



**BOWLING GREEN TOWNSHIP
MARION COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2007-2006



Mary Taylor, CPA
Auditor of State

**BOWLING GREEN TOWNSHIP
MARION COUNTY**

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MARION COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Bowling Green Township
Marion County
3005 LaRue – Richwood Road
LaRue, Ohio 43332

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 Bowling Green Township, Marion County, Ohio, (the Township) as of and for the years ended December 31, 2007, and December 31, 2006, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

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

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In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2008, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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

Mary Taylor, CPA
Auditor of State

February 25, 2008

**BOWLING GREEN TOWNSHIP
MARION COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
UNAUDITED**

Highlights

The Bowling Green Township, Marion County, Ohio, is a body politic and corporate established in 1838, to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Township Fiscal Officer. The Township residents benefit from Scioto Valley Fire District fire protection paid for on each individual taxpayer's property tax duplicate. Scioto Valley Fire District Board is made up of one trustee from Bowling Green Township and two other townships and a village. Police protection is provided by the Marion County Sheriff. The Township provides general government services, maintenance of Township roads and cemetery maintenance.

Using the Basic Financial Statements

The Township's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, which provide information about the Township as a whole. Fund financial statements provide a more detailed level of financial information. The Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance.

Basis of Accounting

The Township's 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.

Reporting the Government as a Whole

The statement of net assets and the statement of activities reflect how the Township did financially during 2007 and 2006, within the limitations of the cash basis of accounting. The Statement of Net Assets – Cash Basis presents the cash balance of the governmental activities of the Township at year end. The Statement of Activities – Cash Basis compares disbursements with program receipts for each governmental activity. Program receipts include charges paid by the recipient of the program's goods or services and grants 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 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 and the reliance on non-local financial resources for operations and the need for continued growth.

The Statement of Net Assets – Cash Basis reports all the Township's activities, which are governmental. Property taxes and state grants finance most of these activities.

**BOWLING GREEN TOWNSHIP
MARION COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
UNAUDITED
(Continued)**

Reporting the Township's Most Significant Funds

Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. The Township's governmental funds are as follows:

Fund Number	Fund Description	Fund Type	Major Fund	Restricted / Unrestricted	Business Activity
1000	General	General	Yes	Unrestricted	No
2011	Motor Vehicle License Tax	Special Revenue	Yes	Restricted Other	No
2021	Gasoline Tax	Special Revenue	Yes	Restricted Other	No
2041	Cemetery	Special Revenue	No	Restricted Other	No

The following tables compare FY 2007 and FY 2006 with FY 2005 and FY 2004 information.

Table 1 reflects the changes in net assets in 2007 and 2006 and 2005 and 2004.

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Program Receipts:				
Charges for Services and Sales	\$1,675	\$1,200	\$2,275	\$1,700
Operating Grants and Contributions	64,498	95,435	89,681	76,414
Capital Grants and Contributions	28,103	0	0	0
Total Program Receipts	<u>94,276</u>	<u>96,635</u>	<u>91,956</u>	<u>78,114</u>
General Receipts:				
Property and Other Local Taxes	38,840	37,128	32,827	36,210
Grants and Entitlements Not Restricted to Specific Programs	16,575	11,656	15,331	20,869
Interest	4,962	4,063	3,325	2,855
Miscellaneous	77	49	3,602	911
Total General Receipts	<u>60,454</u>	<u>52,896</u>	<u>55,085</u>	<u>60,845</u>
Total Receipts	<u>154,730</u>	<u>149,531</u>	<u>147,041</u>	<u>138,959</u>
Disbursements:				
General Government	50,710	53,008	48,348	51,492
Public Works	29,847	48,016	43,265	60,755
Public Health Services	8,121	7,705	18,388	13,787
Capital Outlay	14,612	350	21,800	7,500
Total Disbursements	<u>103,290</u>	<u>109,079</u>	<u>131,801</u>	<u>133,534</u>
Increase (Decrease) in Net Assets	<u>51,440</u>	<u>40,452</u>	<u>15,240</u>	<u>5,425</u>
Net Assets, January 1, 2007	<u>225,955</u>	<u>185,503</u>	<u>170,264</u>	<u>164,839</u>
Net Assets, December 31, 2007	<u>\$277,395</u>	<u>\$225,955</u>	<u>\$185,504</u>	<u>\$170,264</u>

**BOWLING GREEN TOWNSHIP
MARION COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
UNAUDITED
(Continued)**

Program receipts accounted for 61 percent and 65 percent of the Township's total receipts in 2007 and 2006, respectively. These receipts consist primarily of cemetery charges for services and state operating and capital grants.

