



**MUHLENBERG TOWNSHIP  
PICKAWAY COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000-1999**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**MUHLENBERG TOWNSHIP  
PICKAWAY COUNTY**

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**REPORT OF INDEPENDENT ACCOUNTANTS**

Muhlenberg Township  
Pickaway County  
9668 Gulick Road  
Orient, Ohio 43146

To the Board of Trustees

We have audited the accompanying financial statements of Muhlenberg Township, Pickaway County, Ohio, (the Township) as of and for the years ended December 31, 2000 and December 31, 1999. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provides a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Muhlenberg Township, Pickaway County, Ohio, as of December 31, 2000 and December 31, 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 5, 2001 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be read in conjunction with this report in considering the results of that audit.

This report is intended solely for the information and use of management and Board of Trustees and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

**JIM PETRO**  
Auditor of State

April 5, 2001

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**MUHLENBERG TOWNSHIP  
PICKAWAY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Local Taxes	\$14,271	\$54,333	\$68,604
Intergovernmental	24,195	57,903	82,098
Licenses, Permits, and Fees	975	15,483	16,458
Earnings on Investments	3,338	3,919	7,257
Other Revenue	120	8,950	9,070
	<u>42,899</u>	<u>140,588</u>	<u>183,487</u>
<b>Cash Disbursements:</b>			
Current:			
General Government	32,825	0	32,825
Public Safety	0	20,629	20,629
Public Works	0	24,348	24,348
Health	2,549	27,412	29,961
Capital Outlay	650	2,900	3,550
	<u>36,024</u>	<u>75,289</u>	<u>111,313</u>
Total Receipts Over/(Under) Disbursements	6,875	65,299	72,174
Fund Cash Balances, January 1	<u>52,157</u>	<u>258,129</u>	<u>310,286</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$59,032</u></b>	<b><u>\$323,428</u></b>	<b><u>\$382,460</u></b>

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

**MUHLENBERG TOWNSHIP  
PICKAWAY COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
FIDUCIARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Fiduciary Fund Type</u>
	<u>Nonexpendable Trust</u>
<b>Operating Cash Receipts:</b>	
Interest	<u>\$1,110</u>
Total Operating Cash Receipts	<u>1,110</u>
<b>Operating Cash Disbursements:</b>	
Supplies and Materials	<u>60</u>
Total Operating Cash Disbursements	<u>60</u>
Operating Income/(Loss)	1,050
Fund Cash Balances, January 1	<u>22,479</u>
<b>Fund Cash Balances, December 31</b>	<b><u><u>\$23,529</u></u></b>

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



**MUHLENBERG TOWNSHIP  
PICKAWAY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Local Taxes	\$12,539	\$49,937	\$62,476
Intergovernmental	17,830	59,074	76,904
Licenses, Permits, and Fees	1,771	10,303	12,074
Earnings on Investments	2,696	3,165	5,861
Other Revenue	77	5,133	5,210
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	34,913	127,612	162,525
	<hr/>	<hr/>	<hr/>
<b>Cash Disbursements:</b>			
Current:			
General Government	32,582	0	32,582
Public Safety	0	19,008	19,008
Public Works	0	31,812	31,812
Health	2,591	30,523	33,114
Capital Outlay	178	6,546	6,724
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	35,351	87,889	123,240
	<hr/>	<hr/>	<hr/>
Total Receipts Over/(Under) Disbursements	(438)	39,723	39,285
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	52,595	218,406	271,001
	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, December 31</b>	<b><u>\$52,157</u></b>	<b><u>\$258,129</u></b>	<b><u>\$310,286</u></b>

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

**MUHLENBERG TOWNSHIP  
PICKAWAY COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
FIDUCIARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Fiduciary Fund Type</u>
	<u>Nonexpendable Trust</u>
<b>Operating Cash Receipts:</b>	
Interest	<u>\$496</u>
Total Operating Cash Receipts	<u>496</u>
<b>Operating Cash Disbursements:</b>	
Supplies and Materials	<u>18</u>
Total Operating Cash Disbursements	<u>18</u>
Operating Income/(Loss)	478
Fund Cash Balances, January 1	<u>22,001</u>
<b>Fund Cash Balances, December 31</b>	<b><u><u>\$22,479</u></u></b>

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

**MUHLENBERG TOWNSHIP  
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Muhlenberg Township, Pickaway County, Ohio, (the Township) is a body corporate and politic 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 contracts with the Village of Williamsport for fire protection and with Pickaway Plains Ambulance Service for emergency medical care. Also, the Township provides general governmental services and maintains the Township's roads and cemeteries.

