

GERMAN TOWNSHIP

AUGLAIZE COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2008



Mary Taylor, CPA
Auditor of State

Board of Trustees
German Township
123 North Main Street
New Bremen, Ohio 45869

We have reviewed the *Independent Auditors' Report* of German Township, Auglaize County, prepared by Manning & Associates CPAs, LLC, for the audit period January 1, 2008 through December 31, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

July 23, 2010

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AUGLAIZE COUNTY**

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AUGLAIZE COUNTY**

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MANNING & ASSOCIATES CPAS, LLC
6105 NORTH DIXIE DRIVE
DAYTON, OHIO 45414

INDEPENDENT AUDITORS' REPORT

German Township
Auglaize County
123 North Main Street
New Bremen, Ohio 45869

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of German Township, Auglaize County, (the Township), as of and for the years ended December 31, 2009 and 2008, which collectively comprise the Township's basis financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the government activities, each major fund and the aggregate remaining fund information of German Township, Auglaize County, Ohio, as of December 31, 2009 and 2008, and the respective changes in cash financial position and the respective budgetary comparison for the General, Gasoline Tax and Road and Bridge funds thereof for the years then end in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 25, 2010, 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 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 required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Manning & Associates CPAs, LLC
Dayton, Ohio

May 25, 2010

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German Township
Auglaize County
Management's Discussion and Analysis
For the Years Ended December 31, 2009 & 2008
Unaudited

This discussion and analysis of German Township's financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2009 and 2008, 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 2009 are as follows:

Net assets of governmental activities increased \$23,197, or 2.8 percent, an insignificant change from the prior year. The fund most affected by the changes in cash and cash equivalents was the Road and Bridge Fund, which realized an increase in receipts and a decrease in expenses compared to 2008.

The Township's general receipts are primarily property taxes. These receipts represent \$118,679 or 39.7 percent of the total cash received for governmental activities during 2009. Property tax receipts for 2009 had a slight increase in collections over the previous year.

Key highlights for 2008 are as follows:

Net assets of governmental activities remained steady in 2008, with a relatively small overall increase of \$12,152, or 1.5 percent. The funds most affected by the change in cash and cash equivalents were the General and Gasoline Tax funds. The General Fund realized an overall decrease due to the purchase of an emergency vehicle. While the Gasoline Tax Fund saw an overall increase.

The Township's general receipts are primarily property taxes. These receipts represent \$112,564 or 38.9 percent of the total cash received for governmental activities during 2008. Property tax receipts for 2008 had a decrease in collections of the previous year.

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. The statements are organized so the reader can understand the Township as a financial whole, or as an entire operating entity.

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 information reported in the statements.

German Township
Auglaize County
Management's Discussion and Analysis
For the Years Ended December 31, 2009 & 2008
Unaudited

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 2009 and 2008, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental and business-type activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program and business-type activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function 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 condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

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

Governmental Activities – Most of the Township's basic services are reported here, including police, fire, streets and parks. State and federal grants and income and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

German Township
Auglaize County
Management's Discussion and Analysis
For the Years Ended December 31, 2009 & 2008
Unaudited

Reporting the Township's Most Significant Funds

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

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

The Township as a Whole

Table 1 provides a summary of the Township's net assets for 2009, 2008 and 2007 on a cash basis:

(Table 1)
Net Assets

	Governmental Net Assets		
	2009	2008	2007
Assets			
Cash and Cash Equivalents	838,723	815,526	803,374
Total Assets	\$838,723	\$815,526	\$803,374
Net Assets			
Restricted for:			
Other Purposes	694,869	665,245	581,191
Unrestricted	143,854	150,281	222,183
Total Net Assets	\$838,723	\$815,526	\$803,374

As mentioned previously, Net assets of governmental activities increased \$23,197, or 2.8 percent, a slight change from the prior year which saw a 1.5 percent increase. In 2009 the fund most affected by the changes in cash and cash equivalents was the Road and Bridge Fund, which realized an increase in receipts and a decrease in expenses compared to 2008.

In 2008, the funds most affected by the change in cash and cash equivalents were the General and Gasoline Tax funds. The General Fund realized an overall decrease due to the purchase of an emergency vehicle. While the Gasoline Tax Fund saw an overall increase.

Table 2 reflects the changes in net assets during 2009, 2008 and 2007 for governmental activities.

German Township
Auglaize County
Management's Discussion and Analysis
For the Years Ended December 31, 2009 & 2008
Unaudited

(Table 2)
Changes in Net Assets

	Governmental Activities		
	2009	2008	2007
Program Receipts:			
Charges for Services and Sales	3,366	3,659	12,010
Operating Grants and Contributions	112,285	112,482	116,805
Total Program Receipts	115,651	116,141	128,815
General Receipts:			
Property and Other Local Taxes	118,679	112,564	118,389
Grants and Entitlements Not Restricted to Specific Programs	56,162	40,366	161,678
Earnings on Investments	7,830	19,494	26,322
Miscellaneous	805	859	1,061
Total General Receipts	183,476	173,283	307,450
Total Receipts	299,127	289,424	436,265
Disbursements:			
General Government	61,731	66,440	62,768
Public Safety	73,415	115,884	60,212
Public Works	118,035	70,629	60,049
Health	1,982	2,650	1,968
Capital Outlay	20,767	21,669	30,829
Total Disbursements	275,930	277,272	215,826
 Increase in Net Assets	 23,197	 12,152	 220,439
Net Assets, January 1	815,526	803,374	582,935
Net Assets, December 31	\$838,723	\$815,526	\$803,374

Program receipts represent 38.7 percent and 40.1 percent of total receipts for 2009 and 2008, respectively and are primarily comprised of restricted intergovernmental receipts; charges for emergency rescue services; township levied permissive motor vehicle license tax.

