



Mary Taylor, CPA  
Auditor of State



**ELK TOWNSHIP  
NOBLE COUNTY**

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# Mary Taylor, CPA

## Auditor of State

### INDEPENDENT ACCOUNTANTS' REPORT

Elk Township  
Noble County  
40814 Crum Ridge Road  
Caldwell, Ohio 43724-9724

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities and each major fund of Elk Township, Noble 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. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinions.

As discussed in Note 1, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities and each major fund of Elk Township, Noble County, Ohio, as of December 31, 2006 and 2005, and the respective changes in cash financial position and the respective budgetary comparison for the General, Motor Vehicle License Tax, Gasoline Tax, Road and Bridge, Road and Bridge Levy, Permissive Motor Vehicle License Tax, FEMA 2003, FEMA 2004, FEMA May 2004 and FEMA September 2004 Funds thereof for the years then ended in conformity with the basis of accounting Note 1 describes.

For the years ended December 31, 2006 and 2005, 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*.

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In accordance with *Government Auditing Standards*, we have also issued our report dated April 24, 2007, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

April 24, 2007



Elk Township  
Noble County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2006 and 2005  
Unaudited

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This discussion and analysis of Elk Township's, Noble County, financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2006 and 2005, 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 2006 and 2005 are as follows:

In 2006, net assets of governmental activities decreased \$8,150, or 14 percent, a significant change from the prior year. The fund most affected by the decrease in cash and cash equivalents was the Gasoline Tax Fund, which realized the greatest burden of increased costs in 2006; however, cost increases affected most funds. In addition, the Township did not receive any new FEMA grants in 2006.

In 2005, net assets of governmental activities increased \$13,477, or 29 percent, a significant change from the prior year. The fund most affected by the increase in cash and cash equivalents was the General Fund since the Township passed legislation in 2005 to move all receipts to the General Fund and with minimal receipts going to the Road and Bridge Fund. The General Fund had realized significant losses in previous years in revenue and was in need of additional amounts being deposited. After one year, it is really too soon to tell if this will completely help the General Fund or if at any time some portion will be able to go back to the Road and Bridge Fund. The reason for the overall increase was due to the receipt of FEMA grant monies in 2005.

The Township's 2006 general receipts are primarily property taxes, intergovernmental revenues and notes issued. These receipts represent respectively \$42,546 and 29 percent of the total cash received for governmental activities during 2006.

The Township's 2005 general receipts are primarily property taxes and intergovernmental revenues. These receipts represent respectively \$25,745 and 19 percent of the total cash received for governmental activities during 2005.

In 2006, the Township acquired a truck for use on roads and had to borrow funds to purchase the truck. The Township borrowed \$15,326. The truck was necessary as the Township's current truck was in need of being replaced since it was an early 1970's model.

**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.

Elk Township  
Noble County  
Management's Discussion and Analysis  
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## **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 Government 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 cash basis accounting. The statement of net assets presents the cash balances of the governmental-type activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program-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 activity draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other nonfinancial factors as well, such as the Township's property tax base, 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 taxes.

Elk Township  
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Management's Discussion and Analysis  
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Unaudited

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In the statement of net assets and the statement of activities, we divide the Township into the following activity:

Governmental activities - The Township's basic services are reported here. 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 Government's Most Significant Funds**

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. All funds of the Township are included in the governmental 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 Township's major governmental funds are General, Motor Vehicle License Tax, Gasoline Tax, Road and Bridge, Road and Bridge Levy, Permissive Motor Vehicle License Tax, FEMA 2003, FEMA 2004, FEMA May 2004, FEMA September 2004 and Note Retirement Funds. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

**The Government as a Whole**

Table 1 provides a summary of the Township's net assets for 2006 compared to 2005 and 2004 on a cash basis:

(Table 1)

**Net Assets**

	Governmental Activities		
	2006	2005	2004
<b>Assets</b>			
Cash and Cash Equivalents	\$51,714	\$59,864	\$46,387
Total Assets	\$51,714	\$59,864	\$46,387
<b>Net Assets</b>			
Restricted for:			
Debt Service	\$368	\$239	\$1,267
Other Purposes	45,835	58,600	43,995
Unrestricted	5,511	1,025	1,125
Total Net Assets	\$51,714	\$59,864	\$46,387

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Noble County  
Management's Discussion and Analysis  
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Unaudited

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As mentioned previously, net assets of governmental activities decreased \$ 8,150 or 14 percent during 2006. The primary reason contributing to the decrease in cash balance is due to increased costs in the Gasoline Tax Fund, as well as other funds. Also, there were no new FEMA grant receipts in 2006.

As mentioned previously, net assets of governmental activities increased \$13,477, or 29 percent during 2005. The primary reason contributing to the increase in cash balance is due to the receipt of FEMA funds in 2005.

Table 2 reflects the changes in net assets on a cash basis in 2006 and 2005 for governmental activities.

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

	Governmental Activities	
	<u>2006</u>	<u>2005</u>
Receipts:		
Program Receipts:		
Operating Grants and Contributions	\$100,967	\$111,984
Total Program Receipts	<u>100,967</u>	<u>111,984</u>
General Receipts:		
Property and Other Local Taxes	19,669	18,336
Grants and Entitlements Not Restricted to Specific Programs	7,551	7,409
Sale of Notes	15,326	0
Interest	129	195
Miscellaneous	1,188	200
Total General Receipts	<u>43,863</u>	<u>26,140</u>
Total Receipts	<u>144,830</u>	<u>138,124</u>
Disbursements:		
General Government	13,705	12,341
Public Safety	600	550
Public Works	113,249	108,470
Health	1,302	466
Capital Outlay	19,453	592
Debt Service:		
Principal Retirement	3,831	2,112
Interest and Fiscal Charges	840	116
Total Disbursements	<u>152,980</u>	<u>124,647</u>
Increase (Decrease) in Net Assets	(8,150)	13,477
Net Assets, January 1	<u>59,864</u>	<u>46,387</u>
Net Assets, December 31	<u>\$51,714</u>	<u>\$59,864</u>

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Noble County  
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In 2006, program receipts represent 70 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money.

General receipts represent 30 percent of the Government's total receipts, and of this amount, over 45 percent are local taxes. State and federal grants and entitlements make up 17 percent of the Township's general receipts, while Sale of Notes makes up 35 percent. Interest and Miscellaneous receipts are very insignificant and somewhat unpredictable revenue sources.

In 2005, program receipts represent 81 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money.

General receipts represent 19 percent of the Township's total receipts, and of this amount, over 70 percent are local taxes. State and federal grants and entitlements make up 28 percent of the Township's general receipts. Interest and Miscellaneous receipts are very insignificant and somewhat unpredictable revenue sources.

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 trustee and clerk salaries, medical costs, insurance, retirement and utilities.

