

**MONDAY CREEK TOWNSHIP
PERRY COUNTY**

AUDIT REPORT

JANUARY 1, 2005 – DECEMBER 31, 2006

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



Mary Taylor, CPA
Auditor of State

Board of Trustees
Monday Creek Township
635 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, 2005 through December 31, 2006. 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

June 26, 2007

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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, 2006 and 2005, 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, 2006 and 2005, and the respective changes in financial position-cash basis and the respective budgetary comparison for the General Fund, Motor Vehicle License Tax, Gasoline Tax Fund, FEMA 2903 Fund, FEMA 2904 Fund, and FEMA 2905 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 April 27, 2007, 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
April 27, 2007

**MONDAY CREEK TOWNSHIP, PERRY COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005
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, 2006 and 2005, 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 2006 and 2005 are as follows:

In 2005, the Township sold the 1980 Ford Tanker Truck for \$5,000 in 2005. The Township received a \$72,000 FEMA grant to be used to purchase a new tanker truck for \$83,000. The Fire Auxiliary Fund paid the \$8,000 match and the Township paid the remaining \$3,000.

In 2005, the Fire Department was awarded a 2005 Polaris Ranger 6 Wheel Drive Vehicle valued at \$9,100 from US Smokeless Tobacco. The Fire Department also received a \$40,000 to purchase air packs and other equipment.

In 2005 and 2006, the Township received funds from FEMA to repair damaged roads and bridges caused by flooding.

In 2006, the Township purchased land from Roger and Dodie Carpenter in the amount of \$5,000 to be used to build a new maintenance garage.

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, 2006 AND 2005
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 2006 and 2005 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, 2006 AND 2005
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 nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds for 2006 are the General Fund, Motor Vehicle License Tax Fund, Gasoline Tax Fund and FEMA 2904 Fund. In 2005 the major funds are the General Fund, Gasoline Tax Fund, FEMA 2903 Fund, FEMA 2904 Fund, FEMA 2905 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 2006 compared to 2005 on the cash basis:

Table 1
NET ASSETS

	Governmental Activities	
	2006	2005
Assets		
Cash	\$ 169,978	\$ 188,073
Total Assets	169,978	188,073
Net Assets		
Restricted for:		
Permanent Fund:		
Non-expendable	3,525	3,343
Other Purposes	155,218	157,794
Unrestricted	11,235	26,936
Total Net Assets	\$ 169,978	\$ 188,073

**MONDAY CREEK TOWNSHIP, PERRY COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005
UNAUDITED**

Table 2 reflects the changes in net assets in 2006 and 2005

Table 2
CHANGES IN NET ASSETS

	Governmental Activities	
	2006	2005
Receipts:		
Program Receipts:		
Charges for Services	\$ 11,545	10,475
Operating Grants	85,545	74,214
Capital Grants	135	270
Total Program Receipts	97,225	84,959
General Receipts;		
Property and Other Tax	18,520	26,952
Grants and Entitlements not Restricted	54,711	214,033
Special Assessments	116	106
Interest	7,518	5,542
Miscellaneous	7,853	13,620
Total General Receipts	88,718	260,253
Total Receipts	185,943	345,212
Disbursements:		
General Government	57,638	57,245
Public Safety	5,889	4,158
Public Works	137,511	141,543
Health	215	118
Other	2,785	2,409
Capital Outlay	-	118,794
Total Disbursements	204,038	324,267
Increase/(Decrease) In Net Assets	(18,095)	20,945
Net Assets, January 1	188,073	167,128
Net Assets, December 31	\$ 169,978	\$ 188,073

Program receipts represent 52% and 25% of total receipts for 2006 and 2005, respectively. They are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money.

General receipts represent 48% and 75% of the Township's total receipts for 2006 and 2005, respectively. Local taxes represent 21% and 10% 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, 2006 AND 2005
UNAUDITED**

The Government's Funds

Total governmental funds had receipts of \$185,943 and \$345,212 for 2006 and 2005 and disbursements of \$204,038 and \$324,267 for 2006 and 2005, respectively.