General receipts represent 61.3 percent and 59.9 percent of the Township's total receipts for 2009 and 2008, respectively and of this amount, over 64.6 percent and 64.9 percent, are local taxes. State and federal grants and entitlements, interest and miscellaneous income make up the balance of the Township's general receipts of 35.4 percent and 35.1 percent, respectively for 2009 and 2008.

German Township
Auglaize County
Management's Discussion and Analysis
For the Years Ended December 31, 2009 & 2008
Unaudited

The Township as a Whole (continued)

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 costs of Trustee, Fiscal Officer, and other general services as well as internal services such as payroll and purchasing. Since these costs do not represent direct services to residents, we try to limit these costs.

Disbursements for Public Safety, Public Works and Health Services represent the costs of police and fire protection services and the costs of maintaining public roads located within the Township. Capital outlay represents the cost of road improvement.

Governmental Activities

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for Public Safety and Public Works, which account for 69.4 percent and 67.3 percent of all governmental disbursements, for 2009 and 2008, respectively. General government also represents significant costs, which account for 22.4 percent and 23.9 percent of all government disbursements, for 2009 and 2008, respectively. The next two columns of the Statement entitled Program Cash Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

	Governmental Activities					
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2009	2009	2008	2008	2007	2007
General Government	61,731	45,598	66,440	51,805	62,768	50,497
Public Safety	73,415	71,256	115,884	113,427	60,212	49,354
Public Works	118,035	20,676	70,629	(28,420)	60,049	(45,637)
Health	1,982	1,982	2,650	2,650	1,968	1,968
Capital Outlay	20,767	20,767	21,669	21,669	30,829	30,829
Total Expenses	275,930	160,279	277,272	161,131	215,826	87,011

The dependence upon property tax receipts is apparent as over 43.0 percent and 40.6 percent for 2009 and 2008, respectively, of governmental activities were supported through these general receipts.

German Township
Auglaize County
Management's Discussion and Analysis
For the Years Ended December 31, 2009 & 2008
Unaudited

The Township's Funds

Total governmental funds had receipts of \$299,127 and \$289,424 for 2009 and 2008, respectively, and disbursements of \$275,930 and \$277,272 for 2009 and 2008, respectively. The greatest changes occurred in 2009 in the Road and Bridge Fund, which realized an increase in receipts and a decrease in expenses compared to 2008. In 2008, the greatest changes occurred in the General and Gasoline Tax funds. The General Fund realized an overall decrease due to the purchase of an emergency vehicle. While the Gasoline Tax Fund saw an overall increase.

General Fund Budgeting Highlights

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

In 2009, the difference between the final budgeted receipts and actual receipts was not significant. Final budgeted receipts were \$84,787 and actual receipts were \$104,380 for 2009. In 2008, final budgeted receipts were \$83,848 and actual receipts were \$93,496.

Final disbursements for 2009, for the General Fund were budgeted at \$235,068 while actual disbursements were \$110,807. Final disbursements for 2008 were budgeted at \$306,031 while actual disbursements were \$165,398. The Township takes due diligence in keeping spending to a respectable level in order to assure funds for future projects.

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.

Contacting the Township's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Karen Balster, Fiscal Officer, German Township, Auglaize County, 123 N. Main Street, New Bremen, Ohio 45869.

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German Township
Auglaize County
Statement of Net Assets - Cash Basis
December 31, 2009

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ <u>838,723</u>
<i>Total Assets</i>	\$ <u><u>838,723</u></u>
Net Assets	
Restricted for:	
Other Purposes	\$ 694,868
Unrestricted	<u>143,855</u>
<i>Total Net Assets</i>	\$ <u><u>838,723</u></u>

See accompanying notes to the basic financial statements

German Township
Auglaize County

Statement of Activities - Cash Basis
For the Year Ended December 31, 2009

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	
Governmental Activities				
General Government	\$ 61,731	\$ 1,207	\$ 14,926	\$ (45,598)
Public Safety	73,415	2,159	0	(71,256)
Public Works	118,035	0	97,359	(20,676)
Health	1,982	0	0	(1,982)
Capital Outlay	20,767	0	0	(20,767)
<i>Total Governmental Activities</i>	<i>\$ 275,930</i>	<i>\$ 3,366</i>	<i>\$ 112,285</i>	<i>\$ (160,279)</i>
General Receipts				
Property Taxes			\$	118,679
Grants and Entitlements not Restricted to Specific Programs				56,162
Earnings on Investments				7,830
Miscellaneous				805
<i>Total General Receipts</i>			\$	183,476
Change in Net Assets				23,197
<i>Net Assets Beginning of Year</i>			\$	815,526
<i>Net Assets End of Year</i>			\$	838,723

See accompanying notes to the basic financial statements

German Township
Auglaize County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2009

