



**MOHICAN TOWNSHIP  
ASHLAND COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**



**Mary Taylor, CPA**  
Auditor of State



**MOHICAN TOWNSHIP  
ASHLAND COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Accountants' Report.....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets – Cash Basis December 31, 2007.....	9
Statement of Net Assets – Cash Basis December 31, 2006.....	10
Statement of Activities – Cash Basis For the Year Ended December 31, 2007 .....	11
Statement of Activities – Cash Basis For the Year Ended December 31, 2006 .....	12
Fund Financial Statements:	
Statement of Cash Basis Assets and Fund Balances Governmental Funds December 31, 2007.....	13
Statement of Cash Basis Assets and Fund Balances Governmental Funds December 31, 2006.....	14
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances Governmental Funds For the Year Ended December 31, 2007 .....	15
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances Governmental Funds For the Year Ended December 31, 2006 .....	16
Statement of Receipts, Disbursements and Changes In Fund Balance – Budget and Actual – Budget Basis:	
General Fund – For the Year Ended December 31, 2007 .....	17
General Fund – For the Year Ended December 31, 2006 .....	18
Gasoline Tax Fund – For the Year Ended December 31, 2007 .....	19
Gasoline Tax Fund – For the Year Ended December 31, 2006.....	20
Road and Bridge Fund – For the Year Ended December 31, 2007 .....	21
Road and Bridge Fund – For the Year Ended December 31, 2006 .....	22
Notes to the Financial Statements .....	23
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	37
Schedule of Findings.....	39

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Mohican Township  
Ashland County  
1761 Township Road 85  
Jeromesville, Ohio 44840

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mohican Township, Ashland County, Ohio, (the Township) as of and for the years ended December 31, 2007 and 2006, which collectively comprise the Township's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Mohican Township, Ashland County, Ohio, as of December 31, 2007 and 2006, and the respective changes in cash financial position and the respective budgetary comparisons for the General, Gasoline Tax, and Road and Bridge funds thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

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In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2008, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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

**Mary Taylor, CPA**  
Auditor of State

May 20, 2008

**Mohican Township, Ashland County**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2007 and 2006  
Unaudited

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This discussion and analysis of Mohican Township's (the Township) financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2007 and 2006, within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

**Highlights**

Key highlights for 2007 are as follows:

Net assets of governmental activities increased \$17,290, or 12.8 percent, a significant change from the prior year. The fund most affected by the increase in cash and cash equivalents was the General Fund, which realized the greatest increase in revenue in 2007; however, cost decreases and increases in receipts affected most funds.

The Township's general receipts are primarily property and other local taxes. These receipts represent 42.3 percent of the total cash received for governmental activities during the year. Property and other local tax receipts for 2007 changed very little compared to 2006 as development within the Township has slowed.

The Township has no business-type activity.

Key highlights for 2006 are as follows:

Net assets of governmental activities decreased \$17,999, or 11.7 percent, a significant change from the prior year. The fund most affected by the decrease in cash and cash equivalents was the General Fund, which realized the greatest decrease in revenue in 2006; however, cost increases and reductions in receipts affected most funds.

The Township's general receipts are primarily property and other local taxes. These receipts represent 48.0 percent of the total cash received for governmental activities during the year. Property and other local tax receipts for 2006 changed very little compared to 2005 as development within the Township has slowed.

The Township has no business type activity.

**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 the statement of activities provide information about the cash activities of the Township as a whole.

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

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

**Mohican Township, Ashland County**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2007 and 2006  
Unaudited

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**Basis of Accounting**

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

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

**Reporting the Township as a Whole**

The statement of net assets and the statement of activities reflect how the Township did financially during 2007 and 2006, within the limitations of cash basis accounting. The statement of net assets presents 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 grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other nonfinancial factors as well such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

In the statement of net assets and the statement of activities, we divide the Township into two types of activities:

Governmental activities. The Township's basic services are reported here. State grants and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Business-type activity. The Township has no business type activity.

**Reporting the Township's Most Significant Funds**

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

**Mohican Township, Ashland County**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2007 and 2006  
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 are the General Fund, Gasoline Tax Fund, and Road and Bridge Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

**The Township as a Whole**

Table 1 provides a summary of the Township's net assets for 2007 compared to 2006 and 2005 on a cash basis:

(Table 1)  
**Net Assets**

	Governmental Activities		
	2007	2006	2005
<b>Assets</b>			
Cash and Cash Equivalents	\$152,263	\$134,973	\$152,972
<b>Net Assets</b>			
Restricted for:			
Other Purposes	90,573	105,374	82,155
Unrestricted	61,690	29,599	70,817
Total Net Assets	\$152,263	\$134,973	\$152,972

As mentioned previously, net assets of governmental activities increased \$17,290 or 12.8 percent during 2007. The primary reasons contributing to the increase in cash balances are as follows:

- The General Fund receipts increased due to receiving \$35,499 more in estate taxes than the previous year.
- Interest income increased \$7,617 due to changing the checking account to a sweep account with a higher interest rate.
- The Gasoline Tax Fund receipts increased \$6,905 due to rising gas costs.

As mentioned previously, net assets of governmental activities decreased \$17,999 or 11.7 percent during 2006. The primary reason contributing to the decrease in cash balances was that General Fund receipts decreased due to receiving \$48,207 less in estate taxes than the previous year.

**Mohican Township, Ashland County**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2007 and 2006  
Unaudited

Table 2 reflects the changes in net assets on a cash basis in 2007, 2006, and 2005 for governmental activities.

