



Mary Taylor, CPA  
Auditor of State



**GREEN TOWNSHIP  
SCIOTO COUNTY**

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GREEN TOWNSHIP  
SCIOTO COUNTY

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Green Township  
Scioto County  
3427 Jr. Furnace Powellsville Road  
Franklin Furnace, Ohio 45629

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 Green Township, Scioto County, Ohio (the Township), as of and for the years ended December 31, 2007 and 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 opinion.

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 financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Green Township, Scioto County, Ohio, as of December 31, 2007 and 2006, and the respective changes in cash financial position and the respective budgetary comparisons for the General, Road and Bridge, Police, Fire, and Emergency Management Services Funds, thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

For the years ended December 31, 2007 and 2006, the Township revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 21, 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 cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

July 21, 2008

**Green Township, Scioto County**  
Management's Discussion and Analysis  
For the Years Ended December 31, 2007 and 2006  
Unaudited

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This discussion and analysis of Green Township's (the Township) financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2007 and 2006, within the limitations of the Township's cash basis of accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

**Highlights**

Key highlights for 2007 are as follows:

Net assets of governmental activities increased \$116,045 or 21 percent, a significant change from the prior year. The reasons for the increase were an increase in payments in lieu of taxes, an increase in interest and monies collected for the first time in 2007 for Emergency Management Services billings.

The Township's general receipts are primarily property taxes, local government revenue assistance, payments in lieu of taxes, franchise fees and interest.

Key highlights for 2006 are as follows:

Net assets of governmental activities increased \$81,328 or 19 percent, a significant change from the prior year. The main reason for the increase was an overall decrease in expenditures during 2006.

The Township's general receipts are primarily property taxes, local government revenue assistance, payments in lieu of taxes, franchise fees and interest. Property taxes changed very little when compared to prior years.

**Using the Basic Financial Statements**

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's cash basis of accounting.

**Report Components**

The statement of net assets and the statement of activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the basic financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**Green Township, Scioto County**  
Management's Discussion and Analysis  
For the Years Ended December 31, 2007 and 2006  
Unaudited

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**Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

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

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other nonfinancial factors as well such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property and income taxes.

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

Governmental activities. Most of the Township's basic services are reported here, including police, fire, streets and emergency management services. Property taxes, gasoline taxes, vehicle registrations, local government revenue assistance, licenses & permits and state & federal grants finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.



**Green Township, Scioto County**  
 Management's Discussion and Analysis  
 For the Years Ended December 31, 2007 and 2006  
 Unaudited

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**Reporting the Township's Most Significant Funds**

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

Governmental Funds - Most of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General Fund, Road and Bridge Fund, Police Fund, Fire Fund and Emergency Management Services Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

**The Township as a Whole**

Table 1 provides a summary of the Township's net assets for 2007 compared to 2006 compared to 2005.

(Table 1)  
**Net Assets**

	Governmental Activities		
	2007	2006	2005
<b>Assets</b>			
Cash and Cash Equivalents	\$551,469	\$435,424	\$354,096
Total Assets	\$551,469	\$435,424	\$354,096
 <b>Net Assets</b>			
Restricted for:			
Public Safety			\$313,126
Other Purposes	\$536,760	\$399,211	14,909
Unrestricted	14,709	36,213	26,061
Total Net Assets	\$551,469	\$435,424	\$354,096

As mentioned previously, net assets of governmental activities increased \$116,045 or 21 percent during 2007. The primary reasons contributing to the increases in cash balances are as follows:

- An increase in payments in lieu of taxes in 2007.
- An increase in interest rates on investments in 2007.
- An increase in gasoline tax received.
- The Township began receiving collections from Emergency Management Services billings for the first time in 2007.

**Green Township, Scioto County**  
Management's Discussion and Analysis  
For the Years Ended December 31, 2007 and 2006  
Unaudited

Table 2 reflects the changes in net assets in 2007 and 2006 and the comparisons to fiscal year 2005.

(Table 2)  
**Changes in Net Assets**

	Governmental Activities 2007	Governmental Activities 2006	Governmental Activities 2005
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$141,145	\$3,900	\$11,901
Operating Grants and Contributions	105,716	118,056	139,882
Total Program Receipts	<u>246,861</u>	<u>121,956</u>	<u>151,783</u>
General Receipts:			
Property and Other Local Taxes	619,172	756,411	114,313
Other Taxes	11,963	11,760	741,575
Grants and Entitlements Not Restricted to Specific Programs	399,427	320,778	107,747
Sale of Notes	40,000		98,000
Insurance Reimbursement/Proceeds	13,588		110,000
Interest	22,688	15,900	11,160
Miscellaneous	11,651	21,068	28,332
Total General Receipts	<u>1,118,489</u>	<u>1,125,917</u>	<u>1,211,127</u>
Total Receipts	<u>1,365,350</u>	<u>1,247,873</u>	<u>1,362,910</u>
Disbursements:			
General Government	127,848	136,632	128,353
Public Safety	600,756	620,405	582,999
Public Works	330,598	261,940	375,555
Health	63,332	61,909	71,724
Capital Outlay	69,174	27,817	206,656
Principal Payments	54,399	53,066	85,024
Interest and Fiscal Charges	3,198	4,776	
Total Disbursements	<u>1,249,305</u>	<u>1,166,545</u>	<u>1,450,311</u>
Increase (Decrease) in Net Assets	116,045	81,328	(87,401)
Net Assets, January 1	435,424	354,096	441,497
Net Assets, December 31	<u>\$551,469</u>	<u>\$435,424</u>	<u>\$354,096</u>

In 2007, governmental activities program receipts represent 18% of total governmental receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money.

In 2006, governmental activities program receipts represent 10% of total governmental receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money.

