

**MONDAY CREEK TOWNSHIP
PERRY COUNTY**

AUDIT REPORT

JANUARY 1, 2009 – DECEMBER 31, 2010

**Wolfe, Wilson, & Phillips, Inc.
37 South Seventh Street
Zanesville, Ohio 43701**



Dave Yost • Auditor of State

Board of Trustees
Monday Creek Township
Bell Bottom Rd SE
New Straitsville, Ohio 43766

We have reviewed the *Independent Auditors' Report* of Monday Creek Township, Perry County, prepared by Wolfe, Wilson & Phillips, Inc., for the audit period January 1, 2009 through December 31, 2010. 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. Monday Creek Township is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

July 26, 2011

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**MONDAY CREEK TOWNSHIP
PERRY COUNTY**

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WOLFE, WILSON, & PHILLIPS, INC.
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701

INDEPENDENT AUDITORS' REPORT

Monday Creek Township
Perry County
635 Bell Bottom Road
New Straightsville, Ohio 43766

We have audited the accompanying financial statements of the governmental activities, major funds and aggregate remaining fund information of Monday Creek Township, Perry County as of and for the years ended December 31, 2010 and 2009, which collectively comprised the Township's basic financial statements. 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 *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 2, the Township has prepared these financial statements and notes using the cash basis of accounting. 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 financial position-cash basis of the governmental activities, major funds and the aggregate remaining fund information of Monday Creek Township, Perry County, as of December 31, 2010 and 2009, and the respective changes in financial position-cash basis and the respective budgetary comparison for the General Fund, Motor Vehicle License Tax Fund, Gasoline Tax Fund, and Volunteer Fire District Fund 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 a report dated May 23, 2011, on our consideration of Monday Creek Township's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion 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* and should be read in conjunction with this report in considering 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 Government 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.

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
May 23, 2011

**MONDAY CREEK TOWNSHIP, PERRY COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED**

This discussion and analysis of the Monday Creek Township's financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2010 and 2009, within the limitations of the Township's cash basis accounting. The intent of this discussion and analysis is to look at the Township's financial performance as a whole; readers should also review the financial statements and notes to the basic financial statements to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2010 and 2009 are as follows:

The Township's general receipts are primarily Real Estate and property taxes for governmental activities for the year. Tax receipts for 2010 and 2009 changed very little compared to 2008 as development within the Township has stayed about the same.

In 2009, The Township received a \$10,000 grant for turn out gear.

In 2010, The Township received a \$29,837 from Federal Forest Receipts.

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.

Report Components

The statement of net assets and statement of activities provide information about the cash activities of the Township as a whole. The statement of cash basis assets and fund balances, and the statement of cash receipts, disbursements and changes in fund cash balances, present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the basic 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.

**MONDAY CREEK TOWNSHIP, PERRY COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
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 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 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 statements of net assets and statements of activities for 2010 and 2009 reflect how the Township did financially within the limitations of the cash basis of accounting. The statement of net assets present the cash balances of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the programs services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General cash 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 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 real estate taxes.

In the statement of net assets and the statement of activities, we divide the government into governmental activities. All of the Township's basic services are reported here, including road maintenance. Real estate and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Government's Most Significant Funds

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

**MONDAY CREEK TOWNSHIP, PERRY COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED**

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 non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds for 2010 and 2009 are the General Fund, Motor Vehicle License Tax Fund, Gasoline Tax Fund and the Volunteer Fire District Fund. The programs reported in governmental funds are related to those reported in the governmental activities section of the entity-wide statements. There are no reconciliations between the two reports as the township reports on the cash basis.

The Government as a Whole

Table 1 provides a summary of the Township's net assets for 2010 compared to 2009 and 2008 on the cash basis:

Table 1
NET ASSETS

| | <u>Governmental Activities</u> | | |
|------------------|--------------------------------|------------------|------------------|
| | <u>2010</u> | <u>2009</u> | <u>2008</u> |
| Assets | | | |
| Cash | \$ 119,580 | \$ 64,317 | \$ 87,143 |
| Total Assets | <u>\$ 119,580</u> | <u>\$ 64,317</u> | <u>\$ 87,143</u> |
| Net Assets | | | |
| Restricted for: | | | |
| Permanent | | | |
| Expendable | \$ 444 | 444 | \$ 519 |
| Nonexpendable | 3,210 | 3,210 | 3,210 |
| Other Purposes | 84,675 | 57,888 | 82,568 |
| Unrestricted | <u>31,251</u> | <u>2,775</u> | <u>846</u> |
| Total Net Assets | <u>\$ 119,580</u> | <u>\$ 64,317</u> | <u>\$ 87,143</u> |

**MONDAY CREEK TOWNSHIP, PERRY COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED**

Table 2 reflects the changes in net assets in 2010 and 2009 and 2008

Table 2
CHANGES IN NET ASSETS

| | Governmental Activities | | |
|---|-------------------------|-----------|-----------|
| | 2010 | 2009 | 2008 |
| Receipts: | | | |
| Program Receipts: | | | |
| Charges for Services | \$ - | \$ 123 | \$ - |
| Operating Grants | 126,753 | 92,608 | 99,656 |
| Total Program Receipts | 126,753 | 92,731 | 99,656 |
| General Receipts; | | | |
| Property and Other Tax | 27,091 | 26,151 | 14,370 |
| Grants and Entitlements not Restricted | 11,385 | 27,256 | 6,732 |
| Interest | 1,385 | 3,062 | 555 |
| Miscellaneous | 3,212 | 3,521 | 2,473 |
| Total General Receipts | 43,073 | 59,990 | 24,130 |
| Total Receipts | 169,826 | 152,721 | 123,786 |
| Disbursements: | | | |
| General Government | 29,757 | 32,034 | 27,371 |
| Public Safety | 4,116 | 6,066 | 4,990 |
| Public Works | 67,408 | 109,613 | 148,734 |
| Health | - | 196 | 173 |
| Capital Outlay | 532 | 10,000 | - |
| Other | - | 5,038 | - |
| DS - Principal | 11,539 | 10,806 | 11,187 |
| DS - Interest | 1,211 | 1,794 | 2,463 |
| Total Disbursements | 114,563 | 175,547 | 194,918 |
| Increase/(Decrease) | | | |
| In Net Assets | 55,263 | (22,826) | (71,132) |
| Net Assets, January 1 | 64,317 | 87,143 | 158,275 |
| Net Assets, December 31 | \$ 119,580 | \$ 64,317 | \$ 87,143 |

Program receipts represent 75%, 61% and 81% of total receipts for 2010, 2009 and 2008, respectively. They are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money.