	<u>General</u>	<u>Gasoline Tax</u>	<u>Road and Bridge</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 143,854	\$ 416,900	\$ 195,722	\$ 82,247	\$ 838,723
<i>Total Assets</i>	<u>\$ 143,854</u>	<u>\$ 416,900</u>	<u>\$ 195,722</u>	<u>\$ 82,247</u>	<u>\$ 838,723</u>
Fund Balances					
Unreserved:					
Undesignated (Deficit), Reported in:					
General Fund	\$ 143,854	\$ 0	\$ 0	\$ 0	\$ 143,854
Special Revenue Funds	<u>0</u>	<u>416,900</u>	<u>195,722</u>	<u>82,247</u>	<u>694,869</u>
<i>Total Fund Balances</i>	<u>\$ 143,854</u>	<u>\$ 416,900</u>	<u>\$ 195,722</u>	<u>\$ 82,247</u>	<u>\$ 838,723</u>

See accompanying notes to the basic financial statements

German Township
Auglaize County

Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds

For the Year Ended December 31, 2009

	<u>General</u>	<u>Gasoline Tax</u>	<u>Road and Bridge</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Receipts					
Property and Other Local Taxes	\$ 39,889	\$ 0	\$ 42,919	\$ 35,871	\$ 118,679
Charges for Services	0	0	0	2,159	2,159
Intergovernmental	61,085	86,632	7,329	13,401	168,447
Special Assessments	0	0	0	1,207	1,207
Earnings on Investments	3,101	4,527	0	202	7,830
Miscellaneous	305	500	0	0	805
<i>Total Receipts</i>	<u>\$ 104,380</u>	<u>\$ 91,659</u>	<u>\$ 50,248</u>	<u>\$ 52,840</u>	<u>\$ 299,127</u>
Disbursements					
Current:					
General Government	\$ 61,731	\$ 0	\$ 0	\$ 0	\$ 61,731
Public Safety	46,757	0	0	26,658	73,415
Public Works	0	98,346	11,669	8,020	118,035
Health	1,982	0	0	0	1,982
Capital Outlay	337	0	20,430	0	20,767
<i>Total Disbursements</i>	<u>\$ 110,807</u>	<u>\$ 98,346</u>	<u>\$ 32,099</u>	<u>\$ 34,678</u>	<u>\$ 275,930</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(6,427)</u>	<u>(6,687)</u>	<u>18,149</u>	<u>18,162</u>	<u>23,197</u>
<i>Net Change in Fund Balances</i>	(6,427)	(6,687)	18,149	18,162	23,197
<i>Fund Balances Beginning of Year</i>	<u>\$ 150,281</u>	<u>\$ 423,587</u>	<u>\$ 177,573</u>	<u>\$ 64,085</u>	<u>\$ 815,526</u>
<i>Fund Balances End of Year</i>	<u><u>\$ 143,854</u></u>	<u><u>\$ 416,900</u></u>	<u><u>\$ 195,722</u></u>	<u><u>\$ 82,247</u></u>	<u><u>\$ 838,723</u></u>

See accompanying notes to the basic financial statements

German Township
Auglaize County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund - 1000
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$ 40,287	\$ 40,287	\$ 39,889	\$ (398)
Intergovernmental	29,463	29,463	61,085	31,622
Earnings on Investments	14,437	14,437	3,101	(11,336)
Miscellaneous	<u>600</u>	<u>600</u>	<u>305</u>	<u>(295)</u>
<i>Total receipts</i>	<u>\$ 84,787</u>	<u>\$ 84,787</u>	<u>\$ 104,380</u>	<u>\$ 19,593</u>
Disbursements				
Current:				
General Government	\$ 108,659	\$ 108,659	\$ 61,731	\$ 46,928
Public Safety	100,109	100,109	46,757	53,352
Health	8,300	8,300	1,982	6,318
Capital Outlay	<u>18,000</u>	<u>18,000</u>	<u>337</u>	<u>17,663</u>
<i>Total Disbursements</i>	<u>\$ 235,068</u>	<u>\$ 235,068</u>	<u>\$ 110,807</u>	<u>\$ 124,261</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(150,281)</u>	<u>(150,281)</u>	<u>(6,427)</u>	<u>143,854</u>
<i>Net Change in Fund Balance</i>	(150,281)	(150,281)	(6,427)	143,854
<i>Fund Balance Beginning of Year</i>	<u>\$ 150,281</u>	<u>\$ 150,281</u>	<u>\$ 150,281</u>	<u>\$ 0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 143,854</u></u>	<u><u>\$ 143,854</u></u>

See accompanying notes to the basic financial statements

German Township
Auglaize County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Gasoline Tax - 2021
For the Year Ended December 31, 2009

	Budgeted Amounts			(Optional) Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Intergovernmental	\$ 88,255	\$ 88,255	\$ 86,632	\$ (1,623)
Earnings on Investments	8,000	8,000	4,527	(3,473)
Miscellaneous	500	500	500	0
<i>Total receipts</i>	<u>\$ 96,755</u>	<u>\$ 96,755</u>	<u>\$ 91,659</u>	<u>\$ (5,096)</u>
Disbursements				
Current:				
Public Works	\$ 514,342	\$ 514,342	\$ 98,346	\$ 415,996
Capital Outlay	6,000	6,000	0	6,000
<i>Total Disbursements</i>	<u>\$ 520,342</u>	<u>\$ 520,342</u>	<u>\$ 98,346</u>	<u>\$ 421,996</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(423,587)</u>	<u>(423,587)</u>	<u>(6,687)</u>	<u>416,900</u>
<i>Net Change in Fund Balance</i>	(423,587)	(423,587)	(6,687)	416,900
<i>Fund Balance Beginning of Year</i>	<u>\$ 423,587</u>	<u>\$ 423,587</u>	<u>\$ 423,587</u>	<u>\$ 0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 416,900</u></u>	<u><u>\$ 416,900</u></u>

