



Mary Taylor, CPA
Auditor of State

**MUHLENBERG TOWNSHIP
PICKAWAY COUNTY**

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PICKAWAY COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Muhlenberg Township
Pickaway County
16905 London Road
Williamsport, Ohio 43164

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 Muhlenberg Township, Pickaway County, Ohio (the Township), as of and for the years ended December 31, 2008 and 2007, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As discussed in Note 2, the accompanying financial statements and notes follow the modified 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 modified cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Muhlenberg Township, Pickaway County, Ohio, as of December 31, 2008 and 2007, and the respective changes in modified cash financial position and the respective budgetary comparisons for the General, Gas Tax, Road and Bridge, Cemetery, Fire and Ambulance and FEMA Funds thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 21, 2009, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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

Mary Taylor, CPA
Auditor of State

August 21, 2009

**MUHLENBERG TOWNSHIP
PICKAWAY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007
UNAUDITED**

This discussion and analysis of Muhlenberg Township's financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2008 and 2007, within the limitations of the Township's modified 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 2007 are as follows:

- Completed the FEMA project on Gulick Road with the in kind service amounting to \$26,686. The Township acquired the property located on Gulick Road to be maintained as green space in return for the in kind service.
- Added security and an Emergency Tornado Siren at the Cemetery.
- Traded two John Deere lawn mowers and a John Deere Tractor for two new John Deere lawn mowers and for a John Deere 5410 tractor with loader.
- Established Weidinger Bequest for the Cemetery.

Key Highlights for 2008 are as follows:

- Established a secondary sweep checking account to receive better interest rates.
- Replaced approximately 205 feet of Cemetery Fence and the roof and gutters on the Cemetery Barn.
- Received a grant for 2009 for the parking lot at the Township House.
- Reviewed and updated as well as adding new policies to the Township's Policy Manual.
- Replaced two John Deere lawnmowers and one John Deere Gator for two new John Deere mowers and one John Deere Gator.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's modified cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

**MUHLENBERG TOWNSHIP
PICKAWAY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007
UNAUDITED**

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a modified cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's modified cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the modified 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 modified cash basis of accounting.

Reporting the Township as a Whole

The statement of net assets and the statement of activities reflect how the Township did financially during 2007 and 2008, within the limitations of modified cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function or business-type activity draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the modified cash basis of accounting, these changes can be thought of 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, nonfinancial factors such as the Township's property tax base, the extent of the township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property and income taxes should be considered.

In the statement of net assets and the statement of activities, the Township has one type of activity, Governmental Activities. Most of the Township's basic services are reported here, including Fire/EMS. 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.

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.

**MUHLENBERG TOWNSHIP
PICKAWAY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007
UNAUDITED**

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. Muhlenberg 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) are combined and presented in total in a single column.

The Township's major governmental funds are the General Fund, Gasoline Tax Fund, Cemetery Fund, Road and Bridge Fund and Fire and EMS Fund for 2007 and 2008. The FEMA Fund was also a major governmental fund in 2007. 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 2007 compared to 2006 on a modified cash basis and also 2008 compared to 2007:

	Governmental Activities		
	2006	2007	2008
Assets			
Cash and Cash Equivalents	290,723	453,902	492,817
Investments	101,968	15,545	15,545
Total Assets	392,691	469,447	508,362
Net Assets			
Restricted for:			
Perpetual Care of Cemetery			
Expendable	8,623	9,314	9,777
Non Expendable	15,545	15,545	15,545
Weidinger Permanent Fund			
Expendable	0	1,984	2,019
Other Purposes	330,289	363,364	389,289
Unrestricted	38,234	79,241	91,732
Total Net Assets	392,691	469,447	508,362

Net assets increased during 2007 and 2008. The primary reason contributing to the increase in cash balances are as follows:

- Received \$39,121 in estate tax in 2007 and \$7,611 in 2008.
- No major road projects.
- Monitoring spending due to the high cost of fuel and health care insurance.

**MUHLENBERG TOWNSHIP
PICKAWAY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007
UNAUDITED**

Table 2 reflects the changes in net assets on a modified cash basis in 2007 and 2008 for governmental activities.

(Table 2)

Changes in Net Assets

	Governmental Activities		
	2006	2007	2008
Receipts:			
Program Receipts:			
Charges for Services and Sales	25,361	28,232	27,146
Operating Grants and Contributions	91,615	105,024	108,582
Capital Grants, Contributions and Interest	0	154,988	0
Total Program Receipts	116,976	288,244	135,728
General Receipts:			
Property and Other Local Taxes	97,919	103,941	105,851
Grants and Entitlements Not Restricted to Specific Programs	26,779	60,112	29,396
Interest	4,778	5,799	8,831
Miscellaneous	1,173	44	61
Total General Receipts	130,649	169,896	144,139
Total Receipts	247,625	458,140	279,867
Disbursements:			
General Government	35,077	41,305	44,387
Public Safety	36,756	36,168	34,312
Public Works	170,327	82,956	96,897
Public Health Services	32,872	50,871	50,630
Capital Outlay	18,720	170,084	14,726
Total Disbursements	293,752	381,384	240,952
Increase (Decrease) in Net Assets	(46,127)	76,756	38,915
Net Assets, January 1,	438,818	392,691	469,447
Net Assets, December 31,	392,691	469,447	508,362

Program receipts represent a significant part of the total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax monies.

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 salaries, Trustees salary, Fiscal Officer salary, Zoning Inspector salary, Zoning Board Members and Zoning Board of Appeals Members.