Public Safety is the costs of fire protection; Health is the health services; Public Works is the cost of maintaining roads and bridges; Capital Outlay is the cost of equipment purchased by the Township and Debt Service is the payment of debt of the Township.

### **Governmental Activities**

If you look at the 2006 Statement of Activities on page 12, 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 2006 governmental activities are for Public Works and Capital Outlay, which account for 74 and 13 percent of all governmental disbursements, respectively. General government also represents a significant cost, about 9 percent. The next column of the Statement entitled Program Cash Receipts identify grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

If you look at the 2005 Statement of Activities on page 29, 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 2005 governmental activities are for Public Works, which account for 87 percent of all governmental disbursements. General government also represents a significant cost, about 10 percent. The next column of the Statement entitled Program Cash Receipts identify grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

Elk Township  
Noble County  
Management's Discussion and Analysis  
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(Table 3)

**Governmental Activities**

	Total Cost of Services 2006	Net Cost of Services 2006	Total Cost of Services 2005	Net Cost of Services 2005
General Government	\$13,705	\$13,705	\$12,341	\$12,341
Public Safety	600	600	550	550
Public Works	113,249	12,414	108,470	(3,060)
Health	1,302	1,302	466	466
Other	0	(132)	0	(453)
Capital Outlay	19,453	19,453	592	591
Debt Service:				
Principal Retirement	3,831	3,831	2,112	2,112
Interest and Fiscal Charges	840	840	116	116
<b>Total Expenses</b>	<b>\$152,980</b>	<b>\$52,013</b>	<b>\$124,647</b>	<b>\$12,663</b>

The dependence upon general receipts is apparent as 34 percent of 2006 governmental activities and 10 percent of 2005 governmental activities are supported through these general receipts.

**The Government's Funds**

Total governmental funds for 2006 had receipts of \$144,830 and disbursements of \$152,980. The greatest change within governmental funds occurred within the Gasoline Tax Fund. The fund balance of the Gasoline Tax Fund decreased \$17,849 as the result of increased costs for salaries and benefits and road materials and not achieving anticipated growth in receipts.

Total governmental funds for 2005 had receipts of \$138,124 and disbursements of \$124,647. The greatest change within governmental funds occurred within the Gasoline Tax Fund. The fund balance of the Gasoline Tax Fund increased \$20,437 as the result of a transfer from the FEMA fund for reimbursement.

**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 funds are the General Fund, Motor Vehicle License Tax Fund, Gasoline Tax Fund and Road and Bridge Levy Fund.

During 2006 and 2005, changes from the original budget have been minimal with the exception of the FEMA 2003 Fund in 2005 which increased \$16,655 due to the anticipation of FEMA funds.

**Capital Assets and Debt Administration**

**Capital Assets**

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

Elk Township  
Noble County  
Management's Discussion and Analysis  
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Unaudited

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Debt

At December 31, 2006, the Township's outstanding debt included \$15,326 in promissory notes issued for the purchase of a 1995 Dodge 3500 Cummins Diesel 4x4 Dump Truck. For further information regarding the Township's debt, refer to Note 10 to the basic financial statements.

**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 very little industry to support the tax base. We reviewed our sources of revenue and determined that increases were unlikely. We then reviewed the disbursement history of the Township. We have reduced spending on supplies.

**Contacting the Government'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 Susan Smith, Clerk-Treasurer, 40814 Crum Ridge Road, Caldwell, Ohio 43724-9724.

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ELK TOWNSHIP  
NOBLE COUNTY

STATEMENT OF NET ASSETS - CASH BASIS  
DECEMBER 31, 2006

	<u>Governmental Activities</u>
<b>Assets:</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 51,714
<i>Total Assets</i>	<u>\$ 51,714</u>
<b>Net Assets:</b>	
Restricted for:	
Debt Service	\$ 368
Other Purposes	45,835
Unrestricted	5,511
<i>Total Net Assets</i>	<u>\$ 51,714</u>

*The notes to the financial statements are an integral part of this statement.*

**ELK TOWNSHIP  
NOBLE COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

		<u>Program Cash Receipts</u>	<u>Net (Disbursements) Receipts and Changes in Net Assets</u>
	<u>Cash Disbursements</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
<b>Governmental Activities:</b>			
General Government	\$ 13,705	\$	\$ (13,705)
Public Safety	600		(600)
Public Works	113,249	100,835	(12,414)
Health	1,302		(1,302)
Other		132	132
Capital Outlay	19,453		(19,453)
Debt Service:			
Principal Retirement	3,831		(3,831)
Interest and Fiscal Charges	840		(840)
<i>Total Governmental Activities</i>	<u>\$ 152,980</u>	<u>\$ 100,967</u>	<u>(52,013)</u>
<b>General Receipts:</b>			
Property Taxes Levied for:			
General Purposes			19,669
Grants and Entitlements not Restricted to Specific Programs			7,551
Sale of Notes			15,326
Interest			129
Miscellaneous			1,188
<i>Total General Receipts</i>			<u>43,863</u>
<i>Change in Net Assets</i>			(8,150)
Net Assets Beginning of Year			<u>59,864</u>
<b>Net Assets End of Year</b>			<u><b>\$ 51,714</b></u>

*The notes to the financial statements are an integral part of this statement.*

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**ELK TOWNSHIP  
NOBLE COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>General</u>	<u>Motor Vehicle License Tax</u>	<u>Gasoline Tax</u>	<u>Road and Bridge</u>	<u>Road and Bridge Levy</u>
<b>Assets:</b>					
Cash	\$ 5,511	\$ 8,326	\$ 23,316	\$ 2,746	\$ 2,431
<i>Total Assets</i>	<u>\$ 5,511</u>	<u>\$ 8,326</u>	<u>\$ 23,316</u>	<u>\$ 2,746</u>	<u>\$ 2,431</u>
<b>Fund Balances:</b>					
Unreserved:					
Undesignated (Deficit), Reported in:					
General Fund	\$ 5,511	\$	\$	\$	\$
Special Revenue Funds		8,326	23,316	2,746	2,431
Debt Service Funds					
<i>Total Fund Balances</i>	<u>\$ 5,511</u>	<u>\$ 8,326</u>	<u>\$ 23,316</u>	<u>\$ 2,746</u>	<u>\$ 2,431</u>

