	86,938	86,938	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance at End of Year	\$ 37,453	\$ 37,453	\$ 82,740	\$ 45,287

The accompanying notes are an integral part of these financial statements.

RIDGE TOWNSHIP
WYANDOT COUNTY, OHIO

STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
GASOLINE TAX FUND
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		(Under)
<u>Receipts:</u>				
Intergovernmental	\$ 85,001	\$ 85,001	\$ 91,181	\$ 6,180
Interest	2,000	2,000	4,640	2,640
Miscellaneous	7,500	7,500	11,115	3,615
Total Receipts	94,501	94,501	106,936	12,435
<u>Disbursements:</u>				
Current:				
Public Works	122,250	122,250	99,204	23,046
Total Disbursements	122,250	122,250	99,204	23,046
Excess of Receipts Over (Under) Disbursements	(27,749)	(27,749)	7,732	35,481
<u>Other Financing Sources (Uses):</u>				
Other Financing Sources (Uses)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(27,749)	(27,749)	7,732	35,481
Fund Balance at Beginning of Year	150,937	150,937	150,937	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance at End of Year	\$ 123,188	\$ 123,188	\$ 158,669	\$ 35,481

The accompanying notes are an integral part of these financial statements.

RIDGE TOWNSHIP
WYANDOT COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006 and 2005

Note 1 - Reporting Entity

The Ridge Township, Wyandot County, Ohio (the Township), is a body politic and corporate established in 1845 to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. At the organization of Wyandot County, the portion now known as Ridge Township was existing under the title of Amanda in Hancock County. It is a fractional township containing but fifteen sections, and was annexed to this county at the above date, deriving its name from the high limestone ridge which extends across its northern part. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Township Fiscal Officer.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, and cemetery maintenance. The Township contracts with the Village of Carey and the Vanlue Fire Department for fire protection. Sheriff protection is provided by the Wyandot County Sheriff's Department.

B. Component Units

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Township is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Township in that the Township approves the budget, the issuance of debt, or the levying of taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Township, are accessible to the Township and are significant in amount to the Township.

The Township has no component units.

C. Jointly Governed Organizations and Public Entity Risk Pools

The Township does not participate in any jointly governed organizations.

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

RIDGE TOWNSHIP
WYANDOT COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006 and 2005

Note 2 - Summary of Significant Accounting Policies

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

A. Basis of Presentation

The Township's basic financial statements consist of 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 - cash basis 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 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 and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function or business-type activity 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. Non-major funds are aggregated and presented in a single column.

RIDGE TOWNSHIP
WYANDOT COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006 and 2005

Note 2 - Summary of Significant Accounting Policies – (continued)

B. Fund Accounting

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

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other non-exchange transactions as governmental funds. The Township's only major governmental funds are the General Fund and Gasoline Tax Fund.

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.

Gasoline Tax Fund receives gasoline tax money for constructing, maintaining, and repairing Township roads.

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

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 cash disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, department, and object level for all funds.

RIDGE TOWNSHIP
WYANDOT COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006 and 2005

Note 2 - Summary of Significant Accounting Policies – (continued)

D. Budgetary Process – (continued)

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

Cash and cash equivalents that are held separately in accounts at a financial institution for retainage and bond reserves and debt service are reported as "Cash and Cash Equivalents with Fiscal Agents."

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.

During 2006 and 2005, the Township invested in STAR Ohio. 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, 2006 and 2005.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, Township directives or debt related restrictions. Interest receipts credited to the General Fund during 2006 and 2005 was \$4,679 and \$2,981, respectively.

RIDGE TOWNSHIP
WYANDOT COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006 and 2005

Note 2 - Summary of Significant Accounting Policies (continued)

F. Restricted Assets

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation.

G. Inventory and Prepaid Items

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

H. Capital Assets

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

I. Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for their 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.

J. 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 another financing source nor a capital outlay expenditure are reported at inception. Lease payments are reported when paid.

K. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for capital projects and debt service obligations.

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.

RIDGE TOWNSHIP
WYANDOT COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006 and 2005

Note 2 - Summary of Significant Accounting Policies (continued)

L. 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. The Township does not have any fund balance reserves.

Note 3 - Change in Basis of Accounting and Restatement of Fund Equity

For calendar year 2004, the Township reported fund financial statements by fund type using the regulatory basis of accounting as prescribed by the State Auditor's Office. For calendar years 2005 and 2006, the Township has implemented the cash basis of accounting as described in Note 2. The fund financial statements now present each major fund in a separate column with non-major 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 are presented for the general fund and the gasoline tax fund and are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget.

RIDGE TOWNSHIP
WYANDOT COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006 and 2005

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 Council has 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;

RIDGE TOWNSHIP
WYANDOT COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006 and 2005

Note 5 - Deposits and Investments – (continued)

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 (I) 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)

Protection of the Township's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by collateral pledged to the Township by the financial institution, or by a collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

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.

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2006 and 2005, the entire amount of the Township's bank balances of \$45,354 and \$41,740 were covered by FDIC insurance. There were not any deposits exposed to custodial credit risk because there was not any deposits in excess of the FDIC coverage that were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

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

RIDGE TOWNSHIP
WYANDOT COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006 and 2005

Note 5 - Deposits and Investments – (continued)

Investments

As of December 31, 2006 and 2005, the Township had the following investments:

As of December 31, 2006:

	Carrying Value	Maturity
STAR Ohio	\$ 310,937	Average
Total Portfolio	\$ 310,937	

As of December 31, 2005:

	Carrying Value	Maturity
STAR Ohio	\$ 257,267	Average
Total Portfolio	\$ 257,267	

STAR Ohio carries a rating of AAAM by Standard and Poor's. The Township has no investment policy dealing with investment credit risk beyond the requirements in state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The U.S. Treasury Bills are exposed to custodial credit risk as they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the Township's name. The Township has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M)(2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee."

Concentration of credit risk is defined by the Government Accounting Standards Board as having five percent or more invested in the securities of a single issuer. The Township places not limit on the amount it may invest in any one issuer. At December 31, 2006 and 2005, the Township had 100% of its investments with STAR Ohio.

RIDGE TOWNSHIP
WYANDOT COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006 and 2005

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 2006 represent the collection of 2005 taxes, and real property tax receipts received in 2005 represent the collection of 2004 taxes. Real property taxes received in 2006 were levied after October 1, 2005, on the assessed values as of January 1, 2005, the lien date. 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 2006 represent the collection of 2005 taxes, and public utility property tax receipts received in 2005 represent the collection of 2004 taxes. Public utility real and tangible personal property taxes received in 2006 became a lien on December 31, 2005, were levied after October 1, 2005, and are collected with real property taxes. Public utility real and tangible personal property taxes received in 2005 became a lien on December 31, 2004, 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 2006 (other than public utility property) represent the collection of 2006 taxes, and tangible personal property receipts received in 2005 (other than public utility property) represent the collection of 2005 taxes. Tangible personal property taxes received in 2006 were levied after October 1, 2005, on the true value as of December 31, 2005. 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.

RIDGE TOWNSHIP
WYANDOT COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006 and 2005

Note 6 - Property Taxes – (continued)

The full tax rate for all Township operations for the years ended December 31, 2006 and 2005, was \$2.60 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2006 and 2005 property tax receipts were as follows:

	2005		2006	
	Amount	Percent	Amount	Percent
Agricultural/Residential	\$ 8,609,510	95.91 %	\$ 8,947,190	96.15 %
Industrial/Commercial	49,790	0.55	52,290	0.56
Public Utility	21,440	0.24	21,440	0.23
Tangible Personal	296,290	3.30	284,851	3.06
Total Assessed Value	\$ 8,977,030	100.00 %	\$ 9,305,771	100.00 %
 Tax rate per \$1,000 of assessed valuation	 \$ 2.60		 \$ 2.60	

Note 7 - Risk Management

The Township belongs to the Ohio Government Risk Management Plan (the “Plan”), an unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to approximately 460 Ohio governments (“Members”).