General receipts represent 25%, 39% and 19% of the Township's total receipts for 2010, 2009 and 2008, respectively. Local taxes represent 63%, 44% and 60% of the general receipts. Grants and entitlements make up the balance of general receipts. Other receipts are insignificant and somewhat unpredictable receipt sources.

Disbursements for general government represent the overhead costs of running the Township and the support services provided for the other Township activities.

**MONDAY CREEK TOWNSHIP, PERRY COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED**

Governmental Activities

If you look at the Statement of Activities, you will see that the first column lists the major services provided by Monday Creek Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are Public Works, General Government and Principal Payments, which account for 26%, 59% and 10% in 2010 and 18%, 62% and 6% in 2009 of all governmental disbursements. 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. 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 service and the net cost for 2010 and 2009 is presented in Table 3.

TABLE 3

| | Total Cost of Services 2010 | Net Cost of Services 2010 | Total Cost of Services 2009 | Net Cost of Services 2009 |
|--------------------|-----------------------------------|---------------------------------|-----------------------------------|---------------------------------|
| General Government | \$ 29,757 | \$ (952) | \$ 32,034 | \$ 32,034 |
| Public Safety | 4,116 | 4,116 | 6,066 | 6,066 |
| Public Works | 67,408 | (28,636) | 109,613 | 17,005 |
| Health | - | - | 196 | 196 |
| Other | - | - | 5,038 | 4,915 |
| Capital Outlay | 532 | 532 | 10,000 | 10,000 |
| DS – Principal | 11,539 | 11,539 | 10,806 | 10,806 |
| DS - Interest | 1,211 | 1,211 | 1,794 | 1,794 |
| Total Expenses | <u>\$ 114,563</u> | <u>\$ 12,190</u> | <u>\$ 175,547</u> | <u>\$ 82,816</u> |

The dependence upon property tax is apparent as over 24% and 15% for 2010 and 2009 of governmental activities are supported through these general receipts.

The Government's Funds

Total governmental funds had receipts of \$169,826 and \$158,721 for 2010 and 2009 and disbursements of \$114,563 and \$181,547 for 2010 and 2009, respectively.

**MONDAY CREEK TOWNSHIP, PERRY COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
UNAUDITED**

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 and disbursements. The most significant budgeted fund is the General Fund.

During 2010 and 2009, the Township made amendments to its appropriation budget and receipts budget to reflect changing circumstances. For 2010 and 2009 actual receipts were greater than budgeted receipts.

Final budgeted disbursements for 2010 and 2009 were \$26,851 and \$33,439, respectively. Actual disbursements for 2010 and 2009 were \$24,455 and \$31,775, respectively. The Township kept spending close to budgeted amounts.

Capital Assets and Debt Administration

Capital Assets

The Township does not currently keep track of its capital assets and infrastructure in the accompanying financial statements, but records payments for capital assets as disbursements.

Debt

As of December 31, 2010, the Township had debt outstanding in the amount of \$16,484, with \$7,034 due within one year.

Contacting the Government's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Dodie Carpenter, Fiscal Officer, 635 Bell Bottom Road, SE, New Straightsville, Ohio 43766.

**MONDAY CREEK TOWNSHIP
PERRY COUNTY**

**STATEMENT OF NET ASSETS-CASH BASIS
DECEMBER 31, 2010**

| | <u>Governmental Activities</u> |
|--|------------------------------------|
| ASSETS: | |
| Equity in Pooled Cash and Cash Equivalents | <u>\$ 119,580</u> |
| Total Assets | <u>\$ 119,580</u> |
| NET ASSETS: | |
| Restricted for: | |
| Permanent Fund: | |
| Expendable | \$ 444 |
| Nonexpendable | 3,210 |
| Other Purposes | 84,675 |
| Unrestricted | <u>31,251</u> |
| Total Net Assets | <u><u>\$ 119,580</u></u> |

See notes to basic financial statements.

**MONDAY CREEK TOWNSHIP
PERRY COUNTY**

**STATEMENT OF ACTIVITIES-CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | Cash Disbursements | Charges for Services and Sales | Operating Grants and Contributions | Capital Grants and Contributions | Net (Disbursements) Receipts and Changes in Net Assets |
|--------------------------------------|-------------------------------|---|---|---|---|
| Governmental Activities: | | | | | |
| General Government | \$ 29,757 | \$ - | \$ 30,709 | \$ - | \$ 952 |
| Public Safety | 4,116 | - | - | - | (4,116) |
| Public Works | 67,408 | - | 96,044 | - | 28,636 |
| Capital Outlay | 532 | - | - | - | (532) |
| Debt Service: | | | | | |
| Principal | 11,539 | - | - | - | (11,539) |
| Interest | 1,211 | - | - | - | (1,211) |
| | \$ 114,563 | \$ - | \$ 126,753 | \$ - | \$ 12,190 |
| Total Governmental Activities | \$ 114,563 | \$ - | \$ 126,753 | \$ - | \$ 12,190 |

General Receipts:

| | |
|-------------------------------------|-------------------|
| Property Taxes Levied for: | |
| General Purposes | 27,091 |
| Grants and Entitlements not | |
| Restricted to Specific Programs | 11,385 |
| Interest | 1,385 |
| Miscellaneous | 3,212 |
| | 43,073 |
| Total General Receipts | |
| | 43,073 |
| Change in Net Assets | 55,263 |
| | 64,317 |
| Net Assets Beginning of Year | |
| | 64,317 |
| Net Assets End of Year | |
| | \$ 119,580 |

See notes to the basic financial statements.