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 2006 and 2005, the Township made amendments to its appropriation budget and receipts budget to reflect changing circumstances. In 2006 final budgeted receipts were increased to due to receiving FEMA grants for flooding. For both 2006 and 2005, actual receipts were greater than budgeted receipts.

Final budgeted disbursements for 2006 and 2005 were \$44,864 and \$67,982, respectively. Actual disbursements for 2006 and 2005 were \$41,567 and \$52,711, respectively. The Township kept spending close to budgeted amounts.

Debt Administration

As of December 31, 2006, the Township has no outstanding debt.

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, New Straightsville, Ohio 43766.

**MONDAY CREEK TOWNSHIP
PERRY COUNTY**

**STATEMENT OF NET ASSETS-CASH BASIS
December 31, 2006**

	<u>Governmental Activities</u>
ASSETS:	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 169,978</u>
Total Assets	<u>\$ 169,978</u>
NET ASSETS:	
Restricted for:	
Permanent Fund:	
Nonexpendable	3,525
Other Purposes	155,218
Unrestricted	<u>11,235</u>
Total Net Assets	<u><u>\$ 169,978</u></u>

See notes to basic financial statements.

**MONDAY CREEK TOWNSHIP
PERRY COUNTY**

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

	<u>Cash Disbursements</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Disbursements) Receipts and Changes in Net Assets</u>
Governmental Activities:					
General Government	\$ 57,638	\$ -	\$ -	\$ -	\$ (57,638)
Public Safety	5,889	-	-	-	(5,889)
Public Works	137,511	11,512	85,545	135	(40,319)
Health	215	-	-	-	(215)
Conservation-Recreation	-	-	-	-	-
Other	2,785	33	-	-	(2,752)
Total Governmental Activities	<u>\$ 204,038</u>	<u>\$ 11,545</u>	<u>\$ 85,545</u>	<u>\$ 135</u>	<u>\$ (106,813)</u>

General Receipts:

Property Taxes Levied for:	
General Purposes	18,520
Grants and Entitlements not	
Restricted to Specific Programs	54,711
Special Assessments	116
Interest	7,518
Miscellaneous	7,853
Total General Receipts	<u>88,718</u>
 Change in Net Assets	 (18,095)
 Net Assets Beginning of Year	 <u>188,073</u>
 Net Assets End of Year	 <u>\$ 169,978</u>

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, 2006**

	<u>General</u>	<u>Motor Vehicle Tax</u>	<u>Gasoline Tax</u>	<u>FEMA 2904</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS:						
Equity in Pooled Cash and cash Equivalents	\$ 11,235	\$ 17,903	\$ 99,788	\$ 30,557	\$ 10,495	\$ 169,978
Total Assets	<u>\$ 11,235</u>	<u>\$ 17,903</u>	<u>\$ 99,788</u>	<u>\$ 30,557</u>	<u>\$ 10,495</u>	<u>\$ 169,978</u>
Fund Balances:						
Unreserved:						
General Fund	11,235	-	-	-	-	11,235
Special Revenue	-	17,903	99,788	30,557	6,970	155,218
Permanent Fund	-	-	-	-	3,525	3,525
Total Fund Balances	<u>\$ 11,235</u>	<u>\$ 17,903</u>	<u>\$ 99,788</u>	<u>\$ 30,557</u>	<u>\$ 10,495</u>	<u>\$ 169,978</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, 2006**