**MUHLENBERG TOWNSHIP
PICKAWAY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007
UNAUDITED**

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 major program disbursements for Township activities are for Public Works and Public Safety. General government also represents a significant cost. The next three columns of the Statement entitled Program 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 Service
	2006	2006	2007	2007	2008	2008
General Government	35,077	(32,324)	41,305	(41,305)	44,387	(44,387)
Public Safety	36,756	(36,756)	36,168	(30,494)	34,312	(29,175)
Public Works	170,327	(78,712)	82,956	15,967	96,897	4,995
Health	32,872	(10,264)	50,871	(26,161)	50,630	(26,380)
Capital Outlay	18,720	(18,720)	170,084	(15,096)	14,726	(14,726)
Other	0	0	0	3,949	0	4,449
Total Expenses	293,752	(176,776)	381,384	(93,140)	240,952	(120,343)

The Township had receipts of \$458,140 with disbursements of \$381,384 in 2007. The receipts for 2008 were \$279,867 with disbursements of \$240,952.

General Fund Budgeting Highlights

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. During both 2008 and 2007 there were no changes between the original budgeted receipts and expenditures and the final amounts.

Current Issues

The challenge for all townships is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We are zoned agriculture/residential so we rely heavily on local taxes.

The Township has an audit committee consisting of the three Township Trustees and the Zoning Inspector. The committee is given monthly financial statements for review and discussion at the Township meetings.

**MUHLENBERG TOWNSHIP
PICKAWAY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007
UNAUDITED**

Contacting the Township's Financial Management

This financial report is designed to provide the citizens, taxpayers, investors, and creditors with a general overview of Muhlenberg 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 Becky Writsel, Fiscal Officer, Muhlenberg Township, 16905 London Road, Williamsport, Ohio 43164 (740-474-1717).

**MUHLENBERG TOWNSHIP
PICKAWAY COUNTY**

**STATEMENT OF NET ASSETS - MODIFIED CASH BASIS
DECEMBER 31, 2008**

	Governmental Activities
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$492,817
Investments	15,545
<i>Total Assets</i>	<u>\$508,362</u>
<u>Net Assets:</u>	
<i>Restricted for:</i>	
Permanent Fund: Perpetual Care of Cemetery	
Expendable	\$9,777
Nonexpendable	15,545
Permanent Fund: Flowers for Graves	
Expendable	2,019
Other Purposes	389,289
Unrestricted	91,732
<i>Total Net Assets</i>	<u>\$508,362</u>

See accompanying notes to the basic financial statements.

**MUHLENBERG TOWNSHIP
PICKAWAY COUNTY**

**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Cash Disbursements	Program Revenues		Net (Disbursements) Receipts and Changes in Net Assets
		Charges for Services and Sales	Operating Grants, Contributions and Interest	Governmental Activities
<u>Governmental Activities:</u>				
General Government	\$44,387	\$0	\$0	(\$44,387)
Public Safety	34,312	0	5,137	(29,175)
Public Works	96,897	2,847	99,045	4,995
Health	50,630	21,447	2,803	(26,380)
Other	0	2,852	1,597	4,449
Capital Outlay	14,726	0	0	(14,726)
<i>Total Governmental Activities</i>	<u>240,952</u>	<u>27,146</u>	<u>108,582</u>	<u>(105,224)</u>
<u>General Receipts:</u>				
Property Taxes Levied For:				
General Purposes				19,809
Public Works Projects				22,764
Health				24,390
Public Safety				38,888
Grants and Entitlements not Restricted to Specific Programs				29,396
Earnings on Investments				8,831
Miscellaneous				61
<i>Total General Receipts</i>				<u>144,139</u>
<i>Change in Net Assets</i>				38,915
<i>Net Assets Beginning of Year</i>				<u>469,447</u>
<i>Net Assets End of Year</i>				<u><u>\$508,362</u></u>

See accompanying notes to the basic financial statements.

**MUHLENBERG TOWNSHIP
PICKAWAY COUNTY**

**STATEMENT OF MODIFIED CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2008**

	General	Gasoline Tax	Road and Bridge	Cemetery	Fire and Ambulance	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>							
Equity in Pooled Cash and Cash Equivalents	\$91,732	\$139,258	\$73,077	\$84,981	\$65,068	\$38,701	\$492,817
Investments	0	0	0	0	0	15,545	15,545
Total Assets	\$91,732	\$139,258	\$73,077	\$84,981	\$65,068	\$54,246	\$508,362
<u>Fund Balances:</u>							
Reserved for Permanent Endowment	\$0	\$0	\$0	\$0	\$0	\$15,545	\$15,545
<i>Unreserved, Reported in:</i>							
General Fund	91,732	0	0	0	0	0	91,732
Special Revenue Funds	0	139,258	73,077	84,981	65,068	26,905	389,289
Permanent Fund	0	0	0	0	0	11,796	11,796
Total Fund Balances	\$91,732	\$139,258	\$73,077	\$84,981	\$65,068	\$54,246	\$508,362

See accompanying notes to the basic financial statements.