**MONDAY CREEK TOWNSHIP
PERRY COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS-CASH BASIS
DECEMBER 31, 2010**

| | <u>General</u> | <u>Motor Vehicle Tax</u> | <u>Gasoline Tax</u> | <u>Volunteer Fire District</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|------------------|------------------------------|-------------------------|--|---|---|
| ASSETS: | | | | | | |
| Equity in Pooled Cash and cash Equivalents | \$ 31,251 | \$ 2,449 | \$ 65,795 | \$ 15,952 | \$ 4,133 | \$ 119,580 |
| Total Assets | <u>\$ 31,251</u> | <u>\$ 2,449</u> | <u>\$ 65,795</u> | <u>\$ 15,952</u> | <u>\$ 4,133</u> | <u>\$ 119,580</u> |
| Fund Balances: | | | | | | |
| Unreserved: | | | | | | |
| General Fund | 31,251 | - | - | - | - | 31,251 |
| Special Revenue | - | 2,449 | 65,795 | 15,952 | 479 | 84,675 |
| Permanent Fund | - | - | - | - | 3,654 | 3,654 |
| Total Fund Balances | <u>\$ 31,251</u> | <u>\$ 2,449</u> | <u>\$ 65,795</u> | <u>\$ 15,952</u> | <u>\$ 4,133</u> | <u>\$ 119,580</u> |

See notes to basic financial statements.

**MONDAY CREEK TOWNSHIP
PERRY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
GOVERNMENTAL FUNDS-CASH BASIS
DECEMBER 31, 2010**

| | <u>General</u> | <u>Motor Vehicle Tax</u> | <u>Gasoline Tax</u> | <u>Volunteer Fire District</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|------------------|------------------------------|-------------------------|--|---|---|
| CASH RECEIPTS | | | | | | |
| Property and Other Local Taxes | \$ 13,960 | | \$ - | \$ 13,131 | \$ - | \$ 27,091 |
| Intergovernmental | 37,031 | 10,472 | 85,572 | 5,063 | - | 138,138 |
| Interest | 569 | 88 | 728 | - | - | 1,385 |
| Other | 1,371 | 1,841 | - | - | - | 3,212 |
| Total Receipts | <u>52,931</u> | <u>12,401</u> | <u>86,300</u> | <u>18,194</u> | <u>-</u> | <u>169,826</u> |
| CASH DISBURSEMENTS: | | | | | | |
| Current: | | | | | | |
| General Government | 22,267 | - | - | 7,310 | 180 | 29,757 |
| Public Safety | - | - | - | 4,116 | - | 4,116 |
| Public Works | 2,188 | 24,364 | 40,856 | - | - | 67,408 |
| Capital Outlay | - | 532 | - | - | - | 532 |
| Debt Service: | | | | | | |
| Principal Retirement | - | - | 11,539 | - | - | 11,539 |
| Interest and Fiscal Charges | - | - | 1,211 | - | - | 1,211 |
| Total Disbursements | <u>24,455</u> | <u>24,896</u> | <u>53,606</u> | <u>11,426</u> | <u>180</u> | <u>114,563</u> |
| Excess of Receipts Over (Under) Disbursements | 28,476 | (12,495) | 32,694 | 6,768 | (180) | 55,263 |
| Cash Fund Balances Beginning of Year | <u>2,775</u> | <u>14,944</u> | <u>33,101</u> | <u>9,184</u> | <u>4,313</u> | <u>64,317</u> |
| Cash Fund Balances End of Year | <u>\$ 31,251</u> | <u>\$ 2,449</u> | <u>\$ 65,795</u> | <u>\$ 15,952</u> | <u>\$ 4,133</u> | <u>\$ 119,580</u> |

See notes to basic financial statements.

**MONDAY CREEK TOWNSHIP
PERRY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|---------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| CASH RECEIPTS | | | | |
| Property and Other Local Taxes | \$ 14,470 | \$ 14,470 | \$ 13,960 | \$ (510) |
| Licenses, Permits and Fees | 30 | 30 | - | (30) |
| Intergovernmental | 6,300 | 6,300 | 37,031 | 30,731 |
| Interest | 476 | 476 | 569 | 93 |
| Other | 2,800 | 2,800 | 1,371 | (1,429) |
| Total Receipts | <u>24,076</u> | <u>24,076</u> | <u>52,931</u> | <u>28,855</u> |
| CASH DISBURSEMENTS: | | | | |
| Current: | | | | |
| General Government | 24,651 | 24,651 | 22,267 | 2,384 |
| Public Works | 2,200 | 2,200 | 2,188 | 12 |
| Total Disbursements | <u>26,851</u> | <u>26,851</u> | <u>24,455</u> | <u>2,396</u> |
| Excess of Receipts Over (Under) Disbursements | (2,775) | (2,775) | 28,476 | 31,251 |
| Cash Fund Balances Beginning of Year | <u>2,775</u> | <u>2,775</u> | <u>2,775</u> | <u>-</u> |
| Cash Fund Balances End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 31,251</u> | <u>\$ 31,251</u> |

See notes to basic financial statements.