	<u>General</u>	<u>Motor Vehicle Tax</u>	<u>Gasoline Tax</u>	<u>FEMA 2904</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
CASH RECEIPTS						
Property and Other Local Taxes	\$ 13,390	\$ -	\$ -	\$ -	\$ 5,130	\$ 18,520
Charges for Services	-	-	-	-	-	-
Licenses, Permits and Fees	33	-	-	-	-	33
Intergovernmental	7,785	11,512	85,545	30,557	16,504	151,903
Special Assessments	-	-	-	-	116	116
Interest	3,563	700	3,073	-	182	7,518
Other	1,095	4,355	11	-	2,392	7,853
Total Receipts	<u>25,866</u>	<u>16,567</u>	<u>88,629</u>	<u>30,557</u>	<u>24,324</u>	<u>185,943</u>
CASH DISBURSEMENTS:						
Current:						
General Government	40,452	-	-	-	17,186	57,638
Public Safety	-	-	-	-	5,889	5,889
Public Works	900	12,289	36,715	72,288	15,319	137,511
Health	215	-	-	-	-	215
Other	-	2,785	-	-	-	2,785
Total Disbursements	<u>41,567</u>	<u>15,074</u>	<u>36,715</u>	<u>72,288</u>	<u>38,394</u>	<u>204,038</u>
Excess of Receipts Over (Under) Disbursements	(15,701)	1,493	51,914	(41,731)	(14,070)	(18,095)
Cash Fund Balances Beginning of Year	<u>26,936</u>	<u>16,410</u>	<u>47,874</u>	<u>72,288</u>	<u>24,565</u>	<u>188,073</u>
Cash Fund Balances End of Year	<u>\$ 11,235</u>	<u>\$ 17,903</u>	<u>\$ 99,788</u>	<u>\$ 30,557</u>	<u>\$ 10,495</u>	<u>\$ 169,978</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, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
CASH RECEIPTS				
Property and Other Local Taxes	\$ 11,255	\$ 11,255	\$ 13,390	\$ 2,135
Licenses, Permits and Fees	250	250	33	(217)
Intergovernmental	4,823	4,823	7,785	2,962
Interest	1,000	1,000	3,563	2,563
Other	600	600	1,095	495
Total Receipts	<u>17,928</u>	<u>17,928</u>	<u>25,866</u>	<u>7,938</u>
CASH DISBURSEMENTS:				
Current:				
General Government	44,014	43,564	40,452	3,112
Public Works	500	950	900	50
Health	250	250	215	35
Total Disbursements	<u>44,764</u>	<u>44,764</u>	<u>41,567</u>	<u>3,197</u>
Excess of Receipts Over (Under) Disbursements	(26,836)	(26,836)	(15,701)	11,135
Other Financing Sources (Uses)				
Other Financing Uses	<u>(100)</u>	<u>(100)</u>	<u>-</u>	<u>100</u>
Total Other Financing Sources (Uses)	<u>(100)</u>	<u>(100)</u>	<u>-</u>	<u>100</u>
Net Change in Fund Balances	(26,936)	(26,936)	(15,701)	11,235
Cash Fund Balances Beginning of Year	<u>26,936</u>	<u>26,936</u>	<u>26,936</u>	<u>-</u>
Cash Fund Balances End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,235</u>	<u>\$ 11,235</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, 2006**