(Table 2)  
**Changes in Net Assets**

	Governmental Activities		
	2007	2006	2005
Cash Receipts:			
Program Cash Receipts:			
Operating Grants and Contributions	\$100,890	\$94,121	\$94,165
General Cash Receipts:			
Property and Other Local Taxes	149,314	143,589	139,015
Grants and Entitlements Not Restricted to Specific Programs	91,125	56,659	117,375
Notes Issued			18,900
Interest	8,646	1,029	485
Other	3,178	3,536	2,461
Total General Cash Receipts	<u>252,263</u>	<u>204,813</u>	<u>278,236</u>
Total Cash Receipts	<u>353,153</u>	<u>298,934</u>	<u>372,401</u>
Cash Disbursements:			
General Government	52,438	40,323	42,221
Public Safety			8,328
Public Works	269,686	257,410	192,737
Health	1,455	900	1,536
Capital Outlay	5,984	12,000	23,250
Principal Retirement	5,809	5,510	2,692
Interest and Fiscal Charges	491	790	758
Total Disbursements	<u>335,863</u>	<u>316,933</u>	<u>271,522</u>
Increase (Decrease) in Net Assets	17,290	(17,999)	100,879
Net Assets, January 1	<u>134,973</u>	<u>152,972</u>	<u>52,093</u>
Net Assets, December 31	<u>\$152,263</u>	<u>\$134,973</u>	<u>\$152,972</u>

Program receipts represent only 29 percent of total receipts in 2007, 31 percent of total receipts in 2006, and 25 percent of total receipts in 2005. These receipts are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money.

General receipts represent 71 percent in 2007, 69 percent in 2006, and 75 percent of the Township's total receipts. Of these amounts, over 59 percent in 2007, 70 percent in 2006, and 50 percent in 2005 are local taxes. State and federal grants and entitlements make up the balance of the Township's general receipts (41 percent in 2007, 30 percent in 2006, and 50 percent in 2005). Other receipts are very insignificant and somewhat unpredictable revenue sources.

**Mohican Township, Ashland County**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2007 and 2006  
Unaudited

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the costs of the board and the fiscal officer, as well as internal services such as payroll and purchasing.

**Governmental Activities**

If you look at the Statement of Activities you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The next column of the Statement entitled Program Cash Receipts identify amounts received by the Township that must be used to provide a specific service. The net (Disbursement) Receipt column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement of Activities. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

	<b>Governmental Activities</b>					
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2007	2007	2006	2006	2005	2005
General Government	\$52,438	(\$52,438)	\$40,323	(\$40,323)	\$42,221	(\$42,221)
Public Safety					8,328	
Public Works	269,686	(168,796)	257,410	(163,289)	192,737	(106,900)
Health	1,455	(1,455)	900	(900)	1,536	(1,536)
Capital Outlay	5,984	(5,984)	12,000	(12,000)	23,250	(23,250)
Principal	5,809	(5,809)	5,510	(5,510)	2,692	(2,692)
Interest	491	(491)	790	(790)	758	(758)
Total Cash Disbursements	<u>\$335,863</u>	<u>(\$234,973)</u>	<u>\$316,933</u>	<u>(\$222,812)</u>	<u>\$271,522</u>	<u>(\$177,357)</u>

The dependence upon property tax receipts is apparent as over 71 percent of governmental activities were supported through these general receipts in 2007, 69 percent in 2006, and 75 percent in 2005.

**Business-type Activities**

The Township has no business type activity.

**The Township's Funds**

In 2007, total governmental funds had receipts of \$353,153 and disbursements of \$335,863. The greatest change within governmental funds occurred within the General Fund. The fund balance of the General Fund increased \$32,091 as the result of an increase in estate taxes. The Gasoline Tax Fund's fund balance decreased \$11,438 as the result of increased public works expenditures over the prior year. The Road and Bridge fund's fund balance had no significant change for 2007.

In 2006, total governmental funds had receipts of \$298,934 and disbursements of \$316,933. The greatest change within governmental funds occurred within the General Fund. The fund balance of the General Fund decreased \$41,218 primarily as the result of a transfer to the Road and Bridge Fund. The Gasoline Tax Fund's fund balance increased \$13,603 due to large than anticipated revenues. The Road and Bridge Fund's fund balance increased \$13,828 due to a \$38,000 transfer in from the General Fund.

**Mohican Township, Ashland County**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2007 and 2006  
Unaudited

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**General Fund Budgeting Highlights**

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

During 2007, the Township did not amend its General Fund budget, and as a result, final budgeted receipts equaled the original budgeted receipts. The difference between final budgeted receipts and actual receipts was due to an estate tax receipt which was not budgeted for and an increase in interest receipts. Final disbursements were budgeted at \$71,784 while actual disbursements were \$65,980. The Township kept spending under budgeted amounts.

During 2006, the Township did not amend its General Fund budget, and as a result, final budgeted receipts equaled the original budgeted receipts. The difference between final budgeted receipts and actual receipts was not significant. Final disbursements were budgeted at \$60,400 while actual disbursements were \$59,228. The Township kept spending under budgeted amounts.

**Debt Administration**

**Debt**

At December 31, 2007, the Township's outstanding debt included \$4,888 for a promissory note used to purchase a tractor.

At December 31, 2006, the Township's outstanding debt included \$10,697 for a promissory note used to purchase a tractor.

For further information regarding the Township's debt, refer to Note 9 to the basic financial statements.