General receipts represent 39 percent and 35 percent of the Township's total receipts in 2007 and 2006, respectively. Of these amounts, over 64 percent and 70 percent for 2007 and 2006, respectively, represent property and other local taxes. State grants and entitlements, and interest make up the balance of the Township's general receipts (almost 36 percent and 30 percent, respectively). Miscellaneous receipts are insignificant and somewhat unpredictable revenue sources.

Table 2 provides a summary of the Township's net assets comparisons for FY2007 – FY2004 on a cash basis:

(Table 2)

Net Assets

	Governmental Activities			
	2007	2006	2005	2004
Assets				
Cash and Cash Equivalents	\$277,395	\$225,955	\$185,503	\$170,264
Total Assets	277,395	225,955	185,503	170,264
Net Assets				
Restricted for:				
Other Purposes	249,729	195,592	143,902	113,765
Unrestricted	27,666	30,363	41,601	56,499
Total Net Assets	\$277,395	\$225,955	\$185,503	\$170,264

The increase in net assets from FY2004 through FY 2007 was primarily due to an increase in gas tax revenues, which resulted from gas tax rate increases in July 2004 and July 2005.

**BOWLING GREEN TOWNSHIP
MARION COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
UNAUDITED
(Continued)**

Governmental Activities

Table 3 indicates the total cost of services and the net cost of services. The Statement of Activities – Cash Basis reflects the cost of program services and the charges for services and operating and capital grants offsetting those services. The total cost of services represents expenses related to each governmental program. The net cost of services identifies the cost of those services supported by the charges for services and operating and capital grants.

(Table 3)

Governmental Activities

<u>Major Services</u>	<u>Total Cost of Service</u>			<u>Net Cost of Services</u>		
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General Government	\$50,710	\$53,008	\$48,348	(\$50,710)	(\$53,008)	(\$48,348)
Public Works	29,847	48,016	43,265	34,651	47,419	46,416
Public Health Services	8,121	7,705	18,389	(6,446)	(6,505)	(16,114)
Capital Outlay	14,612	350	21,800	13,491	(350)	(21,800)
Total Expenses	<u>\$103,290</u>	<u>\$109,079</u>	<u>\$131,802</u>	<u>(\$9,014)</u>	<u>(\$12,444)</u>	<u>(\$39,846)</u>

The dependence upon property tax receipts is apparent, as approximately 69 percent, 55 percent, and 65 percent of governmental activities are supported through these general receipts in 2007, 2006, and 2005, respectively.

The Township's Funds

In 2007 and 2006, total governmental funds had receipts of \$154,730 and \$149,531, and disbursements of \$103,290 and \$107,079, respectively. The governmental funds had an increase in the cash balance of \$51,440 in 2007 and of \$40,452 in 2006. The greatest change for both years within governmental funds occurred within the Gasoline Tax Fund. As mentioned previously, the cash balance increase was largely due to an increase in gas tax revenues in 2004 and 2005, with no significant increase in expenditures within the Gasoline Tax Fund.

The fund balance in the General Fund decrease by 9 percent in 2007 and 27 percent in 2006. Management is aware of these decreases and have implemented reductions by distributing, on a percentage basis, administrative costs among the Township's funds.

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 funds are the General Fund, Gasoline Tax Fund, and the Motor Vehicle License Tax Fund.

The Township did not amend its General, Gasoline Tax, or Motor Vehicle License Tax Funds budgets in 2007 or 2006.

**BOWLING GREEN TOWNSHIP
MARION COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
UNAUDITED
(Continued)**

Current Issues

The challenge for all Governments is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. The Township relies heavily on local taxes and has very little industry to support the tax base. Our newly prepared financial forecast predicts a similar budget for receipts and disbursements from 2007 into 2008. However, the audit committee and the administration implemented a strategy to delay any deficit. This plan became effective for 2008. We reviewed the disbursement history of the Township. We have redirected administrative cost by distributing on a percentage basis among the township funds; this reflects road services provided by elected officials. All departments are aware of their spending for supplies and will not exceed the appropriated amounts.

