

MONROE TOWNSHIP
RICHLAND COUNTY, OHIO

**REPORT ON EXAMINATION OF FINANCIAL
STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 1999 AND 2000**

J. E. Slaybaugh & Associates, Inc.
Certified Public Accountant
12 East Main Street
Lexington, Ohio 44904



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Monroe Township Trustees
Monroe Township, Richland County
3363 Tucker Road
Lucas, Ohio 44843

We have reviewed the Independent Auditor's Report of Monroe Township, Richland County, prepared by J. E. Slaybaugh & Associates, Inc., for the audit period January 1, 2000 to December 31, 2000. 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. Monroe Township is responsible for compliance with these laws and regulations.

JIM PETRO
Auditor of State

August 24, 2001

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**MONROE TOWNSHIP
RICHLAND COUNTY**

FOR THE YEARS ENDED DECEMBER 31, 1999 AND 2000

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**MONROE TOWNSHIP
RICHLAND COUNTY**

3363 Tucker Road
Lucas, Ohio 44843

ELECTED OFFICIALS
AS OF DECEMBER 31, 2000

NAME	TITLE	TERM OF OFFICE	SURETY	AMOUNT	PERIOD
Duane G. Berry	Trustee Chairman 2448 Moffett Road Lucas, Ohio 44843	1/1/98-12/31/01	(A)	\$ 5,000	(B)
Roger B. Maglott	Trustee	1/1/00 - 12/31/03	(A)	\$ 5,000	(B)
Richard H. Scott	Trustee	1/1/98 - 12/31/01	(A)	\$ 5,000	(B)
Merle D. Fulton	Clerk	4/1/00 - 3/31/03	(A)	\$ 5,000	(B)

Statutory Legal Counsel

James Mayer, Jr.
Richland County Prosecuting Attorney
38 South Park Street
Mansfield, Ohio 44902

- (A) Ohio Government Risk Management Plan
- (B) Concurrent With Term

J. E. SLAYBAUGH & ASSOCIATES, INC.

12 East Main Street
Lexington, Ohio 44904

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fax (419) 884-2250

John E. Slaybaugh III
Certified Public Accountant

Monroe Township Trustees
Monroe Township, Richland County
3363 Tucker Road
Lucas, Ohio 44843

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of Monroe Township, Richland County, Ohio, as of and for the years ended December 31, 1999 and 2000. 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.

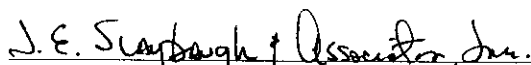
We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable 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 described 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, Richland County, Ohio, as of December 31, 1999 and 2000, 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, 2001 on our consideration of the Township's internal control over financial reporting and our tests of compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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


J.E. Slaybaugh & Associates, Inc.
Lexington, Ohio
June 22, 2001

**MONROE TOWNSHIP
RICHLAND COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES -
FOR THE YEAR ENDED DECEMBER 31, 2000**

	General	Special Revenue	(Memorandum Only) Total
CASH RECEIPTS:			
Local Taxes	\$ 34,933	\$ 425,121	\$ 460,054
Intergovernmental	58,242	88,857	147,099
Fines, licenses and permits	1,139		1,139
Interest	16,797	1,222	18,019
Miscellaneous	5,736	17,351	23,087
Total Cash Receipts	116,847	532,551	649,398
CASH DISBURSEMENTS:			
Current:			
Public Works	27,984	248,878	276,862
Health	7,795	1,000	8,795
General Government	96,922	203,928	300,850
Conservation- Recreation		3,895	3,895
Note Principal Payment		54,665	54,665
Interest		7,084	7,084
Total Program Disbursements		519,450	652,151
Total Program Disbursements	132,701	519,450	652,151
Total receipts over/(under) program disbursements	(15,854)	13,101	(2,753)
OTHER FINANCING RECEIPTS/(DISBURSEMENTS):			
Total other financing receipts/(disbursements)	-	-	-
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	(15,854)	13,101	(2,753)
Fund Cash Balances - January 1, 2000	44,513	172,649	217,162
Fund Cash Balances - December 31, 2000	\$ 28,659	\$ 185,750	\$ 214,409

The notes to the financial statements are an integral part of these statements

**MONROE TOWNSHIP
RICHLAND 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

	<u>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only) Total</u>
CASH RECEIPTS:			
Local Taxes	\$ 28,066	\$ 414,191	\$ 442,257
Intergovernmental	74,537	86,724	161,261
Fines, licenses and permits	1,070		1,070
Interest	8,331	805	9,136
Miscellaneous	<u>16,974</u>	<u>8,411</u>	<u>25,385</u>
Total Cash Receipts	<u>128,978</u>	<u>510,131</u>	<u>639,109</u>
CASH DISBURSEMENTS:			
Current:			
Public Works	15,000	216,051	231,051
Health	5,933	2,017	7,950
General Government	76,895	196,543	273,438
Conservation- Recreation		3,321	3,321
Capital Outlay		342	342
Note Principal Payment		37,000	37,000
Interest		<u>9,950</u>	<u>9,950</u>
Total Program Disbursements	<u>97,828</u>	<u>465,224</u>	<u>563,052</u>
Total receipts over/(under) program disbursements	31,150	44,907	76,057
OTHER FINANCING RECEIPTS/(DISBURSEMENTS):			
Total other financing receipts/(disbursements)	<u>-</u>	<u>-</u>	<u>-</u>
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	31,150	44,907	76,057
Fund Cash Balances - January 1, 1999	11,691	127,742	139,433
Fund Balance Adjustments	<u>1,672</u>	<u>-</u>	<u>1,672</u>
Fund Balance After Adjustments	<u>13,363</u>	<u>127,742</u>	<u>141,105</u>
Fund Cash Balances - December 31, 1999	<u>\$ 44,513</u>	<u>\$ 172,649</u>	<u>\$ 217,162</u>