**MUHLENBERG TOWNSHIP
PICKAWAY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN MODIFIED CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	General	Gasoline Tax	Road and Bridge	Cemetery	Fire and Ambulance	Other Governmental Funds	Total
<u>Receipts:</u>							
Property and Other Local Taxes	\$19,809	\$0	\$22,764	\$24,390	\$38,888	\$0	\$105,851
Intergovernmental	29,395	87,488	2,898	3,105	4,935	7,247	135,068
Fines, Licenses, and Permits	2,852	0	0	15,897	0	0	18,749
Earnings on Investments	8,832	3,968	0	0	0	1,788	14,588
Miscellaneous	61	0	0	5,550	0	0	5,611
Total Receipts	60,949	91,456	25,662	48,942	43,823	9,035	279,867
<u>Disbursements:</u>							
<i>Current:</i>							
General Government	44,387	0	0	0	0	0	44,387
Public Safety	92	0	0	0	34,220	0	34,312
Public Works	0	66,789	19,007	0	0	11,101	96,897
Health	3,797	0	0	46,319	0	514	50,630
Capital Outlay	182	1,001	1,001	12,542	0	0	14,726
Total Disbursements	48,458	67,790	20,008	58,861	34,220	11,615	240,952
Net Change in Fund Balance	12,491	23,666	5,654	(9,919)	9,603	(2,580)	38,915
Fund Balance Beginning of Year	79,241	115,592	67,423	94,900	55,465	56,826	469,447
Fund Balances End of Year	\$91,732	\$139,258	\$73,077	\$84,981	\$65,068	\$54,246	\$508,362

See accompanying notes to the basic financial statements.

**MUHLENBERG TOWNSHIP
PICKAWAY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts</u>				
Property Taxes and Other Local Taxes	\$18,100	\$18,100	\$19,809	\$1,709
Licenses, Permits and Fees	2,060	2,060	2,852	792
Intergovernmental	19,000	19,000	29,414	10,414
Earnings on Investments	4,120	4,120	8,832	4,712
Miscellaneous	0	0	42	42
<i>Total Receipts</i>	43,280	43,280	60,949	17,669
<u>Disbursements:</u>				
<i>Current:</i>				
General Government	54,772	59,272	44,387	14,885
Public Safety	200	200	92	108
Health	2,000	3,800	3,797	3
Capital Outlay	26,000	19,700	182	19,518
<i>Total Disbursements:</i>	82,972	82,972	48,458	34,514
<i>Net Change in Fund Balance</i>	(39,692)	(39,692)	12,491	52,183
<i>Fund Balance at Beginning of Year</i>	79,241	79,241	79,241	0
<i>Fund Balance at End of Year</i>	\$39,549	\$39,549	\$91,732	\$52,183

See accompanying notes to the basic financial statements.

**MUHLENBERG TOWNSHIP
PICKAWAY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
GASOLINE TAX
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Receipts</u>				
Intergovernmental	\$80,000	\$80,000	\$87,488	\$7,488
Earnings on Investments	700	700	3,968	3,268
Miscellaneous	0	0	0	0
<i>Total Receipts</i>	<u>80,700</u>	<u>80,700</u>	<u>91,456</u>	<u>10,756</u>
<u>Disbursements:</u>				
<i>Current:</i>				
Public Works	150,750	150,750	66,789	83,961
Capital Outlay	30,000	30,000	1,001	28,999
<i>Total Disbursements:</i>	<u>180,750</u>	<u>180,750</u>	<u>67,790</u>	<u>112,960</u>
<i>Net Change in Fund Balance</i>	(100,050)	(100,050)	23,666	123,716
<i>Fund Balance at Beginning of Year</i>	<u>115,592</u>	<u>115,592</u>	<u>115,592</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$15,542</u></u>	<u><u>\$15,542</u></u>	<u><u>\$139,258</u></u>	<u><u>\$123,716</u></u>

See accompanying notes to the basic financial statements.

**MUHLENBERG TOWNSHIP
PICKAWAY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
ROAD AND BRIDGE
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Receipts</u>				
Property Taxes and Other Local Taxes	\$21,000	\$21,000	\$22,764	\$1,764
Intergovernmental	1,500	1,500	2,898	1,398
Miscellaneous	0	0	0	0
<i>Total Receipts</i>	<u>22,500</u>	<u>22,500</u>	<u>25,662</u>	<u>3,162</u>
<u>Disbursements:</u>				
<i>Current:</i>				
Public Works	77,200	77,200	19,007	58,193
Capital Outlay	5,000	5,000	1,001	3,999
<i>Total Disbursements:</i>	<u>82,200</u>	<u>82,200</u>	<u>20,008</u>	<u>62,192</u>
<i>Net Change in Fund Balance</i>	(59,700)	(59,700)	5,654	65,354
<i>Fund Balance at Beginning of Year</i>	<u>67,423</u>	<u>67,423</u>	<u>67,423</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$7,723</u></u>	<u><u>\$7,723</u></u>	<u><u>\$73,077</u></u>	<u><u>\$65,354</u></u>

See accompanying notes to the basic financial statements.

**MUHLENBERG TOWNSHIP
PICKAWAY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
CEMETERY
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Receipts</u>				
Property Taxes and Other Local Taxes	\$20,500	\$20,500	\$24,390	\$3,890
Licenses, Permits and Fees	18,985	18,985	15,897	(3,088)
Intergovernmental	1,500	1,500	3,105	1,605
Miscellaneous	4,500	4,500	5,550	1,050
<i>Total Receipts</i>	<u>45,485</u>	<u>45,485</u>	<u>48,942</u>	<u>3,457</u>
<u>Disbursements:</u>				
<i>Current:</i>				
Health	87,600	97,600	46,319	51,281
Capital Outlay	41,000	31,000	12,542	18,458
<i>Total Disbursements:</i>	<u>128,600</u>	<u>128,600</u>	<u>58,861</u>	<u>69,739</u>
<i>Net Change in Fund Balance</i>	(83,115)	(83,115)	(9,919)	73,196
<i>Fund Balance at Beginning of Year</i>	<u>\$94,900</u>	<u>\$94,900</u>	<u>\$94,900</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$11,785</u></u>	<u><u>\$11,785</u></u>	<u><u>\$84,981</u></u>	<u><u>\$73,196</u></u>

See accompanying notes to the basic financial statements.