**MONDAY CREEK TOWNSHIP
PERRY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
MOTOR VEHICLE LICENSE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|-------------------------|--------------------|------------------------|---|
| | <u>Original</u> | <u>Final</u> | | <u>(Negative)</u> |
| CASH RECEIPTS | | | | |
| Intergovernmental | \$ 40,000 | \$ 40,000 | \$ 10,472 | \$ (29,528) |
| Interest | 811 | 811 | 88 | (723) |
| Miscellaneous | - | - | 1,841 | 1,841 |
| Total Receipts | <u>40,811</u> | <u>40,811</u> | <u>12,401</u> | <u>(28,410)</u> |
| CASH DISBURSEMENTS: | | | | |
| Current: | | | | |
| Public Works | 40,255 | 40,255 | 24,364 | 15,891 |
| Other | 8,500 | 8,500 | - | 8,500 |
| Capital Outlay | 7,000 | 7,000 | 532 | 6,468 |
| Total Disbursements | <u>55,755</u> | <u>55,755</u> | <u>24,896</u> | <u>30,859</u> |
| Excess of Receipts Over (Under) Disbursements | (14,944) | (14,944) | (12,495) | 2,449 |
| Cash Fund Balances Beginning of Year | <u>14,944</u> | <u>14,944</u> | <u>14,944</u> | <u>-</u> |
| Cash Fund Balances End of Year | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 2,449</u></u> | <u><u>\$ 2,449</u></u> |

See notes to basic financial statements.

**MONDAY CREEK TOWNSHIP
PERRY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
GASOLINE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|-------------------------|----------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | <u>(Negative)</u> |
| CASH RECEIPTS | | | | |
| Intergovernmental | \$ 179,000 | \$ 179,000 | \$ 85,572 | \$ (93,428) |
| Interest | 1,871 | 1,871 | 728 | (1,143) |
| Total Receipts | <u>180,871</u> | <u>180,871</u> | <u>86,300</u> | <u>(94,571)</u> |
| CASH DISBURSEMENTS: | | | | |
| Current: | | | | |
| General Government | 1,000 | 1,000 | - | 2,000 |
| Public Works | 200,222 | 200,222 | 40,856 | 159,366 |
| Debt Service: | | | | |
| Principal Retirement | 11,539 | 11,539 | 11,539 | - |
| Interest and Fiscal Charges | 1,211 | 1,211 | 1,211 | - |
| Total Disbursements | <u>213,972</u> | <u>213,972</u> | <u>53,606</u> | <u>161,366</u> |
| Excess of Receipts Over (Under) Disbursements | (33,101) | (33,101) | 32,694 | 65,795 |
| Cash Fund Balances Beginning of Year | <u>33,101</u> | <u>33,101</u> | <u>33,101</u> | <u>-</u> |
| Cash Fund Balances End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 65,795</u> | <u>\$ 65,795</u> |

See notes to basic financial statements.

**MONDAY CREEK TOWNSHIP
PERRY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
VOLUNTEER FIRE DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|---------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| CASH RECEIPTS | | | | |
| Property and Other Local Taxes | \$ 14,662 | \$ 14,662 | \$ 13,131 | \$ (1,531) |
| Intergovernmental | 7,000 | 7,000 | 5,063 | (1,937) |
| Interest | 333 | 333 | - | (333) |
| Other | 1,100 | 1,100 | - | (1,100) |
| Total Receipts | <u>23,095</u> | <u>23,095</u> | <u>18,194</u> | <u>(4,901)</u> |
| CASH DISBURSEMENTS: | | | | |
| Current: | | | | |
| General Government | 8,700 | 9,700 | 7,310 | 2,390 |
| Public Safety | 23,579 | 22,579 | 4,116 | 18,463 |
| Total Disbursements | <u>32,279</u> | <u>32,279</u> | <u>11,426</u> | <u>20,853</u> |
| Excess of Receipts Over (Under) Disbursements | (9,184) | (9,184) | 6,768 | 15,952 |
| Cash Fund Balances Beginning of Year | <u>9,184</u> | <u>9,184</u> | <u>9,184</u> | <u>-</u> |
| Cash Fund Balances End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 15,952</u> | <u>\$ 15,952</u> |

See notes to basic financial statements.

**MONDAY CREEK TOWNSHIP
PERRY COUNTY**

**STATEMENT OF NET ASSETS-CASH BASIS
DECEMBER 31, 2009**

| | <u>Governmental Activities</u> |
|--|------------------------------------|
| ASSETS: | |
| Equity in Pooled Cash and Cash Equivalents | <u>\$ 64,317</u> |
| Total Assets | <u>\$ 64,317</u> |
| NET ASSETS: | |
| Restricted for: | |
| Permanent Fund: | |
| Expendable | \$ 444 |
| Nonexpendable | 3,210 |
| Other Purposes | 57,888 |
| Unrestricted | <u>2,775</u> |
| Total Net Assets | <u><u>\$ 64,317</u></u> |

See notes to basic financial statements.

**MONDAY CREEK TOWNSHIP
PERRY COUNTY**

**STATEMENT OF ACTIVITIES-CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009**

| | Cash Disbursements | Charges for Services and Sales | Operating Grants and Contributions | Capital Grants and Contributions | Net (Disbursements) Receipts and Changes in Net Assets |
|--------------------------------------|-------------------------------|---|---|---|---|
| Governmental Activities: | | | | | |
| General Government | \$ 32,034 | \$ - | \$ - | \$ - | \$ (32,034) |
| Public Safety | 6,066 | - | - | - | (6,066) |
| Public Works | 109,613 | - | 92,608 | - | (17,005) |
| Health | 196 | - | - | - | (196) |
| Other | 5,038 | 123 | - | - | (4,915) |
| Capital Outlay | 10,000 | - | - | - | (10,000) |
| Debt Service: | | | | | |
| Principal | 10,806 | - | - | - | (10,806) |
| Interest | 1,794 | - | - | - | (1,794) |
| Total Governmental Activities | \$ 175,547 | \$ 123 | \$ 92,608 | \$ - | \$ (82,816) |

General Receipts:

| | |
|-------------------------------------|------------------|
| Property Taxes Levied for: | |
| General Purposes | 26,151 |
| Grants and Entitlements not | |
| Restricted to Specific Programs | 27,256 |
| Interest | 3,062 |
| Miscellaneous | 3,521 |
| | 59,990 |
| Total General Receipts | 59,990 |
| Change in Net Assets | (22,826) |
| Net Assets Beginning of Year | 87,143 |
| Net Assets End of Year | \$ 64,317 |

See notes to the basic financial statements.