**Green Township, Scioto County**  
Management's Discussion and Analysis  
For the Years Ended December 31, 2007 and 2006  
Unaudited

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In 2007, governmental activities general receipts represent 82% of the Township's total governmental receipts, and of this amount, 56% are property and local taxes. Other receipts such as inheritance tax and interest are somewhat unpredictable revenue sources.

In 2006, governmental activities general receipts represent 90% of the Township's total governmental receipts, and of this amount, 68% are property and local taxes. Other receipts such as inheritance tax and interest are somewhat unpredictable revenue sources.

In 2007 and 2006, disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include all or a portion of the costs of Board, Fiscal Officer, audit expense, and maintenance.

Public Safety are the costs of police and fire protection and emergency management services. Public Works is the cost of maintaining the roads.

**Governmental Activities**

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. In 2007, the major program disbursements for governmental activities are for General Government, Public Safety and Public Works, which account for 10, 48 and 26 percent of all governmental disbursements, respectively. In 2006, the major program disbursements for governmental activities are for General Government, Public Safety and Public Works which account for 12, 53 and 22 percent of all governmental disbursements respectively. The next two columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)  
**Governmental Activities**

	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2007	2007	2006	2006	2005	2005
General Government	\$127,848	\$127,848	\$136,632	\$136,632	\$128,353	\$101,065
Public Safety	600,756	465,411	620,405	605,055	582,999	513,059
Public Works	330,598	224,882	261,940	159,234	375,555	330,793
Health	63,332	57,532	61,909	58,009	71,724	61,931
Capital outlay	69,174	69,174	27,817	27,817	206,656	206,656
Principal Payments	54,399	54,399	53,066	53,066	85,024	85,024
Interest and Fiscal Charges	3,198	3,198	4,776	4,776		
<b>Total Expenses</b>	<b>\$1,249,305</b>	<b>\$1,002,444</b>	<b>\$1,166,545</b>	<b>\$1,044,589</b>	<b>\$1,450,311</b>	<b>\$1,298,528</b>

**Green Township, Scioto County**  
Management's Discussion and Analysis  
For the Years Ended December 31, 2007 and 2006  
Unaudited

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**The Township's Funds**

In 2007, total governmental funds had receipts of \$1,365,350 and disbursements of \$1,249,305. The Emergency Management Services Fund increased \$138,612 in 2007 due to 2007 being the first year in which the Township received collections from billings.

In 2006, total governmental funds had receipts of \$1,248,996 and disbursements of \$1,167,668. The General Fund increased \$10,152 which was mainly due to a decrease in expenditures.

General Fund receipts and expenditures are closely monitored as the receipts are limited and somewhat unpredictable such as inheritance tax and interest.

**General Fund Budgeting Highlights**

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

During 2007, the Township amended the General Fund appropriations. Final actual receipts were above original budgeted receipts due to increased payments in lieu of taxes and increased interest receipts.

Final disbursements were budgeted at \$246,988 while actual disbursements were \$246,988. The Township kept spending very close to budgeted amounts as demonstrated by the lack of variances.

During 2006, the Township amended the General Fund expense appropriations. Final budgeted receipts were above original budgeted receipts due to increased interest receipts.

Final disbursements were budgeted at \$215,523 while actual disbursements were \$215,523. The Township kept spending very close to budgeted amounts as demonstrated by the lack of variances. The result is an increase in fund balance of \$9,655 for 2006.

**Capital Assets and Debt Administration**

**Capital Assets**

The Township does not currently keep track of its capital assets and infrastructure other than taking an inventory of what is on hand in January of each year. The current liability and property insurance policy keeps an accurate record of Township property, equipment and vehicles.

**Debt**

At December 31, 2007, the Township's outstanding debt included \$79,000 in general obligation bonds issued for the purchase of fire truck and a backhoe. For further information regarding the Township's debt, refer to the basic financial statements, Note 9.

**Green Township, Scioto County**  
Management's Discussion and Analysis  
For the Years Ended December 31, 2007 and 2006  
Unaudited

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**Current Issues**

The Township is strong financially. As the preceding information shows, the Township heavily depends on its taxpayers. However, financially, the future is not without challenges.

**Contacting the Township's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to: Pamela Otworth, Township Fiscal Officer, 3427 Jr. Furnace Powellsville Road, Franklin Furnace, Ohio 45629.

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**Green Township, Scioto County**  
*Statement of Net Assets - Cash Basis*  
*December 31, 2007*

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	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$551,469</u>
<i>Total Assets</i>	<u><u>\$551,469</u></u>
<b>Net Assets</b>	
Restricted for:	
Other Purposes	\$536,760
Unrestricted	<u>14,709</u>
<i>Total Net Assets</i>	<u><u>\$551,469</u></u>

See accompanying notes to the basic financial statements

**Green Township, Scioto County**  
*Statement of Activities - Cash Basis*  
For the Year Ended December 31, 2007

	Cash Disbursements	Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>				
General Government	\$127,848			(\$127,848)
Public Safety	600,756	\$135,345		(465,411)
Public Works	330,598		\$105,716	(224,882)
Health	63,332	5,800		(57,532)
Capital Outlay	69,174			(69,174)
Principal Payments	54,399			(54,399)
Interest and Fiscal Charges	3,198			(3,198)
<i>Total Governmental Activities</i>	<u>\$1,249,305</u>	<u>\$141,145</u>	<u>\$105,716</u>	<u>(1,002,444)</u>
		<b>General Receipts</b>		
		Property Taxes Levied for:		
		General Purposes		619,172
		Other Taxes		11,963
		Grants and Entitlements not Restricted to Specific Programs		399,427
		Sale of Notes		40,000
		Insurance Reimbursement		13,588
		Interest		22,688
		Miscellaneous		11,651
		<i>Total General Receipts</i>		<u>1,118,489</u>
		Change in Net Assets		116,045
		<i>Net Assets Beginning of Year</i>		<u>435,424</u>
		<i>Net Assets End of Year</i>		<u>\$551,469</u>