*The notes to the financial statements are an integral part of this statement.*

<b>Permissive Motor Vehicle License Tax</b>	<b>FEMA 2003</b>	<b>FEMA 2004</b>	<b>FEMA May, 2004</b>	<b>FEMA September, 2004</b>	<b>Note Retirement</b>	<b>Total Governmental Funds</b>
\$ 1,393	\$ 349	\$ 142	\$ 2,588	\$ 4,544	\$ 368	\$ 51,714
<u>\$ 1,393</u>	<u>\$ 349</u>	<u>\$ 142</u>	<u>\$ 2,588</u>	<u>\$ 4,544</u>	<u>\$ 368</u>	<u>\$ 51,714</u>
\$ 1,393	\$ 349	\$ 142	\$ 2,588	\$ 4,544	\$ 368	\$ 5,511
						45,835
					368	368
<u>\$ 1,393</u>	<u>\$ 349</u>	<u>\$ 142</u>	<u>\$ 2,588</u>	<u>\$ 4,544</u>	<u>\$ 368</u>	<u>\$ 51,714</u>

ELK TOWNSHIP  
NOBLE COUNTY

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES  
IN CASH BASIS FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	General	Motor Vehicle License Tax	Gasoline Tax	Road and Bridge	Road and Bridge Levy	Permissive Motor Vehicle License Tax
<b>Cash Receipts:</b>						
Property and Other Local Taxes	\$ 11,225	\$	\$	\$ 98	\$ 8,346	\$
Intergovernmental	7,551	16,311	76,742		932	772
Interest	129	34	92			6
Other	1,188					
<i>Total Receipts</i>	<u>20,093</u>	<u>16,345</u>	<u>76,834</u>	<u>98</u>	<u>9,278</u>	<u>778</u>
<b>Cash Disbursements:</b>						
Current:						
General Government	13,705					
Public Safety	600					
Public Works		8,300	94,683	2,507	7,759	
Health	1,302					
Capital Outlay			15,326			
Debt Service:						
Principal Retirement						
Interest and Fiscal Charges						
<i>Total Disbursements</i>	<u>15,607</u>	<u>8,300</u>	<u>110,009</u>	<u>2,507</u>	<u>7,759</u>	<u>0</u>
<i>Excess of Cash Receipts Over (Under) Cash Disbursements</i>	<u>4,486</u>	<u>8,045</u>	<u>(33,175)</u>	<u>(2,409)</u>	<u>1,519</u>	<u>778</u>
<b>Other Financing Sources (Uses):</b>						
Sale of Notes			15,326			
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>15,326</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	4,486	8,045	(17,849)	(2,409)	1,519	778
Fund Balances Beginning of Year	<u>1,025</u>	<u>281</u>	<u>41,165</u>	<u>5,155</u>	<u>912</u>	<u>615</u>
<b>Fund Balances End of Year</b>	<b><u>\$ 5,511</u></b>	<b><u>\$ 8,326</u></b>	<b><u>\$ 23,316</u></b>	<b><u>\$ 2,746</u></b>	<b><u>\$ 2,431</u></b>	<b><u>\$ 1,393</u></b>

The notes to the financial statements are an integral part of this statement.

<u>FEMA</u>	<u>FEMA 2004</u>	<u>FEMA May 2004</u>	<u>FEMA Spetember 2004</u>	<u>Note Retirement</u>	<u>Total Governmental Funds</u>
\$	\$	\$	\$	\$	\$
		383	895	4,800	19,669
					108,386
					261
					1,188
<u>0</u>	<u>0</u>	<u>383</u>	<u>895</u>	<u>4,800</u>	<u>129,504</u>
					13,705
					600
					113,249
					1,302
160			3,967		19,453
				3,831	3,831
				840	840
<u>160</u>	<u>0</u>	<u>0</u>	<u>3,967</u>	<u>4,671</u>	<u>152,980</u>
<u>(160)</u>	<u>0</u>	<u>383</u>	<u>(3,072)</u>	<u>129</u>	<u>(23,476)</u>
					15,326
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15,326</u>
(160)	0	383	(3,072)	129	(8,150)
509	142	2,205	7,616	239	59,864
<u>\$ 349</u>	<u>\$ 142</u>	<u>\$ 2,588</u>	<u>\$ 4,544</u>	<u>\$ 368</u>	<u>\$ 51,714</u>

ELK TOWNSHIP  
NOBLE COUNTY

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts:</b>				
Property and Other Local Taxes	\$ 9,270	\$ 9,270	\$ 11,225	\$ 1,955
Intergovernmental	7,770	7,770	7,551	(219)
Interest			129	129
Other			1,188	1,188
<i>Total Receipts</i>	17,040	17,040	20,093	3,053
<b>Disbursements:</b>				
Current:				
General Government	13,752	14,058	13,705	353
Public Safety	1,000	1,000	600	400
Health	663	1,598	1,302	296
<i>Total Disbursements</i>	15,415	16,656	15,607	1,049
<i>Net Change in Fund Balance</i>	1,625	384	4,486	4,102
Fund Balance Beginning of Year	1,025	1,025	1,025	0
<b><i>Fund Balance End of Year</i></b>	<b>\$ 2,650</b>	<b>\$ 1,409</b>	<b>\$ 5,511</b>	<b>\$ 4,102</b>

*The notes to the financial statements are an integral part of this statement.*



ELK TOWNSHIP  
NOBLE 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, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts:</b>				
Intergovernmental	\$ 15,880	\$ 15,880	\$ 16,311	\$ 431
Interest			34	34
<i>Total Receipts</i>	<u>15,880</u>	<u>15,880</u>	<u>16,345</u>	<u>465</u>
<b>Disbursements:</b>				
Current:				
Public Works	15,797	15,857	8,300	7,557
<i>Total Disbursements</i>	<u>15,797</u>	<u>15,857</u>	<u>8,300</u>	<u>7,557</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	83	23	8,045	8,022
Fund Balance Beginning of Year	<u>281</u>	<u>281</u>	<u>281</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u><b>\$ 364</b></u>	<u><b>\$ 304</b></u>	<u><b>\$ 8,326</b></u>	<u><b>\$ 8,022</b></u>

*The notes to the financial statements are an integral part of this statement.*

ELK TOWNSHIP  
NOBLE COUNTY

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GASOLINE TAX FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts:</b>				
Intergovernmental	\$ 72,430	\$ 72,430	\$ 76,742	\$ 4,312
Interest			92	92
<i>Total Receipts</i>	<u>72,430</u>	<u>72,430</u>	<u>76,834</u>	<u>4,404</u>
<b>Disbursements:</b>				
Current:				
Public Works	111,452	111,687	94,683	17,004
Capital Outlay			15,326	(15,326)
<i>Total Disbursements</i>	<u>111,452</u>	<u>111,687</u>	<u>110,009</u>	<u>1,678</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(39,022)</u>	<u>(39,257)</u>	<u>(33,175)</u>	<u>6,082</u>
<b>Other Financing Sources (Uses):</b>				
Sale of Notes			15,326	15,326
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>15,326</u>	<u>15,326</u>
<i>Net Change in Fund Balance</i>	(39,022)	(39,257)	(17,849)	21,408
Fund Balance Beginning of Year	<u>41,165</u>	<u>41,165</u>	<u>41,165</u>	<u>0</u>
<b><i>Fund Balance End of Year</i></b>	<b><u>\$ 2,143</u></b>	<b><u>\$ 1,908</u></b>	<b><u>\$ 23,316</u></b>	<b><u>\$ 21,408</u></b>