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each Member’s needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the Members deductible.

The Plan issues its own policies and reinsures the Plan with A- VII or better rated carriers, except for the 15% casualty and the 10% property portions the Plan retains. The Plan pays the lesser of 15% or \$37,500 of casualty losses and the lesser of 10% or \$100,000 of property losses. Individual Members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

RIDGE TOWNSHIP
WYANDOT COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006 and 2005

Note 7 - Risk Management – (continued)

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other obligation to the Plan. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2005 and 2004 (the latest information available):

	<u>2005</u>	<u>2004</u>
Assets	\$8,219,430	\$6,685,522
Liabilities	<u>(2,748,639)</u>	<u>(2,227,808)</u>
Members' Equity	<u>\$5,470,791</u>	<u>\$4,457,714</u>

You can read the complete audited financial statements for The Ohio Government Risk Management Plan at the Plan's website, www.ohioplan.org

The Township also offers medical and life insurance coverage for full-time employees through a commercial insurer.

Note 8 - Defined Benefit Pension Plans

A. 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.

RIDGE TOWNSHIP
WYANDOT COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006 and 2005

Note 8 - Defined Benefit Pension Plans – (continued)

A. Ohio Public Employees Retirement System – (continued)

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, 2006 and 2005, the members of all three plans were required to contribute 9.0 and 8.5 percent of their annual covered salaries, respectively. The Township's contribution rate for pension benefits for 2006 and 2005 were 13.70 and 13.55 percent, respectively. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the traditional plan for the years ended December 31, 2006, 2005, and 2004 were \$8,064, \$7,136, and \$6,865 respectively. The full amount has been contributed for 2006, 2005 and 2004.

Note 9 - Post-employment Benefits

A. 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 2006 and 2005 local government employer contribution rates were 13.70 and 13.55 percent of covered payroll; 4.00 percent of covered payroll was the portion that was used to fund health care.

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.

RIDGE TOWNSHIP
WYANDOT COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006 and 2005

Note 9 - Post-employment Benefits – (continued)

A. Ohio Public Employees Retirement System – (continued)

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 369,214. The number of active contributing participants for both plans used in the December 31, 2005, actuarial valuation was 358,804. Actual employer contributions for 2006 and 2005 which were used to fund post-employment benefits were \$2,354 and \$2,107. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2005, (the latest information available) were \$11.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$31.3 billion and \$20.2 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. To improve solvency of the Health Care Fund, OPERS created a separate investment pool for health care assets. Member and employer contribution rates increased as of January 1, 2006 and January 1, 2007, which will allow additional funds to be allocated to the health care plan.

Note 10 -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.



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Robert E. Wendel, CPA • Dan F. Clifford, CPA • E.S. Evans, CPA, PFS (1930-1999)

August 13, 2007

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

Ridge Township
Wyandot County, Ohio

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ridge Township, Wyandot County, Ohio, (the Township) as of and for the years ended December 31, 2006 and 2005, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated August 13, 2007, wherein we noted the Township prepared its financial statements following the cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Ridge Township's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Ridge Township's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Ridge Township's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Ridge Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that a misstatement of Ridge Township's financial statements that is more than inconsequential will not be prevented or detected by the Township's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Ridge Township's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether Ridge Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 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.

In a separate letter to Ridge Township's management dated August 13, 2007, we reported a matter related to noncompliance.

We intend this report solely for the information and use of management of Ridge Township and the Auditor of State of Ohio. It is not intended for anyone other than these specified parties.

A handwritten signature in red ink, appearing to read "E. J. Evans and Company".



Mary Taylor, CPA
Auditor of State

RIDGE TOWNSHIP

WYANDOT 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
NOVEMBER 8, 2007**