See accompanying notes to the basic financial statements



**Green Township, Scioto County**  
*Statement of Cash Basis Assets and Fund Balances*  
*Governmental Funds*  
*December 31, 2007*

	General	Road and Bridge Fund	Police Fund	Fire Fund	Emergency Management Services Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>							
Equity in Pooled Cash and Cash Equivalents	\$14,709	\$1,720	\$120,154	\$113,297	\$283,860	\$17,729	\$551,469
<i>Total Assets</i>	<u>\$14,709</u>	<u>\$1,720</u>	<u>\$120,154</u>	<u>\$113,297</u>	<u>\$283,860</u>	<u>\$17,729</u>	<u>\$551,469</u>
<b>Fund Balances</b>							
Reserved:							
Reserved for Encumbrances	\$245	\$42					\$287
Unreserved:							
Undesignated (Deficit), Reported in:							
General Fund	14,464						14,464
Special Revenue Funds		1,678	\$120,154	\$113,297	\$283,860	\$17,729	536,718
<i>Total Fund Balances</i>	<u>\$14,709</u>	<u>\$1,720</u>	<u>\$120,154</u>	<u>\$113,297</u>	<u>\$283,860</u>	<u>\$17,729</u>	<u>\$551,469</u>

See accompanying notes to the basic financial statements

**Green Township, Scioto County**  
*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances*  
 Governmental Funds  
 For the Year Ended December 31, 2007

	General	Road and Bridge Fund	Police Fund	Fire Fund	Emergency Management Services Fund	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>							
Property and Other Local Taxes	\$86,387	\$101,814	\$54,162	\$108,304	\$268,505		\$619,172
Charges for Services					135,345	\$5,800	141,145
Licenses, Permits and Fees	11,963						11,963
Intergovernmental	102,836	50,352	29,088	58,793	158,358	105,716	505,143
Interest	21,328					1,360	22,688
Miscellaneous	2,725	1,829		7,097			11,651
<i>Total Receipts</i>	<u>225,239</u>	<u>153,995</u>	<u>83,250</u>	<u>174,194</u>	<u>562,208</u>	<u>112,876</u>	<u>1,311,762</u>
<b>Disbursements</b>							
Current:							
General Government	127,848						127,848
Public Safety			78,494	98,666	423,596		600,756
Public Works	43,804	176,489				110,305	330,598
Health	60,813					2,519	63,332
Capital Outlay	14,278	50,000		4,896			69,174
Debt Service:							
Principal Retirement				54,399			54,399
Interest and Fiscal Charges				3,198			3,198
<i>Total Disbursements</i>	<u>246,743</u>	<u>226,489</u>	<u>78,494</u>	<u>161,159</u>	<u>423,596</u>	<u>112,824</u>	<u>1,249,305</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(21,504)</u>	<u>(72,494)</u>	<u>4,756</u>	<u>13,035</u>	<u>138,612</u>	<u>52</u>	<u>62,457</u>
<b>Other Financing Sources (Uses)</b>							
Sale of Notes		40,000					40,000
Insurance Reimbursement		13,588					13,588
Advances In	2,000					2,000	4,000
Advances Out	(2,000)					(2,000)	(4,000)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>53,588</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>53,588</u>
<i>Net Change in Fund Balances</i>	<u>(21,504)</u>	<u>(18,906)</u>	<u>4,756</u>	<u>13,035</u>	<u>138,612</u>	<u>52</u>	<u>116,045</u>
<i>Fund Balances Beginning of Year</i>	<u>36,213</u>	<u>20,626</u>	<u>115,398</u>	<u>100,262</u>	<u>145,248</u>	<u>17,677</u>	<u>435,424</u>
<i>Fund Balances End of Year</i>	<u>\$14,709</u>	<u>\$1,720</u>	<u>\$120,154</u>	<u>\$113,297</u>	<u>\$283,860</u>	<u>\$17,729</u>	<u>\$551,469</u>

See accompanying notes to the basic financial statements

**Green Township, Scioto County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*General Fund*  
*For the Year Ended December 31, 2007*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$100,000	\$86,387	\$86,387	\$0
Fines, Licenses and Permits	11,000	11,963	11,963	0
Intergovernmental	62,519	102,836	102,836	0
Interest	8,000	21,328	21,328	0
Miscellaneous	973	2,725	2,725	0
<i>Total Receipts</i>	182,492	225,239	225,239	0
<b>Disbursements</b>				
Current:				
General Government	139,754	128,093	128,093	0
Public Safety	58,000			0
Public Works	19,801	43,804	43,804	0
Health	1,150	60,813	60,813	0
Capital Outlay		14,278	14,278	0
<i>Total Disbursements</i>	218,705	246,988	246,988	0
<i>Excess of Receipts Over (Under) Disbursements</i>	(36,213)	(21,749)	(21,749)	0
<b>Other Financing Sources (Uses)</b>				
Advances In		2,000	2,000	0
Advances Out		(2,000)	(2,000)	0
<i>Total Other Financing Sources (Uses)</i>	0	0	0	0
<i>Net Change in Fund Balance</i>	(36,213)	(21,749)	(21,749)	0
<i>Fund Balance Beginning of Year</i>	35,716	35,716	35,716	0
Prior Year Encumbrances Appropriated	497	497	497	0
<i>Fund Balance End of Year</i>	\$0	\$14,464	\$14,464	\$0