	<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	\$ 10,000	\$ 10,000	\$ 11,512	\$ 1,512
Interest	539	539	700	161
Other	600	600	4,355	3,755
Total Receipts	<u>11,139</u>	<u>11,139</u>	<u>16,567</u>	<u>5,428</u>
CASH DISBURSEMENTS:				
Current:				
Public Works	21,549	21,549	12,289	9,260
Other	4,000	4,000	2,785	1,215
Capital Outlay	2,000	2,000	-	2,000
Total Disbursements	<u>27,549</u>	<u>27,549</u>	<u>15,074</u>	<u>12,475</u>
Excess of Receipts Over (Under) Disbursements	(16,410)	(16,410)	1,493	17,903
Cash Fund Balances Beginning of Year	<u>16,410</u>	<u>16,410</u>	<u>16,410</u>	<u>-</u>
Cash Fund Balances End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 17,903</u></u>	<u><u>\$ 17,903</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, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
CASH RECEIPTS				
Intergovernmental	\$ 57,378	\$ 57,378	\$ 85,545	\$ 28,167
Interest	1,250	1,250	3,073	1,823
Other	-	-	11	11
Total Receipts	<u>58,628</u>	<u>58,628</u>	<u>88,629</u>	<u>30,001</u>
CASH DISBURSEMENTS:				
Current:				
Public Works	106,502	106,502	36,715	69,787
Total Disbursements	<u>106,502</u>	<u>106,502</u>	<u>36,715</u>	<u>69,787</u>
Excess of Receipts Over (Under) Disbursements	(47,874)	(47,874)	51,914	99,788
Cash Fund Balances Beginning of Year	<u>47,874</u>	<u>47,874</u>	<u>47,874</u>	<u>-</u>
Cash Fund Balances End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 99,788</u>	<u>\$ 99,788</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
FEMA 2904 FUND
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
CASH RECEIPTS				
Intergovernmental	\$ 72,288	\$ -	\$ 30,557	\$ 30,557
Total Receipts	<u>72,288</u>	<u>-</u>	<u>30,557</u>	<u>30,557</u>
CASH DISBURSEMENTS:				
Current:				
Public Works	72,288	72,288	72,288	-
Total Disbursements	<u>72,288</u>	<u>72,288</u>	<u>72,288</u>	<u>-</u>
Excess of Receipts Over (Under) Disbursements	-	(72,288)	(41,731)	30,557
Cash Fund Balances Beginning of Year	<u>72,288</u>	<u>72,288</u>	<u>72,288</u>	<u>-</u>
Cash Fund Balances End of Year	<u>\$ 72,288</u>	<u>\$ -</u>	<u>\$ 30,557</u>	<u>\$ 30,557</u>

See notes to basic financial statements.

**MONDAY CREEK TOWNSHIP
PERRY COUNTY**

**STATEMENT OF NET ASSETS-CASH BASIS
December 31, 2005**

	<u>Governmental Activities</u>
ASSETS:	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 188,073</u>
Total Assets	<u>\$ 188,073</u>
NET ASSETS:	
Restricted for:	
Permanent Fund:	
Nonexpendable	3,343
Other Purposes	157,794
Unrestricted	<u>26,936</u>
Total Net Assets	<u><u>\$ 188,073</u></u>

See notes to basic financial statements.

**MONDAY CREEK TOWNSHIP
PERRY COUNTY**

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

	<u>Cash Disbursements</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Disbursements) Receipts and Changes in Net Assets</u>
Governmental Activities:					
General Government	\$ 57,245	\$ -	\$ -	\$ -	\$ (57,245)
Public Safety	4,158	-	-	-	(4,158)
Public Works	141,543	10,225	74,214	270	(56,834)
Health	118	-	-	-	(118)
Other	2,409	250	-	-	(2,159)
Capital Outlay	118,794	-	-	-	(118,794)
Total Governmental Activities	<u>\$ 324,267</u>	<u>\$ 10,475</u>	<u>\$ 74,214</u>	<u>\$ 270</u>	<u>\$ (239,308)</u>

General Receipts:

Property Taxes Levied for:	
General Purposes	26,952
Grants and Entitlements not	
Restricted to Specific Programs	214,033
Special Assessments	106
Interest	5,542
Miscellaneous	13,620
Total General Receipts	<u>260,253</u>
Change in Net Assets	20,945
Net Assets Beginning of Year	<u>167,128</u>
Net Assets End of Year	<u>\$ 188,073</u>