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

**MONROE TOWNSHIP
RICHLAND COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Description of the Entity

Monroe Township, Richland 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 provides general governmental services, including road maintenance, park operations, and fire protection.

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 make adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

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:

General Fund

The general fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

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 - To account for monies used for maintenance and repair of Township roads and bridges

Permissive Sales Tax Fund - To account for monies derived from the county's permissive sales tax. Monies are used for various road and public works projects.

D. Budgetary Process

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

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 Township must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

Estimated Resources

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

Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. There were no encumbered funds at the respective years ended December 31.

A summary of 1999 and 2000 budgetary activity appears in Note 3.

E. 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.

F. 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 cash basis of accounting used by the Township.

2. Equity in Pooled Cash and Investments

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

	<u>2000</u>	<u>1999</u>
Demand Deposits	\$ 14,159	\$ 53,578
Total deposits	14,159	53,578
Investments:		
STAR Ohio	<u>200,250</u>	<u>163,584</u>
Total deposits and investments	<u>\$ 214,409</u>	<u>\$ 217,162</u>

Deposits

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

Investments

Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

3. Budgetary Activity

Budgetary activity for the years ending December 31 was as follows:

2000 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 93,436	\$ 116,847	\$ 23,411
Special Revenue	<u>495,500</u>	<u>532,551</u>	<u>37,051</u>
Total	<u>\$ 588,936</u>	<u>\$ 649,398</u>	<u>\$ 60,462</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 137,949	\$ 132,701	\$ 5,248
Special Revenue	<u>668,149</u>	<u>519,450</u>	<u>148,699</u>
Total	<u>\$ 806,098</u>	<u>\$ 652,151</u>	<u>\$ 153,947</u>

1999 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 85,999	\$ 128,978	\$ 42,979
Special Revenue	<u>504,790</u>	<u>510,131</u>	<u>5,341</u>
Total	<u>\$ 590,789</u>	<u>\$ 639,109</u>	<u>\$ 48,320</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 105,742	\$ 97,828	\$ 7,914
Special Revenue	<u>636,542</u>	<u>465,224</u>	<u>171,318</u>
Total	<u>\$ 742,284</u>	<u>\$ 563,052</u>	<u>\$ 179,232</u>

4. Property Tax

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Township 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 is due the following June 20.

Public utilities are also taxed on personal 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. Debt

Debt outstanding at December 31, 2000 is as follows:

	Principal	Interest
General Obligation Note #1	\$ 40,000	7.0%
General Obligation Note #2	<u>22,970</u>	7.0%
Total	<u>\$ 62,970</u>	

Proceeds of general obligation note #1 were used to purchase fire, EMS, and road maintenance equipment. Proceeds of general obligation note #2 were used to purchase a tractor.

Amortization of the above debt is scheduled as follows:

Year ending December 31:	<u>Note #1</u>	<u>Note #2</u>
2001	\$ 20,000	\$ 8,000
2002	20,000	8,000
2003		<u>6,970</u>
Total	<u>\$ 40,000</u>	<u>\$ 22,970</u>

6. Retirement System

The Township's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement 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 2000, members of PERS contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55 % of participant's gross salaries. The Township has paid all contributions required through December 31, 2000.

7. Risk Management

The Township is a member of the Ohio Government Risk Management Plan. The Plan is an unincorporated non-profit association of its members for the purpose of providing its members a jointly administered self-insurance program. The Plan assumes the risk of loss minus the Township's deductible contribution. The following risks are covered by the Plan:

- Comprehensive property and general liability
- Vehicles
- Public official's liability

J. E. Slaybaugh & Associates, Inc.

*12 East Main Street
Lexington, Ohio 44904*

*Member AICPA
Member OSCPA*

*John E. Slaybaugh III
Certified Public Accountant*

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Trustees of Monroe Township
3363 Tucker Road
Lucas, Ohio 44843

We have audited the financial statements of the Monroe Township, Richland County, as of and for the years ended December 31, 1999 and 2000, and have issued our report thereon dated June 22, 2001.

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 Monroe 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*.

Internal Control

In planning and performing our audit, we considered the Monroe 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.

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

J.E. Slaybaugh & Associates, Inc.

J.E. Slaybaugh & Associates, Inc.
Lexington, Ohio
June 22, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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MONROE TOWNSHIP

RICHLAND 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 4, 2001**