*The notes to the financial statements are an integral part of this statement.*

ELK TOWNSHIP  
NOBLE COUNTY

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
ROAD AND BRIDGE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts:</b>				
Property and Other Local Taxes	\$	\$	\$ 98	\$ 98
<i>Total Receipts</i>	<u>0</u>	<u>0</u>	<u>98</u>	<u>98</u>
<b>Disbursements</b>				
Current:				
Public Works	4,250	4,506	2,507	1,999
<i>Total Disbursements</i>	<u>4,250</u>	<u>4,506</u>	<u>2,507</u>	<u>1,999</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(4,250)	(4,506)	(2,409)	2,097
Fund Balance Beginning of Year	<u>5,155</u>	<u>5,155</u>	<u>5,155</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<b><u>\$ 905</u></b>	<b><u>\$ 649</u></b>	<b><u>\$ 2,746</u></b>	<b><u>\$ 2,097</u></b>

*The notes to the financial statements are an integral part of this statement.*

ELK TOWNSHIP  
NOBLE COUNTY

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
ROAD AND BRIDGE LEVY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts:</b>				
Property and Other Local Taxes	\$ 8,485	\$ 8,485	\$ 8,346	\$ (139)
Intergovernmental	200	200	932	732
<i>Total Receipts</i>	8,685	8,685	9,278	593
<b>Disbursements</b>				
Current:				
Public Works	9,550	9,550	7,759	1,791
<i>Total Disbursements</i>	9,550	9,550	7,759	1,791
<i>Excess of Receipts Over (Under) Disbursements</i>	(865)	(865)	1,519	2,384
Fund Balance Beginning of Year	913	913	912	(1)
<b>Fund Balance End of Year</b>	<b>\$ 48</b>	<b>\$ 48</b>	<b>\$ 2,431</b>	<b>\$ 2,383</b>

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ELK TOWNSHIP  
NOBLE COUNTY

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
PERMISSIVE MOTOR VEHICLE LICENSE TAX FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts:</b>				
Intergovernmental	\$ 688	\$ 688	\$ 772	\$ 84
Interest			6	6
<i>Total Receipts</i>	<u>688</u>	<u>688</u>	<u>778</u>	<u>90</u>
<b>Disbursements</b>				
Current:				
Public Works	1,303	1,303		1,303
<i>Total Disbursements</i>	<u>1,303</u>	<u>1,303</u>	<u>0</u>	<u>1,303</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(615)	(615)	778	1,393
Fund Balance Beginning of Year	<u>615</u>	<u>615</u>	<u>615</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u><b>\$ 0</b></u>	<u><b>\$ 0</b></u>	<u><b>\$ 1,393</b></u>	<u><b>\$ 1,393</b></u>

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ELK TOWNSHIP  
NOBLE COUNTY

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
FEMA 2003 FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Disbursements</b>				
Current:				
Capital Outlay	\$ 509	\$ 509	\$ 160	\$ 349
<i>Total Disbursements</i>	<u>509</u>	<u>509</u>	<u>160</u>	<u>349</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(509)	(509)	(160)	349
Fund Balance Beginning of Year	<u>509</u>	<u>509</u>	<u>509</u>	<u>0</u>
<b><i>Fund Balance End of Year</i></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>349</u></b>	<b><u>349</u></b>

*The notes to the financial statements are an integral part of this statement.*

**ELK TOWNSHIP  
NOBLE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
FEMA 2004 FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Disbursements</b>				
Current:				
Capital Outlay	\$ 142	\$ 142	\$	\$ 142
<i>Total Disbursements</i>	<u>142</u>	<u>142</u>	<u>0</u>	<u>142</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(142)	(142)	0	142
Fund Balance Beginning of Year	<u>142</u>	<u>142</u>	<u>142</u>	<u>0</u>
<b><i>Fund Balance End of Year</i></b>	<b><u>\$ 0</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 142</u></b>	<b><u>\$ 142</u></b>

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ELK TOWNSHIP  
NOBLE COUNTY

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
FEMA MAY, 2004 FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts:</b>				
Intergovernmental	\$	\$	\$ 383	\$ 383
<i>Total Receipts</i>	<u>0</u>	<u>0</u>	<u>383</u>	<u>383</u>
<b>Disbursements</b>				
Current:				
Capital Outlay	2,205	2,205		2,205
<i>Total Disbursements</i>	<u>2,205</u>	<u>2,205</u>	<u>0</u>	<u>2,205</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(2,205)	(2,205)	383	2,588
Fund Balance Beginning of Year	<u>2,205</u>	<u>2,205</u>	<u>2,205</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u><b>\$ 0</b></u>	<u><b>\$ 0</b></u>	<u><b>\$ 2,588</b></u>	<u><b>\$ 2,588</b></u>

*The notes to the financial statements are an integral part of this statement.*



ELK TOWNSHIP  
NOBLE COUNTY

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
FEMA SEPTEMBER, 2004 FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts:</b>				
Intergovernmental	\$	\$	\$ 895	\$ 895
<i>Total Receipts</i>	<u>0</u>	<u>0</u>	<u>895</u>	<u>895</u>
<b>Disbursements</b>				
Current:				
Capital Outlay	7,616	7,616	3,967	3,649
<i>Total Disbursements</i>	<u>7,616</u>	<u>7,616</u>	<u>3,967</u>	<u>3,649</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(7,616)	(7,616)	(3,072)	4,544
Fund Balance Beginning of Year	<u>7,616</u>	<u>7,616</u>	<u>7,616</u>	<u>0</u>
<b><i>Fund Balance End of Year</i></b>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 4,544</u></u>	<u><u>\$ 4,544</u></u>

*The notes to the financial statements are an integral part of this statement.*

ELK TOWNSHIP  
NOBLE COUNTY

STATEMENT OF NET ASSETS - CASH BASIS  
DECEMBER 31, 2005

	<u>Governmental Activities</u>
<b>Assets:</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 59,864
<i>Total Assets</i>	<u>\$ 59,864</u>
<b>Net Assets:</b>	
Restricted for:	
Debt Service	\$ 239
Other Purposes	58,600
Unrestricted	1,025
<i>Total Net Assets</i>	<u>\$ 59,864</u>