See accompanying notes to the basic financial statements

German Township
Auglaize County

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Road & Bridge - 2031
For the Year Ended December 31, 2009*

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$ 43,979	\$ 43,979	\$ 42,919	\$ (1,060)
Intergovernmental	4,972	4,972	7,329	2,357
<i>Total receipts</i>	<u>\$ 48,951</u>	<u>\$ 48,951</u>	<u>\$ 50,248</u>	<u>\$ 1,297</u>
Disbursements				
Current:				
Public Works	\$ 126,524	\$ 126,524	\$ 11,669	\$ 114,855
Capital Outlay	100,000	100,000	20,430	79,570
<i>Total Disbursements</i>	<u>\$ 226,524</u>	<u>\$ 226,524</u>	<u>\$ 32,099</u>	<u>\$ 194,425</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(177,573)</u>	<u>(177,573)</u>	<u>18,149</u>	<u>195,722</u>
<i>Net Change in Fund Balance</i>	(177,573)	(177,573)	18,149	195,722
<i>Fund Balance Beginning of Year</i>	<u>\$ 177,573</u>	<u>\$ 177,573</u>	<u>\$ 177,573</u>	<u>\$ 0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 195,722</u></u>	<u><u>\$ 195,722</u></u>

See accompanying notes to the basic financial statements

German Township
Auglaize County
Statement of Net Assets - Cash Basis
December 31, 2008

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ <u>815,526</u>
<i>Total Assets</i>	\$ <u><u>815,526</u></u>
Net Assets	
Restricted for:	
Other Purposes	\$ 665,244
Unrestricted	<u>150,282</u>
<i>Total Net Assets</i>	\$ <u><u>815,526</u></u>

See accompanying notes to the basic financial statements

German Township
Auglaize County

Statement of Activities - Cash Basis
For the Year Ended December 31, 2008

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	
Governmental Activities				
General Government	\$ 66,440	\$ 1,202	\$ 13,433	\$ (51,805)
Public Safety	115,884	2,457	0	(113,427)
Public Works	70,629	0	99,049	28,420
Health	2,650	0	0	(2,650)
Capital Outlay	21,669	0	0	(21,669)
<i>Total Governmental Activities</i>	<i>\$ 277,272</i>	<i>\$ 3,659</i>	<i>\$ 112,482</i>	<i>\$ (161,131)</i>
General Receipts				
Property Taxes			\$ 112,564	
Grants and Entitlements not Restricted to Specific Programs			40,366	
Earnings on Investments			19,494	
Miscellaneous			859	
<i>Total General Receipts</i>			\$ 173,283	
Change in Net Assets				12,152
<i>Net Assets Beginning of Year</i>			\$ 803,374	
<i>Net Assets End of Year</i>			\$ 815,526	

See accompanying notes to the basic financial statements

German Township
Auglaize County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2008

	<u>General</u>	<u>Gasoline Tax</u>	<u>Road and Bridge</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 150,281	\$ 423,587	\$ 177,573	\$ 64,085	\$ 815,526
<i>Total Assets</i>	<u>\$ 150,281</u>	<u>\$ 423,587</u>	<u>\$ 177,573</u>	<u>\$ 64,085</u>	<u>\$ 815,526</u>
Fund Balances					
Unreserved:					
Undesignated (Deficit), Reported in:					
General Fund	\$ 150,281	\$ 0	\$ 0	\$ 0	\$ 150,281
Special Revenue Funds	<u>0</u>	<u>423,587</u>	<u>177,573</u>	<u>64,085</u>	<u>665,245</u>
<i>Total Fund Balances</i>	<u>\$ 150,281</u>	<u>\$ 423,587</u>	<u>\$ 177,573</u>	<u>\$ 64,085</u>	<u>\$ 815,526</u>

