

**SWITZERLAND TOWNSHIP
MONROE COUNTY
Regular Audit
December 31, 2007**



Mary Taylor, CPA
Auditor of State

Board of Trustees
Switzerland Township
50830 German Ridge Road
Powhatan Point, Ohio 43942

We have reviewed the *Independent Accountants' Report* of Switzerland Township, Monroe County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2007 through December 31, 2007. 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. Switzerland Township is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

April 6, 2009

This Page is Intentionally Left Blank.

**SWITZERLAND TOWNSHIP
MONROE COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Managements Discussion and Analysis	3
Government-Wide Financial Statements:	
Statement of Net Assets – Cash Basis For the Year Ended December 31, 2007	9
Statement of Activities – Cash Basis For the Year Ended December 31, 2007	10
Governmental Financial Statements:	
Statement of Cash Basis Assets and Fund Balances – Governmental Funds For the Year Ended December 31, 2007	11
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances – Governmental Funds For the Year Ended December 31, 2007	12
Statement of Receipts, Disbursements, and Changes in Fund Balance Budget and Actual (Budget Basis) – General Fund For the Year Ended December 31, 2007	13
Statement of Receipts, Disbursements, and Changes in Fund Balance Budget and Actual (Budget Basis) – Gasoline Tax Fund For the Year Ended December 31, 2007	14
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	15
Notes to the Financial Statements	16
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	25
Schedule of Prior Audit Findings.....	27

Perry & Associates
Certified Public Accountants, A.C.

PARKERSBURG
1035 Murdoch Avenue
Parkersburg, WV 26101
(304) 422-2203

MARIETTA
428 Second Street
Marietta, OH 45750
(740) 373-0056

INDEPENDENT ACCOUNTANTS' REPORT

February 23, 2009

Switzerland Township
Monroe County
50830 German Ridge Road
Powhatan Point, OH 43942

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 **Switzerland Township, Monroe County, Ohio**, (the Township) as of and for the year ended December 31, 2007, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 2, the Township has prepared these financial statements following the cash basis of accounting. These practices differ from accounting principles generally accepted in the United States of America (GAAP).

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 Switzerland Township, Monroe County, Ohio, as of December 31, 2007, and the respective changes in cash financial position and the respective budgetary comparison for the General, Gasoline Tax, and Road & Bridge Funds thereof for the year then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2009, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Switzerland Township
Monroe County
Independent Accountants' Report
Page 2

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.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

Perry and Associates
Certified Public Accountants, A.C.

SWITZERLAND TOWNSHIP
MONROE COUNTY
Management's Discussion and Analysis
For the Year Ended December 31, 2007
Unaudited

This discussion and analysis of the Township's financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2007, 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 decreased \$971, or less than two percent, from the prior year.

The fund most affected by the increase in cash and cash equivalents was the Gasoline Tax Fund.

The Township's general receipts are primarily property and other local taxes. These receipts represent respectively 73 and 24 percent of general receipts and total receipts. Property tax receipts for 2007 changed very little compared to 2006.

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 government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a 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.

SWITZERLAND TOWNSHIP
MONROE COUNTY
Management's Discussion and Analysis
For the Year Ended December 31, 2007
Unaudited

Reporting the Township as a Whole

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

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other non-financial 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 and income taxes.

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

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

Reporting the Township's Most Significant Funds

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

Governmental Funds - Most 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, Road & Bridge and Bond Service Funds. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. We describe this relationship in reconciliations presented with the governmental fund financial statements.

**SWITZERLAND TOWNSHIP
MONROE COUNTY
Management's Discussion and Analysis
For the Year Ended December 31, 2007
Unaudited**

The Township as a Whole

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

(Table 1)		
Net Assets		
	Governmental Activities	
	2007	2006
Assets		
Cash and Cash Equivalents	\$ 57,054	\$ 58,025
Total Assets	\$ 57,054	\$ 58,025
Net Assets		
Restricted for:		
Debt Service	\$ 9,331	\$ 8,004
Unrestricted	47,723	50,021
Total Net Assets	\$ 57,054	\$ 58,025

As mentioned previously, net assets of governmental activities decreased \$ 971 or less than two percent.

**SWITZERLAND TOWNSHIP
MONROE COUNTY
Management's Discussion and Analysis
For the Year Ended December 31, 2007
Unaudited**

Table 2 reflects the changes in net assets on a cash basis in 2007 and 2006 for governmental activities and total primary government.