**Current Issues**

The challenge for all Townships is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on local taxes and have very little industry to support the tax base.

**Contacting the Township's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Jody Barter, Fiscal Officer, Mohican Township, 2008 St. R. 89, Jeromesville, Ohio 44840.

**MOHICAN TOWNSHIP**  
**ASHLAND COUNTY**  
*Statement of Net Assets - Cash Basis*  
*December 31, 2007*

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	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$152,263</u>
<b>Net Assets</b>	
Restricted for:	
Other Purposes	\$90,573
Unrestricted	61,690
<i>Total Net Assets</i>	<u><u>\$152,263</u></u>

See accompanying notes to the basic financial statements

**MOHICAN TOWNSHIP**  
**ASHLAND COUNTY**  
*Statement of Net Assets - Cash Basis*  
*December 31, 2006*

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	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$134,973</u>
<b>Net Assets</b>	
Restricted for:	
Other Purposes	\$105,374
Unrestricted	29,599
<i>Total Net Assets</i>	<u><u>\$134,973</u></u>

See accompanying notes to the basic financial statements

**MOHICAN TOWNSHIP**  
**ASHLAND COUNTY**  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2007*

	Cash Disbursements	Program Cash Receipts Operating Grants and Contributions	Net (Disbursements) Receipts and Changes in Net Assets Governmental Activities
<b>Governmental Activities</b>			
General Government	\$52,438		(\$52,438)
Public Works	269,686	\$100,890	(168,796)
Health	1,455		(1,455)
Capital Outlay	5,984		(5,984)
Debt Service:			
Principal	5,809		(5,809)
Interest	491		(491)
<i>Total Governmental Activities</i>	<u>\$335,863</u>	<u>\$100,890</u>	<u>(234,973)</u>
<b>General Receipts</b>			
Property Taxes			
General Purposes			15,491
Road and Bridge			133,823
Grants and Entitlements not Restricted to Specific Programs			91,125
Earnings on Investments			8,646
Miscellaneous			3,178
<i>Total General Receipts</i>			252,263
Change in Net Assets			17,290
<i>Net Assets Beginning of Year</i>			<u>134,973</u>
<i>Net Assets End of Year</i>			<u>\$152,263</u>

See accompanying notes to the basic financial statements

**MOHICAN TOWNSHIP**  
**ASHLAND COUNTY**  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2006*

	Cash Disbursements	Program Cash Receipts Operating Grants and Contributions	Net (Disbursements) Receipts and Changes in Net Assets Governmental Activities
<b>Governmental Activities</b>			
General Government	\$40,323		(\$40,323)
Public Works	257,410	\$94,121	(163,289)
Health	900		(900)
Capital Outlay	12,000		(12,000)
Debt Service:			
Principal	5,510		(5,510)
Interest	790		(790)
<i>Total Governmental Activities</i>	<u>\$316,933</u>	<u>\$94,121</u>	<u>(222,812)</u>
<b>General Receipts</b>			
Property Taxes Levied for:			
General Purposes			15,723
Road and Bridge			127,866
Grants and Entitlements not Restricted to Specific Programs			56,659
Interest			1,029
Miscellaneous			3,536
<i>Total General Receipts</i>			204,813
Change in Net Assets			(17,999)
<i>Net Assets Beginning of Year</i>			<u>152,972</u>
<i>Net Assets End of Year</i>			<u>\$134,973</u>

See accompanying notes to the basic financial statements

**MOHICAN TOWNSHIP**  
**ASHLAND COUNTY**  
*Statement of Cash Basis Assets and Fund Balances*  
*Governmental Funds*  
*December 31, 2007*

	General	Gasoline Tax	Road and Bridge	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$61,690	\$37,031	\$50,978	\$2,564	\$152,263
<b>Fund Balances</b>					
Reserved:					
Reserved for Encumbrances	294	499			793
Unreserved:					
Undesignated Reported in:					
General Fund	61,396				61,396
Special Revenue Funds		36,532	50,978	2,564	90,074
<i>Total Fund Balances</i>	<u>\$61,690</u>	<u>\$37,031</u>	<u>\$50,978</u>	<u>\$2,564</u>	<u>\$152,263</u>

See accompanying notes to the basic financial statements

**MOHICAN TOWNSHIP**  
**ASHLAND COUNTY**  
*Statement of Cash Basis Assets and Fund Balances*  
*Governmental Funds*  
*December 31, 2006*

	General	Gasoline Tax	Road and Bridge	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$29,599	\$48,469	\$54,679	\$2,226	\$134,973
<b>Fund Balances</b>					
Reserved:					
Reserved for Encumbrances	134	287	218		639
Unreserved:					
Undesignated Reported in:					
General Fund	29,465				29,465
Special Revenue Funds		48,182	54,461	2,226	104,869
<i>Total Fund Balances</i>	<u>\$29,599</u>	<u>\$48,469</u>	<u>\$54,679</u>	<u>\$2,226</u>	<u>\$134,973</u>