See accompanying notes to the basic financial statements

**Green Township, Scioto County**  
*Statement of Receipts, Disbursements and Changes  
 In Fund Balance - Budget and Actual - Budget Basis  
 Road and Bridge Fund  
 For the Year Ended December 31, 2007*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$110,000	\$101,814	\$101,814	\$0
Intergovernmental	8,000	50,352	50,352	0
Miscellaneous	100	1,829	1,829	0
<i>Total Receipts</i>	118,100	153,995	153,995	0
<b>Disbursements</b>				
Current:				
Public Works	134,870	176,531	176,531	0
Capital Outlay		50,000	50,000	0
<i>Total Disbursements</i>	134,870	226,531	226,531	0
<i>Excess of Receipts Over (Under) Disbursements</i>	(16,770)	(72,536)	(72,536)	0
<b>Other Financing Sources (Uses)</b>				
Sale of Notes		40,000	40,000	0
Insurance Reimbursement		13,588	13,588	0
<i>Total Other Financing Sources (Uses)</i>	0	53,588	53,588	0
<i>Net Change in Fund Balance</i>	(16,770)	(18,948)	(18,948)	0
<i>Fund Balance Beginning of Year</i>	17,224	17,224	17,224	0
Prior Year Encumbrances Appropriated	3,402	3,402	3,402	0
<i>Fund Balance End of Year</i>	\$3,856	\$1,678	\$1,678	\$0

See accompanying notes to the basic financial statements

**Green Township, Scioto County**  
*Statement of Receipts, Disbursements and Changes  
 In Fund Balance - Budget and Actual - Budget Basis  
 Police Fund  
 For the Year Ended December 31, 2007*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$60,000	\$54,162	\$54,162	\$0
Intergovernmental	3,000	29,088	29,088	0
<i>Total Receipts</i>	63,000	83,250	83,250	0
<b>Disbursements</b>				
Current:				
Public Safety	178,000	78,494	78,494	0
<i>Total Disbursements</i>	178,000	78,494	78,494	0
<i>Excess of Receipts Over (Under) Disbursements</i>	(115,000)	4,756	4,756	0
<i>Fund Balance Beginning of Year</i>	115,398	115,398	115,398	0
Prior Year Encumbrances Appropriated	0	0	0	0
<i>Fund Balance End of Year</i>	\$398	\$120,154	\$120,154	\$0

See accompanying notes to the basic financial statements

**Green Township, Scioto County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Fire Fund*  
*For the Year Ended December 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$125,000	\$108,304	\$108,304	\$0
Intergovernmental	2,000	58,793	58,793	0
Miscellaneous	1,000	7,097	7,097	0
<i>Total Receipts</i>	<u>128,000</u>	<u>174,194</u>	<u>174,194</u>	<u>0</u>
<b>Disbursements</b>				
Current:				
Public Safety	144,462	98,666	98,666	0
Capital Outlay	26,000	4,896	4,896	0
Debt Service:				
Principal Retirement	53,067	54,399	54,399	0
Interest and Fiscal Charges	3,181	3,198	3,198	0
<i>Total Disbursements</i>	<u>226,710</u>	<u>161,159</u>	<u>161,159</u>	<u>0</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(98,710)</u>	<u>13,035</u>	<u>13,035</u>	<u>0</u>
<i>Fund Balance Beginning of Year</i>	98,715	98,715	98,715	0
Prior Year Encumbrances Appropriated	1,547	1,547	1,547	0
<i>Fund Balance End of Year</i>	<u>\$1,552</u>	<u>\$113,297</u>	<u>\$113,297</u>	<u>\$0</u>

See accompanying notes to the basic financial statements

**Green Township, Scioto County**  
*Statement of Receipts, Disbursements and Changes  
 In Fund Balance - Budget and Actual - Budget Basis  
 Emergency Management Services Fund  
 For the Year Ended December 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Property and Other Local Taxes	\$290,000	\$268,505	\$268,505	\$0
Charges for Services	10,000	135,345	135,345	0
Intergovernmental	15,000	158,358	158,358	0
Miscellaneous	4,500			0
<i>Total Receipts</i>	<u>319,500</u>	<u>562,208</u>	<u>562,208</u>	<u>0</u>
<b>Disbursements</b>				
Current:				
Public Safety	453,028	423,596	423,596	0
Capital Outlay	2,000			0
<i>Total Disbursements</i>	<u>455,028</u>	<u>423,596</u>	<u>423,596</u>	<u>0</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(135,528)</u>	<u>138,612</u>	<u>138,612</u>	<u>0</u>
<i>Fund Balance Beginning of Year</i>	142,811	142,811	142,811	0
Prior Year Encumbrances Appropriated	<u>2,437</u>	<u>2,437</u>	<u>2,437</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$9,720</u></u>	<u><u>\$283,860</u></u>	<u><u>\$283,860</u></u>	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements

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**Green Township, Scioto County**  
*Statement of Net Assets - Cash Basis*  
*December 31, 2006*

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	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$435,424</u>
<i>Total Assets</i>	<u><u>\$435,424</u></u>
<b>Net Assets</b>	
Restricted for:	
Other Purposes	\$399,211
Unrestricted	<u>36,213</u>
<i>Total Net Assets</i>	<u><u>\$435,424</u></u>

See accompanying notes to the basic financial statements

**Green Township, Scioto County**  
*Statement of Activities - Cash Basis*  
For the Year Ended December 31, 2006

	Cash Disbursements	Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>				
General Government	\$136,632			(\$136,632)
Public Safety	620,405		\$15,350	(605,055)
Public Works	261,940		102,706	(159,234)
Health	61,909	\$3,900		(58,009)
Capital Outlay	27,817			(27,817)
Principal Payments	53,066			(53,066)
Interest and Fiscal Charges	4,776			(4,776)
<i>Total Governmental Activities</i>	<u>\$1,166,545</u>	<u>\$3,900</u>	<u>\$118,056</u>	<u>(1,044,589)</u>
		<b>General Receipts</b>		
		Property Taxes Levied for:		
		General Purposes		756,521
		Other Taxes		11,760
		Grants and Entitlements not Restricted to Specific Programs		320,668
		Interest		15,900
		Miscellaneous		21,068
		<i>Total General Receipts</i>		<u>1,125,917</u>
		Change in Net Assets		81,328
		<i>Net Assets Beginning of Year</i>		<u>354,096</u>
		<i>Net Assets End of Year</i>		<u><u>\$435,424</u></u>