(Table 2)
Changes in Net Assets

	Governmental Activities	
	2007	2006
Receipts:		
Program Receipts:		
Operating Grants and Contributions	\$ 104,117	\$ 120,586
Total Program Receipts	<u>104,117</u>	<u>120,586</u>
General Receipts:		
Property Taxes	35,455	35,450
Other Taxes	2,049	0
Grants and Entitlements Not Restricted to Specific Programs	13,392	13,631
Debt Proceeds	-	6,700
Interest	192	176
Miscellaneous	-	280
Total General Receipts	<u>51,088</u>	<u>56,237</u>
Total Receipts	<u>155,205</u>	<u>176,823</u>
Disbursements:		
General Government	22,691	21,606
Public Safety	2,080	2,430
Public Works	115,502	110,214
Public Health	9,530	8,677
Capital Outlay	-	6,700
Principal Retirement	6,244	12,677
Interest	129	747
Total Disbursements	<u>156,176</u>	<u>163,051</u>
Increase (Decrease) in Net Assets	(971)	13,772
Net Assets, January 1	58,025	44,253
Net Assets, December 31	<u>\$ 57,054</u>	<u>\$ 58,025</u>

Program receipts represent only 67 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as gasoline tax money. General receipts represent 33 percent of the Township's total receipts, and of this amount, over 69 percent are property taxes. State and federal grants and entitlements make up the balance of the Township's general receipts. Other receipts are very insignificant and somewhat unpredictable revenue sources.

Disbursements for Switzerland Township represent the overhead costs of running the Township and the supports services provided for the Township activities.

Public Safety is the costs for fire protection and emergency services; Public Health Services is the health department; and Public Works are the cost of maintaining the Township roads.

**SWITZERLAND TOWNSHIP
MONROE COUNTY
Management's Discussion and Analysis
For the Year Ended December 31, 2007
Unaudited**

Governmental Activities

If you look at the Statement of Activities you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for Public Works which account for \$115,502 or 74 percent of all governmental disbursements. General Government also represents a significant cost, about 14 percent of the total governmental disbursements. The next two columns of the statement entitled Program Receipts identify amounts of grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

Table 3
Governmental Activities

	Total Cost of Services 2007	Net Cost of Services 2007
General Government	\$ 22,691	\$ (21,424)
Public Safety	2,080	(2,080)
Public Works	115,502	(13,936)
Public Health	9,530	(9,530)
Other	-	1,284
Debt Service:		
Principle	6,244	(6,244)
Interest	129	(129)
Total Expenses	\$ 156,176	\$ (52,059)

The dependence upon Operating Grants and Contributions is apparent as over 66 percent of governmental activities are supported through these general receipts.

The Township's Funds

Total governmental funds for 2008 had receipts of \$155,205 and disbursements of \$156,176.

General Fund receipts were \$2,315 more than disbursements indicating that the General Fund, thus reflecting good management skills.

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.

The difference between the General Fund final budgeted receipts and the actual receipts was not significant.

Final disbursements were budgeted at \$39,913 while actual disbursements were \$32,222. The Township kept spending under budgeted amounts.

**SWITZERLAND TOWNSHIP
MONROE COUNTY
Management's Discussion and Analysis
For the Year Ended December 31, 2007
Unaudited**

Capital Assets and Debt Administration

Capital Assets

The Township has chosen not to report capital assets and infrastructure.

Debt

The final payment of \$6,373.29 of a backhoe note issued in 2005 was made in January; therefore, there was no outstanding debt as of December 31, 2007.

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. During 2007, total receipts were \$971 less than disbursements; thereby reflecting a slight deficit spending situation.

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 Joyce Dunn, Switzerland Township, Fiscal Officer, 50830 German Ridge Road, Powhatan Point, Ohio 43942.

SWITZERLAND TOWNSHIP- MONROE COUNTY

Statement of Net Assets - Cash Basis

For the Year Ended December 31, 2007

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 57,054
<i>Total Assets</i>	<u>57,054</u>
Net Assets	
Restricted for:	
Debt Service	9,331
Unrestricted	<u>47,723</u>
<i>Total Net Assets</i>	<u>\$ 57,054</u>

The notes to the financial statements are an integral part of this statement.