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, 2005

	General	Gasoline Tax	FEMA 2903	FEMA 2904	FEMA 2905	Other Governmental Funds	Total Governmental Funds
ASSETS:							
Equity in Pooled Cash and cash Equivalents	\$ 26,936	\$ 47,874	\$ -	\$ 72,288	\$ -	\$ 40,975	\$ 188,073
Total Assets	<u>\$ 26,936</u>	<u>\$ 47,874</u>	<u>\$ -</u>	<u>\$ 72,288</u>	<u>\$ -</u>	<u>\$ 40,975</u>	<u>\$ 188,073</u>
Fund Balances:							
Unreserved:							
General Fund	26,936	-	-	-	-	-	26,936
Special Revenue	-	47,874	-	72,288	-	37,632	157,794
Permanent Fund	-	-	-	-	-	3,343	3,343
Total Fund Balances	<u>\$ 26,936</u>	<u>\$ 47,874</u>	<u>\$ -</u>	<u>\$ 72,288</u>	<u>\$ -</u>	<u>\$ 40,975</u>	<u>\$ 188,073</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, 2005

	General	Gasoline Tax	FEMA 2903	FEMA 2904	FEMA 2905	Other Governmental Funds	Total Governmental Funds
CASH RECEIPTS							
Property and Other Local Taxes	\$ 13,086	\$ -	\$ -	\$ -	\$ -	\$ 13,866	\$ 26,952
Licenses, Permits and Fees	250	-	-	-	-	-	250
Intergovernmental	10,224	74,213	72,000	103,262	38,794	249	298,742
Special Assessments	-	-	-	-	-	106	106
Interest	3,427	1,287	-	-	-	828	5,542
Other	620	-	-	-	-	13,000	13,620
Total Receipts	27,607	75,500	72,000	103,262	38,794	28,049	345,212
CASH DISBURSEMENTS:							
Current:							
General Government	52,138	479	-	-	-	4,628	57,245
Public Safety	-	-	-	-	-	4,158	4,158
Public Works	455	60,671	-	30,974	-	49,443	141,543
Health	118	-	-	-	-	-	118
Other	-	-	-	-	-	2,409	2,409
Capital Outlay	-	-	72,000	-	38,794	8,000	118,794
Total Disbursements	52,711	61,150	72,000	30,974	38,794	68,638	324,267
Excess of Receipts Over (Under) Disbursements	(25,104)	14,350	-	72,288	-	(40,589)	20,945
Cash Fund Balances Beginning of Year	52,040	33,524	-	-	-	81,564	167,128
Cash Fund Balances End of Year	\$ 26,936	\$ 47,874	\$ -	\$ 72,288	\$ -	\$ 40,975	\$ 188,073

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, 2005**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
CASH RECEIPTS				
Property and Other Local Taxes	\$ 12,196	\$ 12,196	\$ 13,086	\$ 890
Licenses, Permits and Fees	300	300	250	(50)
Intergovernmental	2,827	3,027	10,224	7,197
Interest	1,200	1,200	3,427	2,227
Other	-	-	620	620
Total Receipts	<u>16,523</u>	<u>16,723</u>	<u>27,607</u>	<u>10,884</u>
CASH DISBURSEMENTS:				
Current:				
General Government	66,982	66,982	52,138	14,844
Public Works	500	500	455	45
Health	400	400	118	282
Total Disbursements	<u>67,882</u>	<u>67,882</u>	<u>52,711</u>	<u>15,171</u>
Excess of Receipts Over (Under) Disbursements	(51,359)	(51,159)	(25,104)	26,055
Other Financing Sources (Uses)				
Other Financing Sources	200	-	-	-
Other Financing Uses	(100)	(100)	-	100
Total Other Financing Sources (Uses)	<u>100</u>	<u>(100)</u>	<u>-</u>	<u>100</u>
Net Change in Fund Balances	(51,259)	(51,259)	(25,104)	26,155
Cash Fund Balances Beginning of Year	<u>52,040</u>	<u>52,040</u>	<u>52,040</u>	<u>-</u>
Cash Fund Balances End of Year	<u>\$ 781</u>	<u>\$ 781</u>	<u>\$ 26,936</u>	<u>\$ 26,155</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, 2005**