See accompanying notes to the basic financial statements

**Green Township, Scioto County**  
*Statement of Cash Basis Assets and Fund Balances*  
*Governmental Funds*  
*December 31, 2006*

	General	Road and Bridge Fund	Police Fund	Fire Fund	Emergency Management Services Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>							
Equity in Pooled Cash and Cash Equivalents	\$36,213	\$20,626	\$115,398	\$100,262	\$145,248	\$17,677	\$435,424
<i>Total Assets</i>	<u>\$36,213</u>	<u>\$20,626</u>	<u>\$115,398</u>	<u>\$100,262</u>	<u>\$145,248</u>	<u>\$17,677</u>	<u>\$435,424</u>
<b>Fund Balances</b>							
Reserved:							
Reserved for Encumbrances	\$497	\$3,402		\$1,547	\$2,437	\$366	\$8,249
Unreserved:							
Undesignated (Deficit), Reported in:							
General Fund	35,716						35,716
Special Revenue Funds		17,224	\$115,398	98,715	142,811	17,311	391,459
<i>Total Fund Balances</i>	<u>\$36,213</u>	<u>\$20,626</u>	<u>\$115,398</u>	<u>\$100,262</u>	<u>\$145,248</u>	<u>\$17,677</u>	<u>\$435,424</u>

See accompanying notes to the basic financial statements

**Green Township, Scioto County**  
*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances*  
 Governmental Funds  
 For the Year Ended December 31, 2006

	General	Road and Bridge Fund	Police Fund	Fire Fund	Emergency Management Services Fund	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>							
Property and Other Local Taxes	\$102,680	\$121,014	\$66,109	\$131,978	\$334,740		\$756,521
Charges for Services						\$3,900	3,900
Licenses, Permits and Fees	11,760						11,760
Intergovernmental	92,178	39,292	22,083	59,814	122,651	102,706	438,724
Interest	15,081					819	15,900
Miscellaneous	4,602	1,118		128	15,220		21,068
<i>Total Receipts</i>	<u>226,301</u>	<u>161,424</u>	<u>88,192</u>	<u>191,920</u>	<u>472,611</u>	<u>107,425</u>	<u>1,247,873</u>
<b>Disbursements</b>							
Current:							
General Government	136,632						136,632
Public Safety			71,611	114,192	434,602		620,405
Public Works	20,000	141,846				100,094	261,940
Health	58,394					3,515	61,909
Capital Outlay				26,354	1,463		27,817
Debt Service:							
Principal Retirement				53,066			53,066
Interest and Fiscal Charges				4,776			4,776
<i>Total Disbursements</i>	<u>215,026</u>	<u>141,846</u>	<u>71,611</u>	<u>198,388</u>	<u>436,065</u>	<u>103,609</u>	<u>1,166,545</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>11,275</u>	<u>19,578</u>	<u>16,581</u>	<u>(6,468)</u>	<u>36,546</u>	<u>3,816</u>	<u>81,328</u>
<b>Other Financing Sources (Uses)</b>							
Transfers In					1,123		1,123
Transfers Out	(1,123)						(1,123)
Advances In	1,700					1,700	3,400
Advances Out	(1,700)					(1,700)	(3,400)
<i>Total Other Financing Sources (Uses)</i>	<u>(1,123)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,123</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	10,152	19,578	16,581	(6,468)	37,669	3,816	81,328
<i>Fund Balances Beginning of Year</i>	26,061	1,048	98,817	106,730	107,579	13,861	354,096
<i>Fund Balances End of Year</i>	<u>\$36,213</u>	<u>\$20,626</u>	<u>\$115,398</u>	<u>\$100,262</u>	<u>\$145,248</u>	<u>\$17,677</u>	<u>\$435,424</u>

See accompanying notes to the basic financial statements

**Green Township, Scioto County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*General Fund*  
*For the Year Ended December 31, 2006*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$98,150	\$102,680	\$102,680	\$0
Fines, Licenses and Permits	11,751	11,760	11,760	0
Intergovernmental	65,753	92,178	92,178	0
Interest	2,972	15,081	15,081	0
Miscellaneous	575	4,602	4,602	0
<i>Total Receipts</i>	179,201	226,301	226,301	0
<b>Disbursements</b>				
Current:				
General Government	137,263	137,130	137,130	0
Public Works	14,700	20,000	20,000	0
Health	58,500	58,393	58,393	0
<i>Total Disbursements</i>	210,463	215,523	215,523	0
<i>Excess of Receipts Over (Under) Disbursements</i>	(31,262)	10,778	10,778	0
<b>Other Financing Sources (Uses)</b>				
Transfers Out		(1,123)	(1,123)	0
Advances In		1,700	1,700	0
Advances Out		(1,700)	(1,700)	0
<i>Total Other Financing Sources (Uses)</i>	0	(1,123)	(1,123)	0
<i>Net Change in Fund Balance</i>	(31,262)	9,655	9,655	0
<i>Fund Balance Beginning of Year</i>	25,581	25,581	25,581	0
Prior Year Encumbrances Appropriated	480	480	480	0
<i>Fund Balance End of Year</i>	(\$5,201)	\$35,716	\$35,716	\$0