See accompanying notes to the basic financial statements

German Township
Auglaize County

Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds

For the Year Ended December 31, 2008

	General	Gasoline Tax	Road and Bridge	Other Governmental Funds	Total Governmental Funds
Receipts					
Property and Other Local Taxes	\$ 38,037	\$ 0	\$ 38,731	\$ 35,796	\$ 112,564
Charges for Services	0	0	0	2,457	2,457
Intergovernmental	44,332	89,720	5,805	12,991	152,848
Special Assessments	0	0	0	1,202	1,202
Earnings on Investments	10,768	8,264	0	462	19,494
Miscellaneous	359	500	0	0	859
<i>Total Receipts</i>	<u>\$ 93,496</u>	<u>\$ 98,484</u>	<u>\$ 44,536</u>	<u>\$ 52,908</u>	<u>\$ 289,424</u>
Disbursements					
Current:					
General Government	\$ 66,440	\$ 0	\$ 0	\$ 0	\$ 66,440
Public Safety	95,928	0	0	19,956	115,884
Public Works	0	15,432	48,647	6,550	70,629
Health	2,650	0	0	0	2,650
Capital Outlay	380	0	21,289	0	21,669
<i>Total Disbursements</i>	<u>\$ 165,398</u>	<u>\$ 15,432</u>	<u>\$ 69,936</u>	<u>\$ 26,506</u>	<u>\$ 277,272</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(71,902)</u>	<u>83,052</u>	<u>(25,400)</u>	<u>26,402</u>	<u>12,152</u>
<i>Net Change in Fund Balances</i>	(71,902)	83,052	(25,400)	26,402	12,152
<i>Fund Balances Beginning of Year</i>	<u>\$ 222,183</u>	<u>\$ 340,535</u>	<u>\$ 202,973</u>	<u>\$ 37,683</u>	<u>\$ 803,374</u>
<i>Fund Balances End of Year</i>	<u><u>\$ 150,281</u></u>	<u><u>\$ 423,587</u></u>	<u><u>\$ 177,573</u></u>	<u><u>\$ 64,085</u></u>	<u><u>\$ 815,526</u></u>

See accompanying notes to the basic financial statements

German Township
Auglaize County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund - 1000
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$ 41,037	\$ 41,037	\$ 38,037	\$ (3,000)
Intergovernmental	24,175	24,175	44,332	20,157
Earnings on Investments	18,036	18,036	10,768	(7,268)
Miscellaneous	<u>600</u>	<u>600</u>	<u>359</u>	<u>(241)</u>
<i>Total receipts</i>	<u>\$ 83,848</u>	<u>\$ 83,848</u>	<u>\$ 93,496</u>	<u>\$ 9,648</u>
Disbursements				
Current:				
General Government	\$ 167,859	\$ 167,859	\$ 66,440	\$ 101,419
Public Safety	100,372	100,372	95,928	4,444
Health	10,800	10,800	2,650	8,150
Capital Outlay	<u>27,000</u>	<u>27,000</u>	<u>380</u>	<u>26,620</u>
<i>Total Disbursements</i>	<u>\$ 306,031</u>	<u>\$ 306,031</u>	<u>\$ 165,398</u>	<u>\$ 140,633</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(222,183)</u>	<u>(222,183)</u>	<u>(71,902)</u>	<u>150,281</u>
<i>Net Change in Fund Balance</i>	(222,183)	(222,183)	(71,902)	150,281
<i>Fund Balance Beginning of Year</i>	<u>\$ 222,183</u>	<u>\$ 222,183</u>	<u>\$ 222,183</u>	<u>\$ 0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 150,281</u></u>	<u><u>\$ 150,281</u></u>

See accompanying notes to the basic financial statements

German Township
Auglaize County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Gasoline Tax - 2021
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Receipts				
Intergovernmental	\$ 98,710	\$ 98,710	\$ 89,720	\$ (8,990)
Earnings on Investments	11,000	11,000	8,264	(2,736)
Miscellaneous	500	500	500	0
<i>Total receipts</i>	<u>\$ 110,210</u>	<u>\$ 110,210</u>	<u>\$ 98,484</u>	<u>\$ (11,726)</u>
Disbursements				
Current:				
Public Works	\$ 444,745	\$ 444,745	\$ 15,432	\$ 429,313
Capital Outlay	6,000	6,000	0	6,000
<i>Total Disbursements</i>	<u>\$ 450,745</u>	<u>\$ 450,745</u>	<u>\$ 15,432</u>	<u>\$ 435,313</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(340,535)</u>	<u>(340,535)</u>	<u>83,052</u>	<u>423,587</u>
<i>Net Change in Fund Balance</i>	(340,535)	(340,535)	83,052	423,587
<i>Fund Balance Beginning of Year</i>	<u>\$ 340,535</u>	<u>\$ 340,535</u>	<u>\$ 340,535</u>	<u>\$ 0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 423,587</u></u>	<u><u>\$ 423,587</u></u>

See accompanying notes to the basic financial statements

German Township
Auglaize County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Road & Bridge - 2031
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$ 42,650	\$ 42,650	\$ 38,731	\$ (3,919)
Intergovernmental	<u>6,275</u>	<u>6,275</u>	<u>5,805</u>	<u>(470)</u>
<i>Total receipts</i>	<u>\$ 48,925</u>	<u>\$ 48,925</u>	<u>\$ 44,536</u>	<u>\$ (4,389)</u>
Disbursements				
Current:				
Public Works	\$ 151,898	\$ 151,898	\$ 48,647	\$ 103,251
Capital Outlay	<u>100,000</u>	<u>100,000</u>	<u>21,289</u>	<u>78,711</u>
<i>Total Disbursements</i>	<u>\$ 251,898</u>	<u>\$ 251,898</u>	<u>\$ 69,936</u>	<u>\$ 181,962</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(202,973)</u>	<u>(202,973)</u>	<u>(25,400)</u>	<u>177,573</u>
<i>Net Change in Fund Balance</i>	(202,973)	(202,973)	(25,400)	177,573
<i>Fund Balance Beginning of Year</i>	<u>\$ 202,973</u>	<u>\$ 202,973</u>	<u>\$ 202,973</u>	<u>\$ 0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 177,573</u></u>	<u><u>\$ 177,573</u></u>

See accompanying notes to the basic financial statements

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German Township
Auglaize County

Notes to the Financial Statements
For the Years Ended December 31, 2009 & 2008

Note 1 – Reporting Entity

German Township, Auglaize County, Ohio (the Township), is a body politic and corporate established in 1853 to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Township Fiscal Officer.