See accompanying notes to the basic financial statements

**MOHICAN TOWNSHIP  
ASHLAND COUNTY**

*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2007*

	General	Gasoline Tax	Road and Bridge	Other Governmental Funds	Total
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$15,491		\$133,823		\$149,314
Intergovernmental	74,933	\$92,188	16,192	\$8,702	192,015
Interest	6,074	2,459		113	8,646
Other	1,279	313	1,586		3,178
<b>Total Cash Receipts</b>	<b>97,777</b>	<b>94,960</b>	<b>151,601</b>	<b>8,815</b>	<b>353,153</b>
<b>Cash Disbursements</b>					
Current:					
General Government	52,438				52,438
Public Works		106,398	154,811	8,477	269,686
Health	1,455				1,455
Capital Outlay	5,984				5,984
Debt Service:					
Principal Retirement	5,809				5,809
Interest and Fiscal Charges			491		491
<b>Total Cash Disbursements</b>	<b>65,686</b>	<b>106,398</b>	<b>155,302</b>	<b>8,477</b>	<b>335,863</b>
<b>Net Change in Fund Balances</b>	<b>32,091</b>	<b>(11,438)</b>	<b>(3,701)</b>	<b>338</b>	<b>17,290</b>
<b>Fund Balances Beginning of Year</b>	<b>29,599</b>	<b>48,469</b>	<b>54,679</b>	<b>2,226</b>	<b>134,973</b>
<b>Fund Balances End of Year</b>	<b>\$61,690</b>	<b>\$37,031</b>	<b>\$50,978</b>	<b>\$2,564</b>	<b>\$152,263</b>

See accompanying notes to the basic financial statements

**MOHICAN TOWNSHIP  
ASHLAND COUNTY**

*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2006*

	General	Gasoline Tax	Road and Bridge	Other Governmental Funds	Total
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$15,723		\$127,866		\$143,589
Intergovernmental	39,422	\$85,283	17,237	\$8,838	150,780
Interest	715	291		23	1,029
Other	16	233	3,287		3,536
<b>Total Cash Receipts</b>	<b>55,876</b>	<b>85,807</b>	<b>148,390</b>	<b>8,861</b>	<b>298,934</b>
<b>Cash Disbursements</b>					
Current:					
General Government	40,323				40,323
Public Works		72,204	172,133	13,073	257,410
Health	900				900
Capital Outlay	12,000				12,000
Debt Service:					
Principal Retirement	5,510				5,510
Interest and Fiscal Charges	361		429		790
<b>Total Cash Disbursements</b>	<b>59,094</b>	<b>72,204</b>	<b>172,562</b>	<b>13,073</b>	<b>316,933</b>
Excess of Cash Receipts Over (Under) Cash Disbursements	(3,218)	13,603	(24,172)	(4,212)	(17,999)
Other Cash Financing Sources (Uses)					
Transfers In			38,000		38,000
Transfers Out	(38,000)				(38,000)
<b>Total Other Cash Financing Sources (Uses)</b>	<b>(38,000)</b>	<b>0</b>	<b>38,000</b>	<b>0</b>	<b>0</b>
<b>Net Change in Fund Balances</b>	<b>(41,218)</b>	<b>13,603</b>	<b>13,828</b>	<b>(4,212)</b>	<b>(17,999)</b>
Fund Balances Beginning of Year	70,817	34,866	40,851	6,438	152,972
<b>Fund Balances End of Year</b>	<b>\$29,599</b>	<b>\$48,469</b>	<b>\$54,679</b>	<b>\$2,226</b>	<b>\$134,973</b>

See accompanying notes to the basic financial statements

**MOHICAN TOWNSHIP  
ASHLAND COUNTY**

*Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual -Budget Basis  
General Fund  
For the Year Ended December 31, 2007*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$14,628	\$14,628	\$15,491	\$863
Intergovernmental	38,529	38,529	74,933	36,404
Interest	200	200	6,074	5,874
Other	900	900	1,279	379
<i>Total receipts</i>	<u>54,257</u>	<u>54,257</u>	<u>97,777</u>	<u>43,520</u>
<b>Disbursements</b>				
Current:				
General Government	62,284	62,284	52,732	9,552
Health	1,500	1,500	1,455	45
Capital Outlay	8,000	8,000	5,984	2,016
Debt Service:				
Principal Retirement			5,809	(5,809)
<i>Total Disbursements</i>	<u>71,784</u>	<u>71,784</u>	<u>65,980</u>	<u>5,804</u>
<i>Net Change in Fund Balance</i>	(17,527)	(17,527)	31,797	49,324
<i>Unencumbered Cash Balance Beginning of Year</i>	29,465	29,465	29,465	0
Prior Year Encumbrances Appropriated	134	134	134	0
<i>Unencumbered Cash Balance End of Year</i>	<u>\$12,072</u>	<u>\$12,072</u>	<u>\$61,396</u>	<u>\$49,324</u>

See accompanying notes to the basic financial statements

**MOHICAN TOWNSHIP  
ASHLAND COUNTY**

*Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual -Budget Basis  
General Fund  
For the Year Ended December 31, 2006*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$15,890	\$15,890	\$15,723	(\$167)
Intergovernmental	47,395	47,395	39,422	(7,973)
Earnings on Investments	200	200	715	515
Miscellaneous	900	900	16	(884)
<i>Total receipts</i>	<u>64,385</u>	<u>64,385</u>	<u>55,876</u>	<u>(8,509)</u>
<b>Disbursements</b>				
Current:				
General Government	45,600	47,600	40,457	7,143
Health	800	800	900	(100)
Capital Outlay	12,000	12,000	12,000	0
Debt Service:				
Principal Retirement			5,510	(5,510)
Interest and Fiscal Charges			361	(361)
<i>Total Disbursements</i>	<u>58,400</u>	<u>60,400</u>	<u>59,228</u>	<u>1,172</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>5,985</u>	<u>3,985</u>	<u>(3,352)</u>	<u>(7,337)</u>
<b>Other Financing Uses</b>				
Transfers Out			(38,000)	(38,000)
<i>Net Change in Fund Balance</i>	5,985	3,985	(41,352)	(45,337)
<i>Unencumbered Cash Balance Beginning of Year</i>	70,678	70,678	70,678	0
Prior Year Encumbrances Appropriated	139	139	139	0
<i>Unencumbered Cash Balance End of Year</i>	<u>\$76,802</u>	<u>\$74,802</u>	<u>\$29,465</u>	<u>(\$45,337)</u>