See accompanying notes to the basic financial statements

**Green Township, Scioto County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Road and Bridge Fund*  
*For the Year Ended December 31, 2006*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$117,000	\$121,014	\$121,014	\$0
Intergovernmental	8,000	39,292	39,292	0
Miscellaneous	100	1,118	1,118	0
<i>Total Receipts</i>	<u>125,100</u>	<u>161,424</u>	<u>161,424</u>	<u>0</u>
<b>Disbursements</b>				
Current:				
Public Works	<u>125,549</u>	<u>145,248</u>	<u>145,248</u>	<u>0</u>
<i>Total Disbursements</i>	<u>125,549</u>	<u>145,248</u>	<u>145,248</u>	<u>0</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(449)</u>	<u>16,176</u>	<u>16,176</u>	<u>0</u>
<i>Fund Balance Beginning of Year</i>	748	748	748	0
Prior Year Encumbrances Appropriated	<u>300</u>	<u>300</u>	<u>300</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$599</u></u>	<u><u>\$17,224</u></u>	<u><u>\$17,224</u></u>	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements

**Green Township, Scioto County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Police Fund*  
*For the Year Ended December 31, 2006*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$65,500	\$66,109	\$66,109	\$0
Intergovernmental	4,500	22,083	22,083	0
<i>Total Receipts</i>	70,000	88,192	88,192	0
<b>Disbursements</b>				
Current:				
Public Safety	102,000	71,611	71,611	0
<i>Total Disbursements</i>	102,000	71,611	71,611	0
<i>Excess of Receipts Over (Under) Disbursements</i>	(32,000)	16,581	16,581	0
<i>Fund Balance Beginning of Year</i>	98,817	98,817	98,817	0
Prior Year Encumbrances Appropriated	0	0	0	0
<i>Fund Balance End of Year</i>	\$66,817	\$115,398	\$115,398	\$0

See accompanying notes to the basic financial statements

**Green Township, Scioto County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Fire Fund*  
*For the Year Ended December 31, 2006*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$131,000	\$131,978	\$131,978	\$0
Intergovernmental	9,000	59,814	59,814	0
Miscellaneous	1,000	128	128	0
<i>Total Receipts</i>	141,000	191,920	191,920	0
<b>Disbursements</b>				
Current:				
Public Safety	161,082	115,738	115,738	0
Capital Outlay	75,897	26,354	26,354	0
Debt Service:				
Principal Retirement	4,776	53,067	53,067	0
Interest and Fiscal Charges		4,776	4,776	0
<i>Total Disbursements</i>	241,755	199,935	199,935	0
<i>Excess of Receipts Over (Under) Disbursements</i>	(100,755)	(8,015)	(8,015)	0
<i>Fund Balance Beginning of Year</i>	102,025	102,025	102,025	0
Prior Year Encumbrances Appropriated	4,705	4,705	4,705	0
<i>Fund Balance End of Year</i>	\$5,975	\$98,715	\$98,715	\$0

See accompanying notes to the basic financial statements



**Green Township, Scioto County**  
*Statement of Receipts, Disbursements and Changes  
 In Fund Balance - Budget and Actual - Budget Basis  
 Emergency Management Services Fund  
 For the Year Ended December 31, 2006*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$323,000	\$334,740	\$334,740	\$0
Intergovernmental	22,000	122,651	122,651	0
Miscellaneous	1,183	15,220	15,220	0
<i>Total Receipts</i>	<u>346,183</u>	<u>472,611</u>	<u>472,611</u>	<u>0</u>
<b>Disbursements</b>				
Current:				
Public Safety	439,935	437,039	437,039	0
Capital Outlay	5,000	1,463	1,463	0
<i>Total Disbursements</i>	<u>444,935</u>	<u>438,502</u>	<u>438,502</u>	<u>0</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(98,752)</u>	<u>34,109</u>	<u>34,109</u>	<u>0</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In		1,123	1,123	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>1,123</u>	<u>1,123</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(98,752)	35,232	35,232	0
<i>Fund Balance Beginning of Year</i>	107,470	107,470	107,470	0
Prior Year Encumbrances Appropriated	109	109	109	0
<i>Fund Balance End of Year</i>	<u>\$8,827</u>	<u>\$142,811</u>	<u>\$142,811</u>	<u>\$0</u>

See accompanying notes to the basic financial statements

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**Green Township, Scioto County**  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2007 and 2006

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**Note 1 – Reporting Entity**

The Green Township, Scioto County, Ohio (the Township), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a three-member Board of Trustees elected at large for four year terms. The Township also has an elected Township Fiscal Officer.

The reporting entity is comprised of the primary government, component units 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, cemetery maintenance, fire protection and emergency medical services. Police protection is provided by the Scioto County Sheriff's Department.

**B. Component Units**

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Township is obligated for the debt of the organization. The Township is also financially accountable for any organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Township, are accessible to the Township and are significant in amount to the Township.

The Township has no component units.

**C. Joint Ventures**

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. Under the cash basis of accounting, the Township does not report assets for equity interests in joint ventures.

The Township has no joint ventures.

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

**Green Township, Scioto County**  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2007 and 2006

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**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. Following are the more significant of the Township's accounting policies.

**A. Basis of Presentation**

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

**Government-Wide Financial Statements**

The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. 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 and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts, 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. All funds of the Township are governmental funds.

**Governmental Funds**

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g., grants), and other nonexchange transactions as governmental funds. The Township's major governmental funds are the General Fund, Road and Bridge Fund, Police Fund, Fire Fund, and the Emergency Management Services 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. The Road and Bridge Fund is used to account for road work done by the Township. The Police Fund receives property tax money to provide police protection to residents of the Township. The Fire Fund receives property tax

**Green Township, Scioto County**  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2007 and 2006

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money to provide fire protection to residents of the Township. The Emergency Management Services Fund receives property tax money to provide ambulatory services to residents of the Township. The other governmental funds of the Township account for taxes and other resources whose use is restricted to a particular purpose.

C. Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. 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 expenses and liabilities) 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 Board of Trustees may appropriate.