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

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**C. Cash**

Certificates of deposit are valued at cost.

**D. Fund Accounting**

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

**General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Fund**

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

Gasoline Tax Fund - This fund receives gasoline tax money for construction, maintaining, and repairing township roads.

Cemetery Fund - This fund receives local levy money to pay for the upkeep and maintenance of the cemetery.

**MUHLENBERG TOWNSHIP  
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999  
(Continued)**

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

**D. Fund Accounting (Continued)**

**Special Revenue Fund (Continued)**

Fire and Ambulance Fund - This fund receives local levy money to pay for fire and ambulance services for the Township.

Road and Bridge Fund- This fund receives local tax revenues for the construction, maintaining and repairing township road and bridges

**Fiduciary Funds (Trust and Agency Funds)**

These funds are used to account for resources restricted by legally binding trust agreements and funds for which the Township is acting in an agency capacity. The Township had the following significant fiduciary funds:

Bernice Hayes Cemetery Non-Expendable Trust Fund - This fund earns interest from a cemetery bequest for the upkeep of the cemetery. The principal balance of the trust is non-expendable.

**E. Budgetary Process**

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

**Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

**Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also approve estimated resources.

**Encumbrances**

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding are carried over and need not be re-appropriated. in the subsequent year.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

**MUHLENBERG TOWNSHIP  
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999  
(Continued)**

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

**F. Property, Plant and Equipment**

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

**G. Unpaid Vacation and Sick Leave**

The one full time employee is entitled to cash payments for unused vacation in certain circumstances, such as upon leaving employment. Unpaid vacation is not reflected as a liability under the basis of accounting used by the Township.

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

The Township maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	<u>2000</u>	<u>1999</u>
Demand deposits	\$389,444	\$316,220
Certificates of Deposit	<u>16,545</u>	<u>16,545</u>
Total deposits	<u>\$405,989</u>	<u>\$332,765</u>

**Deposits:** Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by securities specifically pledged by the financial institution to the Township.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2000 and December 31, 1999 follows:

<b>2000 Budgeted vs. Actual Receipts</b>			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 39,338	\$ 42,899	\$ 3,561
Special Revenue	120,720	140,588	19,868
Non Expendable Trust	<u>845</u>	<u>1,110</u>	<u>265</u>
Total	<u>\$ 160,903</u>	<u>\$ 184,597</u>	<u>\$ 23,694</u>

**MUHLENBERG TOWNSHIP  
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

<b>2000 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 90,652	\$ 36,024	\$ 54,628
Special Revenue	350,900	75,289	275,611
Non Expendable Trust	7,500	60	7,440
Total	<u>\$ 449,052</u>	<u>\$ 111,373</u>	<u>\$ 337,679</u>

<b>1999 Budgeted vs. Actual Receipts</b>			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 37,500	\$ 34,913	\$ (2,587)
Special Revenue	117,674	127,612	9,938
Non Expendable Trust	900	496	(404)
Total	<u>\$ 156,074</u>	<u>\$ 163,021</u>	<u>\$ 6,947</u>

<b>1999 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 92,295	\$ 35,351	\$ 56,944
Special Revenue	333,975	87,889	246,086
Non Expendable Trust	5,100	18	5,082
Total	<u>\$ 431,370</u>	<u>\$ 123,258</u>	<u>\$ 308,112</u>

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Township Council. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the

County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

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

**MUHLENBERG TOWNSHIP  
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999  
(Continued)**

**4. PROPERTY TAX (Continued)**

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

**5. RETIREMENT SYSTEMS**

The Township's full and part-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 10.84% for 2000 and 13.55% for 1999 of participants' gross salaries. The Township has paid all contributions required through December 31, 2000.

**6. RISK MANAGEMENT**

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Public officials liability

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STATE OF OHIO  
OFFICE OF THE AUDITOR

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**REPORT ON COMPLIANCE AND INTERNAL CONTROL REQUIRED  
BY GOVERNMENT AUDITING STANDARDS**

Muhlenberg Township  
Pickaway County  
9668 Gulick Road  
Orient, Ohio 43146

To the Board of Trustees

We have audited the accompanying financial statements of Muhlenberg Township, Pickaway County, Ohio (the Township), as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated April 5, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance that is required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Township in a separate letter dated April 5, 2001.

Muhlenberg Township  
Pickaway County  
Report on Compliance and Internal Control Required  
By *Government Auditing Standards*  
Page 2

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

**JIM PETRO**  
Auditor of State

April 5, 2001



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**MUHLENBERG TOWNSHIP**

**PICKAWAY 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  
MAY 29, 2001**