



**GREEN TOWNSHIP
GALLIA COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999 - 1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**GREEN TOWNSHIP
TABLE OF CONTENTS**

| TITLE | PAGE |
|--|-------------|
| Report of Independent Accountants | 1 |
| Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types and Nonexpendable Trust Fund – For the Year Ended December 31, 1999 | 3 |
| Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types and Nonexpendable Trust Fund – For the Year Ended December 31, 1998 | 4 |
| Notes to the Financial Statements | 5 |
| Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> | 11 |

This page intentionally left blank.



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

743-B East State Street
Athens Mall
Athens, Ohio 45701

Telephone 740-594-3300
800-441-1389

Facsimile 740-594-2110

REPORT OF INDEPENDENT ACCOUNTANTS

Green Township
Gallia County
1614 State Route 775
Gallipolis, Ohio 45631

To the Board of Trustees:

We have audited the accompanying financial statements of Green Township, Gallia County, Ohio, (the Township) as of and for the years ended December 31, 1999 and 1998. 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 generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Green Township, Gallia County, as of December 31, 1999 and 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 23, 2000 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 grants.

This report is intended solely for the information and use of the management, the Board of Trustees and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro".

Jim Petro
Auditor of State

August 23, 2000

GREEN TOWNSHIP
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES AND NONEXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 1999

| | <u>Governmental Fund Types</u> | | | Totals (Memorandum Only) |
|--|--------------------------------|----------------------------|--------------------------------------|---|
| | <u>General</u> | <u>Special Revenue</u> | <u>Non- expendable Trust</u> | |
| Cash Receipts: | | | | |
| Local Taxes | \$26,053 | \$62,162 | \$337 | \$88,552 |
| Intergovernmental | 41,794 | 72,973 | | 114,767 |
| Earnings on Investments | 2,151 | 268 | | 2,419 |
| Other Revenue | 6,571 | 16,063 | | 22,634 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Cash Receipts | 76,569 | 151,466 | 337 | 228,372 |
| Cash Disbursements: | | | | |
| Current: | | | | |
| General Government | 80,638 | 1,208 | | 81,846 |
| Public Safety | | 59,012 | | 59,012 |
| Public Works | | 178,596 | | 178,596 |
| Health | | 4,966 | | 4,966 |
| Capital Outlay | 4,775 | | | 4,775 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Cash Disbursements | 85,413 | 243,782 | | 329,195 |
| Total Receipts Over/(Under) Disbursements | <hr/> | <hr/> | <hr/> | <hr/> |
| | (8,844) | (92,316) | 337 | (100,823) |
| Other Financing Receipts/(Disbursements): | | | | |
| Proceeds of Notes | | 65,000 | | 65,000 |
| Contingencies | (10,206) | | | (10,206) |
| Other | 13 | | | 13 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Other Financing Receipts/(Disbursements) | (10,193) | 65,000 | | 54,807 |
| Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements | <hr/> | <hr/> | <hr/> | <hr/> |
| | (19,037) | (27,316) | 337 | (46,016) |
| Fund Cash Balances, January 1 | <hr/> | <hr/> | <hr/> | <hr/> |
| | 32,536 | 104,901 | 5,152 | 142,589 |
| Fund Cash Balances, December 31 | <hr/> | <hr/> | <hr/> | <hr/> |
| | \$13,499 | \$77,585 | \$5,489 | \$96,573 |

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

**GREEN TOWNSHIP
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN FUND CASH BALANCES
 ALL GOVERNMENTAL FUND TYPES AND NONEXPENDABLE TRUST FUND
 FOR THE YEAR ENDED DECEMBER 31, 1998**

| | <u>Governmental Fund Types</u> | | | Totals (Memorandum Only) |
|---|--------------------------------|----------------------------|--------------------------------------|---|
| | <u>General</u> | <u>Special Revenue</u> | <u>Non- expendable Trust</u> | |
| Cash Receipts: | | | | |
| Local Taxes | \$25,613 | \$61,351 | \$342 | \$87,306 |
| Intergovernmental | 24,636 | 69,534 | | 94,170 |
| Earnings on Investments | 3,361 | 638 | | 3,999 |
| Other Revenue | 4,244 | 18,134 | | 22,378 |
| Total Cash Receipts | <u>57,854</u> | <u>149,657</u> | <u>342</u> | <u>207,853</u> |
| Cash Disbursements: | | | | |
| Current: | | | | |
| General Government | 59,923 | 1,281 | | 61,204 |
| Public Safety | | 48,049 | | 48,049 |
| Public Works | | 108,081 | | 108,081 |
| Health | | | | 0 |
| Capital Outlay | 42,194 | | | 42,194 |
| Total Cash Disbursements | <u>102,117</u> | <u>157,411</u> | | <u>259,528</u> |
| Total Receipts Over/(Under) Disbursements | <u>(44,263)</u> | <u>(7,754)</u> | <u>342</u> | <u>(51,675)</u> |
| Other Financing Receipts/(Disbursements): | | | | |
| Transfers-In | | 10,351 | | 10,351 |
| Transfers-Out | | (10,351) | | (10,351) |
| Contingencies | (1,483) | | | (1,483) |
| Other | 6,943 | | | 6,943 |
| Total Other Financing Receipts/(Disbursements) | <u>5,460</u> | | | <u>5,460</u> |
| Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements | <u>(38,803)</u> | <u>(7,754)</u> | <u>342</u> | <u>(46,215)</u> |
| Fund Cash Balances, January 1 | <u>71,339</u> | <u>112,655</u> | <u>4,810</u> | <u>188,804</u> |
| Fund Cash Balances, December 31 | <u><u>\$32,536</u></u> | <u><u>\$104,901</u></u> | <u><u>\$5,152</u></u> | <u><u>\$142,589</u></u> |

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

**GREEN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Green Township, Gallia County, (the Township) is a body corporate and politic 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 provides general governmental services, including maintenance of roads, fire protection and cemeteries.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

The Township has investments of Certificates of Deposits, United States Government Bonds, certain stocks and one primary checking account. The United States Government Bonds and stocks were received in the form of a cemetery bequest and are valued at cost.