See accompanying notes to the basic financial statements

**MOHICAN TOWNSHIP  
ASHLAND COUNTY**

*Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual -Budget Basis  
Gasoline Tax Fund  
For the Year Ended December 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Intergovernmental	\$80,000	\$80,000	\$92,188	\$12,188
Interest	100	100	2,459	2,359
Other			313	313
<i>Total receipts</i>	<u>80,100</u>	<u>80,100</u>	<u>94,960</u>	<u>14,860</u>
<b>Disbursements</b>				
Current:				
Public Works	<u>119,137</u>	<u>119,137</u>	<u>106,897</u>	<u>12,240</u>
<i>Net Change in Fund Balance</i>	(39,037)	(39,037)	(11,937)	27,100
<i>Unencumbered Cash Balance Beginning of Year</i>	48,182	48,182	48,182	0
Prior Year Encumbrances Appropriated	<u>287</u>	<u>287</u>	<u>287</u>	<u>0</u>
<i>Unencumbered Cash Balance End of Year</i>	<u>\$9,432</u>	<u>\$9,432</u>	<u>\$36,532</u>	<u>\$27,100</u>

See accompanying notes to the basic financial statements

**MOHICAN TOWNSHIP  
ASHLAND COUNTY**

*Statement of Receipts, Disbursements and Changes  
In Fund Balance - 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>		
<b>Receipts</b>				
Intergovernmental	\$70,254	\$70,254	\$85,283	\$15,029
Earnings on Investments	100	100	291	191
Miscellaneous			233	233
<i>Total receipts</i>	<u>70,354</u>	<u>70,354</u>	<u>85,807</u>	<u>15,453</u>
<b>Disbursements</b>				
Current:				
Public Works	70,350	95,350	72,491	22,859
<i>Total Disbursements</i>	<u>70,350</u>	<u>95,350</u>	<u>72,491</u>	<u>22,859</u>
<i>Net Change in Fund Balance</i>	4	(24,996)	13,316	38,312
<i>Unencumbered Cash Balance Beginning of Year</i>	33,748	33,748	33,748	0
Prior Year Encumbrances Appropriated	<u>1,118</u>	<u>1,118</u>	<u>1,118</u>	<u>0</u>
<i>Unencumbered Cash Balance End of Year</i>	<u>\$34,870</u>	<u>\$9,870</u>	<u>\$48,182</u>	<u>\$38,312</u>

See accompanying notes to the basic financial statements

**MOHICAN TOWNSHIP  
ASHLAND COUNTY**

*Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual -Budget Basis  
Road and Bridge Fund  
For the Year Ended December 31, 2007*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$141,170	\$141,170	\$133,823	(\$7,347)
Intergovernmental	8,240	8,240	16,192	7,952
Miscellaneous	230	230	1,586	1,356
<i>Total receipts</i>	<u>149,640</u>	<u>149,640</u>	<u>151,601</u>	<u>1,961</u>
<b>Disbursements</b>				
Current:				
Public Works	164,168	164,168	154,811	9,357
Debt Service:				
Interest and Fiscal Charges	900	900	491	409
<i>Total Disbursements</i>	<u>165,068</u>	<u>165,068</u>	<u>155,302</u>	<u>9,766</u>
<i>Net Change in Fund Balance</i>	(15,428)	(15,428)	(3,701)	11,727
<i>Unencumbered Cash Balance Beginning of Year</i>	54,461	54,461	54,461	0
Prior Year Encumbrances Appropriated	<u>218</u>	<u>218</u>	<u>218</u>	<u>0</u>
<i>Unencumbered Cash Balance End of Year</i>	<u><u>\$39,251</u></u>	<u><u>\$39,251</u></u>	<u><u>\$50,978</u></u>	<u><u>\$11,727</u></u>

See accompanying notes to the basic financial statements

**MOHICAN TOWNSHIP  
ASHLAND COUNTY**

*Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual -Budget Basis  
Road and Bridge Fund  
For the Year Ended December 31, 2006*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$118,110	\$118,110	\$127,866	\$9,756
Intergovernmental			17,237	17,237
Miscellaneous			3,287	3,287
<i>Total receipts</i>	<u>118,110</u>	<u>118,110</u>	<u>148,390</u>	<u>30,280</u>
<b>Disbursements</b>				
Current:				
Public Works	139,200	180,200	172,351	7,849
Debt Service:				
Interest and Fiscal Charges	900	900	429	471
<i>Total Disbursements</i>	<u>140,100</u>	<u>181,100</u>	<u>172,780</u>	<u>8,320</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(21,990)</u>	<u>(62,990)</u>	<u>(24,390)</u>	<u>38,600</u>
<b>Other Financing Sources</b>				
Transfers In		38,000	38,000	0
<i>Net Change in Fund Balance</i>	(21,990)	(24,990)	13,610	38,600
<i>Unencumbered Cash Balance Beginning of Year</i>	40,602	40,602	40,602	0
Prior Year Encumbrances Appropriated	249	249	249	0
<i>Unencumbered Cash Balance End of Year</i>	<u>\$18,861</u>	<u>\$15,861</u>	<u>\$54,461</u>	<u>\$38,600</u>

See accompanying notes to the basic financial statements

Mohican Township  
Ashland County

Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

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**Note 1 – Reporting Entity**

Mohican Township, Ashland County, Ohio, (the Township) 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. The Township also has an elected Township Fiscal Officer.