**MUHLENBERG TOWNSHIP
PICKAWAY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FIRE AND AMBULANCE
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Receipts</u>				
Property Taxes and Other Local Taxes	\$36,250	\$36,250	\$38,888	\$2,638
Intergovernmental	1,750	1,750	4,935	3,185
<i>Total Receipts</i>	<u>38,000</u>	<u>38,000</u>	<u>43,823</u>	<u>5,823</u>
<u>Disbursements:</u>				
<i>Current:</i>				
Public Safety	<u>81,875</u>	<u>81,875</u>	<u>34,220</u>	<u>47,655</u>
<i>Total Disbursements:</i>	<u>81,875</u>	<u>81,875</u>	<u>34,220</u>	<u>47,655</u>
<i>Net Change in Fund Balance</i>	(43,875)	(43,875)	9,603	53,478
<i>Fund Balance at Beginning of Year</i>	<u>55,465</u>	<u>55,465</u>	<u>55,465</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$11,590</u></u>	<u><u>\$11,590</u></u>	<u><u>\$65,068</u></u>	<u><u>\$53,478</u></u>

See accompanying notes to the basic financial statements.

**MUHLENBERG TOWNSHIP
PICKAWAY COUNTY**

**STATEMENT OF NET ASSETS - MODIFIED CASH BASIS
DECEMBER 31, 2007**

	Governmental Activities
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$453,902
Investments	15,545
<i>Total Assets</i>	<u>\$469,447</u>
<u>Net Assets:</u>	
<i>Restricted for:</i>	
Permanent Fund: Perpetual Care of Cemetery	
Expendable	\$9,314
Nonexpendable	15,545
Permanent Fund: Flowers for Graves	
Expendable	1,984
Other Purposes	363,363
Unrestricted	<u>79,241</u>
<i>Total Net Assets</i>	<u>\$469,447</u>

See accompanying notes to the basic financial statements.

**MUHLENBERG TOWNSHIP
PICKAWAY COUNTY**

**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

	Program Revenues			Capital Grants & Contributions	Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants, Contributions and Interest		Governmental Activities
<u>Governmental Activities:</u>					
General Government	\$41,305	\$0	\$0	\$0	(\$41,305)
Public Safety	36,168	0	5,674	0	(30,494)
Public Works	82,956	3,021	95,902	0	15,967
Health	50,871	22,307	2,403	0	(26,161)
Other	0	2,904	1,045	0	3,949
Capital Outlay	170,084	0	0	154,988	(15,096)
<i>Total Governmental Activities</i>	<u>381,384</u>	<u>28,232</u>	<u>105,024</u>	<u>154,988</u>	<u>(93,140)</u>
<u>General Receipts:</u>					
Property Taxes Levied For:					
General Purposes					19,392
Public Works Projects					22,390
Health					23,857
Public Safety					38,302
Grants and Entitlements Not Restricted to Specific Programs					60,112
Earnings on Investments					5,799
Miscellaneous					44
<i>Total General Receipts</i>					<u>169,896</u>
<i>Change in Net Assets</i>					76,756
<i>Net Assets Beginning of Year</i>					<u>392,691</u>
<i>Net Assets End of Year</i>					<u>\$469,447</u>

See accompanying notes to the basic financial statements.

**MUHLENBERG TOWNSHIP
PICKAWAY COUNTY**

**STATEMENT OF MODIFIED CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2007**

	General	Gasoline Tax	Road and Bridge	Cemetery	Fire and Ambulance	FEMA Grant	Other Governmental Funds	Total Governmental Funds
Assets:								
Equity in Pooled Cash and Cash Equivalents	\$79,241	\$115,592	\$67,423	\$94,900	\$55,465	\$0	\$41,281	\$453,902
Investments	0	0	0	0	0	0	15,545	15,545
Total Assets	\$79,241	\$115,592	\$67,423	\$94,900	\$55,465	\$0	\$56,826	\$469,447
Fund Balances:								
Reserved for Permanent Endowment	\$0	\$0	\$0	\$0	\$0	\$0	\$15,545	\$15,545
<i>Unreserved, Reported in:</i>								
General Fund	79,241	0	0	0	0	0	0	79,241
Special Revenue Funds	0	115,592	67,423	94,900	55,465	0	29,983	363,363
Permanent Fund	0	0	0	0	0	0	11,298	11,298
Total Fund Balances	\$79,241	\$115,592	\$67,423	\$94,900	\$55,465	\$0	\$56,826	\$469,447

See accompanying notes to the basic financial statements.