Contacting the Bowling Green Township's Financial Management

This financial report is designed to provide our citizens and taxpayers with a general overview of the Bowling Green Township's finances and to reflect the Bowling Green 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 Robin Anderson, Fiscal Officer, Bowling Green Township of Marion County, 3005 LaRue Richwood Road, LaRue, Ohio 43332.

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**BOWLING GREEN TOWNSHIP
MARION COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2007**

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 277,395</u>
<i>Total Assets</i>	<u><u>277,395</u></u>
Net Assets	
Restricted for:	
Other Purposes	249,729
Unrestricted	<u>27,666</u>
<i>Total Net Assets</i>	<u><u>\$ 277,395</u></u>

See accompanying notes to the basic financial statements

**BOWLING GREEN TOWNSHIP
MARION COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
General Government	\$ 50,710	\$ -	\$ -	\$ -	\$ (50,710)
Public Works	29,847	-	64,498	-	34,651
Health	8,121	1,675	-	-	(6,446)
Capital Outlay	14,612	-	-	28,103	13,491
<i>Total Governmental Activities</i>	<u>103,290</u>	<u>1,675</u>	<u>64,498</u>	<u>28,103</u>	<u>(9,014)</u>
General Receipts					
Property Taxes Levied for:					
General Purposes					38,829
Other Taxes					11
Grants and Entitlements not Restricted to Specific Programs					16,575
Interest					4,962
Miscellaneous					77
<i>Total General Receipts</i>					<u>60,454</u>
Change in Net Assets					51,440
					<u>Net Assets Beginning of Year</u>
					225,955
					<u>Net Assets End of Year</u>
					<u>\$ 277,395</u>

See accompanying notes to the basic financial statements

**BOWLING GREEN TOWNSHIP
MARION COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2007**

	General	Motor Vehicle License Tax	Gasoline Tax	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 27,666	\$ 40,838	\$ 199,542	\$ 9,349	\$ 277,395
<i>Total Assets</i>	<u>27,666</u>	<u>40,838</u>	<u>199,542</u>	<u>9,349</u>	<u>277,395</u>
Fund Balances					
Unreserved:					
Undesignated, Reported in:					
General Fund	27,666	-	-	-	27,666
Special Revenue Funds	-	40,838	199,542	9,349	249,729
<i>Total Fund Balances</i>	<u>\$ 27,666</u>	<u>\$ 40,838</u>	<u>\$ 199,542</u>	<u>\$ 9,349</u>	<u>\$ 277,395</u>

See accompanying notes to the basic financial statements

**BOWLING GREEN TOWNSHIP
MARION COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007**

	General	Motor Vehicle License Tax	Gasoline Tax	Other Governmental Funds	Total Governmental Funds
Receipts					
Property and Other Local Taxes	\$ 36,924	\$ -	\$ -	\$ -	\$ 36,924
Licenses, Permits and Fees	-	-	-	1,600	1,600
Intergovernmental	18,491	8,813	83,788	-	111,092
Interest	642	590	3,730	-	4,962
Other	77	-	-	75	152
<i>Total Receipts</i>	<u>56,134</u>	<u>9,403</u>	<u>87,518</u>	<u>1,675</u>	<u>154,730</u>
Disbursements					
Current:					
General Government	50,710	-	-	-	50,710
Public Works	-	917	28,930	-	29,847
Health	8,121	-	-	-	8,121
Capital Outlay	-	12	14,600	-	14,612
<i>Total Disbursements</i>	<u>58,831</u>	<u>929</u>	<u>43,530</u>	<u>-</u>	<u>103,290</u>
<i>Net Change in Fund Balances</i>	(2,697)	8,474	43,988	1,675	51,440
<i>Fund Balances Beginning of Year</i>	<u>30,363</u>	<u>32,364</u>	<u>155,554</u>	<u>7,674</u>	<u>225,955</u>
<i>Fund Balances End of Year</i>	<u>\$ 27,666</u>	<u>\$ 40,838</u>	<u>\$ 199,542</u>	<u>\$ 9,349</u>	<u>\$ 277,395</u>