The 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 the New Bremen Fire Department for fire protection. Police protection is provided by the New Bremen Police Department.

B. Component Units

Component units are legally separate organizations for which the Township is financially accountable. The Township is accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Township is obligated for the debt of the organization. The Township is also financially accountable for any organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax exempt entities whose resources are for the direct benefit of the Township, are accessible to the Township and are significant in amount to the Township. The Township does not have any Component Units.

C. Joint Ventures, Jointly Governed Organizations, and Public Entity Risk Pools

A joint venture is a legal entity or other organization that results from a contractual arrangement and is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. Under the cash basis of accounting, the Township does not report assets for equity interests in joint ventures.

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA) public entity risk pool. Note 8 to the financial statements provides additional information for this entity.

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

German Township
Auglaize County

Notes to the Financial Statements
For the Years Ended December 31, 2009 & 2008

Note 2 – Summary of Significant Accounting Policies

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

A. Basis of Presentation

The Township's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net assets 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.

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 and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

German Township
Auglaize County
Notes to the Financial Statements
For the Years Ended December 31, 2009 & 2008

Note 2 – Summary of Significant Accounting Policies (continued)

B. Fund Accounting

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

Governmental Funds

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

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 Ohio laws.

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.

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

C. Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. 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.

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

German Township
Auglaize County
Notes to the Financial Statements
For the Years Ended December 31, 2009 & 2008

Note 2 – Summary of Significant Accounting Policies (continued)

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 Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Township.

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

E. Cash and Investments

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

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments. Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts, respectively. During 2009 and 2008, the Township invested in STAR Ohio and a Certificate of Deposit.

STAR Ohio is an investment pool, managed by the State Treasurer’s Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio’s share price, which is the price the investment could be sold for on December 31, 2009 and 2008.

The Certificate of Deposit is held with Minster Bank and is valued at cost.

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 2009 and 2008 were \$3,101 and \$10,768, respectively.

German Township
Auglaize County
Notes to the Financial Statements
For the Years Ended December 31, 2009 & 2008

Note 2 – Summary of Significant Accounting Policies (continued)

F. Restricted Assets

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

G. Inventory and Prepaid Items

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

H. Capital Assets

Capital Assets are not capitalized in any of the Township's funds. Instead, capital acquisition and construction costs are reflected as expenditures in the fund in the year expended. The costs of normal maintenance and repairs are also expended, along with improvements. Depreciation is not recorded.

I. Accumulated Leave

In certain circumstances, leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's cash basis of accounting.

J. Employer Contributions to Cost-Sharing Pension Plans

Contributions to cost-sharing pension plans are recognized when paid. As described in Notes 9 and 10, employer contributions include portions for pension and postretirement health care benefits.

K. Long-Term Obligations

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

L. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for road and bridge maintenance, cemetery maintenance, fire protection and emergency rescue services.

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.

German Township
Auglaize County

Notes to the Financial Statements
For the Years Ended December 31, 2009 & 2008

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund, Gasoline Tax Fund and the Road and Bridge Fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is that outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The Township has no outstanding encumbrances at year end.

Note 4 – Accountability and Compliance

Ohio Rev. Code Section 5705.36 requires all subdivision to request reduced amended certificates upon determination that revenue will be less than the official certificate of estimated resources. Contrary to Ohio Law, estimated resources exceeded actual receipts in 2009 in the Motor Vehicle License, Gasoline Tax, and Fire District funds by \$693, \$5,096, \$757, respectively. In 2008, estimated resources exceeded actual receipts in the Gasoline Tax, Road and Bridge, Fire District, and Ambulance and EMS funds by \$11,726, \$4,389, \$10,248 and \$7,640, respectively.

Ohio Rev. Code Section 5705.41 (D) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. Contrary to Ohio Law, the Township issued purchase orders after the incurrence of an expense without certifying the purchase order as a “Then and Now,” for 9 percent of reviewed expenditures in 2009 and 14 percent of reviewed expenditures in 2008. Additionally, the Township issued five (5) “Then and Now” purchase orders in 2009 and six (6) in 2008 for amounts over the \$3,000 limitation.

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.

German Township
Auglaize County
Notes to the Financial Statements
For the Years Ended December 31, 2009 & 2008

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 (STAR Ohio).

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

Deposits

At year-ended December 31, 2009, the carrying amount of the Township's deposits was \$706,315, and the bank balance was \$763,643. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures" \$473,643 was exposed to custodial risk as discussed below, while \$290,000 was covered by federal depository insurance corporation. At year-ended December 31, 2008, the carrying amount of the Township's deposits was \$683,482, and the bank balance was \$701,575. Of the bank balance \$411,575 was exposed to custodial risk as discussed below, while \$290,000 was covered by federal depository insurance corporation.

German Township
Auglaize County

Notes to the Financial Statements
For the Years Ended December 31, 2009 & 2008

Note 5 – Deposits and Investments (continued)

Custodial credit risk is the risk that in the event of bank failure, the Township’s deposits may not be returned. Such collateral, as permitted by the Ohio revised code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name or the respective depository bank and pledged as a poll of collateral against all the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the Township.