The reporting entity is comprised of the primary government, component units and other organizations that were included to ensure that the financial statements are not misleading.

**A. Primary Government**

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services and maintenance of Township roads and bridges. The Township contracts with the Jeromesville Fire Department for fire protection. Police protection is provided by the Ashland County Sheriff's Department.

**B. 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.

The Township has no component units.

**C. Public Entity Risk Pool**

The Township participates in public entity risk pools. Notes 6 and 11 to the financial statements provide additional information for these entities. The organizations are:

Public Entity Risk Pool:

During 2007, the Township was a member of the Ohio Government Risk Management Plan (OGRMP).

During 2006, the Township was a member of the Ohio Township Association Risk Management Authority.

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

Mohican Township  
Ashland County

Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

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**Note 2 – Summary of Significant Accounting Policies**

As discussed further in Note 2C, 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. Following are the more significant of the Township's accounting policies.

**A. Basis of Presentation**

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

**Government-Wide Financial Statements**

The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the Township that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. The Township does not report any business-type activities.

The statement of net assets presents the cash balances of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Township's general receipts.

**Fund Financial Statements**

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

**B. Fund Accounting**

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. All of the Township's funds are categorized as governmental.

Mohican Township  
Ashland County

Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

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**Note 2 – Summary of Significant Accounting Policies** (continued)

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Township's major governmental funds are the General Fund, Gasoline Tax Fund, and Road and Bridge 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 Gasoline Tax Fund is used to account for gasoline tax money which the Township can only use to pay for constructing, maintaining, and repairing Township roads. The Road and Bridge Fund is used to account for tax money which the Township can only use for constructing, maintaining, and repairing Township roads and bridges.

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

C. Basis of Accounting

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

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

D. Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, 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 resolution is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Township.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, 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.

Mohican Township  
Ashland County

Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

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**Note 2 – Summary of Significant Accounting Policies** (continued)

**E. Cash**

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

The Township had no investments during the audit period.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2007 and 2006 was \$6,074 and \$715, respectively.

**F. 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. The Township did not have any restricted assets.

**G. Inventory and Prepaid Items**

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

**H. Capital Assets**

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

**I. 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.

**J. Employer Contributions to Cost-Sharing Pension Plans**

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

**K. Long-Term Obligations**

The Township’s cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid.

Mohican Township  
Ashland County

Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

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**Note 2 – Summary of Significant Accounting Policies** (continued)

**L. Net Assets**

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for road work. The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available. The Township has no net assets restricted by enabling legislation.

**M. Fund Balance Reserves**

The Township reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances.

**N. Interfund Transactions**

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies 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 disbursements to the funds that initially paid for them are not presented in the financial statements.

**Note 3 – Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund, Gasoline Tax Fund, and Road and Bridge Fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at December 31, 2007 and 2006 (budgetary basis) amounted to \$294 and \$134, respectively, for the General Fund, \$499 and \$287, respectively, for the Gasoline Tax Fund, and \$0 and \$218, respectively, for the Road and Bridge Fund.

**Note 4 – Deposits**

Monies held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

Mohican Township  
Ashland County

Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

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**Note 4 - Deposits** (continued)

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:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for 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.

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2007 and 2006, \$52,263 and \$34,973, respectively, of the Township's bank balance of \$152,263 and \$134,973, respectively, 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.

Mohican Township  
Ashland County

Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

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**Note 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.

**Investments**

The Township had no investments as of December 31, 2007 and 2006.

**Note 5 – Property Taxes**

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2007 and 2006 represent the collection of 2006 and 2005 taxes, respectively. Real property taxes received in 2007 and 2006 were levied after October 1, 2006 and 2005, on the assessed values as of January 1, 2006 and 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 circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2007 and 2006 represent the collection of 2006 and 2005 taxes. Public utility real and tangible personal property taxes received in 2007 and 2006 became a lien on December 31, 2006 and 2005, were levied after October 1, 2006 and 2005, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2007 and 2006 (other than public utility property) represent the collection of 2007 and 2006 taxes. Tangible personal property taxes received in 2007 and 2006 were levied after October 1, 2006 and 2005, on the true value as of December 31, 2006 and 2005. In prior years, tangible personal property was assessed at 25 percent of true value for capital assets and 23 percent for inventory. The tangible personal property tax is being phased out – the assessment percentages for all property including inventory for 2007 and 2006 was 12.5 percent and 18.75 percent, respectively. This will be reduced to 6.25 percent for 2008 and zero for 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all Township operations for the years ended December 31, 2007, was \$1.9 and \$1.9, respectively, per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2007 and 2006 property tax receipts were based are as follows:

Mohican Township  
Ashland County

Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

**Note 5 – Property Taxes** (continued)

	<u>2007</u>	<u>2006</u>
Real Property		
Residential	\$19,076,340	\$18,591,230
Agricultural	5,515,650	5,708,680
Commercial/Industrial/Mineral	1,425,500	1,054,580
Tangible Personal Property		
Business	334,040	418,492
Public Utility	1,231,090	1,396,910
Total Assessed Value	<u>\$27,582,620</u>	<u>\$27,169,892</u>