**MONDAY CREEK TOWNSHIP
PERRY COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS-CASH BASIS
DECEMBER 31, 2009**

| | <u>General</u> | <u>Motor Vehicle Tax</u> | <u>Gasoline Tax</u> | <u>Volunteer Fire District</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|-----------------|------------------------------|-------------------------|--|---|---|
| ASSETS: | | | | | | |
| Equity in Pooled Cash and cash Equivalents | \$ 2,775 | \$ 14,944 | \$ 33,101 | \$ 9,184 | \$ 4,313 | \$ 64,317 |
| Total Assets | <u>\$ 2,775</u> | <u>\$ 14,944</u> | <u>\$ 33,101</u> | <u>\$ 9,184</u> | <u>\$ 4,313</u> | <u>\$ 64,317</u> |
| Fund Balances: | | | | | | |
| Unreserved: | | | | | | |
| General Fund | 2,775 | - | - | - | - | 2,775 |
| Special Revenue | - | 14,944 | 33,101 | 9,184 | 659 | 57,888 |
| Permanent Fund | - | - | - | - | 3,654 | 3,654 |
| Total Fund Balances | <u>\$ 2,775</u> | <u>\$ 14,944</u> | <u>\$ 33,101</u> | <u>\$ 9,184</u> | <u>\$ 4,313</u> | <u>\$ 64,317</u> |

See notes to basic financial statements.

**MONDAY CREEK TOWNSHIP
PERRY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
GOVERNMENTAL FUNDS-CASH BASIS
DECEMBER 31, 2009**

| | <u>General</u> | <u>Motor Vehicle Tax</u> | <u>Gasoline Tax</u> | <u>Volunteer Fire District</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|-----------------|------------------------------|-------------------------|--|---|---|
| CASH RECEIPTS | | | | | | |
| Property and Other Local Taxes | \$ 13,439 | \$ - | \$ - | \$ 12,712 | \$ - | \$ 26,151 |
| Intergovernmental | 10,850 | 13,081 | 79,527 | 5,030 | 10,000 | 118,488 |
| Interest | 616 | 703 | 1,621 | - | 121 | 3,061 |
| Other | 2,799 | - | - | 722 | - | 3,521 |
| Total Receipts | <u>27,704</u> | <u>13,784</u> | <u>81,148</u> | <u>18,464</u> | <u>10,121</u> | <u>151,221</u> |
| CASH DISBURSEMENTS: | | | | | | |
| Current: | | | | | | |
| General Government | 23,755 | 974 | 1,932 | 5,373 | - | 32,034 |
| Public Safety | - | - | - | 5,730 | 336 | 6,066 |
| Public Works | 2,020 | 21,523 | 86,070 | - | - | 109,613 |
| Health | - | - | - | - | 196 | 196 |
| Other | - | 5,038 | - | - | - | 5,038 |
| Capital Outlay | - | - | - | - | 10,000 | 10,000 |
| Debt Service: | | | | | | |
| Principal Retirement | - | - | 10,806 | - | - | 10,806 |
| Interest and Fiscal Charges | - | - | 1,794 | - | - | 1,794 |
| Total Disbursements | <u>25,775</u> | <u>27,535</u> | <u>100,602</u> | <u>11,103</u> | <u>10,532</u> | <u>175,547</u> |
| Excess of Receipts Over (Under) Disbursements | 1,929 | (13,751) | (19,454) | 7,361 | (411) | (24,326) |
| Other Financing Sources: | | | | | | |
| Other Financing Sources | 6,000 | - | - | 1,500 | - | 7,500 |
| Other Financing Uses | (6,000) | - | - | - | - | (6,000) |
| Total Other Financing Sources | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,500</u> | <u>-</u> | <u>1,500</u> |
| Net Change in Cash Fund Balance | 1,929 | (13,751) | (19,454) | 8,861 | (411) | (22,826) |
| Cash Fund Balances Beginning of Year | <u>846</u> | <u>28,695</u> | <u>52,555</u> | <u>323</u> | <u>4,724</u> | <u>87,143</u> |
| Cash Fund Balances End of Year | <u>\$ 2,775</u> | <u>\$ 14,944</u> | <u>\$ 33,101</u> | <u>\$ 9,184</u> | <u>\$ 4,313</u> | <u>\$ 64,317</u> |

See notes to basic financial statements.

**MONDAY CREEK TOWNSHIP
PERRY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|---------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| CASH RECEIPTS | | | | |
| Property and Other Local Taxes | \$ 15,854 | \$ 15,854 | \$ 13,439 | \$ (2,415) |
| Intergovernmental | 8,209 | 8,209 | 10,850 | 2,641 |
| Interest | 1,000 | 1,000 | 616 | (384) |
| Other | 1,530 | 1,530 | 2,799 | 1,269 |
| Total Receipts | <u>26,593</u> | <u>26,593</u> | <u>27,704</u> | <u>1,111</u> |
| CASH DISBURSEMENTS: | | | | |
| Current: | | | | |
| General Government | 24,693 | 25,293 | 23,755 | 1,538 |
| Public Works | 1,900 | 2,146 | 2,020 | 126 |
| Total Disbursements | <u>26,593</u> | <u>27,439</u> | <u>25,775</u> | <u>1,664</u> |
| Excess of Receipts Over (Under) Disbursements | - | (846) | 1,929 | 2,775 |
| Other Financing Sources | | | | |
| Other Financing Sources | 6,000 | 6,000 | 6,000 | - |
| Other Financing Uses | (6,000) | (6,000) | (6,000) | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | - | (846) | 1,929 | 2,775 |
| Cash Fund Balances Beginning of Year | <u>846</u> | <u>846</u> | <u>846</u> | <u>-</u> |
| Cash Fund Balances End of Year | <u>\$ 846</u> | <u>\$ -</u> | <u>\$ 2,775</u> | <u>\$ 2,775</u> |

See notes to basic financial statements.