D. Fund Accounting

The Township uses fund accounting to segregate cash that is restricted as to use. The Township classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

Gasoline Tax Fund - This fund received gasoline tax money to construct, maintain and repair Township roads.

Fire Fund - This fund received property tax monies to fund the Township Fire Department.

**GREEN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. Fiduciary Fund

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreements require the Township to maintain the corpus of the trust, the funds are classified as Nonexpendable Trust Funds. Other funds are classified as Expendable. The Township had the following Fiduciary Fund:

Cemetery Bequest Fund - This Nonexpendable Trust Fund received only the interest earned on the donated money held in trust by the Township for the upkeep of the cemeteries.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

**GREEN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Township maintains a cash and investment pools used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

| | <u>1999</u> | <u>1998</u> |
|--------------------------------|------------------------|-------------------------|
| Demand Deposits | \$92,780 | \$138,796 |
| Certificates of Deposit | <u>1,000</u> | <u>1,000</u> |
| Total Deposits | 93,780 | 139,796 |
| | | |
| Treasury Bonds | 2,000 | 2,000 |
| Stocks | <u>793</u> | <u>793</u> |
| Total Investments | <u>2,793</u> | <u>2,793</u> |
| | | |
| Total Deposits and Investments | <u><u>\$96,573</u></u> | <u><u>\$142,589</u></u> |

Deposits: Deposits are either (1) insured by the Federal Deposit Insurance Corporation or (2) collateralized by the financial institution's public entity deposit pool.

Investments: Treasury Bonds are held in book entry form by the Federal Reserve, in the name of the Township's financial institution. The financial institution maintains records identifying the Township as owner of these securities. The Township has stock held with Ohio Valley Bank which was received in a cemetery bequest. The fair market value of the Ohio Valley Bank stock was \$10,860 and \$10,749 as of December 31, 1999 and 1998, respectively.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and 1998 follows:

| 1999 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|-------------------------|-------------------------|------------------------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$68,248 | \$76,582 | \$8,334 |
| Special Revenue | 212,519 | 216,466 | 3,947 |
| Nonexpendable Trust | <u>257</u> | <u>337</u> | <u>80</u> |
| Total | <u><u>\$281,024</u></u> | <u><u>\$293,385</u></u> | <u><u>\$12,361</u></u> |

| 1999 Budgeted vs. Actual Disbursements | | | |
|--|----------------------------|-------------------------|------------------------|
| Fund Type | Appropriation Authority | Actual Disbursements | Variance |
| General | \$103,175 | \$95,619 | \$7,556 |
| Special Revenue | 251,750 | 243,782 | 7,968 |
| Nonexpendable Trust | <u>0</u> | <u>0</u> | <u>0</u> |
| Total | <u><u>\$354,925</u></u> | <u><u>\$339,401</u></u> | <u><u>\$15,524</u></u> |

**GREEN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

3. BUDGETARY ACTIVITY (Continued)

| 1998 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|--------------------|----------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$56,938 | \$64,797 | \$7,859 |
| Special Revenue | 141,614 | 160,008 | 18,394 |
| Nonexpendable Trust | 206 | 342 | 136 |
| Total | \$198,758 | \$225,147 | \$26,389 |

| 1998 Budgeted vs. Actual Disbursements | | | |
|--|----------------------------|-------------------------|----------|
| Fund Type | Appropriation Authority | Actual Disbursements | Variance |
| General | \$121,350 | \$103,600 | \$17,750 |
| Special Revenue | 192,062 | 167,762 | 24,300 |
| Non-Expendable Trust | 0 | 0 | 0 |
| Total | \$313,412 | \$271,362 | \$42,050 |

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

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

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

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

**GREEN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

5. DEBT

Debt outstanding at December 31, 1999 was as follows:

| | Principal | Interest Rate |
|-------------------------|-----------|------------------|
| General Obligation Note | \$59,998 | 5.75% |

The general obligation note was issued in 1999 to finance the paving of Township roads. The note is collateralized solely by the Township's taxing authority.

Amortization of the above debt, including interest, is scheduled as follows:

| Year ending December 31: | Debt |
|-----------------------------|----------|
| 2000 | \$17,802 |
| 2001 | 23,744 |
| 2002 | 23,744 |
| Total | \$65,290 |

6. RETIREMENT SYSTEMS

The Township's employees, as well as the Clerk and Trustees, belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 1999.

7. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

- Legal Liability
- Vehicles
- Wrongful Acts
- Property

This page left intentionally left blank.



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

743-B East State Street
Athens Mall
Athens, Ohio 45701

Telephone 740-594-3300
800-441-1389
Facsimile 740-594-2110

**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Green Township
Gallia County
1614 ST 775
Gallipolis, Ohio 45631

To the Board of Trustees:

We have audited the accompanying financial statements of Green Township, Gallia County, Ohio, (the Township) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated August 23, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Green Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated August 23, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Green Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal controls over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatement in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated August 23, 2000.

This report is intended for the information and use of the management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

August 23, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

GREEN TOWNSHIP

GALLIA COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 14, 2000**