	<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	\$ 56,000	\$ 56,000	\$ 74,213	\$ 18,213
Interest	820	820	1,287	467
Other	100	100	-	(100)
Total Receipts	<u>56,920</u>	<u>56,920</u>	<u>75,500</u>	<u>18,580</u>
CASH DISBURSEMENTS:				
Current:				
General Government	479	479	479	-
Public Works	89,965	89,965	60,671	29,294
Total Disbursements	<u>90,444</u>	<u>90,444</u>	<u>61,150</u>	<u>29,294</u>
Excess of Receipts Over (Under) Disbursements	(33,524)	(33,524)	14,350	47,874
Cash Fund Balances Beginning of Year	<u>33,524</u>	<u>33,524</u>	<u>33,524</u>	<u>-</u>
Cash Fund Balances End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,874</u>	<u>\$ 47,874</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
FEMA 2903 FUND
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
CASH RECEIPTS				
Intergovernmental	\$ 72,000	\$ 72,000	\$ 72,000	\$ -
Total Receipts	<u>72,000</u>	<u>72,000</u>	<u>72,000</u>	<u>-</u>
CASH DISBURSEMENTS:				
Capital Outlay	72,000	72,000	72,000	-
Total Disbursements	<u>72,000</u>	<u>72,000</u>	<u>72,000</u>	<u>-</u>
Excess of Receipts Over (Under) Disbursements	-	-	-	-
Cash Fund Balances Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Fund Balances End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</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
FEMA 2904 FUND
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
CASH RECEIPTS				
Intergovernmental	\$ 140,564	\$ 140,564	\$ 103,262	\$ (37,302)
Total Receipts	<u>140,564</u>	<u>140,564</u>	<u>103,262</u>	<u>(37,302)</u>
CASH DISBURSEMENTS:				
Current:				
Public Works	140,564	140,564	30,974	109,590
Total Disbursements	<u>140,564</u>	<u>140,564</u>	<u>30,974</u>	<u>109,590</u>
Excess of Receipts Over (Under) Disbursements	-	-	72,288	72,288
Cash Fund Balances Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Fund Balances End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,288</u>	<u>\$ 72,288</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
FEMA 2905 FUND
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
CASH RECEIPTS				
Intergovernmental	\$ 38,794	\$ 38,794	\$ 38,794	\$ -
Total Receipts	<u>38,794</u>	<u>38,794</u>	<u>38,794</u>	<u>-</u>
CASH DISBURSEMENTS:				
Capital Outlay	38,794	38,794	38,794	-
Total Disbursements	<u>38,794</u>	<u>38,794</u>	<u>38,794</u>	<u>-</u>
Excess of Receipts Over (Under) Disbursements	-	-	-	-
Cash Fund Balances Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Fund Balances End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See notes to basic financial statements.

**MONDAY CREEK TOWNSHIP
PERRY COUNTY**

NOTES TO 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. 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, fire protection.

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

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.

**MONDAY CREEK TOWNSHIP
PERRY COUNTY**

NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide Financial Statements (Continued)

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.

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 are General Fund, Motor Vehicle License Tax Fund, Gasoline Tax Fund, FEMA 2903 Fund, FEMA 2904 Fund and FEMA 2905 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 up keep of roads. The Gasoline Tax Fund is used for Trustee's salary for maintenance and up keep of roads. The FEMA 2903 Fund is used to repair roads and bridges damaged by natural disasters. The FEMA 2904 Fund is used to repair roads and bridges damaged by natural disasters. The FEMA 2905 Fund is used to repair roads and bridges damaged by natural disasters. The other governmental funds of the Township account for grants and other resources whose use is restricted to a particular purpose.

**MONDAY CREEK TOWNSHIP
PERRY COUNTY**

NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

**MONDAY CREEK TOWNSHIP
PERRY COUNTY**

NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Investments

To improve cash management, cash received by the Township is deposited into an interest bearing checking account, which earns 4.00 percent interest. The Township also has two certificates of deposits, which earn 3.50 percent interest, respectively. In 2006 and 2005, interest credited to the General Fund was \$3,563 and \$3,427, respectively.