The appropriations resolution is the Board of Trustees' authorization to spend resources and sets limits on cash disbursements plus encumbrances at the level of control selected by the Board of Trustees. The legal level of control has been established at the fund 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 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 certificated of estimated resources in effect at the time final appropriations were passed by the Board of Trustees.

The appropriations resolution 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 resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board of Trustees during the year.

E. Cash and Cash Equivalents

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 of the cash management pool and investments with an original maturity of three months or less at the time of purchase 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.

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 (contra revenue), respectively.

**Green Township, Scioto County**  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2007 and 2006

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During 2006 and 2007, the Township only had investments in a repurchase agreement sweep account which are reported at cost.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2007 and 2006 were \$21,328 and \$15,081, respectively, and \$1,360 and \$819, respectively, was credited to other Township funds.

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. Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's cash basis of accounting.

I. Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

J. Long-Term Obligations

The Township's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure are reported at inception. Lease payments are reported when paid.

K. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for operations of the fire department, emergency management services department and maintenance of roads.

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. Net assets restricted for other purposes include resources restricted for Road and Bridge Fund, Police Fund, Fire Fund and Emergency Management Services Fund.

L. 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. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances.

**Green Township, Scioto County**  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2007 and 2006

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**M. Interfund Transactions**

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

**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, Road and Bridge Fund, Police Fund, Fire Fund, and Emergency Management Services Fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). In 2007, the encumbrances outstanding at year end (budgetary basis) amounted to \$245 for the General Fund and \$42 for the Road and Bridge Fund. In 2006, the encumbrances outstanding at year end (budgetary basis) amounted to \$497 for the General Fund, \$3,402 for the Road and Bridge Fund, \$1,547 for the Fire Fund, \$2,437 for the Emergency Management Services Fund and \$366 for the Other Governmental Funds.

**Note 4 – Deposits**

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 Board has 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

**Green Township, Scioto County**  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2007 and 2006

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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) of Ohio Rev. Code Section 135.18 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 (STAROhio).

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.

#### Deposits

Custodial credit risk for deposits 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, the carrying amount of the Township's deposits was \$551,469 and the bank balance was \$632,050. Of the bank balance, \$632,050 was covered by the Federal Deposit Insurance Corporation or collateralized. At December 31, 2006, the carrying amount of the Township's deposits was \$435,424 and the bank balance was \$464,358. Of the bank balance, \$464,358 was covered by the Federal Deposit Insurance Corporation or collateralized. Although all State Statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the Township to a successful claim by the Federal Deposit Insurance Corporation.

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. 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 2006 became a lien on December 31, 2003, 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.



**Green Township, Scioto County**  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2007 and 2006

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Tangible personal property tax receipts received in 2007 (other than public utility property) represent the collection of 2007 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 years ended December 31, 2007 and 2006, was 11.55 mills. The assessed values of real property, public utility property, and tangible personal property upon which property tax receipts were based are as follows:

	<u>2007</u>	<u>2006</u>
Real Property		
Residential/Agriculture	\$51,804,030	\$46,682,900
Public Utility Property	9,211,150	9,442,850
Tangible Personal Property	<u>10,532,460</u>	<u>19,591,220</u>
Total Assessed Value	<u>\$71,547,640</u>	<u>\$75,716,970</u>

**Note 6 – Risk Management**

**Commercial Insurance**

The Township has obtained commercial insurance for the following risks:

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

**Note 7 – Defined Benefit Pension Plan**

**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.

**Green Township, Scioto County**  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2007 and 2006

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For the year ended December 31, 2007, the members of all three plans were required to contribute 9.5 percent of their annual covered salaries. The Township's contribution rate for pension benefits for 2007 was 13.85 percent. For the year ended December 31, 2006, the members of all three plans were required to contribute 9 percent of their annual covered salaries. The Township's contribution rate for pension benefits for 2006 was 13.7 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2007, 2006, and 2005 were \$47,154, \$43,939, and \$43,782 respectively. The full amount has been contributed for 2007, 2006 and 2005.

**Note 8 - Postemployment Benefits**

**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 benefit recipients and qualified survivor benefit 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; 5.00 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2006, include a rate of return on investments of 6.50 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 0.50 percent and 6.3 percent based on additional annual pay increases. Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 0.50 to 8 percent annually for the next eight years and 4 percent annually beyond that.

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, not to exceed a 12 percent corridor.

The number of active contributing participants in the traditional and combined plans was 374,979. The number of active contributing participants for both plans in the December 31, 2006 actuarial valuation was 362,130. The actual contributions for 2007 and 2006 which were used to fund postemployment benefits were \$17,023 and \$14,433, respectively. The actuarial value of OPERS's net assets available for payment of benefits at December 31, 2006, (the latest information available) was \$12.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$30.7 billion and \$18.7 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. To improve the solvency of the Health Care Fund, OPERS created a separate investment pool for health care assets. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which will allow additional funds to be allocated to the health care plan.

**Green Township, Scioto County**  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2007 and 2006

**Note 9 – Debt**

The Township's long-term debt activity for the year ended December 31, 2007, was as follows:

	Interest Rate	Balance December 31, 2006	Additions	Reductions	Balance December 31, 2007
<b>Governmental Activities</b>					
General Obligation Bonds:					
Fire Truck Bond (2003)	2.80%	\$44,290		\$44,290	\$0
Fire Truck Bond (2005)	3.98%	49,000		10,000	39,000
Backhoe Bond (2007)	4.50%		\$40,000		40,000
Total		<u>\$93,290</u>	<u>\$40,000</u>	<u>\$54,290</u>	<u>\$79,000</u>

The Township's long-term debt activity for the year ended December 31, 2006, was as follows:

	Interest Rate	Balance December 31, 2005	Additions	Reductions	Balance December 31, 2006
<b>Governmental Activities</b>					
General Obligation Bonds:					
Fire Truck Bond (2003)	2.80%	\$87,356		\$43,066	\$44,290
Fire Truck Bond (2005)	3.98%	59,000		10,000	49,000
Total		<u>\$146,356</u>	<u>\$0</u>	<u>\$53,066</u>	<u>\$93,290</u>

The general obligation bonds are supported by the full faith and credit of the Township and are payable from unvoted property tax receipts to the extent that other resources are not available to meet annual principal and interest payments.