**MUHLENBERG TOWNSHIP
PICKAWAY COUNTY**

**STATEMENT OF MODIFIED CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN MODIFIED CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007**

	General	Gasoline Tax	Road and Bridge	Cemetery	Fire and Ambulance	FEMA Grant	Other Governmental Funds	Total
<u>Receipts:</u>								
Property and Other Local Taxes	\$19,392	\$0	\$22,390	\$23,857	\$38,302	\$0	\$0	\$103,941
Intergovernmental	58,363	88,447	2,244	2,403	3,759	156,904	7,326	319,446
Fines, Licenses, and Permits	2,904	0	0	15,132	0	0	0	18,036
Earnings on Investments	5,799	756	0	0	0	0	987	7,542
Miscellaneous	0	0	0	7,175	0	0	2,000	9,175
Total Receipts	86,458	89,203	24,634	48,567	42,061	156,904	10,313	458,140
<u>Disbursements:</u>								
<i>Current:</i>								
General Government	41,305	0	0	0	0	0	0	41,305
Public Safety	31	0	0	0	34,357	1,780	0	36,168
Public Works	0	37,320	34,478	0	0	0	11,158	82,956
Health	3,640	0	0	47,070	0	0	161	50,871
Capital Outlay	475	8,248	0	6,237	0	155,124	0	170,084
Total Disbursements	45,451	45,568	34,478	53,307	34,357	156,904	11,319	381,384
Net Change in Fund Balance	41,007	43,635	(9,844)	(4,740)	7,704	0	(1,006)	76,756
Fund Balance Beginning of Year	\$38,234	\$71,957	\$77,267	\$99,640	\$47,761	\$0	57,832	392,691
Fund Balances End of Year	\$79,241	\$115,592	\$67,423	\$94,900	\$55,465	\$0	\$56,826	\$469,447

See accompanying notes to the basic financial statements.

**MUHLENBERG TOWNSHIP
PICKAWAY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2007**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts</u>				
Property Taxes and Other Local Taxes	\$18,000	\$18,000	\$19,392	\$1,392
Intergovernmental	18,650	18,650	58,363	39,713
Licenses, Permits and Fees	3,500	3,500	2,904	(596)
Earnings on Investments	2,045	2,045	5,799	3,754
Miscellaneous	110	110	0	(110)
<i>Total Receipts</i>	42,305	42,305	86,458	44,153
<u>Disbursements:</u>				
<i>Current:</i>				
General Government	55,315	55,315	41,305	14,010
Public Safety	200	200	31	169
Health	4,000	4,000	3,640	360
Capital Outlay	20,220	20,220	475	19,745
<i>Total Disbursements:</i>	79,735	79,735	45,451	34,284
<i>Net Change in Fund Balance</i>	(37,430)	(37,430)	41,007	78,437
<i>Fund Balance at Beginning of Year</i>	38,234	38,234	38,234	0
<i>Fund Balance at End of Year</i>	\$804	\$804	\$79,241	\$78,437

See accompanying notes to the basic financial statements

**MUHLENBERG TOWNSHIP
PICKAWAY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
GASOLINE TAX
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Receipts</u>				
Intergovernmental	\$76,791	\$76,791	\$88,447	\$11,656
Earnings on Investments	1,500	1,500	756	(744)
Miscellaneous	10	10	0	(10)
<i>Total Receipts</i>	<u>78,301</u>	<u>78,301</u>	<u>89,203</u>	<u>10,902</u>
<u>Disbursements:</u>				
<i>Current:</i>				
Public Works	136,700	136,700	37,320	99,380
Capital Outlay	12,057	12,057	8,248	3,809
<i>Total Disbursements:</i>	<u>148,757</u>	<u>148,757</u>	<u>45,568</u>	<u>103,189</u>
<i>Net Change in Fund Balance</i>	(70,456)	(70,456)	43,635	114,091
<i>Fund Balance at Beginning of Year</i>	<u>71,957</u>	<u>71,957</u>	<u>71,957</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$1,501</u></u>	<u><u>\$1,501</u></u>	<u><u>\$115,592</u></u>	<u><u>\$114,091</u></u>

See accompanying notes to the basic financial statements.

**MUHLENBERG TOWNSHIP
PICKAWAY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
ROAD AND BRIDGE
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Receipts</u>				
Property Taxes and Other Local Taxes	\$20,200	\$20,200	\$22,390	\$2,190
Intergovernmental	800	800	2,244	1,444
Miscellaneous	50	50	0	(50)
<i>Total Receipts</i>	<u>21,050</u>	<u>21,050</u>	<u>24,634</u>	<u>3,584</u>
<u>Disbursements:</u>				
<i>Current:</i>				
Public Works	77,700	77,700	34,478	43,222
Capital Outlay	19,635	19,635	0	19,635
<i>Total Disbursements:</i>	<u>97,335</u>	<u>97,335</u>	<u>34,478</u>	<u>62,857</u>
<i>Net Change in Fund Balance</i>	(76,285)	(76,285)	(9,844)	66,441
<i>Fund Balance at Beginning of Year</i>	<u>77,267</u>	<u>77,267</u>	<u>77,267</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$982</u></u>	<u><u>\$982</u></u>	<u><u>\$67,423</u></u>	<u><u>\$66,441</u></u>

See accompanying notes to the basic financial statements.

**MUHLENBERG TOWNSHIP
PICKAWAY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
CEMETERY
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Receipts</u>				
Property Taxes and Other Local Taxes	\$22,000	\$22,000	\$23,857	\$1,857
Intergovernmental	1,519	1,519	2,403	884
Licenses, Permits and Fees	18,000	18,000	15,132	(2,868)
Miscellaneous	2,000	2,000	7,175	5,175
<i>Total Receipts</i>	<u>43,519</u>	<u>43,519</u>	<u>48,567</u>	<u>5,048</u>
<u>Disbursements:</u>				
<i>Current:</i>				
Health	88,800	88,800	47,070	41,730
Capital Outlay	52,928	52,928	6,237	46,691
<i>Total Disbursements:</i>	<u>141,728</u>	<u>141,728</u>	<u>53,307</u>	<u>88,421</u>
<i>Net Change in Fund Balance</i>	(98,209)	(98,209)	(4,740)	93,469
<i>Fund Balance at Beginning of Year</i>	<u>99,640</u>	<u>99,640</u>	<u>99,640</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$1,431</u></u>	<u><u>\$1,431</u></u>	<u><u>\$94,900</u></u>	<u><u>\$93,469</u></u>

See accompanying notes to the basic financial statements.