*The notes to the financial statements are an integral part of this statement.*

**ELK TOWNSHIP  
NOBLE COUNTY**

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

		<u>Program Cash Receipts</u>	<u>Net (Disbursements) Receipts and Changes in Net Assets</u>
	<u>Cash Disbursements</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
<b>Governmental Activities:</b>			
General Government	\$ 12,341	\$	\$ (12,341)
Public Safety	550		(550)
Public Works	108,470	111,530	3,060
Health	466		(466)
Other		453	453
Capital Outlay	592	1	(591)
Debt Service:			
Principal Retirement	2,112		(2,112)
Interest and Fiscal Charges	116		(116)
<i>Total Governmental Activities</i>	<u>\$ 124,647</u>	<u>\$ 111,984</u>	<u>(12,663)</u>
<b>General Receipts:</b>			
Property Taxes Levied for:			
General Purposes			18,336
Grants and Entitlements not Restricted to Specific Programs			7,409
Interest			195
Miscellaneous			200
<i>Total General Receipts</i>			<u>26,140</u>
<i>Change in Net Assets</i>			13,477
Net Assets Beginning of Year			<u>46,387</u>
<b>Net Assets End of Year</b>			<u><b>\$ 59,864</b></u>

*The notes to the financial statements are an integral part of this statement.*

**ELK TOWNSHIP  
NOBLE COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<b>General</b>	<b>Motor Vehicle License Tax</b>	<b>Gasoline Tax</b>	<b>Road and Bridge</b>	<b>Road and Bridge Levy</b>
<b>Assets:</b>					
Cash	\$ 1,025	\$ 281	\$ 41,165	\$ 5,155	\$ 912
<i>Total Assets</i>	<u>\$ 1,025</u>	<u>\$ 281</u>	<u>\$ 41,165</u>	<u>\$ 5,155</u>	<u>\$ 912</u>
<b>Fund Balances:</b>					
Unreserved:					
Undesignated (Deficit), Reported in:					
General Fund	\$ 1,025	\$	\$	\$	\$
Special Revenue Funds		281	41,165	5,155	912
Debt Service Funds					
<i>Total Fund Balances</i>	<u>\$ 1,025</u>	<u>\$ 281</u>	<u>\$ 41,165</u>	<u>\$ 5,155</u>	<u>\$ 912</u>

*The notes to the financial statements are an integral part of this statement.*

<u>Permissive Motor Vehicle License Tax</u>	<u>FEMA 2003</u>	<u>FEMA 2004</u>	<u>FEMA May, 2004</u>	<u>FEMA September, 2004</u>	<u>Note Retirement</u>	<u>Total Governmental Funds</u>
\$ 615	\$ 509	\$ 142	\$ 2,205	\$ 7,616	\$ 239	\$ 59,864
<u>\$ 615</u>	<u>\$ 509</u>	<u>\$ 142</u>	<u>\$ 2,205</u>	<u>\$ 7,616</u>	<u>\$ 239</u>	<u>\$ 59,864</u>
\$ 615	\$ 509	\$ 142	\$ 2,205	\$ 7,616	\$ 239	\$ 1,025
						\$ 58,600
					239	239
<u>\$ 615</u>	<u>\$ 509</u>	<u>\$ 142</u>	<u>\$ 2,205</u>	<u>\$ 7,616</u>	<u>\$ 239</u>	<u>\$ 59,864</u>

ELK TOWNSHIP  
NOBLE COUNTY

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

	General	Motor Vehicle License Tax	Gasoline Tax	Road and Bridge	Road and Bridge Levy	Permissive Motor Vehicle License Tax
<b>Cash Receipts:</b>						
Property and Other Local Taxes	\$ 5,541	\$	\$	\$ 4,617	\$ 8,178	\$
Intergovernmental	6,868	15,880	76,033	541	952	689
Special Assessments	453					
Interest	195	37	80			4
Other	200					
<i>Total Receipts</i>	<u>13,257</u>	<u>15,917</u>	<u>76,113</u>	<u>5,158</u>	<u>9,130</u>	<u>693</u>
<b>Cash Disbursements:</b>						
Current:						
General Government	12,341					
Public Safety	550					
Public Works		19,743	72,331	3,108	12,538	750
Health	466					
Capital Outlay						
Debt Service:						
Principal Retirement						
Interest and Fiscal Charges						
<i>Total Disbursements</i>	<u>13,357</u>	<u>19,743</u>	<u>72,331</u>	<u>3,108</u>	<u>12,538</u>	<u>750</u>
<i>Excess of Cash Receipts Over (Under) Cash Disbursements</i>	<u>(100)</u>	<u>(3,826)</u>	<u>3,782</u>	<u>2,050</u>	<u>(3,408)</u>	<u>(57)</u>
<b>Other Financing Sources (Uses):</b>						
Transfers In			16,655			
Transfers Out						
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>16,655</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(100)	(3,826)	20,437	2,050	(3,408)	(57)
Fund Balances Beginning of Year	<u>1,125</u>	<u>4,107</u>	<u>20,728</u>	<u>3,105</u>	<u>4,320</u>	<u>672</u>
<b>Fund Balances End of Year</b>	<b><u>\$ 1,025</u></b>	<b><u>\$ 281</u></b>	<b><u>\$ 41,165</u></b>	<b><u>\$ 5,155</u></b>	<b><u>\$ 912</u></b>	<b><u>\$ 615</u></b>

The notes to the financial statements are an integral part of this statement.

<u>FEMA</u>	<u>FEMA 2004</u>	<u>FEMA May 2004</u>	<u>FEMA Spetember 2004</u>	<u>Note Retirement</u>	<u>Total Governmental Funds</u>
\$ 16,655	\$	\$	\$	\$ 1,200	\$ 18,336
		1			118,818
					453
					317
					200
<u>16,655</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>1,200</u>	<u>138,124</u>
					12,341
					550
					108,470
					466
203			389		592
				2,112	2,112
				116	116
<u>203</u>	<u>0</u>	<u>0</u>	<u>389</u>	<u>2,228</u>	<u>124,647</u>
<u>16,452</u>	<u>0</u>	<u>1</u>	<u>(389)</u>	<u>(1,028)</u>	<u>13,477</u>
					16,655
<u>(16,655)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(16,655)</u>
<u>(16,655)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(203)	0	1	(389)	(1,028)	13,477
<u>712</u>	<u>142</u>	<u>2,204</u>	<u>8,005</u>	<u>1,267</u>	<u>46,387</u>
<u>\$ 509</u>	<u>\$ 142</u>	<u>\$ 2,205</u>	<u>\$ 7,616</u>	<u>\$ 239</u>	<u>\$ 59,864</u>