See accompanying notes to the basic financial statements

**BOWLING GREEN TOWNSHIP
MARION COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGE
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 36,551	\$ 36,551	\$ 36,924	\$ 373
Intergovernmental	15,728	15,728	18,491	2,763
Interest	337	337	642	305
Other	-	-	77	77
<i>Total receipts</i>	<u>52,616</u>	<u>52,616</u>	<u>56,134</u>	<u>3,518</u>
Disbursements				
Current:				
General Government	55,379	55,379	50,710	4,669
Health	17,259	17,259	8,121	9,138
<i>Total Disbursements</i>	<u>72,638</u>	<u>72,638</u>	<u>58,831</u>	<u>13,807</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(20,022)</u>	<u>(20,022)</u>	<u>(2,697)</u>	<u>17,325</u>
Other Financing Uses				
Other Financing Uses	(10,341)	(10,341)	-	10,341
<i>Net Change in Fund Balance</i>	(30,363)	(30,363)	(2,697)	27,666
<i>Fund Balance Beginning of Year</i>	<u>30,363</u>	<u>30,363</u>	<u>30,363</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,666</u>	<u>\$ 27,666</u>

See accompanying notes to the basic financial statements

**BOWLING GREEN TOWNSHIP
MARION COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGE
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
MOTOR VEHICLE LICENSE TAX
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Intergovernmental	\$ 9,000	\$ 9,000	\$ 8,813	\$ (187)
Interest	300	300	590	290
<i>Total receipts</i>	<u>9,300</u>	<u>9,300</u>	<u>9,403</u>	<u>103</u>
Disbursements				
Current:				
Public Works	16,662	16,662	917	15,745
Capital Outlay	5,000	5,000	12	4,988
<i>Total Disbursements</i>	<u>21,662</u>	<u>21,662</u>	<u>929</u>	<u>20,733</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(12,362)</u>	<u>(12,362)</u>	<u>8,474</u>	<u>20,836</u>
Other Financing Uses				
Other Financing Uses	<u>(20,002)</u>	<u>(20,002)</u>	<u>-</u>	<u>20,002</u>
<i>Net Change in Fund Balance</i>	<u>(32,364)</u>	<u>(32,364)</u>	<u>8,474</u>	<u>40,838</u>
<i>Fund Balance Beginning of Year</i>	<u>32,364</u>	<u>32,364</u>	<u>32,364</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,838</u>	<u>\$ 40,838</u>

See accompanying notes to the basic financial statements

**BOWLING GREEN TOWNSHIP
MARION COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGE
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GASOLINE TAX
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Receipts				
Intergovernmental	\$ 88,250	\$ 88,250	\$ 83,788	\$ (4,462)
Interest	1,900	1,900	3,730	1,830
<i>Total receipts</i>	<u>90,150</u>	<u>90,150</u>	<u>87,518</u>	<u>(2,632)</u>
Disbursements				
Current:				
Public Works	110,000	110,000	28,930	81,070
Capital Outlay	70,000	70,000	14,600	55,400
<i>Total Disbursements</i>	<u>180,000</u>	<u>180,000</u>	<u>43,530</u>	<u>136,470</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(89,850)</u>	<u>(89,850)</u>	<u>43,988</u>	<u>133,838</u>
Other Financing Uses				
Other Financing Uses	<u>(65,704)</u>	<u>(65,704)</u>	<u>-</u>	<u>65,704</u>
<i>Net Change in Fund Balance</i>	(155,554)	(155,554)	43,988	199,542
<i>Fund Balance Beginning of Year</i>	<u>155,554</u>	<u>155,554</u>	<u>155,554</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 199,542</u>	<u>\$ 199,542</u>

See accompanying notes to the basic financial statements

**BOWLING GREEN TOWNSHIP
MARION COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2006**

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 225,955</u>
<i>Total Assets</i>	<u><u>225,955</u></u>
Net Assets	
Restricted for:	
Other Purposes	195,592
Unrestricted	<u>30,363</u>
<i>Total Net Assets</i>	<u><u>\$ 225,955</u></u>