SWITZERLAND TOWNSHIP- MONROE COUNTY

*Statement of Activities - Cash Basis
For the Year Ended December 31, 2007*

	<u>Cash</u> <u>Disbursements</u>	<u>Program Cash Receipts</u> <u>Operating Grants and Contributions</u>	<u>Net (Disbursements) Receipts and Changes in Net Assets</u> <u>Governmental Activities</u>
Governmental Activities			
General Government	\$ 22,691	\$ 1,267	\$ (21,424)
Public Safety	2,080	-	(2,080)
Public Works	115,502	101,566	(13,936)
Health	9,530	-	(9,530)
Other	-	1,284	1,284
Debt Service:			
Principal	6,244	-	(6,244)
Interest	129	-	(129)
<i>Total Governmental Activities</i>	<u>\$ 156,176</u>	<u>\$ 104,117</u>	<u>\$ (52,059)</u>
General Receipts			
Property Taxes			35,455
Other Taxes			2,049
Grants and Entitlements not Restricted to Specific Programs			13,392
Interest			192
<i>Total General Receipts</i>			<u>51,088</u>
Change in Net Assets			<u>(971)</u>
<i>Net Assets Beginning of Year</i>			<u>58,025</u>
<i>Net Assets End of Year</i>			<u>\$ 57,054</u>

The notes to the financial statements are an integral part of this statement.

SWITZERLAND TOWNSHIP- MONROE COUNTY
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
For the Year Ended December 31, 2007

	General	Gasoline Tax	Road and Bridge	Bond Service	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	\$ 6,748	\$ 25,846	\$ 9,593	\$ 9,331	\$ 5,536	\$ 57,054
<i>Total Assets</i>	<u>6,748</u>	<u>25,846</u>	<u>9,593</u>	<u>9,331</u>	<u>5,536</u>	<u>57,054</u>
Fund Balances						
Unreserved:						
General Fund	6,748	-	-	-	-	6,748
Special Revenue Funds	-	25,846	9,593	-	5,536	40,975
Debt Service Fund	-	-	-	9,331	-	9,331
<i>Total Fund Balances</i>	<u>\$ 6,748</u>	<u>\$ 25,846</u>	<u>\$ 9,593</u>	<u>\$ 9,331</u>	<u>\$ 5,536</u>	<u>\$ 57,054</u>

The notes to the financial statements are an integral part of this statement.

SWITZERLAND TOWNSHIP- MONROE 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	Bond Service	Other Governmental Funds	Total Governmental Funds
Receipts						
Property and Other Local Taxes	\$ 18,572	\$ -	\$ 16,883	\$ -	\$ -	\$ 35,455
Intergovernmental	15,733	80,579	2,077	7,700	13,286	119,375
Interest	40	108	-	-	35	183
Other	192	-	-	-	-	192
<i>Total Receipts</i>	<u>34,537</u>	<u>80,687</u>	<u>18,960</u>	<u>7,700</u>	<u>13,321</u>	<u>155,205</u>
Disbursements						
Current:						
General Government	20,612	2,079	-	-	-	22,691
Public Safety	2,080	-	-	-	-	2,080
Public Works	-	87,559	16,831	-	11,112	115,502
Health	9,530	-	-	-	-	9,530
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal Retirement	-	-	-	6,244	-	6,244
Interest and Fiscal Charges	-	-	-	129	-	129
<i>Total Disbursements</i>	<u>32,222</u>	<u>89,638</u>	<u>16,831</u>	<u>6,373</u>	<u>11,112</u>	<u>156,176</u>
<i>Net Change in Fund Balances</i>	2,315	(8,951)	2,129	1,327	2,209	(971)
<i>Fund Balances Beginning of Year</i>	<u>4,433</u>	<u>34,797</u>	<u>7,464</u>	<u>8,004</u>	<u>3,327</u>	<u>58,025</u>
<i>Fund Balances End of Year</i>	<u>\$ 6,748</u>	<u>\$ 25,846</u>	<u>\$ 9,593</u>	<u>\$ 9,331</u>	<u>\$ 5,536</u>	<u>\$ 57,054</u>

The notes to the financial statements are an integral part of this statement.

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

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$ 19,303	\$ 19,303	\$ 18,572	\$ (731)
Intergovernmental	16,037	16,037	15,733	(304)
Interest	40	40	40	-
Other	100	100	192	92
<i>Total receipts</i>	<u>35,480</u>	<u>35,480</u>	<u>34,537</u>	<u>(943)</u>
Disbursements				
Current:				
General Government	27,482	27,482	20,612	6,870
Public Safety	2,580	2,580	2,080	500
Health	9,851	9,851	9,530	321
<i>Total Disbursements</i>	<u>39,913</u>	<u>39,913</u>	<u>32,222</u>	<u>7,691</u>
<i>Net Change in Fund Balance</i>	(4,433)	(4,433)	2,315	6,748
<i>Fund Balance Beginning of Year</i>	<u>4,433</u>	<u>4,433</u>	<u>4,433</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,748</u>	<u>\$ 6,748</u>

The notes to the financial statements are an integral part of this statement.