**Note 6 – Risk Management**

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2007, the Township contracted with Ohio Government Risk Management Plan for various types of insurance coverage as follows:

Company	Type of Coverage	Amount of Coverage
Ohio Government Risk Management Plan	Blanket Building and Personal Property	\$255,900
	Boiler and Machinery	255,900
	Special Property Coverage	38,525
	Electronic Equipment/Media Coverage	5,000
	General Liability	2,000,000
	Employer's Liability	2,000,000
	Employee Benefits Liability	1,000,000
	Public Officials Liability	2,000,000
	Crime Coverage	1,000

During 2006, the Township contracted with the Ohio Township Association Risk Management Authority for various types of insurance coverage as follows:

Company	Type of Coverage	Amount of Coverage
Ohio Township Association Risk Management Authority	Wrongful Acts Coverage	See Coverage Summary
	Building and Contents	Limit per Statement of Values
	Electronic Data Processing	Limit per Schedule
	Money and Securities	\$10,000
	Errors and Omissions	500,000
	General Liability	See Coverage Summary
	Employee Benefits Liability	See Coverage Summary
	Automobile	See Coverage Summary

Settled claims have not exceeded coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The System administers and pays all claims.

Mohican Township  
Ashland County

Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

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**Note 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. 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 years ended December 31, 2007 and 2006, the members of all three plans were required to contribute 9.5 percent and 9 percent, respectively, of their annual covered salaries. The Township's contribution rate for pension benefits for 2007 and 2006 was 13.85 percent and 13.7 percent, respectively.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2007, 2006, and 2005 were \$6,562, \$7,424, and \$8,699 respectively. The full amount has been contributed for 2007, 2006 and 2005.

**Note 8 - Postemployment 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 as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2007 and 2006 local government employer contribution rate was 13.85 percent and 13.7 percent of covered payroll, respectively. For 2006, 4.5 percent of covered payroll was the portion that was used to fund health care. For 2007, the rate was 5 percent from January 1, 2007 to June 30, 2007 and 6 percent from July 1, 2007 to December 31, 2007.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2006, 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 5 percent annually for the next eight years and 4 percent annually after eight years.

Mohican Township  
Ashland County

Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

**Note 8 - Postemployment Benefits** (continued)

All investments are carried at market. 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 374,979 in 2007 and 362,130 in 2006. Actual employer contributions for 2007 and 2006 which were used to fund postemployment benefits were \$4,598 and \$3,631, respectively. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2006, (the latest information available) were \$12 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$30.7 billion and \$18.7 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' health care coverage to improve the financial solvency of the fund in response to increasing health care costs.

**Note 9 – Debt**

The Township's long-term debt activity for the years ended December 31, 2007 and 2006, was as follows:

	Interest Rate	Balance January 1, 2007	Additions	Reductions	Balance December 31, 2007	Due Within One Year
<u>Governmental Activities</u>						
Promissory Note						
2005 Issue (Original Amount \$18,900)	5.25%	\$10,697	\$0	\$5,809	\$4,888	\$4,888
<hr/>						
	Interest Rate	Balance January 1, 2006	Additions	Reductions	Balance December 31, 2006	Due Within One Year
<u>Governmental Activities</u>						
Promissory Note						
2005 Issue (Original Amount \$18,900)	5.25%	\$16,208	\$0	\$5,511	\$10,697	\$5,809

The promissory note was used to purchase a tractor. It is supported by the full faith and credit of the Township and is payable from unvoted property tax receipts to the extent other resources are not available to meet annual principal and interest payments.

The following is a summary of the Township's future annual debt service requirements:

Year	Promissory Note	
	Principal	Interest
2008	\$4,888	\$257

Mohican Township  
Ashland County

Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

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**Note 10 – Interfund Transfers**

During 2006 the following transfer was made:

Transfers from the General Fund to:	
Road and Bridge Fund	\$38,000

Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**Note 11 – Public Entity Risk Pool**

**Risk Pool Membership**

During 2007, the Township belonged 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 550 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 coverages, 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 15 percent casualty and the 10 percent property portions the Plan retains. The Plan retains the lesser of 15 percent or \$37,500 of casualty losses and the lesser of 10 percent 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 fiscal years.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31: 2006 and 2005 (the latest information available):

	<u>2006</u>	<u>2005</u>
Assets	\$9,620,148	\$8,219,430
Liabilities	<u>(3,329,620)</u>	<u>(2,748,639)</u>
Members' Equity	<u>\$6,290,528</u>	<u>\$5,470,791</u>

You can read the complete audited financial statements for The Ohio Government Risk Management Plan at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

Mohican Township  
Ashland County

Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

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**Note 11 – Public Entity Risk Pool** (continued)

During 2006, the Township belonged to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Coverage

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

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

Property Coverage

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

Beginning in 2005, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable values. If the stop loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2006 was \$1,901,127.