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

Investments

As of December 31, 2009 and 2008, the Township had the following investments:

	<u>Carrying Value</u> 2009	<u>Carrying Value</u> 2008
STAR Ohio	<u>\$ 132,408</u>	<u>\$ 132,044</u>

These investments have a maturity of less than one year.

Interest rate risk arises because the fair value of investments changes as interest rates change. The Township’s investment policy addresses interest rate risk by requiring that the Township’s investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations, thereby avoiding that need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

STAR Ohio carries a rating of AAA by Standard and Poor’s. The Township’s investment policy is limited to requiring compliance with state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

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

German Township
Auglaize County

Notes to the Financial Statements
For the Years Ended December 31, 2009 & 2008

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 2009 and 2008 represent the collection of 2008 and 2007 taxes. Real property taxes received in 2009 and 2008 were levied after October 1, 2008 and 2007, respectively, on the assessed values as of January 1, 2009 and 2008, respectively, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due in February each year; if paid semiannually, the first payment is due in February, with the remainder payable by July of each year. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in 2009 and 2008, represent the collection of calendar year 2008 and 2007 taxes. Public utility real and tangible personal property taxes received in 2009 and 2008, became a lien on December 31, 2007 and 2006, and are collected with real property taxes. Certain public utility tangible personal property is currently assessed at 100 percent of its true value. Public utility real property is assessed at thirty-five percent of true value; public utility property taxes are payable on the same dates as real property as described previously.

In prior years, tangible personal property used in business (except for public utilities) was assessed for ad valorem taxation purposes at twenty-five percent of its true value. As part of the phase out of the personal property tax, the assessment percentage of personal property was reduced to 6.25% for 2008. The tax was entirely phased out in 2009. Amounts paid by multi-county taxpayers are due September 20th of the year assessed. Single county taxpayers may pay annually or semi-annually the first payment due April 30th, the remainder payable by September 30th.

The assessed values of real property, public utility property, and tangible personal property upon which 2009 and 2008 property tax receipts were based are as follows:

	<u>2009</u>	<u>2008</u>
Real Property		
Residential	\$12,806,310	\$12,790,300
Agricultural	5,194,820	4,994,230
Commercial/Industrial	1,403,350	1,403,350
Public Utility – Real Estate	5,630	5,180
Public Utility – Personal Property	1,404,230	1,403,750
Personal Property	31,450	31,450
Total Assessed Value	<u>\$20,845,790</u>	<u>\$20,628,260</u>

German Township
Auglaize County
Notes to the Financial Statements
For the Years Ended December 31, 2009 & 2008

Note 7 – Leases

The Township entered into a lease agreement with Daimler Chrysler Truck Financial for the lease of a Sterling dump truck in 2007. Payments are due annually through March 26, 2011.

Future lease payments for the above leases are as follows:

<u>Year Ending</u> <u>December 31:</u>	<u>Amount</u>
2010	\$20,142
2011	20,142
Total	<u>\$40,284</u>

Note 8 – Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Township insures against injuries to employees through the Ohio Bureau of Workers' Compensation.

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risksharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of OTARMA and provides underwriting, claims, loss control, risk management, and reinsurance services for OTARMA. OTARMA is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides OTARMA with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2008, OTARMA retained \$350,000 for casualty claims and \$100,000 for property claims.

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

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

German Township
Auglaize County
Notes to the Financial Statements
For the Years Ended December 31, 2009 & 2008

Note 8 – Risk Management (continued)

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, 2008 and 2007 (the latest information available):

	<u>2008</u>	<u>2007</u>
Assets	\$ 40,737,740	\$43,210,703
Liabilities	<u>(12,981,818)</u>	<u>(13,357,837)</u>
Net Assets	<u>\$ 27,755,922</u>	<u>\$ 29,852,866</u>

At December 31, 2008 and 2007, respectively, liabilities above include approximately \$12.1 million and \$12.5 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$10.9 and \$11.6 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2008 and 2007, respectively. These amounts will be included in future contributions from members when the related claims are due for payment.

Based on discussions with OTARMA, the expected rates OTARMA charges 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 annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

Contributions to OTARMA

2009	\$4,530
2008	\$5,084
2007	\$4,932

After completing one year of membership, members may withdraw on each anniversary of the date they joined OTARMA provided they 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 budgetary contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

German Township
Auglaize County

Notes to the Financial Statements
For the Years Ended December 31, 2009 & 2008

Note 9 – Defined Benefit Pension Plan

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) 222-5601 or (800) 222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For the years ended December 31, 2009 and December 31, 2008 members in state and local classifications contributed 10.0 percent of covered payroll. The Township's contribution rate for 2009 and 2008 was 14.0 percent of covered payroll. State statute sets a maximum contribution rate of the Township of 14 percent.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2009, 2008 and 2007 were \$11,298, \$11,482, and \$6,446 respectively. The full amount has been contributed for 2009, 2008, and 2007.

Note 10– Postemployment Benefits

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

The Ohio Public Employees Retirement System (OPERS) maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan. For qualifying members of the Traditional Pension and Combined Plans, this plan includes a medical plan, prescription drug program, and Medicare Part B premium reimbursement. Those belonging to the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

German Township
Auglaize County

Notes to the Financial Statements
For the Years Ended December 31, 2009 & 2008

Note 10– Postemployment Benefits (continued)

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The healthcare coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEN benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

The Ohio Revised Code provides statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer’s contribution to OPERS is set aside for the funding of post retirement benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2009 and 2008, local government employer units contributed at 14 percent and 14 percent of covered payroll, respectively. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units. Active members do not make contributions to the OPEB plan.