The following is a summary of the Township's future annual debt service requirements:

	Governmental Type Activity Debt		
	Principal	Interest	Total
2008	\$59,000	\$3,217	\$62,217
2009	20,000	900	20,900
Total	<u>\$79,000</u>	<u>\$4,117</u>	<u>\$83,117</u>

The Ohio Revised Code provides that net general obligation debt of the Township, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the Township. The Revised Code further provides that total voted and unvoted net debt of the Township less the same exempt debt shall never exceed amount equal to 10.5 percent of its tax valuation. The effects of the debt limitations at December 31, 2007 and 2006 respectively were an overall debt margin of \$7,433,502 and \$7,856,992 and an unvoted debt margin of \$3,856,120 and \$4,071,143.

**Green Township, Scioto County**  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2007 and 2006

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**Note 10 – Interfund Transfers**

The following transfers were made:

<u>From:</u>	<u>To:</u>	<u>2006 Amount</u>
General Fund	Emergency Management Services Fund	\$1,123

**Note 11 – Contingent Liabilities**

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**Note 12 – Subsequent Events**

On January 24, 2008, the Board of Trustees approved the purchase of a 2008 Ford E-450 Chassis from MEDTEC Ambulance at a cost of \$128,169.



# 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*

Green Township  
Scioto County  
3427 Jr. Furnace Powellsville Road  
Franklin Furnace, Ohio 45629

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Green Township, Scioto County, Ohio (the Township), as of and for the years ended December 31, 2007 and 2006, which collectively comprise the Township's basic financial statements and have issued our report thereon dated July 21, 2008, wherein, we noted the Township revised its financial presentation comparable to the requirements of Governmental Accounting Standards Board Statement 34. We also 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. 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 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 opinion 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.

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We consider the following deficiency described in the accompanying Schedule of Findings to be a significant deficiency in internal control over financial reporting: 2007-002.

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, of the significant deficiencies described above, we believe finding number 2007-002 is also a material weakness.

We also noted certain internal control matters that we reported to the Township's management in a separate letter dated July 21, 2008.

#### **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 an instance of noncompliance or other matters that we must report under *Government Auditing Standards*, which is described in the accompanying Schedule of Findings as item 2007-001.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated July 21, 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

July 21, 2008

**GREEN TOWNSHIP  
SCIOTO COUNTY**

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

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**Finding Number 2007-001**

**Noncompliance Citation**

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 Sections 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.

**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 one 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.

Eighty percent (80%) of disbursements tested in 2006 and seventy percent (70%) of disbursements tested in 2007 had invoice dates preceding the encumbrance date. Failure to certify the availability of funds properly can result in overspending funds and negative cash fund balances.

Unless the Township uses the exceptions noted above, prior certification is not only required by statute but is also 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 the Fiscal Officer certify that 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.

**GREEN TOWNSHIP  
SCIOTO COUNTY**

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

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**Finding Number 2007-001 (Continued)**

**Noncompliance Citation - Ohio Rev. Code Section 5705.41(D)(1) (Continued)**

We recommend the Township officials and employees obtain the Fiscal Officer's certification of the availability of funds prior to the commitment being incurred. The most convenient certification method is to use purchase orders that include the certificate language of Section 5705.41(D) requires to authorize disbursements. The Fiscal Officer should sign the certification at the time the Township incurs the commitment, and only when the requirements of Section 5705.41(D) are satisfied. The Fiscal Officer should post approved purchase orders to the proper appropriation code to reduce the available appropriation.

**Finding Number 2007-002**

**Material Weakness**

Sound financial reporting is the responsibility of the fiscal officer and governing board and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

As a result of the audit procedures performed, the following errors were noted in the financial statements for that required audit reclassification:

- \* In 2006, Fire and Emergency Management Services monies totaling \$15,350 were posted as Miscellaneous Revenue instead of Intergovernmental Revenue.
- \* In 2006, personal property tax exemption reimbursement, public utilities deregulation monies and payments in lieu of taxes, totaling \$214,445, were posted as Taxes in the General Fund, Road and Bridge Fund, Fire Fund, Police Fund and Emergency Management Services Fund instead of as Intergovernmental Receipts.
- \* In 2007, personal property tax exemption reimbursement and public utilities deregulation monies, totaling \$36,635, were posted as Taxes in the General Fund, Road and Bridge Fund, Fire Fund, Police Fund and Emergency Management Services Fund instead of as Intergovernmental Receipts.
- \* In 2007, payments in lieu of taxes and other monies from Scioto County Auditor, totaling \$254,641, were posted as Miscellaneous Revenue in the General Fund, Road and Bridge Fund, Fire Fund, Police Fund and Emergency Management Services Fund instead of as Intergovernmental Receipts.
- \* In 2006, County Auditor deductions for the Board of Health, totaling \$59,807, were posted as Public Safety expenditures instead of Health expenditures in the General Fund.

To ensure the Township's financial statements and notes to the financial statements are complete and accurate, the Township should adopt policies and procedures, including a final review of the statements and notes by the Fiscal Officer or Board of Trustees, to identify and correct errors or omissions.

**Officials' Response:**

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





**Mary Taylor, CPA**  
Auditor of State

**GREEN TOWNSHIP**

**SCIOTO 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  
AUGUST 7, 2008**