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

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

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2006 and 2005 (the latest information available):

<u>Casualty Coverage</u>	<u>2006</u>	<u>2005</u>
Assets	\$32,031,312	\$30,485,638
Liabilities	<u>(11,443,952)</u>	<u>(12,344,576)</u>
Retained earnings	<u>\$20,587,360</u>	<u>\$18,141,062</u>

Mohican Township  
Ashland County

Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

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**Note 11 – Public Entity Risk Pool** (continued)

<u>Property Coverage</u>	<u>2006</u>	<u>2005</u>
Assets	\$10,010,963	\$9,177,796
Liabilities	<u>(676,709)</u>	<u>(1,406,031)</u>
Retained earnings	<u>\$9,334,254</u>	<u>\$7,771,765</u>

At December 31, 2006 and 2005, respectively, casualty coverage liabilities noted above include approximately \$10.8 million and \$11.6 million of estimated incurred claims payable. The Casualty Coverage assets and retained earnings above also include approximately \$10.8 million and \$11.6 million of unpaid claims to be billed to approximately 958 member governments in the future, as of December 31, 2006 and 2005, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township's share of these unpaid claims collectible in future years is approximately \$17,978. This payable includes the subsequent year's contribution due if the Township terminates participation, as described in the last paragraph below.

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

**Contributions to OTARMA**

2005	\$7,852
2006	\$9,144
2007	\$8,989

After completing one year of membership, members may withdraw on each anniversary of the date they joined OTARMA provided they give written notice to OTARMA 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's budgetary contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

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# Mary Taylor, CPA

Auditor of State

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

Mohican Township  
Ashland County  
1761 Township Road 85  
Jeromesville, Ohio 44840

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mohican Township, Ashland County, Ohio, (the Township) as of and for the years ended December 31, 2007 and 2006, which collectively comprise the Township's basic financial statements and have issued our report thereon dated May 20, 2008 wherein we noted the Township follows the cash basis of accounting. We also noted the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider a significant deficiency.

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.

We consider the following deficiency described in the accompanying Schedule of Findings to be a significant deficiency in internal control over financial reporting: 2007-001.

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 the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. However, we believe the significant deficiency described above is also a material weakness.

We also noted internal control certain matters that we reported to the Township's management in a separate letter dated May 20, 2008.

#### **Compliance and Other Matters**

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain noncompliance or other matters that we reported to the Township's management in a separate letter dated May 20, 2008.

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

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



**Mary Taylor, CPA**  
Auditor of State

May 20, 2008

**MOHICAN TOWNSHIP  
ASHLAND COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2007 AND 2006**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2007-001**

**Material Weakness**

Our receipt testing revealed the Township recorded several transactions incorrectly. Mispostings identified included, but were not limited to the following:

- In 2007 and 2006, \$7,868 and \$6,820, respectively, of homestead and rollback receipts and \$225 and \$119, respectively, of tax receipts were credited only to the General Fund rather than being allocated among the General Fund and Road and Bridge Fund based on the tax levies. As a result, the Road and Bridge Fund's revenue and cash fund balance were understated \$8,093 in 2007 and \$6,939 in 2006. These amounts were adjusted to the financial statements.
- In 2007 and 2006, \$2,504 and \$1,744, respectively, of intergovernmental receipts were posted as tax receipts and in 2006 \$2,081 of tax receipts were posted as intergovernmental receipts. These amounts were reported to management as unadjusted items.
- In 2007, \$3,741 of motor vehicle license receipts were incorrectly posted to the General Fund rather than a special revenue fund, such as the Gasoline Tax Fund. In 2006, \$3,741 was incorrectly posted as miscellaneous revenue in the Gasoline Tax Fund instead of intergovernmental revenue. These amounts were adjusted to the financial statements.
- In 2007 and 2006, \$1,597 and \$169, respectively, of interest receipts were credited to the Motor Vehicle License Fund and the Gasoline Tax Fund rather than the General Fund. The Township allocated interest to the General Fund, Motor Vehicle License Fund and Gasoline Tax Fund based on these fund's proportionate monthly cash balances. However, the Road and Bridge Fund's fund balance was excluded in calculating the allocation of interest. The portion of interest earned on the Road and Bridge Fund's balance should have been credited to the General Fund, as the Road and Bridge Fund is not entitled to interest. \$1,553 of the 2007 amount was adjusted to the financial statements. The 2006 amount was reported to management as an unadjusted item.
- In 2007 and 2006, \$5,809 and \$5,871, respectively, of principal and interest payments were posted to the machinery and equipment disbursement line item rather than the principal and interest debt service line items. These amounts were adjusted to the financial statements.
- In 2007 and 2006, \$4,779 and \$2,542, respectively, of expenditures were posted to various funds restricted for road improvements and maintenance when the expenditures were not road related. These disbursements were for such transactions as cemetery mowing, UAN fees, Township Association dues, stamps and envelopes. As a result, 2007 and 2006 expenditures were overstated in the Motor Vehicle License Fund by \$1,159 and \$1,405, respectively, in the Gasoline Tax Fund by \$3,144 and \$495, respectively and in the Road and Bridge Fund by \$476 and \$642, respectively. These amounts were adjusted to the financial statements.

**FINDING NUMBER 2007-001 (Continued)**

The Township should exercise due care when posting transactions to help ensure receipts are posted to the correct fund and account. In addition, the Township Fiscal Officer should provide a monthly report package, which includes budget to actual receipt and disbursement activity, to the Board of Trustees for review and approval. As part of its monitoring procedures, the Board of Trustees should carefully review the financial activity included in the report package for proper classification. This will help more accurately reflect the Township's financial activity and will aid in more accurate financial reporting.

**Official Response:** The Fiscal Officer will scrupulously record receipts and expenditures to ensure that all transactions are getting posted to the correct fund.



**Mary Taylor, CPA**  
Auditor of State

**MOHICAN TOWNSHIP**

**ASHLAND 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  
JUNE 26, 2008**