**MONDAY CREEK TOWNSHIP
PERRY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
MOTOR VEHICLE LICENSE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | <u>(Negative)</u> |
| CASH RECEIPTS | | | | |
| Intergovernmental | \$ 38,122 | \$ 38,122 | \$ 13,081 | \$ (25,041) |
| Interest | 1,500 | 1,500 | 703 | (797) |
| Total Receipts | <u>39,622</u> | <u>39,622</u> | <u>13,784</u> | <u>(25,838)</u> |
| CASH DISBURSEMENTS: | | | | |
| Current: | | | | |
| General Government | 1,000 | 1,000 | 974 | 26 |
| Public Works | 27,122 | 27,122 | 21,523 | 5,599 |
| Other | 11,500 | 11,500 | 5,038 | 6,462 |
| Total Disbursements | <u>39,622</u> | <u>39,622</u> | <u>27,535</u> | <u>12,087</u> |
| Excess of Receipts Over (Under) Disbursements | - | - | (13,751) | (13,751) |
| Cash Fund Balances Beginning of Year | <u>28,695</u> | <u>28,695</u> | <u>28,695</u> | <u>-</u> |
| Cash Fund Balances End of Year | <u>\$ 28,695</u> | <u>\$ 28,695</u> | <u>\$ 14,944</u> | <u>\$ (13,751)</u> |

See notes to basic financial statements.

**MONDAY CREEK TOWNSHIP
PERRY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
GASOLINE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|-------------------------|-------------------------|-------------------------|---|
| | <u>Original</u> | <u>Final</u> | | <u>Actual</u> |
| CASH RECEIPTS | | | | |
| Intergovernmental | \$ 172,603 | \$ 172,603 | \$ 79,527 | \$ (93,076) |
| Interest | 3,000 | 3,000 | 1,621 | (1,379) |
| Total Receipts | <u>175,603</u> | <u>175,603</u> | <u>81,148</u> | <u>(94,455)</u> |
| CASH DISBURSEMENTS: | | | | |
| Current: | | | | |
| General Government | 4,000 | 4,000 | 1,932 | 9,932 |
| Public Works | 157,003 | 157,003 | 86,070 | 70,933 |
| Debt Service: | | | | |
| Principal Retirement | 10,806 | 10,806 | 10,806 | - |
| Interest and Fiscal Charges | 1,794 | 1,794 | 1,794 | - |
| Total Disbursements | <u>173,603</u> | <u>173,603</u> | <u>100,602</u> | <u>80,865</u> |
| Excess of Receipts Over (Under) Disbursements | 2,000 | 2,000 | (19,454) | (21,454) |
| Cash Fund Balances Beginning of Year | <u>52,555</u> | <u>52,555</u> | <u>52,555</u> | <u>-</u> |
| Cash Fund Balances End of Year | <u><u>\$ 54,555</u></u> | <u><u>\$ 54,555</u></u> | <u><u>\$ 33,101</u></u> | <u><u>\$ (21,454)</u></u> |

See notes to basic financial statements.

**MONDAY CREEK TOWNSHIP
PERRY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
VOLUNTEER FIRE DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|-------------------------|---------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | | <u>Actual</u> |
| CASH RECEIPTS | | | | |
| Property and Other Local Taxes | \$ 15,270 | \$ 15,270 | \$ 12,712 | \$ (2,558) |
| Intergovernmental | 1,687 | 1,687 | 5,030 | 3,343 |
| Interest | 500 | 500 | - | (500) |
| Other | 6,000 | 6,000 | 722 | (5,278) |
| Total Receipts | <u>23,457</u> | <u>23,457</u> | <u>18,464</u> | <u>(4,993)</u> |
| CASH DISBURSEMENTS: | | | | |
| Current: | | | | |
| General Government | 6,600 | 7,100 | 5,373 | 1,727 |
| Public Safety | 18,357 | 17,857 | 5,730 | 12,127 |
| Total Disbursements | <u>24,957</u> | <u>24,957</u> | <u>11,103</u> | <u>13,854</u> |
| Excess of Receipts Over (Under) Disbursements | (1,500) | (1,500) | 7,361 | 8,861 |
| Other Financing Sources | | | | |
| Other Financing Sources | 1,500 | 1,500 | 1,500 | - |
| Total Other Financing Sources (Uses) | <u>1,500</u> | <u>1,500</u> | <u>1,500</u> | <u>-</u> |
| Net Change in Fund Balances | - | - | 8,861 | 8,861 |
| Cash Fund Balances Beginning of Year | <u>323</u> | <u>323</u> | <u>323</u> | <u>-</u> |
| Cash Fund Balances End of Year | <u>\$ 323</u> | <u>\$ 323</u> | <u>\$ 9,184</u> | <u>\$ 8,861</u> |

See notes to basic financial statements.

**MONDAY CREEK TOWNSHIP
PERRY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

1. DESCRIPTION OF THE REPORTING ENTITY

Reporting Entity

The Township of Monday Creek, Perry County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three member Board of Trustees and a publicly elected 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.

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, road and bridge maintenance and fire protection services. Police protection is provided by the Perry County Sheriff's Department.