SWITZERLAND TOWNSHIP- MONROE 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>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Intergovernmental	\$ 83,000	\$ 83,000	\$ 80,579	\$ (2,421)
Interest	40	40	108	68
<i>Total receipts</i>	<u>83,040</u>	<u>83,040</u>	<u>80,687</u>	<u>(2,353)</u>
Disbursements				
Current:				
General Government	2,500	2,500	2,079	421
Public Works	115,337	115,337	87,559	27,778
<i>Total Disbursements</i>	<u>117,837</u>	<u>117,837</u>	<u>89,638</u>	<u>28,199</u>
<i>Net Change in Fund Balance</i>	(34,797)	(34,797)	(8,951)	25,846
<i>Fund Balance Beginning of Year</i>	<u>34,797</u>	<u>34,797</u>	<u>34,797</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 25,846</u></u>	<u><u>\$ 25,846</u></u>

The notes to the financial statements are an integral part of this statement.

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

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$ 17,552	\$ 17,552	\$ 16,883	\$ (669)
Intergovernmental	2,300	2,300	2,077	(223)
<i>Total receipts</i>	<u>19,852</u>	<u>19,852</u>	<u>18,960</u>	<u>(892)</u>
Disbursements				
Current:				
General Government	775	775	-	775
Public Works	<u>26,541</u>	<u>26,541</u>	<u>16,831</u>	<u>9,710</u>
<i>Total Disbursements</i>	<u>27,316</u>	<u>27,316</u>	<u>16,831</u>	<u>10,485</u>
<i>Net Change in Fund Balance</i>	(7,464)	(7,464)	2,129	9,593
<i>Fund Balance Beginning of Year</i>	<u>7,464</u>	<u>7,464</u>	<u>7,464</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 9,593</u></u>	<u><u>\$ 9,593</u></u>

The notes to the financial statements are an integral part of this statement.

SWITZERLAND TOWNSHIP
MONROE COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2007

Note 1 – Reporting Entity

The Switzerland Township, Monroe County, Powhatan Point, Ohio, 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.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of township roads and bridges, cemetery maintenance fire protection and emergency medical services. The Township contracts with the Villages of Powhatan Point, Clarington, and Beallsville, for fire protection and emergency services.

B. Jointly Governed Organizations and Public Entity Risk Pools

The Township participates in Ohio Township Association Risk Management Authority public entity risk pools. Note 6 to the financial statements provides additional information for this entity. This organization is:

Public Entity Risk Pool:

The OTARMA is a public entity self-insurance pool providing property and liability coverage to townships in the State of Ohio. Nearly 500 risk-sharing, self-insurance pools across the country have been formed to provide protection

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

Note 2 – Summary of Significant Accounting Policies

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

A. Basis of Presentation

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

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. 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 statement of net assets presents the cash and investment balances, debt services, other purposes and unrestricted amounts 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

SWITZERLAND TOWNSHIP
MONROE COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2007

Note 2 – Summary of Significant Accounting Policies (continued)

Government-Wide Financial Statements (continued)

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 activity 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 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. The funds of the Township are categorized as governmental.

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Township's major governmental funds are the General Fund, Gasoline Tax, Road & Bridge and Bond Service Funds. 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 is used for salaries, fuel, and other maintenance. The Road & Bridge Fund is used for road maintenance, and repair service. The Bond Service Fund is used to pay the Township's debt.

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 the notes.

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.

SWITZERLAND TOWNSHIP
MONROE COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2007

Note 2 – Summary of Significant Accounting Policies (continued)

D. Budgetary Process

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

The appropriations ordinance is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, program, and object level for all funds.

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

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

E. Cash and Investments

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

In compliance with the GASB guidelines, the Township has no investments.

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 was \$192.

F. Restricted Assets

Cash, cash equivalents and investments 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 report restricted net 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. 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.

SWITZERLAND TOWNSHIP
MONROE COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2007

Note 2 – Summary of Significant Accounting Policies (continued)

I. 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.

J. 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 capital outlay expenditure are reported at inception. Lease payments are reported when paid. The township does not have any capital leases.

K. 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.

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 is 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. The Township did not have outstanding year-end encumbrances.

Note 4 – Deposits and Investments

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

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including sweep account, or in money market deposit accounts.

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

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

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;

SWITZERLAND TOWNSHIP
MONROE COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2007

Note 4 – Deposits and Investments (continued)

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. At December 31, 2007 the Township had no investments. At year-end, the Township had no un-deposited cash on hand.

Deposits

Custodial Credit Risk- Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end \$54,054 of the Township's bank balance was covered by the Federal Deposit Insurance Company (FDIC). 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.