See accompanying notes to the basic financial statements

**BOWLING GREEN TOWNSHIP
MARION COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2006**

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
General Government	\$ 53,008	\$ -	\$ -	\$ (53,008)
Public Works	48,016	-	95,435	47,419
Health	7,705	1,200	-	(6,505)
Capital Outlay	350	-	-	(350)
<i>Total Governmental Activities</i>	<u>109,079</u>	<u>1,200</u>	<u>95,435</u>	<u>(12,444)</u>
General Receipts				
Property Taxes Levied for:				
General Purposes				36,952
Other Taxes				176
Grants and Entitlements not Restricted to Specific Programs				11,656
Interest				4,063
Miscellaneous				49
<i>Total General Receipts</i>				<u>52,896</u>
Change in Net Assets				40,452
		<i>Net Assets Beginning of Year</i>		<u>185,503</u>
		<i>Net Assets End of Year</i>		<u>\$ 225,955</u>

See accompanying notes to the basic financial statements

**BOWLING GREEN TOWNSHIP
MARION COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2006**

	General	Motor Vehicle License Tax	Gasoline Tax	Other Governmental Funds	Total Governmental Funds
Assets					
Cash	\$ 30,363	\$ 32,364	\$ 155,554	\$ 7,674	\$ 225,955
<i>Total Assets</i>	<u>30,363</u>	<u>32,364</u>	<u>155,554</u>	<u>7,674</u>	<u>225,955</u>
Fund Balances					
Unreserved:					
Undesignated, Reported in:					
General Fund	30,363	-	-	-	30,363
Special Revenue Funds	-	32,364	155,554	7,674	195,592
<i>Total Fund Balances</i>	<u>\$ 30,363</u>	<u>\$ 32,364</u>	<u>\$ 155,554</u>	<u>\$ 7,674</u>	<u>\$ 225,955</u>

See accompanying notes to the basic financial statements

**BOWLING GREEN TOWNSHIP
MARION COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006**

	General	Motor Vehicle License Tax	Gasoline Tax	Other Governmental Funds	Total Governmental Funds
Receipts					
Property and Other Local Taxes	\$ 33,365	\$ -	\$ -	\$ -	\$ 33,365
Licenses, Permits and Fees	-	-	-	300	300
Intergovernmental	15,419	9,234	86,201	-	110,854
Interest	642	422	2,999	-	4,063
Other	49	-	-	900	949
<i>Total Receipts</i>	<u>49,475</u>	<u>9,656</u>	<u>89,200</u>	<u>1,200</u>	<u>149,531</u>
Disbursements					
Current:					
General Government	53,008	-	-	-	53,008
Public Works	-	5,449	42,567	-	48,016
Health	7,705	-	-	-	7,705
Capital Outlay	-	-	350	-	350
<i>Total Disbursements</i>	<u>60,713</u>	<u>5,449</u>	<u>42,917</u>	<u>-</u>	<u>109,079</u>
<i>Net Change in Fund Balances</i>	(11,238)	4,207	46,283	1,200	40,452
<i>Fund Balances Beginning of Year</i>	<u>41,601</u>	<u>28,157</u>	<u>109,271</u>	<u>6,474</u>	<u>185,503</u>
<i>Fund Balances End of Year</i>	<u>\$ 30,363</u>	<u>\$ 32,364</u>	<u>\$ 155,554</u>	<u>\$ 7,674</u>	<u>\$ 225,955</u>

See accompanying notes to the basic financial statements

**BOWLING GREEN TOWNSHIP
MARION COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGE
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 37,419	\$ 37,419	\$ 33,365	\$ (4,054)
Intergovernmental	14,296	14,296	15,419	1,123
Interest	990	990	642	(348)
Other	-	-	49	49
<i>Total receipts</i>	<u>52,705</u>	<u>52,705</u>	<u>49,475</u>	<u>(3,230)</u>
Disbursements				
Current:				
General Government	58,623	58,623	53,008	5,615
Health	16,415	16,415	7,705	8,710
Capital Outlay	5,000	5,000	-	5,000
<i>Total Disbursements</i>	<u>80,038</u>	<u>80,038</u>	<u>60,713</u>	<u>19,325</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(27,333)</u>	<u>(27,333)</u>	<u>(11,238)</u>	<u>16,095</u>
Other Financing Uses				
Other Financing Uses	(14,268)	(14,268)	-	14,268
<i>Net Change in Fund Balance</i>	(41,601)	(41,601)	(11,238)	30,363
<i>Fund Balance Beginning of Year</i>	41,601	41,601	41,601	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,363</u>	<u>\$ 30,363</u>