ELK TOWNSHIP  
NOBLE 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>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts:</b>				
Property and Other Local Taxes	\$ 8,250	\$ 8,250	\$ 5,541	\$ (2,709)
Intergovernmental	6,960	6,960	6,868	(92)
Special Assessments			453	453
Interest			195	195
Other			200	200
<i>Total receipts</i>	<u>15,210</u>	<u>15,210</u>	<u>13,257</u>	<u>(1,953)</u>
<b>Disbursements:</b>				
Current:				
General Government	12,551	12,594	12,341	253
Public Safety	850	807	550	257
Health	116	605	466	139
<i>Total Disbursements</i>	<u>13,517</u>	<u>14,006</u>	<u>13,357</u>	<u>649</u>
<i>Net Change in Fund Balance</i>	1,693	1,204	(100)	(1,304)
Fund Balance Beginning of Year	<u>1,125</u>	<u>1,125</u>	<u>1,125</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<b><u>\$ 2,818</u></b>	<b><u>\$ 2,329</u></b>	<b><u>\$ 1,025</u></b>	<b><u>\$ (1,304)</u></b>

*The notes to the financial statements are an integral part of this statement.*



ELK TOWNSHIP  
NOBLE 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>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts:</b>				
Intergovernmental	\$ 16,230	\$ 16,230	\$ 15,880	\$ (350)
Interest			37	37
<i>Total receipts</i>	<u>16,230</u>	<u>16,230</u>	<u>15,917</u>	<u>(313)</u>
<b>Disbursements:</b>				
Current:				
Public Works	<u>20,125</u>	<u>20,225</u>	<u>19,743</u>	<u>482</u>
<i>Total Disbursements</i>	<u>20,125</u>	<u>20,225</u>	<u>19,743</u>	<u>482</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(3,895)	(3,995)	(3,826)	169
Fund Balance Beginning of Year	<u>4,107</u>	<u>4,107</u>	<u>4,107</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<b><u>\$ 212</u></b>	<b><u>\$ 112</u></b>	<b><u>\$ 281</u></b>	<b><u>\$ 169</u></b>

*The notes to the financial statements are an integral part of this statement.*

ELK TOWNSHIP  
NOBLE COUNTY

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

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts:</b>				
Intergovernmental	\$ 66,290	\$ 66,290	\$ 76,033	\$ 9,743
Interest			80	80
<i>Total receipts</i>	<u>66,290</u>	<u>66,290</u>	<u>76,113</u>	<u>9,823</u>
<b>Disbursements:</b>				
Current:				
Public Works	75,700	75,742	72,331	3,411
<i>Total Disbursements</i>	<u>75,700</u>	<u>75,742</u>	<u>72,331</u>	<u>3,411</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(9,410)</u>	<u>(9,452)</u>	<u>3,782</u>	<u>13,234</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In			16,655	16,655
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>16,655</u>	<u>16,655</u>
<i>Net Change in Fund Balance</i>	(9,410)	(9,452)	20,437	29,889
Fund Balance Beginning of Year	<u>20,728</u>	<u>20,728</u>	<u>20,728</u>	<u>0</u>
<b><i>Fund Balance End of Year</i></b>	<b><u>\$ 11,318</u></b>	<b><u>\$ 11,276</u></b>	<b><u>\$ 41,165</u></b>	<b><u>\$ 29,889</u></b>

*The notes to the financial statements are an integral part of this statement.*

ELK TOWNSHIP  
NOBLE COUNTY

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts:</b>				
Property and Other Local Taxes	\$ 4,375	\$ 4,375	\$ 4,617	\$ 242
Intergovernmental	620	620	541	(79)
<i>Total receipts</i>	<u>4,995</u>	<u>4,995</u>	<u>5,158</u>	<u>163</u>
<b>Disbursements</b>				
Current:				
Public Works	6,931	6,931	3,108	3,823
<i>Total Disbursements</i>	<u>6,931</u>	<u>6,931</u>	<u>3,108</u>	<u>3,823</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(1,936)	(1,936)	2,050	3,986
Fund Balance Beginning of Year	<u>3,105</u>	<u>3,105</u>	<u>3,105</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u><b>\$ 1,169</b></u>	<u><b>\$ 1,169</b></u>	<u><b>\$ 5,155</b></u>	<u><b>\$ 3,986</b></u>

*The notes to the financial statements are an integral part of this statement.*

**ELK TOWNSHIP  
NOBLE COUNTY**

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts:</b>				
Property and Other Local Taxes	\$ 7,860	\$ 7,860	\$ 8,178	\$ 318
Intergovernmental	980	980	952	(28)
<i>Total receipts</i>	<u>8,840</u>	<u>8,840</u>	<u>9,130</u>	<u>290</u>
<b>Disbursements</b>				
Current:				
Public Works	12,950	12,950	12,538	412
<i>Total Disbursements</i>	<u>12,950</u>	<u>12,950</u>	<u>12,538</u>	<u>412</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(4,110)	(4,110)	(3,408)	702
Fund Balance Beginning of Year	<u>4,320</u>	<u>4,320</u>	<u>4,320</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u><b>\$ 210</b></u>	<u><b>\$ 210</b></u>	<u><b>\$ 912</b></u>	<u><b>\$ 702</b></u>

*The notes to the financial statements are an integral part of this statement.*

**ELK TOWNSHIP  
NOBLE COUNTY**

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Receipts:</b>				
Intergovernmental	\$ 690	\$ 690	\$ 689	\$ (1)
Interest			4	4
<i>Total receipts</i>	<u>690</u>	<u>690</u>	<u>693</u>	<u>3</u>
<b>Disbursements</b>				
Current:				
Public Works	1,362	1,362	750	612
<i>Total Disbursements</i>	<u>1,362</u>	<u>1,362</u>	<u>750</u>	<u>612</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(672)	(672)	(57)	615
Fund Balance Beginning of Year	<u>672</u>	<u>672</u>	<u>672</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u><b>\$ 0</b></u>	<u><b>\$ 0</b></u>	<u><b>\$ 615</b></u>	<u><b>\$ 615</b></u>

*The notes to the financial statements are an integral part of this statement.*

ELK TOWNSHIP  
NOBLE COUNTY

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
FEMA 2003 FUND  
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts:</b>				
Intergovernmental	\$	\$ 16,655	\$ 16,655	\$ 0
<i>Total receipts</i>	<u>0</u>	<u>16,655</u>	<u>16,655</u>	<u>0</u>
<b>Disbursements</b>				
Current:				
Capital Outlay	712	712	203	509
<i>Total Disbursements</i>	<u>712</u>	<u>712</u>	<u>203</u>	<u>509</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(712)	15,943	16,452	509
<b>Other Financing Sources (Uses)</b>				
Transfers Out	0	(16,655)	(16,655)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(16,655)</u>	<u>(16,655)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(712)	(712)	(203)	509
Fund Balance Beginning of Year	<u>712</u>	<u>712</u>	<u>712</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 509</u></u>	<u><u>\$ 509</u></u>