Note 5 – Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2007 represent the collection of 2006 taxes. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2007 represent the collection of 2006 taxes. Public utility real and tangible personal property taxes received in 2007 became a lien on December 31, 2006, were levied after October 1, 2007, 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.

SWITZERLAND TOWNSHIP
MONROE COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2007

Note 5 – Property Taxes (continued)

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

The full tax rate for all Township operations for the year ended December 31, 2007 was 2.1 percent 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:

Real Property	
Residential & Agricultural	\$ 6,886,590
Commercial/Industrial/Mineral	10,606,720
Tangible Personal Property	
Business	7,300
Public Utility	6,850
Total Assesed Property	<u>\$ 17,507,460</u>

Note 6 – Risk Management

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

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

The Township belongs to the Ohio 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 townships 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.

**SWITZERLAND TOWNSHIP
MONROE COUNTY**

Notes to the Financial Statements
For the Year Ended December 31, 2007

Note 6 – Risk Management (continued)

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

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

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

Financial Position

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

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

At December 31, 2007 and 2006, respectively, casualty coverage liabilities noted above include approximately \$12.5 million and \$11.3 million of estimated incurred claims payable. The Casualty Coverage assets and retained earnings above also include approximately \$11.6 million and \$10.8 million of unpaid claims to be billed to approximately 958 member governments in the future, as of December 31, 2007 and 2006, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township's share of these unpaid claims collectible in future years is approximately \$6,030. 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.

<u>Year</u>	<u>Contribution</u>
2007	\$ 2,838
2006	\$ 3,560
2005	\$ 3,144

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.

SWITZERLAND TOWNSHIP
MONROE COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2007

Note 7 – Defined Benefit Pension Plan

A. Ohio Public Employees Retirement System

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

The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

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

For the year ended December 31, 2007, the members of all three plans were required to contribute 9.5 percent of their annual covered salaries. The Township's contribution rate for pension benefits for 2007 was 13.85 percent. 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, 2007, 2006 and 2005 were \$8,155, \$7,654 and \$8,567, respectively. The employee share was \$5,594, \$5,028 and \$5,374, respectively. The full amount has been contributed for 2007, 2006 and 2005.

Note 8 – Post-employment Benefits

A. 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 Post-employment 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 local government employer contribution rate was 9.5 percent of covered payroll; 5.50 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 of December 31, 2007, include a rate of return on investments of 6.5 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 5.5 percent based on additional annual pay increases. Health care cost were assumed to increase at the projected wage inflation rate plus and additional factor ranging from 0.50 and 5.00 percent for the next eight years. In subsequent years, (9and beyond) health care costs were assumed to increase at 4% (the projected wage inflation rate).

SWITZERLAND TOWNSHIP
MONROE COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2007

Note 8 – Post-employment 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 as of December 31, 2007. Actual employer contributions for 2007 that were used to fund post-employment benefits were 13.85 % of covered payroll. The portion of employers contributions, for employers, allocated to health care was 5.00% from January 1, through June 30, 2007 and 6.00% July 1, 2007 through December 31, 2007. 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 \$12.0 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. Members and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

Note 9 – Debt

During 2005 a note in the amount \$18,691 was issued to purchase a backhoe. This note was paid in full during 2007.

Perry & Associates
Certified Public Accountants, A.C.

PARKERSBURG
1035 Murdoch Avenue
Parkersburg, WV 26101
(304) 422-2203

MARIETTA
428 Second Street
Marietta, OH 45750
(740) 373-0056

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

February 23, 2009

Switzerland Township
Monroe County
50830 German Ridge Road
Powhatan Point, OH 43942

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 **Switzerland Township, Monroe County, Ohio** (the Township) as of and for the year ended December 31, 2007, which collectively comprise the Township's basic financial statements and have issued our report thereon dated February 23, 2009. 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 Government'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 Government's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Government'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 Government'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 Government'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 Government's internal control will not prevent or detect a material financial statement misstatement.

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

Switzerland Township
Monroe County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

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

Respectfully Submitted,

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

Perry and Associates
Certified Public Accountants, A.C.

**SWITZERLAND TOWNSHIP
MORGAN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2007**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected, Significantly Different Corrective Action Taken, or Finding No longer Valid, <i>Explain</i>
2006-001	Budgeted Receipts	Yes	Corrected
2006-002	ORC 5705.41 (D) Properly Encumbering	Yes	Corrected



Mary Taylor, CPA
Auditor of State

SWITZERLAND TOWNSHIP

MONROE 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
MAY 7, 2009**