See accompanying notes to the basic financial statements

**BOWLING GREEN TOWNSHIP
MARION COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGE
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
MOTOR VEHICLE LICENSE TAX
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Intergovernmental	\$ 9,000	\$ 9,000	\$ 9,234	\$ 234
Interest	435	435	422	(13)
<i>Total receipts</i>	<u>9,435</u>	<u>9,435</u>	<u>9,656</u>	<u>221</u>
Disbursements				
Current:				
Public Works	9,104	9,104	5,449	3,655
<i>Total Disbursements</i>	<u>9,104</u>	<u>9,104</u>	<u>5,449</u>	<u>3,655</u>
<i>Excess of Receipts Over Disbursements</i>	<u>331</u>	<u>331</u>	<u>4,207</u>	<u>3,876</u>
Other Financing Uses				
Other Financing Uses	(28,488)	(28,488)	-	28,488
<i>Net Change in Fund Balance</i>	(28,157)	(28,157)	4,207	32,364
<i>Fund Balance Beginning of Year</i>	<u>28,157</u>	<u>28,157</u>	<u>28,157</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,364</u>	<u>\$ 32,364</u>

See accompanying notes to the basic financial statements

**BOWLING GREEN TOWNSHIP
MARION COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGE
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GASOLINE TAX
FOR THE YEAR ENDED DECEMBER 31, 2006**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Intergovernmental	\$ 84,480	\$ 84,480	\$ 86,201	\$ 1,721
Interest	1,900	1,900	2,999	1,099
<i>Total receipts</i>	<u>86,380</u>	<u>86,380</u>	<u>89,200</u>	<u>2,820</u>
Disbursements				
Current:				
Public Works	110,000	110,000	42,567	67,433
Capital Outlay	70,000	70,000	350	69,650
<i>Total Disbursements</i>	<u>180,000</u>	<u>180,000</u>	<u>42,917</u>	<u>137,083</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(93,620)</u>	<u>(93,620)</u>	<u>46,283</u>	<u>139,903</u>
Other Financing Uses				
Other Financing Uses	(15,651)	(15,651)	-	15,651
<i>Net Change in Fund Balance</i>	(109,271)	(109,271)	46,283	155,554
<i>Fund Balance Beginning of Year</i>	<u>109,271</u>	<u>109,271</u>	<u>109,271</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 155,554</u>	<u>\$ 155,554</u>

See accompanying notes to the basic financial statements

**BOWLING GREEN TOWNSHIP
MARION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006**

Note 1 – Reporting Entity

The Bowling Green Township, Marion County, Ohio (the Township), is a body politic and corporate established in 1838 to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Township Fiscal Officer.

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

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, and cemetery maintenance. The Township contracts with Stofcheck Ambulance Service, Inc. to provide ambulance services. Police protection is provided by the Marion County Sheriff. Fire protection and rescue services are provided by the Scioto Valley Fire District.

B. Jointly Governed Organization and Public Entity Risk Pool

The Township participates in the Scioto Valley Fire District, a jointly governed organization and the Ohio Township Association Risk Management Authority (OTARMA) public entity risk pool. Notes 8 and 9 to the basic financial statements provide additional information for these entities. These organizations are:

Jointly Governed Organization:

The Scioto Valley Fire District provides fire protection and rescue services within the District and by contract to areas outside the District.

Public Entity Risk Pool:

The Ohio Township Association Risk Management Authority (OTARMA) is a risk sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members.

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, 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.

**BOWLING GREEN TOWNSHIP
MARION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

Note 2 – Summary of Significant Accounting Policies (Continued)

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. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

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

Fund Financial Statements

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

B. Fund Accounting

The Township uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the Township are all 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 following:

General Fund - The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

Motor Vehicle License Tax Fund – The Motor Vehicle License Tax Fund receives license tax money to pay for constructing, maintaining, and repairing Township roads and bridges.