Component Units

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

Monday Creek Township has no component units.

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 that 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 interest in joint ventures.

The Township participates in a public entity risk pool. Note 5 to the financial statements provide additional information for this entity. This organization is: Public Entity Risk Pool: Ohio Government Risk Plan (The Plan). The Plan provides property, casualty and liability coverage.

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

**MONDAY CREEK TOWNSHIP
PERRY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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. The statements distinguish between those activities or the Township that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or service. The Township has no business-type activities.

The statement of net assets present the cash balance of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the programs 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 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 management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

**MONDAY CREEK TOWNSHIP
PERRY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 divided into one category: governmental.

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other non-exchange transactions as governmental funds. The Township's major governmental funds for 2010 are the General Fund, Motor Vehicle License Tax Fund, Gasoline Tax Fund and Volunteer Fire District Fund. The major funds in 2009 are the General Fund, Motor Vehicle License Tax Fund, Gasoline Tax Fund and Volunteer Fire District Fund. The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio. The Motor Vehicle License Tax Fund is used for the maintenance and upkeep of roads. The Gasoline Tax Fund is used for the maintenance and up keep of roads. The Volunteer Fire District Fund collects monies used for fire protection. The other governmental funds of the Township account for grants and other resources whose use is restricted to a particular purpose.

Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Township are described in the appropriate section in this note. There were no modifications having substantial support.

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

**MONDAY CREEK TOWNSHIP
PERRY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Process

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

The appropriations ordinance is the Township's authorization to spend resources and set 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 in the original budget 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.

Cash and Investments

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Each fund's interest in the pool is presented as "Equity in Pooled 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 2010 and 2009, the Township invested in certificates of deposits. The certificates of deposits are reported at cost.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. In 2010 and 2009, interest credited to the General Fund was \$569 and \$616, respectively.

**MONDAY CREEK TOWNSHIP
PERRY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Assets

Cash and cash equivalents are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Amounts restricted for other purposes represents special revenue funds restricted to a specific use.

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.

Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Note 6, the employer contributions include portions for pension benefits and for postretirement health care benefits.

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

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 gasoline tax receipts used for the upkeep of Township roads and bridges, real estate tax used for fire protection and cemetery operations, permissive tax used for upkeep of roads and FEMA grants which are used for disaster assistance.

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.

Fund Balance Reserve

The Township may reserve any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. The Township has no reserves as of December 31, 2010 and 2009, respectively. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods.

**MONDAY CREEK TOWNSHIP
PERRY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accumulated Leave

In certain circumstances, such as upon 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.

Interfund Transactions

Exchange transactions between funds are reported as cash receipts in the seller funds and as cash disbursements in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented on the financial statements. In the government-wide statements, transfers within governmental activities are eliminated.

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, Road and Bridge Fund and Fire Special Levy Fund are prepared on the budgetary basis to provide a meaningful comparisons of actual results with the budget. The differences between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). For major funds in 2010 and 2009, there were no outstanding encumbrances.

4. DEPOSITS

Monies held by the Township are classified by State 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, including negotiable order of withdrawal (NOW) accounts.

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

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

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

**MONDAY CREEK TOWNSHIP
PERRY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

4. DEPOSITS (Continued)

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 issuance 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 obligation 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 obligation 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.

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

The Township did not have any undeposited cash on hand for 2010 and 2009.

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 the possession of an outside party. At year ended December 31, 2010, none of the Township's bank balance of \$122,141 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name. At year ended December 31, 2009, none of the Township's bank balance of \$74,541 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

**MONDAY CREEK TOWNSHIP
PERRY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

4. DEPOSITS (Continued)

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.

5. RISK MANAGEMENT

The 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 Worker’s Compensation.

The Township belongs to the Ohio Government Risk Management Plan (the “Plan”), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to over 700 Ohio Governments (“Members”).

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

The Plan issues its own policies and reinsures the Plan with A-VII or better rated carriers, except for the 17.5% casualty and the 10% property portions the Plan retains. The Plan retains the lesser of 17.5% or \$43,750 of casualty losses and the lesser of 10% or \$100,000 of property losses. Individual Members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

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

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

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

The Plans audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, the latest information available.

| | 2009 | 2008 |
|-------------------|---------------|---------------|
| Assets | \$ 11,176,186 | \$ 10,471,114 |
| Liabilities | (4,852,485) | (5,286,781) |
| Retained Earnings | \$ 6,323,701 | \$ 5,184,333 |

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

**MONDAY CREEK TOWNSHIP
PERRY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

6. DEFINED BENEFIT PENSION PLAN

Ohio Public Employees Retirement System

The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

For the year ended December 31, 2010, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 10.0 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 11.1 percent of their annual covered salary; members in public safety contributed 10.5 percent. The employer contribution rate for pension benefits for 2010 was 14.00 percent, except for those plan members in law enforcement or public safety. For those classifications, the employer's pension contributions were 17.87 percent of covered payroll. 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, 2010, 2009, and 2008 were \$4,466, \$4,466, and \$4,466, respectively. The full amount has been contributed for 2010, 2009 and 2008.

Post Employment Benefits

Ohio Public Employees Retirement System

Plan Description-The 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.

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

**MONDAY CREEK TOWNSHIP
PERRY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

6. DEFINED BENEFIT PENSION PLAN (Continued)

Post Employment Benefits (Continued)

Ohio Public Employees Retirement System (Continued)

In order to qualify for post-employment health care coverage, aged 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 benefits is available. The health care 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 OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or calling 614-222-5601 or 800-222-7377.

Funding Policy-The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contributions to OPERS is set aside for the funding of post retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2010, state and local employers contributed at a rate of 14.00% of covered payroll and public safety and law enforcement employers contributed at 17.87%. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.00% of covered payroll for state and local employer units and 18.10% of covered payroll for law and public safety 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, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care for members of the Traditional Plan was 5.5% from January 1 through February 28, 2010 and 5.0% from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73% from January 1 through February 2010 and 4.23% from March 1 through December 31, 2010. The OPERS Board of Trustees is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and their coverage selected.

