



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**MONROE TOWNSHIP
MIAMI COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Monroe Township
Miami County
4 East Main Street
Tipp City, Ohio 45371

To the Board of Trustees:

We have audited the accompanying financial statements of Monroe Township, Miami 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 Monroe Township, Miami 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 June 22, 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 audit committee, management, the Board 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

June 22, 2000

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**MONROE TOWNSHIP
MIAMI COUNTY**

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

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
Cash Receipts:			
Local Taxes	\$238,805	\$292,671	\$531,476
Intergovernmental	239,459	125,795	365,254
Special Assessments		18,285	18,285
Licenses, Permits, and Fees		35,021	35,021
Earnings on Investments	23,720	12,832	36,552
Other Revenue	59,371	4,775	64,146
	<u>561,355</u>	<u>489,379</u>	<u>1,050,734</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
General Government	293,893		293,893
Public Safety		67,020	67,020
Public Works	19,361	301,971	321,332
Health	10,000	69,903	79,903
Conservation - Recreation	5,434	114,962	120,396
Capital Outlay		18,177	18,177
	<u>328,688</u>	<u>572,033</u>	<u>900,721</u>
Total Cash Disbursements			
	<u>232,667</u>	<u>(82,654)</u>	<u>150,013</u>
Total Receipts Over/(Under) Disbursements			
Other Financing Receipts:			
Other Sources		28,400	28,400
		<u>28,400</u>	<u>28,400</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements			
	232,667	(54,254)	178,413
	<u>232,667</u>	<u>(54,254)</u>	<u>178,413</u>
Fund Cash Balances, January 1	<u>316,442</u>	<u>387,419</u>	<u>703,861</u>
Fund Cash Balances, December 31	<u>\$549,109</u>	<u>\$333,165</u>	<u>\$882,274</u>

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

**MONROE TOWNSHIP
MIAMI COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN FUND CASH BALANCE
NONEXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Nonexpendable Trust Fund</u>
Cash Receipts:	
Earnings on Investments	\$593
Other Revenue	<u>500</u>
Total Cash Receipts	1,093
Cash Disbursements:	
Health	<u>596</u>
Total Receipts Over/(Under) Disbursements	497
Fund Cash Balance, January 1	<u>12,003</u>
Fund Cash Balance, December 31	<u><u>\$12,500</u></u>

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

**MONROE TOWNSHIP
MIAMI COUNTY**

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

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
Cash Receipts:			
Local Taxes	\$218,744	\$283,761	\$502,505
Intergovernmental	120,146	281,144	401,290
Special Assessments		15,827	15,827
Licenses, Permits, and Fees		34,737	34,737
Earnings on Investments	22,459	8,952	31,411
Other Revenue	62,660	15,535	78,195
	<u>424,009</u>	<u>639,956</u>	<u>1,063,965</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
General Government	309,916		309,916
Public Safety		76,928	76,928
Public Works	40,000	370,721	410,721
Health	4,759	65,795	70,554
Conservation - Recreation	10,000	112,743	122,743
Capital Outlay		25,334	25,334
	<u>364,675</u>	<u>651,521</u>	<u>1,016,196</u>
Total Cash Disbursements			
Total Receipts Over/(Under) Disbursements	<u>59,334</u>	<u>(11,565)</u>	<u>47,769</u>
Other Financing Receipts/(Disbursements):			
Other Sources		24,900	24,900
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	59,334	13,335	72,669
Fund Cash Balances, January 1	<u>257,108</u>	<u>374,084</u>	<u>631,192</u>
Fund Cash Balances, December 31	<u><u>\$316,442</u></u>	<u><u>\$387,419</u></u>	<u><u>\$703,861</u></u>

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

**MONROE TOWNSHIP
MIAMI COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN FUND CASH BALANCE
NONEXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Nonexpendable Trust Fund</u>
Cash Receipts:	
Earnings on Investments	\$752
Cash Disbursements:	
Health	<u>1,200</u>
Total Receipts Over/(Under) Disbursements	(448)
Fund Cash Balance, January 1	<u>12,451</u>
Fund Cash Balance, December 31	<u><u>\$12,003</u></u>

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

**MONROE TOWNSHIP
MIAMI COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Monroe Township, Miami 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 road and bridge maintenance, cemetery maintenance, and park operations. The Township contracts with Tipp City to provide fire services and Any Emergency Medical Services, Inc., to provide ambulance services.