Gasoline Tax Fund – The Gasoline Tax Fund receives gasoline tax money to pay for constructing, maintaining, and repairing Township roads.

**BOWLING GREEN TOWNSHIP
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

Note 2 – Summary of Significant Accounting Policies (Continued)

The other governmental funds of the Township account for 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. 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.

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

D. Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations 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 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. 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".

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

**BOWLING GREEN TOWNSHIP
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

Note 2 – Summary of Significant Accounting Policies (Continued)

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 negative receipts, respectively.

During 2007 and 2006, the Township invested in nonnegotiable certificates of deposit. These nonnegotiable certificates of deposit are reported at cost.

Interest earnings are allocated to Township funds according to State statutes. Interest receipts credited to the General Fund during 2007 was \$642. Interest receipts credited to the General Fund during 2006 was \$642.

F. 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.

G. Capital Assets

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

H. 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 6 and 7, the employer contributions include portions for pension benefits and for postretirement health care benefits.

I. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for constructing, maintaining, and repairing Township roads and bridges. The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

J. Fund Balance Reserves

The Township reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. The Statement of Cash Basis Assets and Fund Balances reports no reserve for encumbrances for the Township for 2006 and 2007. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods.

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 – Budget Basis presented for the General Fund, Motor Vehicle License Tax Fund, and Gasoline Tax Fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget.

**BOWLING GREEN TOWNSHIP
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

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 negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

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

Interim monies held by the Township can be deposited or invested in the following securities:

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

**BOWLING GREEN TOWNSHIP
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

Note 4 – Deposits and Investments (Continued)

Protection of the Township's deposits is provided by the Federal Deposit Insurance Corporation (FDIC) or by eligible securities pledged by the financial institution as security for repayment.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2007, \$150,536 of the Township's bank balance of \$250,536 was exposed to custodial credit risk while at December 31, 2006, \$101,204 of the Township's bank balance of \$201,204 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

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, and real property tax receipts received in 2006 represent the collection of 2005 taxes. Real property taxes received in 2007 were levied after October 1, 2006, on the assessed values as of January 1, 2006, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2007 represent the collection of 2006 taxes. Public utility real and tangible personal property taxes received in 2007 became a lien on December 31, 2005, were levied after October 1, 2006, 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.

**BOWLING GREEN TOWNSHIP
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

Note 5 – Property Taxes (Continued)

Tangible personal property tax receipts received in 2007 (other than public utility property) represent the collection of 2006 taxes. Tangible personal property taxes received in 2007 were levied after October 1, 2006, on the true value as of December 31, 2006. 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 \$3.30 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2007 property tax receipts were based are as follows:

Real Property	
Residential	\$5,361,740
Agricultural	4,562,820
Commercial/Industrial/Mineral	128,840
Public Utility Property	
Real	16,450
Personal	976,220
Tangible Personal Property	30,370
Total Assessed Value	<u><u>\$11,076,440</u></u>

Note 6 – 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.

**BOWLING GREEN TOWNSHIP
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

Note 6 – Defined Benefit Pension Plan (Continued)

For the years ended December 31, 2007 and December 31, 2006, the members of all three plans, were required to contribute 9.5 and 9 percent, respectively, of their annual covered salaries. The Township's contribution rate for pension benefits for 2007 and 2006 was 13.85 and 13.70 percent, respectively. 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 \$5,147, \$5,446, and \$3,700 respectively. The full amount has been contributed for 2007, 2006 and 2005.

Note 7 - Postemployment 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 Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2007 local government employer contribution rate was 13.85% percent of covered payroll; 5% percent of covered payroll was the portion that was used to fund health care from January 1 to June 30, 2007, and 6% of covered payroll was the portion that was used to fund health care from July 1 to December 31, 2007.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2006, include a rate of return on investments of 8.00 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 6.30 percent based on additional annual pay increases. Health care premiums were assumed to increase between .5 and 5.00 percent annually for the next eight years and 4.00 percent annually after eight years.

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. Actual employer contributions for 2007 which were used to fund postemployment benefits were \$5,147. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2006, (the latest information available) were \$12 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$30.7 billion and \$18.7 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs.