OPERS’ Post-employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. For 2008 through March 31, 2009, the employer contribution allocated to the health care plan was 7.0 percent and 5.5 percent from April 1 through December 31, 2009, respectively, of covered payroll. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and coverage selected.

The Township’s contributions to OPERS to fund postemployment healthcare benefits for the years ended December 31, 2009, 2008, and 2007 were \$4,632, \$4,593 and \$4,183, respectively; 100 percent has been contributed for 2009, 2008, and 2007.

The OPERS Retirement Board adopted the Health Care Preservation Plan (HCPP) on September 9, 2004, was effective on January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008 which allowed additional funds to be allocated to the healthcare plan.

Note 11 – Subsequent Events

Management has evaluated subsequent events through May 25, 2010, the date on which the financial statements were available for issue. No subsequent events which would warrant inclusion have been discovered.

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**MANNING & ASSOCIATES CPAS, LLC
6105 NORTH DIXIE DRIVE
DAYTON, OHIO 45414**

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

German Township
Auglaize County
123 North Main Street
New Bremen, Ohio 45869

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of German Township, Auglaize County, Ohio (the Township), as of and for the years ended December 31, 2009 and 2008, which collectively comprise the Township's basic financial statements and have issued our report thereon dated May 25, 2010, wherein we noted the Township uses a comprehensive basis of accounting other than generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining 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.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected.

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

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompany schedule of findings as Findings Number 2009-001 and 2009-002.

We noted certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated May 25, 2010.

The Township's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Township's responses and, accordingly, we express no opinion on them.

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

Manning & Associates CPAs, LLC
Dayton, Ohio

May 25, 2010

**GERMAN TOWNSHIP
AUGLAIZE COUNTY**

SCHEDULE OF FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
--

FINDING NUMBER 2009-001

Ohio Rev. Code Section 5705.36 (A)(3) allows subdivisions to request increased amended certificates of estimated resources and reduced amended certificates upon determination by the fiscal officer that revenue to be collected will be greater or less than the amount in the official certificate of estimated resources.

An increased amended certificate must be obtained from the budget commission if the legislative authority intends to appropriate and expend the excess revenue. A reduced amended certificate must be obtained if the amount of the deficiency will reduce available resources below the current level of appropriation. The following funds were determined to have estimated receipts which were in excess of actual receipts.

Fund	Estimated Resources	Actual Receipts	Variance
2009			
Motor Vehicle License	\$5,311	\$4,617	(\$693)
Gasoline Tax	96,755	91,659	(5,096)
Fire District	16,635	15,878	(757)
2008			
Gasoline Tax	\$110,212	\$98,484	(\$11,726)
Road and Bridge	48,925	44,536	(4,389)
Fire District	25,956	15,708	(10,248)
Ambulance and EMS	35,020	27,380	(7,640)

Failure to amend the certificate of estimated resources when actual revenue is less than expected (estimated) could result in the Township incurring expenditures in excess of actual available resources. The Township should monitor receipts and amend estimated receipts when necessary to keep estimated receipts in line with actual receipts and make corresponding amendments to its appropriations and disbursements.

Response: Fiscal Officer will monitor budgetary compliance more closely in the future and will amend estimated resources and appropriations when required.

**GERMAN TOWNSHIP
AUGLAIZE COUNTY**

SCHEDULE OF FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
--

FINDING NUMBER 2009-002

Ohio Rev. Code Section 5705.41 (D) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41 (D) (1) and 5705.41 (D) (3), respectively, of the Ohio Revised Code.

1. **"Then and Now" certificate** – If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Township can authorize the drawing of a warrant for the payment of the amount due. The Township has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution. Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval or expenditures by the Township.
2. **Blanket certificate** – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. **Super blanket certificate** – The Township may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any one line item appropriation.

Unless the exception noted above is used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval.

**GERMAN TOWNSHIP
AUGLAIZE COUNTY**

**SCHEDULE OF FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

<p>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</p>

FINDING NUMBER 2009-002 (Continued)

The Township issued purchase orders after the incurrence of an expense without certifying the purchase order as a “Then and Now,” for 9 percent of reviewed expenditures in 2009 and 14 percent of reviewed expenditures in 2008. Additionally, the Township issued five (5) “Then and Now” purchase orders in 2009 and six (6) in 2008 for amounts over the \$3,000 limitation.

Response: The Fiscal Officer will review the proper use of purchase orders and make any necessary changes for the future.

**GERMAN TOWNSHIP
AUGLAIZE COUNTY**

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2009 AND 2008

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Correction Action Taken; or Finding No Longer Valid; Explain
2007-001	ORC 5705.36 - Estimated receipts exceed actual receipts	No	Reissued as Finding Number 2009-001
2007-002	ORC 5705.39 - Appropriations exceed estimated resources	Yes	
2007-003	ORC Sec. 5705.41(D) - Expenditures were not properly certified and Then and Now POs were issued in excess of allowable amounts	No	reissued as Finding Number 2009-002



Mary Taylor, CPA
Auditor of State

GERMAN TOWNSHIP

AUGLAIZE 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
AUGUST 5, 2010**