The Township's contributions for health care to the OPERS for the years ending December 31, 2010, 2009, and 2008 were \$1,475, \$1,754 and \$2,233, respectively, which were equal to the required contributions for each year.

The Health Care Preservation Plan (HCPP) adopted the OPERS Board of Trustees September 9, 2004, was effective January 1, 2007. Member and employer contribution rates for state and local employers increased on January 1, of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning January 1, 2006, with a final rate increase January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

**MONDAY CREEK TOWNSHIP
PERRY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

7. 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 2010 represent the collection of 2009 taxes. Real property taxes received in 2010 were levied after October 1, 2009, on the assessed values as of January 1, 2009, 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 circumstance, State statute permits alternate payment dates to be established.

Public utilities are also taxed on personal and real property located in the Township.

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

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

The full tax rate for all Township operations for the year ended December 31, 2010, was \$4.00 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2010 property tax receipts were based are as follows:

| | |
|-------------------------------|-----------------------------|
| Real Property | |
| Residential | \$ 33,988,080 |
| Agriculture | 16,042,730 |
| Commercial/Industrial/Mineral | 2,314,410 |
| Public Utility Property | |
| Real | - |
| Personal | 11,944,210 |
| Tangible Personal Property | <u>76,630</u> |
| Total Assessed Value | <u><u>\$ 64,366,060</u></u> |

**MONDAY CREEK TOWNSHIP
PERRY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

8. DEBT

Long term debt of the Township, as of December 31, 2010 is as follows:

| | Balance January 1 2009 | Additions | Deductions | Balance December 31 2008 | Amount Due Within One Year |
|-----------------|------------------------------|-----------|------------|--------------------------------|----------------------------------|
| Loan - Building | \$ 38,829 | \$ - | \$ 22,345 | \$ 16,484 | \$ 7,034 |

In 2007, the Township entered a loan agreement in the amount of \$55,000 with The First National Bank to build a new Township maintenance building to be used for housing Township equipment and offices. This loan agreement is collateralized by the building. Payments of \$777 are made monthly. The Township has made 41 payments of \$1,050 as of December 31, 2010 in an effort to pay the loan off early.

Amortization of the above debt is as follows:

| | Building | |
|-------|-----------|----------|
| | Principal | Interest |
| 2011 | \$ 7,034 | \$ 1,152 |
| 2012 | 7,394 | 792 |
| 2013 | 2,056 | 103 |
| Total | \$ 16,484 | \$ 2,047 |

9. COMPLIANCE AND ACCOUNTABILITY

Contrary to ORC Section 5705.36, the Township had several fund in which appropriations were greater than unencumbered balance plus actual receipts which should have resulted in getting a new certificate of estimated resources.

Contrary to ORC Section 5705.39, in 2009, the Township had appropriations that exceeded estimated resources in one fund.

**WOLFE, WILSON, & PHILLIPS, INC.
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701**

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

Monday Creek Township
Perry County
635 Bell Bottom Road
New Straightsville, Ohio 43766

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Monday Creek, Perry County as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated May 23, 2011, wherein we noted the Township followed the cash basis of accounting, a comprehensive accounting basis other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Monday Creek 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings, we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

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 deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and timely corrected. We consider Finding 2010-001 described in the accompanying schedule of findings to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Monday Creek Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2010-001.

We also noted certain immaterial instances of noncompliance that we have reported to the management of Monday Creek Township in a separate letter dated May 23, 2011.

Monday Creek Township's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit Monday Creek Township's response and, accordingly, we express no opinion on it.

This report is intended for the information of the Township's management, fiscal officer, and Auditor of State, and is not intended to be and should not be used by anyone other than these specified parties.

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
May 23, 2011

**MONDAY CREEK TOWNSHIP
PERRY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2010**

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

FINDING NUMBER 2010-001

Noncompliance Citation / Material Weakness

Proper Classification of Receipts and Expenditures

Ohio Admin. Code Section 117-2-02(A) provides that all local public offices should maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance and finance-related legal and contractual requirements and prepare financial statements.

The testing of expenditures revealed that all debt payments were not properly classified by the Township Fiscal Officer. All of these items required reclassification. Items requiring reclassification included Redemption of Principal, Interest Expense and Capital Outlay.

The Township Fiscal Officer should review the account code classifications in the UAN system and the "Ohio Township Handbook" chart of accounts and post receipts and expenditures to the proper line item account codes and fund. This will help ensure receipts and expenditures are properly reflected in the financial statements. In addition, fairly presented financial statements provide the Township Trustees with the ability to analyze information in a consistent manner which aids in making informed financial decisions regarding Township operations.

The Fiscal Officer should input the correct estimated receipts into the proper line item accounts on the budgetary system once they have been certified by the Budget Commission and the correct appropriation amounts into the proper line item accounts on the budgetary system once they have been approved by the Board. Monthly comparisons of budgeted and actual revenue and expenditures for all funds should be presented to the Board to allow for monitoring of fiscal operations of the Township. The Board of Trustees should review these reports for significant variances from expectations.

Client Response: The Fiscal Officer will review the account code classification in the UAN system.

**MONDAY CREEK TOWNSHIP
PERRY COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
12/31/2010**

| Finding Number | Finding Summary | Fully Corrected | Not Corrected, Partially Corrected Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain: |
|----------------|--|-----------------|--|
| 2008-001 | Ohio Admin Code 117-2-02(A) Proper Classification of Receipts and Disbursements | No | Not Corrected - Refer To Finding 2010-001 |



Dave Yost • Auditor of State

MONDAY CREEK TOWNSHIP

PERRY 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 9, 2011**