**BOWLING GREEN TOWNSHIP
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

Note 8 – Jointly Governed Organization

The Township is a participant in the Scioto Valley Fire District (the District). The District provides fire protection and rescue services within the District and by contract to areas outside the District. The District is directed by an appointed three member Board of Trustees. One board member is appointed by each political subdivision within the District. These subdivisions are Bowling Green Township, Montgomery Township, and the Village of LaRue.

Note 9 – 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 governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Coverage

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

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

Property Coverage

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

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

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

**BOWLING GREEN TOWNSHIP
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

Note 9 Risk Management (Continued)

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

Financial Position

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

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

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

At December 31, 2006 and 2005, respectively, casualty coverage liabilities noted above include approximately \$10.8 million and \$11.6 million of estimated incurred claims payable. The Casualty Coverage assets and retained earnings above also include approximately \$10.8 million and \$11.6 million of unpaid claims to be billed to approximately 958 member governments in the future, as of December 31, 2006 and 2005, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township's share of these unpaid claims collectible in future years is approximately \$3,240. 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>Contributions to OTARMA</u>	
2005	\$1,969
2006	\$1,972
2007	\$1,620

**BOWLING GREEN TOWNSHIP
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

Note 9 – Risk Management (Continued)

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

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Mary Taylor, CPA

Auditor of State

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

Bowling Green Township
Marion County
3005 LaRue – Richwood Road
LaRue, Ohio 43332

To the Township Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bowling Green Township, Marion County, Ohio, (the Township) as of and for the years ended December 31, 2007, and December 31, 2006, which collectively comprise the Township's basic financial statements and have issued our report thereon dated February 25, 2008, wherein we noted the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control over Financial Reporting

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

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Township's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider the following deficiency described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting: 2007-01.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Township's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. However, we believe the significant deficiency described above, as finding number 2007-001, is also a material weakness.

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 instances of noncompliance or other matters that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as items 2007-001 and 2007-002.

We also noted a certain noncompliance or other matter not requiring inclusion in this report that we reported to the Township's management in a separate letter dated February 25, 2008.

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



Mary Taylor, CPA
Auditor of State

February 25, 2008

**BOWLING GREEN TOWNSHIP
MARION COUNTY**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2007-001

**Noncompliance Citation
Significant Deficiency / Material Weakness - Revenue Posting**

Ohio Rev. Code Section 5705.10 states, in part, all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose. Furthermore, such monies shall only be used for the purpose for which such funds are established.

In 2007, the Township posted \$2,730 of gasoline tax receipts belonging in the Gasoline Tax Fund to the Motor Vehicle License Tax Fund.

The Township Fiscal Officer adjusted the accounting records of the Township to properly reflect the receipt of these monies. This adjustment is reflected in the financial statements.

We recommend the Township closely monitor the posting of revenue derived for a particular purpose to ensure the revenue is paid into the special revenue fund for such purpose.

FINDING NUMBER 2007-002

**Noncompliance Citation
Certification of Expenditures**

Ohio Rev. Code Section 5705.41(D)(1) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in section 5705.41 (D)(1) and 5705.41 (D)(3), respectively, of the Ohio Revised Code.

1. **"Then and Now" Certificate** – If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Township can authorize the drawing of a warrant for the payment of the amount due. The Township has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Township.

**BOWLING GREEN TOWNSHIP
MARION COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2007-002 (Continued)
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**Noncompliance Citation
Certification of Expenditures (Continued)**

2. **Blanket Certificate** – Fiscal officers may prepare “blanket” certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any on particular line item appropriation.

3. **Super Blanket Certificate** – The Township may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

Ten percent of the transactions tested were not certified by the Fiscal Officer at the time the commitment was incurred and there was no evidence that the Township followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Township’s funds exceeding budgetary spending limitations, we recommend that the Fiscal Officer certify that the funds are or will be available prior to obligation by the Township. When prior certification is not possible, “then and now” certification should be used.

We recommend the Township certify purchases to which section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language 5705.41(D) requires to authorize disbursements. The Fiscal Officer should sign the certification at the time the Township incurs a commitment, and only when the requirements of 5705.41(D) are satisfied. the Fiscal Officer should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

We did not receive a response from Officials to the findings reported above.



Mary Taylor, CPA
Auditor of State

BOWLING GREEN TOWNSHIP

MARION 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
APRIL 22, 2008**