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. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

C. Cash and Investments

The Township's cash and investments consist of a Banksafe Plus Account, Public Funds-Now Account and a nonnegotiable Certificate of Deposit with a one year maturity date. The Certificate of Deposit is valued at cost.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

D. Fund Accounting

The Township uses fund accounting to segregate cash and investments that are 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.

**MONROE TOWNSHIP
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

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:

Road and Bridge Fund - This fund receives property tax money for constructing, maintaining and repairing Township roads and bridges.

Gasoline Tax Fund - This fund receives gasoline tax money to pay for constructing, maintaining and repairing Township roads.

Tipp- Monroe Community Service Fund- This fund receives tax revenue to provide for the Tipp-Monroe Community Services.

Lighting Assessment Fund - this fund receives tax revenues from the benefitting property owners to provide lighting.

3. Fiduciary Funds (Trust and Agency Funds)

These funds are used to account for resources restricted by legally binding trust agreements and funds for which the Township is acting in an agency capacity. The Township had the following significant fiduciary fund:

Non -Expendable Cemetery Bequest Fund - Amounts donated are maintained in perpetuity. Investment earnings are used for maintenance of specific sites.

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, function or object 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 of January 1. The County Budget Commission must also approve estimated resources.

**MONROE TOWNSHIP
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end (if any) are carried over, and need not be reappropriated.

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.

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Township.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Township maintains a cash and investments pool 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	\$882,774	\$703,864
Certificates of deposit	<u>12,000</u>	<u>12,000</u>
Total deposits and investments	<u><u>\$894,774</u></u>	<u><u>\$715,864</u></u>

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

**MONROE TOWNSHIP
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

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	\$561,355	\$561,355	\$0
Special Revenue	517,779	517,779	0
Fiduciary	1,093	1,093	0
Total	<u>\$1,080,227</u>	<u>\$1,080,227</u>	<u>\$0</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$587,000	\$328,688	\$258,312
Special Revenue	811,962	572,033	239,929
Fiduciary	596	596	0
Total	<u>\$1,399,558</u>	<u>\$901,317</u>	<u>\$498,241</u>

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$432,192	\$424,009	(\$8,183)
Special Revenue	605,565	664,856	59,291
Fiduciary	700	752	52
Total	<u>\$1,038,457</u>	<u>\$1,089,617</u>	<u>\$51,160</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$590,000	\$364,675	\$225,325
Special Revenue	889,100	651,521	237,579
Fiduciary	1,200	1,200	0
Total	<u>\$1,480,300</u>	<u>\$1,017,396</u>	<u>\$462,904</u>

**MONROE TOWNSHIP
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

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.

5. RETIREMENT SYSTEMS

All employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer pension plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

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 .

6. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

The Township also provides health insurance and dental coverage to full-time employees through a private carrier.

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OFFICE OF THE AUDITOR

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

Monroe Township
Miami County
4 East Main Street
Tipp City, Ohio 45371

To the Board of Trustees:

We have audited the accompanying financial statements of Monroe Township, Miami County, Ohio (the Township), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated June 22, 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 the 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 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 an immaterial instance of noncompliance that we have reported to management of the Township in a separate letter dated June 22, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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 control 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 misstatements 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 operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Township in a separate letter dated June 22, 2000.

Monroe Township
Miami County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of the audit committee, 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", written in a cursive style.

Jim Petro
Auditor of State

June 22, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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MONROE TOWNSHIP

MIAMI COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 18, 2000**