**MUHLENBERG TOWNSHIP
PICKAWAY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FIRE AND AMBULANCE
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Receipts</u>				
Property Taxes and Other Local Taxes	\$36,000	\$36,000	\$38,302	\$2,302
Intergovernmental	2,090	2,090	3,759	1,669
Licenses, Permits and Fees	0	0	0	0
Miscellaneous	200	200	0	(200)
<i>Total Receipts</i>	<u>38,290</u>	<u>38,290</u>	<u>42,061</u>	<u>3,771</u>
<u>Disbursements:</u>				
<i>Current:</i>				
Public Safety	85,190	85,190	34,357	50,833
<i>Total Disbursements:</i>	<u>85,190</u>	<u>85,190</u>	<u>34,357</u>	<u>50,833</u>
<i>Net Change in Fund Balance</i>	(46,900)	(46,900)	7,704	54,604
<i>Fund Balance at Beginning of Year</i>	<u>47,761</u>	<u>47,761</u>	<u>47,761</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$861</u></u>	<u><u>\$861</u></u>	<u><u>\$55,465</u></u>	<u><u>\$54,604</u></u>

See accompanying notes to the basic financial statements.

**MUHLENBERG TOWNSHIP
PICKAWAY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FEMA GRANT
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Receipts</u>				
Intergovernmental	\$157,228	\$157,228	\$156,904	(\$324)
<i>Total Receipts</i>	<u>157,228</u>	<u>157,228</u>	<u>156,904</u>	<u>(324)</u>
<u>Disbursements:</u>				
<i>Current:</i>				
Public Safety	1,915	1,915	1,780	135
Capital Outlay	155,313	155,313	155,124	189
<i>Total Disbursements:</i>	<u>157,228</u>	<u>157,228</u>	<u>156,904</u>	<u>324</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance at Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

See accompanying notes to the basic financial statements.

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**MUHLENBERG TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

Note 1 – Reporting Entity

Muhlenberg Township, Pickaway County, Ohio, is a body politic and corporate established December 8, 1830, 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 Fiscal Officer.

The reporting entity is comprised of the primary government.

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 Williamsport and Deercreek Emergency Squad (WADES) for EMS Services and Williamsport Fire Department for fire coverage for the Southwest area of the Township, including all Westfall Schools. In addition, the Township contracts with Harrison Township Fire Department for Fire and EMS Services for the remainder of the Township, including the Village of Darbyville. The Pickaway County Sheriff's Department provides law enforcement for the Township.

B. Component Unit

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the township appoints a voting majority of the organization's governing board and (1) the township is able to significantly influence the programs or services performed or provided by the organization; or (2) the township is legally entitled to or can otherwise access the organization's resources; the township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide 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.

Muhlenberg Township has no component units.

C. Jointly Governed Organizations and Public Entity Risk Pools

The Township does not participate in any jointly governed organizations; however the Township contracts with Ohio Township Association Risk Management Authority (OTARMA), a public entity risk pool which provides property and casualty coverage for its members. Note 6 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.

**MUHLENBERG TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007
(Continued)**

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2.C, these financial statements are presented on a modified cash basis of accounting. This modified 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 modified cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the modified cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. 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 balance and net assets 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 modified cash basis or draws from the Township's general receipts.

Fund Financial Statements

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

B. Fund Accounting

Muhlenberg 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. All of Muhlenberg Township's funds are governmental.

**MUHLENBERG TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007
(Continued)**

Note 2 – Summary of Significant Accounting Policies (Continued)

Governmental Funds

Muhlenberg 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 the following:

General Fund – The General Fund accounts for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio

Gasoline Tax Fund –The Gasoline Tax Fund receives gasoline tax money to pay for constructing, maintaining and repairing of Township roads and bridges.

Road and Bridge Fund – Road and Bridge Fund receives real estate property tax, personal property tax, manufactured home tax, and homestead and rollback for constructing, maintaining and repairing Township roads and bridges.

Cemetery Fund – Cemetery Fund receives property tax, lot fees, open and closing fees and foundation installation fees for the maintaining and upkeep of the cemetery.

Fire and Ambulance Fund – Fire and Ambulance Fund receives taxes to provide the fire and EMS Services for the Township.

FEMA Fund – The FEMA project on Gulick Road received Federal and State Funds which were restricted for the Murray Project.

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

As a result of the use of this modified 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 by not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

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

**MUHLENBERG TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007
(Continued)**

Note 2 – Summary of Significant Accounting Policies (Continued)

D. Budgetary Process (Continued)

The appropriation resolution 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 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 certificated of estimated resources in effect at the time final appropriations were passed by the township.

The appropriation resolution 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 resolution for that fund that covered the entire year. 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 and Cash and Cash Equivalents".

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments. Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2007 and 2008 the Township invested in nonnegotiable certificates of deposit. The nonnegotiable certificates were reported at cost. At December 31, 2008 all nonnegotiable certificates of deposit had been redeemed except for a \$15,545 certificate of deposit associated with a restricted bequest; monies from the other remaining certificates of deposit were invested in a Secondary Sweep checking account. The Primary Checking account maintains a daily balance of \$10,000 by sweeping nightly to or from the Secondary Sweep Account to maintain the \$10,000 balance in the Primary Checking Account.