*The notes to the financial statements are an integral part of this statement.*

ELK TOWNSHIP  
NOBLE COUNTY

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
FEMA 2004 FUND  
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Disbursements</b>				
Current:				
Capital Outlay	\$ 142	\$ 142		\$ 142
<i>Total Disbursements</i>	<u>142</u>	<u>142</u>	<u>0</u>	<u>142</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(142)	(142)	0	142
Fund Balance Beginning of Year	<u>142</u>	<u>142</u>	<u>142</u>	<u>0</u>
<b><i>Fund Balance End of Year</i></b>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 142</u></u>	<u><u>\$ 142</u></u>

*The notes to the financial statements are an integral part of this statement.*

ELK TOWNSHIP  
NOBLE COUNTY

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
FEMA MAY, 2004 FUND  
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts:</b>				
Interest	\$ 0	\$ 0	\$ 1	\$ 1
<i>Total receipts</i>	<u>0</u>	<u>0</u>	<u>1</u>	<u>1</u>
<b>Disbursements</b>				
Current:				
Capital Outlay	2,204	2,204		2,204
<i>Total Disbursements</i>	<u>2,204</u>	<u>2,204</u>	<u>0</u>	<u>2,204</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(2,204)	(2,204)	1	2,205
Fund Balance Beginning of Year	<u>2,204</u>	<u>2,204</u>	<u>2,204</u>	<u>0</u>
<b><i>Fund Balance End of Year</i></b>	<b><u>\$ 0</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 2,205</u></b>	<b><u>\$ 2,205</u></b>

*The notes to the financial statements are an integral part of this statement.*



ELK TOWNSHIP  
NOBLE COUNTY

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
FEMA SEPTEMBER, 2004 FUND  
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Disbursements</b>				
Current:				
Capital Outlay		\$ 2,000	\$ 389	\$ 1,611
<i>Total Disbursements</i>	<u>0</u>	<u>2,000</u>	<u>389</u>	<u>1,611</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	0	(2,000)	(389)	1,611
Fund Balance Beginning of Year	<u>8,005</u>	<u>8,005</u>	<u>8,005</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u><b>\$ 8,005</b></u>	<u><b>\$ 6,005</b></u>	<u><b>\$ 7,616</b></u>	<u><b>\$ 1,611</b></u>

*The notes to the financial statements are an integral part of this statement.*

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Elk Township  
Noble County  
Notes to the Financial Statements  
For the Years Ended December 31, 2006 and 2005

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**Note 1 – Reporting Entity**

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

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

**A. Primary Government**

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, and cemetery maintenance. The Township contracts with Bethel Township and Salem Township for fire protection. Police protection is provided by Noble County Sheriff's Office.

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

**Note 2 – Summary of Significant Accounting Policies**

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, 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 and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

**Note 2 – Summary of Significant Accounting Policies (Continued)**

A. Basis of Presentation (Continued)

Government-Wide Financial Statements (Continued)

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

Fund Financial Statements

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

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.

Governmental Funds

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

**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.

**Motor Vehicle License Tax Fund:** This fund receives motor vehicle license tax money for constructing, maintaining, and repairing Township roads and bridges.

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

**Road and Bridge Fund:** This fund receives property tax money for constructing, maintaining, and repairing Township roads and bridges.

**Road and Bridge Levy Fund:** This fund receives levied property tax money for constructing, maintaining, and repairing Township roads and bridges.

**Permissive Motor Vehicle License Tax:** This fund receives permissive motor vehicle license tax money for constructing, maintaining, and repairing Township roads and bridges.

**Note 2 – Summary of Significant Accounting Policies (Continued)**

**B. Fund Accounting (Continued)**

**Governmental Funds (Continued)**

**FEMA 2003 Fund:** This fund was used to account for federal grant proceeds as a result of 2003 flood damage in Elk Township.

**FEMA 2004 Fund:** This fund was used to account for federal grant proceeds as a result of February, 2004 flood damage in Elk Township.

**FEMA May, 2004 Fund:** This fund was used to account for federal grant proceeds as a result of May, 2004 flood damage in Elk Township.

**FEMA September, 2004 Fund:** This fund was used to account for federal grant proceeds as a result of September, 2004 flood damage in Elk Township.

**Note Retirement Fund:** This fund receives levied gasoline excise tax money for the repayment of Township debt related to the purchase of the 1995 Dodge Cummins Diesel 4x4 Dump Truck and 1977 Case W14 Loader.

The Township did not have any other governmental funds.

**C. Basis of Accounting**

The Township's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Township are described in the appropriate section in this note.

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

**D. Budgetary Process**

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

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township 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.

**Note 2 – Summary of Significant Accounting Policies (Continued)**

**D. Budgetary Process (Continued)**

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

**E. Cash**

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

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2006 was \$129 which includes \$101 assigned from other Township funds. Interest receipts credited to the General Fund during 2005 was \$195 which includes \$185 assigned from other Township funds.

**F. Inventory and Prepaid Items**

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

**G. Capital Assets**

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

**H. Employer Contributions to Cost-Sharing Pension Plans**

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

**I. 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.

**J. 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 road maintenance, fire protection, ambulance services and debt repayment. 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.

**Note 2 – Summary of Significant Accounting Policies (Continued)**

**K. 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.

**L. Interfund Transactions**

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

**Note 3 – Change in Basis of Accounting and Restatement of Fund Equity**

In the prior audit the Township reported fund financial statements by fund type using the regulatory basis of accounting as prescribed by the State Auditor's Office. For this audit period, the Township has implemented the cash basis of accounting described in Note 2. The fund financial statements now present each major fund in a separate column with nonmajor funds aggregated and presented in a single column, rather than a column for each fund type.

**Note 4 – Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund and the following major special revenue funds: Motor Vehicle License Tax Fund, Gasoline Tax Fund, Road and Bridge Fund, Road and Bridge Levy Fund, Permissive Motor Vehicle License Tax Fund, FEMA 2003 Fund, FEMA 2004 Fund, FEMA May, 2004 Fund and FEMA September, 2004 Fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget.

**Note 5 – Deposits and Investments**

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

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

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

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

**Note 5 – Deposits and Investments (Continued)**

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

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

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.

**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 and 2005 represent the collection of 2005 and 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.



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**Note 6 – Property Taxes (Continued)**

Public utility property tax receipts received in 2006 and 2005 represent the collection of 2005 and 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 and 2005 (other than public utility property) represent the collection of 2006 and 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.

The full tax rate for all Township operations for the year ended December 31, 2006 and 2005, was \$53.35 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 based are as follows:

	2006	2005
Real Property		
Residential	\$ 1,002,070	\$ 880,740
Agricultural	3,727,660	3,222,780
Commercial/Industrial/Mineral	139,180	146,010
Tangible Personal Property		
Business	309,030	293,670
Public Utility	500,140	429,940
Total Assessed Value	\$ 5,678,080	\$ 4,973,140

**Note 7 – Risk Management**

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 townships pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Coverage

OTARMA retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year. Townships can elect additional coverage, from \$2,000,000 to \$12,000,000 with the General Reinsurance Corporation, through contracts with OTARMA.