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.

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.

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 8, 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 an 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, road and bridge property taxes used for the upkeep of Township roads and bridges, and road district property taxes used for the upkeep of Township roads.

**MONDAY CREEK TOWNSHIP
PERRY COUNTY**

NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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. CHANGE IN BASIS OF ACCOUNTING AND RESTATEMENT OF FUND EQUITY

Last audit period the Township reported fund financial statements by fund type using the regulatory basis of accounting as prescribed by the State Auditor's Office. This audit period the Township has implemented the cash basis of accounting. The fund financial statements now present each major fund in a separate column with non-major funds aggregated and presented in a single column, rather than a column for each fund type. There was no restatement of fund equity due to this change.

4. BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance-Budget and Actual-Budgetary Basis presented for the General Fund is 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). There were no outstanding encumbrances at year-end for 2006 and 2005, respectively.

5. 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.

**MONDAY CREEK TOWNSHIP
PERRY COUNTY**

NOTES TO FINANCIAL STATEMENTS

5. DEPOSITS (Continued)

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:

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. U.S. Bank is the financial institution for Monday Creek Township.

**MONDAY CREEK TOWNSHIP
PERRY COUNTY**

NOTES TO FINANCIAL STATEMENTS

5. DEPOSITS (Continued)

Deposits:

At year ended December 31, 2006, the carrying amount of the Township's deposits was \$179,347 less investment balance of \$3,210 and, the bank balance was \$176,137. Of the bank balance, \$100,000 was covered by federal depository insurance and \$76,137 was collateralized by the financial institution's public entity deposit pool. At year ended December 31, 2005, the carrying amount of the Township's deposits was \$201,233 less investment balance of \$3,210 and, the bank balance was \$198,023. Of the bank balance, \$100,000 was covered by federal depository insurance and \$98,023 was collateralized by the financial institution's public entity deposit pool. Although the securities serving as collateral were held by the pledging financial institution's public entity deposit pool and all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the Township to a successful claim by the Federal Deposit Insurance Corporation.

Investments:

The Township's investments are required to be categorized to give an indication of the level of risk assumed by the Township at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the Township or its agent in the Township's name. The certificates of deposits are categorized as Category 1. The carrying values as of December 31, 2006 and 2005 are \$3,210 and \$3,210, respectively, which are valued at cost.

6. RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2006 and 2005 the Township contracted with Ohio Public Risks Insurance. Coverage provided is as follows as of December 31, 2006:

Legal Liability	\$1,000,000	Per Occurrence
Automobile Liability	\$1,000,000	Per Occurrence
Wrongful Acts	\$1,000,000	Per Occurrence
Property	\$472,921	Total Coverage

There were no significant reductions in coverage from prior years and claims have not exceeded insurance coverage in any of the past three years. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is based on accident history and administrative costs.

7. 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.

**MONDAY CREEK TOWNSHIP
PERRY COUNTY**

NOTES TO FINANCIAL STATEMENTS

7. DEFINED BENEFIT PENSION PLAN (Continued)

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.

Ohio Public Employees Retirement System

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 years ended December 31, 2006 and 2005, the members in the traditional plan, were required to contribute 9.0 and 8.5 percent, respectively, of their annual covered salaries. The Township's contribution rate for pension benefits for 2006 and 2005, were 13.70 and 13.55 percent, respectively. 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, 2005, and 2004 were \$4,142, \$4,014, and \$3,920, respectively. The full amount has been contributed for 2006, 2005 and 2004. Contributions to the member-directed plan for 2006 were \$4,142 made by the Township and \$2,720 made by the plan members.

Post Employment Benefits

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State Statute. The 2006 local government contribution rate was 13.70 percent of covered payroll, 4 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as December 31, 2005, include a rate of return on investments of 6.5 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .5 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase between .5 percent and 6 percent annually for the next eight years and 4 percent annually after ten years.