Interest earnings are allocated to township funds according to Ohio statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2007 was \$5,799; to the Motor Vehicle Fund was \$128; to the Gasoline Fund was \$756; Permissive Motor Vehicle Fund was \$25; to the Permanent Fund was \$833; and the Weidinger Bequest Fund was \$2. Interest receipts credited to the General Fund during 2008 was \$ 8,832; to the Motor Vehicle Fund was \$574; to the Gasoline fund was \$3,968; Permissive Motor Vehicle Fund was \$202; to the Permanent Fund was \$950; and to the Weidinger Bequest Fund was \$62.

**MUHLENBERG TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007
(Continued)**

Note 2 – Summary of Significant Accounting Policies (Continued)

F. Inventory and Prepaid Items

Muhlenberg Township reports disbursements for inventories and prepaid items when paid. These items are reflected as assets in the accompanying financial statements.

G. Capital Assets

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

H. Employer Contributions to Cost-Sharing Pension Plans

Muhlenberg Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

I. 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 constructing, maintaining, and repairing Township roads and bridges. Net assets restricted for permanent funds include amounts received through bequests; only a portion of these bequests may be expended for periodic maintenance of the cemetery and flowers for certain graves.

Muhlenberg 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.

J. Fund Balance Reserve

Muhlenberg Township reserves any portion of fund balances which are not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods.

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, Gasoline Tax, Road and Bridge, Cemetery, Fire and Ambulance, and FEMA (2007 only) Funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget.

Note 4 – 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.

**MUHLENBERG TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007
(Continued)**

Note 4 – Deposits and Investments (Continued)

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 the time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

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

1. United States Treasury bills, bonds, notes or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes 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 governmental agencies or instruments;
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 two 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 the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the township, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

A. Deposits

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, the Township's bank balance was exposed to no custodial credit risk because those deposits were collateralized with securities held in the Township's name.

**MUHLENBERG TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007
(Continued)**

Note 4 – Deposits and Investments (Continued)

At year end, Muhlenberg Township had no outstanding deposits and the bank balance for 2007 was \$469,447; and \$508,362 for 2008. Of the bank balance all funds were covered by federal depository insurance and a collateral pool established by The Savings Bank. Although all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the Township to a successful claim by the FDIC.

Muhlenberg 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 repayments, 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.

B. Investments

The Township had the following investment in a certificate of deposit with a maturity of one year or less:

	Fair Value	Less Than One Year
Permanent Fund	\$15,545	\$15,545
Total	\$15,545	\$15,545

The Certificate of Deposit is a nonnegotiable certificate of deposit matched to the Hays Bequest Permanent Fund. The interest on the Hays Bequest Permanent Fund is to be used on general maintenance of the Darbyville Cemetery.

Note 5 – 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 2007 represent the collection of 2006 taxes, and tax receipts received in 2008 represents the collections of 2007 taxes. Real property taxes received in 2007 were levied after October 1, 2006, and real property taxes received in 2008 were levied after October 1, 2007, on the assessed values as of January 1, 2006 and January 1, 2007, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31, if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2007 represent the collection of 2006 taxes, and tax receipts received in 2008 represent the collection of 2007 taxes. Public utility real and tangible personal property taxes received in 2007 became a lien on December 31, 2006 were levied after October 1, 2006, and taxes received in 2008 became a lien on December 31, 2007 were levied after October 1, 2007. These taxes are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

**MUHLENBERG TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007
(Continued)**

Note 5 – Property Taxes (Continued)

Tangible personal property tax receipts received in 2007 (other than public utility property) represent the collection of 2007 taxes and tangible personal property tax receipts received in 2008 (other than public utility property) represents the collection of 2008 taxes. Tangible personal property taxes received in 2007 were levied after October 1, 2006 and tangible personal property taxes received in 2008 were levied after October 1, 2007. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all Township operations for the year ended December 31, 2007 and 2008, was \$56 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2007 and 2008 property tax receipts were based are as follows:

Real Property	<u>2008</u>	<u>2007</u>
Residential	\$9,006,280	\$8,633,960
Agricultural	5,569,580	5,313,640
Commercial/Industrial/Mineral	71,520	71,520
Public Utility Property		
Personal	2,638,380	2,494,730
Tangible Personal Property	<u>335,081</u>	<u>398,286</u>
Total Assessed Value	<u>\$17,620,841</u>	<u>\$16,912,136</u>

Note 6 – Risk Management

Muhlenberg Township is exposed to various risks of property and casualty losses, and injuries to employees.

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

Casualty Coverage

For an occurrence prior to January 1, 2006, OTARMA retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year. For an occurrence on or subsequent to January 1, 2006, the Pool retains casualty risk up to \$350,000 per occurrence. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year. Governments can elect up to \$10,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with OTARMA.

**MUHLENBERG TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007
(Continued)**

Note 6 – Risk Management (Continued)

If losses exhaust OTARMA's retained earnings, APEEP provides *excess of funds available* coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000 (prior to January 1, 2006) or \$3,000,000 (on or subsequent to January 1, 2006).

Property Coverage

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

Beginning in 2005, Travelers reinsures specific losses exceeding \$250,000 up to \$600,000,000 per occurrence. This amount increased to \$300,000 in 2007. For 2007, APEEP reinsures members for specific losses exceeding \$100,000 up to \$300,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable value. If the stop-loss is reached by payment of losses between \$100,000 and \$250,000 in 2006, or \$100,000 and \$300,000 in 2007. Travelers will reinsure specific losses exceeding \$100,000 up to their \$600,000,000 per occurrence limit. The aggregate stop-loss limit for 2007 was \$2,014,548.