If losses exhaust OTARMA's retained earnings, APEEP provides *excess of funds available* coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

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**Note 7 – Risk Management (Continued)**

Property Coverage

Through 2004, OTARMA retained property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsured losses exceeding \$100,000 up to \$500 million per occurrence.

Beginning in 2005, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable value. If the stop loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2005 was \$1,682,589.

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

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

Financial Position

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

<u>Casualty Coverage</u>	<u>2005</u>	<u>2004</u>
Assets	\$30,485,638	\$28,132,620
Liabilities	<u>(12,344,576)</u>	<u>(11,086,379)</u>
Retained earnings	<u>\$18,141,062</u>	<u>\$17,046,241</u>

<u>Property Coverage</u>	<u>2005</u>	<u>2004</u>
Assets	\$9,177,796	\$7,588,343
Liabilities	<u>(1,406,031)</u>	<u>(543,176)</u>
Retained earnings	<u>\$7,771,765</u>	<u>\$7,045,167</u>

At December 21, 2005 and 2004, respectively, casualty coverage assets and retained earnings noted above include approximately \$11.6 million and \$10.3 million of estimated incurred claims that will be paid subsequent to December 31, 2005 and 2004, respectively. These amounts will be billed and collected from members in the future when the related claims are due for payment. Because OTARMA is a public entity risk pool that shares risk management among its members, a specific liability related to the Township can not be reasonably estimated.

**Note 7 – Risk Management (Continued)**

After completing one year of membership, members may withdraw on each anniversary date they joined OTARMA. They must provide written notice to OTARMA 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to withdrawal. Withdrawing members have no other future obligation to the pool.

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

<u>Year</u>	<u>Contribution</u>
2006	\$2,606
2005	\$2,136

**Note 8 – Defined Benefit Pension Plan**

**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.

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, the members of all three plans, were required to contribute 9 percent of their annual covered salaries. The Township's contribution rate for pension benefits for 2006 was 13.7 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

For the year ended December 31, 2005, the members of all three plans, were required to contribute 8.5 percent of their annual covered salaries. The Township's contribution rate for pension benefits for 2006 was 13.55 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

**Note 8 – Defined Benefit Pension Plan (Continued)**

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2006 and 2005 were \$5,024 and \$5,058 respectively. The full amount has been contributed for 2006 and 2005.

**Note 9 - Postemployment Benefits**

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2006 local government employer contribution rate was 13.7 percent of covered payroll; 4.5 percent of covered payroll was the portion that was used to fund health care. The 2005 local government employer contribution rate was 13.55 percent of covered payroll; 4 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, 2005, include a rate of return on investments of 6.5 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 6.30 percent based on additional annual pay increases. Health care premiums were assumed to increase between .5 and 6.00 percent annually for the next nine years and 4.00 percent annually after nine 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, not to exceed a 12 percent corridor.

The number of active contributing participants in the traditional and combined plans was 369,214. Actual employer contributions which were used to fund postemployment benefits were \$1,650 in 2006 and \$1,493 in 2005. 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. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs.

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Noble County  
Notes to the Financial Statements  
For the Years Ended December 31, 2006 and 2005

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**Note 10 – Debt**

The Township's long-term debt activity for the year ended December 31, 2006, was as follows:

<u>Governmental Activities</u>	<u>Interest Rate</u>	<u>Balance December 31, 2005</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2006</u>
Promissory Note 2006 Issue	4.70%	\$0	\$15,326	\$3,831	\$11,495

The promissory note was issued to finance the purchase of a truck. The promissory notes are supported by the full faith and credit of the Township.

The following is a summary of the Township's future annual debt service requirements:

Year	1995 Dodge 3500 Cummins Diesel 4x4 Dump Truck	
	<u>Principal</u>	<u>Interest</u>
2007	\$ 0	\$ 0
2008	3,831	412
2009	3,832	229
2010	3,832	46
Totals	<u>\$11,495</u>	<u>\$ 687</u>

The 2007 payment was made on December 31, 2006, therefore we did not include an amount for 2007 in the amortization schedule above.

**Note 11 – Interfund Transfers**

During 2005 the following transfers were made:

Transfers from the FEMA 2003 Fund to:	
Gasoline Tax Fund	<u>\$16,655</u>
Total Transfers from the FEMA 2003 Fund	<u>\$16,655</u>

The intended purpose of the transfer is to reimburse the Gasoline Tax Fund for expenditures paid prior to the grant award being received.

**Note 12 – 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.

Elk Township  
Noble County  
Notes to the Financial Statements  
For the Years Ended December 31, 2006 and 2005

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# Mary Taylor, CPA

## Auditor of State

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

Elk Township  
Noble County  
40814 Crum Ridge Road  
Caldwell, Ohio 43724-9724

To the Board of Trustees:

We have audited the financial statements of the governmental activities and each major fund of Elk Township, Noble 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 April 24, 2007, wherein we noted the Township uses a comprehensive accounting basis other than generally accepted accounting principles. We also noted the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the basic financial statements, but not to opine on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider a significant deficiency.

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

We consider the following deficiency described in the accompanying Schedule of Findings to be a significant deficiency in internal control over financial reporting: 2006-001.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Township's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of 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 the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We believe the significant deficiency described above is not a material weakness.

We also noted certain internal control matters that we reported to the Township's management in a separate letter dated April 24, 2007.

#### **Compliance and Other Matters**

As part of reasonably assuring whether the Township's basic financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain noncompliance or other matters that we reported to the Township's management in a separate letter dated April 24, 2007.

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



**Mary Taylor, CPA**  
Auditor of State

April 24, 2007



**ELK TOWNSHIP  
NOBLE COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2006 AND 2005**

**FINDING RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

**FINDING NUMBER 2006-001**

**Significant Deficiency**

All local public offices should maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

The Board of Trustees issued a \$15,326 promissory note during 2006 for the purpose of purchasing a dump truck. The bank which purchased the note made the check payable directly to the vendor. The Township Clerk did not post the debt proceeds and the expenditure for the note to its books. As a result, receipts and disbursements were understated on the Township's books and basic financial statements for 2006. Adjustments with which the Board of Trustees' agree have been posted to the Township's books and are reflected in the accompanying financial statements. The Gasoline Tax Fund had sufficient estimated resources and appropriations to cover this adjustment.

We recommend the Township Clerk record all debt proceeds and the corresponding expenditures in the Township's books.

**Officials' Response:** We did not receive a response from Officials to the finding reported above.





**Mary Taylor, CPA**  
Auditor of State

**ELK TOWNSHIP**

**NOBLE 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 3, 2007**