**MONDAY CREEK TOWNSHIP
PERRY COUNTY**

NOTES TO FINANCIAL STATEMENTS

7. DEFINED BENEFIT PENSION PLAN (Continued)

All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 376,109. OPERS's net assets available for payment of benefits at December 31, 2005, (the latest information available) were \$11.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$31.1 billion and \$20.2 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS's health care coverage to improve the financial solvency of the fund in response to increasing health care costs. Member and employer contribution rates increased as of January 1, 2006, which will allow additional funds to be allocated to the health care plan.

8. PROPERTY TAXES

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2006 represent the collection of 2005 taxes. Real property taxes received in 2006 were levied after October 1, 2005, on the assessed values as of January 1, 2005, the lien date. 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, 2006, was \$3.00 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2006 property tax receipts were based are as follows:

Real Property	
Residential	\$ 3,660,750
Agriculture	3,208,120
Commercial/Industrial/Mineral	106,100
Public Utility Property	
Real	-
Personal	302,530
Tangible Personal Property	22,000
Total Assessed Value	<u>\$ 7,299,500</u>

***MONDAY CREEK TOWNSHIP
PERRY COUNTY***

NOTES TO FINANCIAL STATEMENTS

9. RELATED PARTY TRANSACTIONS

During 2006, the Township purchased land from Roger and Dodie Carpenter in the amount of \$5,000. Dodie Carpenter is the Fiscal Officer of the Township. The land was purchased to build a new maintenance garage. The Township received guidance and approval from the County Auditor throughout the purchase process.

**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 Straitsville, Ohio 43766

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Monday Creek Township as of and for the years ended December 31, 2006 and 2005, and have issued our report thereon dated April 27, 2007, 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 expressing our opinion 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 purposes 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. We noted other matters that we have reported to management in a separate letter dated April 27, 2007.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Monday Creek Township's combined 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings as items 2006-01. We also noted certain immaterial instances of noncompliance that we have reported to the management of Monday Creek Township in a separate letter dated April 27, 2007.

This report is intended for the information of the Board of Trustees and the 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
April 27, 2007

**MONDAY CREEK TOWNSHIP
PERRY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2006**

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

FINDING NUMBER 2006-01

Noncompliance Citation

Ohio Revised Code Section 5705.41(D) states in part that no subdivision shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of fiscal officer of the subdivision. The fiscal officer must certify that the amount required to meet such a commitment has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

Prior certification was not obtained for 50.0% of the expenditures tested in 2005 and 55.2% of the expenditures in 2006.

The Clerk should certify funds before each payment is made through the issuance of a regular, blanket, or super blanket purchase order. Blanket certificates should be issued for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of council against any specific line item account over a period not running beyond the end of the current fiscal year. A super blanket purchase order can be completed for any amount for expenditures and contracts from a specific line item appropriation account in a specified fund for most recurring or reasonable predictable operating expenditures. This is not to extend beyond the current year. More than one super blanket may be outstanding at one particular time for a particular line item appropriation account.

Also, as an alternative, the Township can issue then and now certificates for expenses up to \$3,000. Then and now certificates allow the Clerk to certify that both at the time the expenditure was made and at the time that the certification is completed, sufficient funds are available. These certificates can be certified by the Clerk without subsequent authorization from the Trustees. However, then and now certificates issued by the Clerk over \$3,000 must be authorized by the Trustees within thirty days after payment.

**MONDAY CREEK TOWNSHIP
PERRY COUNTY**

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

Finding Number	Finding Summary	Fully Corrected	Not Corrected, Partially Corrected Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2004-01	ORC 5705.41(D) Invoices dated prior to fiscal certificate.	No	Not Corrected: Included in report as finding 2006-01.
2004-02	ORC 5705.38 Appropriation measure to be passed.	No	Partially Corrected: Cited in management letter.
2004-03	ORC 5705.41(B) Unappropriated expenditures.	Yes	Finding No Longer Valid.



Mary Taylor, CPA
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
JULY 10, 2007**