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

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

Financial Position

OTARMA's financial statements (audited by other accountants) conform to generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2007 and 2006 (latest information available):

	<u>2007</u>	<u>2006</u>
Assets	\$43,210,703	\$42,042,275
Liabilities	(13,357,837)	(12,120,661)
Net Assets	<u>\$29,852,866</u>	<u>\$29,921,614</u>

At December 31, 2007 and 2006, respectively, liabilities above include approximately \$12.5 million and \$11.3 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$11.6 million and \$10.8 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2007 and 2006, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township's share of these unpaid claims collectible in future years is approximately \$2,500. This payable includes the subsequent year's contribution due if the Township terminates participation, as described in the last paragraph below.

**MUHLENBERG TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007
(Continued)**

Note 6 – Risk Management (Continued)

Based on discussions with OTARMA the expected rates charged by OTARMA to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions required to be made to OTARMA for each year of membership. The Township's contributions for the past three years are as follows:

<u>Year</u>	<u>Contribution</u>
2008	\$ 2,695
2007	\$ 2,599
2006	\$ 2,760

After completing one year of membership, members may withdraw on each anniversary of the date they joined OTARMA provided they give written notice to OTARMA 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for 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.

Note 7 – Defined Benefit Pension Plan

Muhlenberg 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 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, Ohio 43215-4642 or by calling (614)222-5601 or 800-222-7377.

For the year ended December 31, 2007, the members of three plans, except those in law enforcement participating in the traditional plan, were required to contribute 9.5 percent of their annual covered salaries and 10 percent in 2008. The Township's contribution for pension benefits for 2007 was 13.85 percent and 14 percent for 2008. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2006, 2007 and 2008 were \$9,184; \$10,655 and \$10,187 respectively; 100 percent has been contributed for 2006 and 100 percent for 2007 and 2008.

**MUHLENBERG TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007
(Continued)**

Note 8 – Postemployment Benefits

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with then or more years of qualifying Ohio service credit with either the traditional or combined plans. Health Care coverage for disability recipients and qualified survivor benefit recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2007 local government employer contribution rate was 13.85 percent of covered payroll (17.17 percent for public safety and law enforcement). The portion of employer contributions, for all employees, allocated to health care was 5 percent from January 1 to June 30, 2007 and 6 percent from July 1 to December 31, 2007. In 2008 state and local employers contributed at a rate of 14 percent of covered payroll and public safety and law enforcement employer units contributed at 17.4 percent. The portion of employer contributions allocated to health care was 7 percent for all employers.

Benefits are advance-funded using the individual age actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2007, include a rate of return on investments of 6.5 percent, an annual increase of 4.0 percent, compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. In addition, annual pay increases over and above the 4.00 percent base increase, were assumed to range from 0.50 percent to 6.30 percent.

All investments are carried at market value. For actuarial purposes, a smoothed marked approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12 percent corridor.

The number of active contributing participants in the traditional and combined plans was 364,076 for 2007 and 363,503 in 2008. OPERS has estimated a liability for future health care be \$30.7 billion. Ohio PERS is one of a relatively few retirement systems that has systematically set aside assets to fund health care.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The 2007 retiree contributions for health care also reflect the first year of implementation of the HCPP and the impact of cost sharing and cost-containment efforts incorporated in these plan changes. The amount of \$12.8 billion represents the actuarial funding value of OPERS' net assets available for OPEB at December 31, 2007. Based on the actuarial cost method used, the Actuarial Valuation as of December 31, 2007 reported the actuarially accrued liability and the unfunded actuarially accrued liability for OPEB at \$29.8 billion and \$17.0 billion, respectively.

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Mary Taylor, CPA

Auditor of State

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

Muhlenberg Township
Pickaway County
16905 London Road
Williamsport, Ohio 43164

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 Muhlenberg Township, Pickaway County, Ohio (the Township) as of and for the years ended December 31, 2008 and 2007, which collectively comprise the Township's basic financial statements and have issued our report thereon dated August 21, 2009, wherein we noted the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be 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.

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We noted certain matters that we reported to the Township's management in a separate letter dated August 21, 2009.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2008-001.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated August 21, 2009.

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 response and, accordingly, we express no opinion on it.

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



Mary Taylor, CPA
Auditor of State

August 21, 2009

**MUHLENBERG TOWNSHIP
PICKAWAY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2008 AND 2007**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2008-001

Finding For Recovery – Repaid Under Audit

The Township issues monthly reimbursements to assist with the costs of health insurance to each of its Trustees in lieu of providing health insurance. Each month the Township Trustees submit an invoice to the Fiscal Officer showing their expenditures for health insurance for that month. The checks are prepared by the Fiscal Officer and are signed by two trustees.

During our audit we noted Ronald Clifton was paid his health insurance reimbursement for the month of January 2008 twice in the amount of \$124.78.

In accordance with the foregoing facts and pursuant to Ohio Revised Code Section 117.28, a Finding for Recovery for public monies that have been illegal expended is issued against Trustee Ronald Clifton.

Upon acknowledgement of the error, the full amount was repaid to the Township on April 19, 2009 by Trustee Ronald Clifton.

Officials' Response:

The Township has established an excel spreadsheet to include warrant date, warrant amount and pay period ending date(s). The trustees will receive this spreadsheet along with their other monthly reports. Including the pay period ending date will help ensure a duplicate payment will not be made.



Mary Taylor, CPA
Auditor of State

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
SEPTEMBER 29, 2009**