



Dave Yost • Auditor of State

**MONROE TOWNSHIP
LICKING COUNTY**

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MONROE TOWNSHIP
LICKING COUNTY

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Monroe Township
Licking County
9444 Woodhaven Road
Johnstown, Ohio 43031

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Monroe Township, Licking County, Ohio (the Township), as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Township's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

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 Monroe Township, Licking County, Ohio, as of December 31, 2014 and 2013, and the respective changes in cash financial position and the budgetary comparison for the General, Fire Special Levy, and Fire & Rescue Ambulance EMS Service Funds thereof for the years then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

We draw attention to Note 2 of the financial statements, which describes the accounting basis. The financial statements are prepared on the cash basis of accounting, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2015, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



Dave Yost
Auditor of State

Columbus, Ohio

December 3, 2015

**MONROE TOWNSHIP
LICKING COUNTY, OHIO**

**STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2014**

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 2,241,888
<i>Total Assets</i>	<u>\$ 2,241,888</u>
Net Position	
Restricted for:	
Capital Projects	\$ 8,729
Permanent Fund Purpose:	
Expendable	3,236
Nonexpendable	5,000
Roads & Bridges	119,191
Fire Operations	1,890,663
Emergency Medical Services	89,564
Other Purposes	30,699
Unrestricted	<u>94,806</u>
<i>Total Net Position</i>	<u>\$ 2,241,888</u>

See accompanying notes to the basic financial statements

**MONROE TOWNSHIP
LICKING COUNTY, OHIO**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Cash Disbursements	Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Current:				
General Government	\$ 211,408	\$ 11,710	\$ 17,314	\$ (182,384)
Public Safety	2,119,177	999,788	245,876	(873,513)
Public Works	238,267	-	105,408	(132,859)
Health	64,399	48,350	-	(16,049)
Capital Outlay	354,822	-	-	(354,822)
Debt Service:				
Principal Retirement	46,293	-	-	(46,293)
Interest and Fiscal Charges	10,133	-	-	(10,133)
Total Governmental Activities	\$ 3,044,499	\$ 1,059,848	\$ 368,598	(1,616,053)
General Receipts:				
Property Taxes Levied for:				
				132,976
				1,329,759
				55,389
Grants and Entitlements not Restricted to Specific Programs				
				45,626
				35,150
				3,936
				8,722
				<u>1,611,558</u>
				Change in Net Position (4,495)
				<u>Net Position Beginning of Year 2,246,383</u>
				<u>Net Position End of Year \$ 2,241,888</u>

See accompanying notes to the basic financial statements

**MONROE TOWNSHIP
LICKING COUNTY, OHIO**

**STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
DECEMBER 31, 2014**

	General	Fire Special Levy	Fire & Rescue Ambulance EMS Service	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 94,806	\$ 1,890,663	\$ 89,564	\$ 166,855	\$ 2,241,888
<i>Total Assets</i>	<u>\$ 94,806</u>	<u>\$ 1,890,663</u>	<u>\$ 89,564</u>	<u>\$ 166,855</u>	<u>\$ 2,241,888</u>
Fund Balances					
Nonspendable	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000
Restricted	-	1,890,663	89,564	161,855	2,142,082
Assigned	91,472	-	-	-	91,472
Unassigned (Deficit)	3,334	-	-	-	3,334
<i>Total Fund Balances</i>	<u>\$ 94,806</u>	<u>\$ 1,890,663</u>	<u>\$ 89,564</u>	<u>\$ 166,855</u>	<u>\$ 2,241,888</u>

See accompanying notes to the basic financial statements

**MONROE TOWNSHIP
LICKING COUNTY, OHIO**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	General	Fire Special Levy	Fire & Rescue Ambulance EMS Service	Other Governmental Funds	Total Governmental Funds
Receipts					
Property and Other Local Taxes	\$ 132,976	\$ 1,329,759	\$ -	\$ 55,389	\$ 1,518,124
Charges for Services	-	600,341	399,447	-	999,788
Licenses, Permits and Fees	11,710	-	-	25,250	36,960
Intergovernmental	62,940	173,139	41,717	105,408	383,204
Earnings on Investments	3,813	-	-	123	3,936
Miscellaneous	169	39,156	-	23,517	62,842
<i>Total Receipts</i>	<u>211,608</u>	<u>2,142,395</u>	<u>441,164</u>	<u>209,687</u>	<u>3,004,854</u>
Disbursements					
Current:					
General Government	211,408	-	-	-	211,408
Public Safety	-	1,794,755	324,422	-	2,119,177
Public Works	99,427	-	-	138,840	238,267
Health	10,182	-	-	54,217	64,399
Capital Outlay	13,165	89,341	198,582	53,734	354,822
Debt Service:					
Principal Retirement	4,900	24,231	-	17,162	46,293
Interest and Fiscal Charges	2,279	7,597	-	257	10,133
<i>Total Disbursements</i>	<u>341,361</u>	<u>1,915,924</u>	<u>523,004</u>	<u>264,210</u>	<u>3,044,499</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(129,753)</u>	<u>226,471</u>	<u>(81,840)</u>	<u>(54,523)</u>	<u>(39,645)</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	35,150	-	-	-	35,150
<i>Total Other Financing Sources (Uses)</i>	<u>35,150</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,150</u>
<i>Net Change in Fund Balances</i>	(94,603)	226,471	(81,840)	(54,523)	(4,495)
<i>Fund Balances Beginning of Year</i>	189,409	1,664,192	171,404	221,378	2,246,383
<i>Fund Balances End of Year</i>	<u>\$ 94,806</u>	<u>\$ 1,890,663</u>	<u>\$ 89,564</u>	<u>\$ 166,855</u>	<u>\$ 2,241,888</u>

See accompanying notes to the basic financial statements

**MONROE TOWNSHIP
LICKING COUNTY, OHIO**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL - BUDGET BASIS -
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 150,182	\$ 150,182	\$ 132,976	\$ (17,206)
Licenses, Permits and Fees	17,341	16,743	11,710	(5,033)
Intergovernmental	66,711	64,413	62,940	(1,473)
Earnings on Investments	6,670	6,440	3,813	(2,627)
Miscellaneous	10,672	45,491	169	(45,322)
<i>Total Receipts</i>	<u>251,576</u>	<u>283,269</u>	<u>211,608</u>	<u>(71,661)</u>
Disbursements				
Current:				
General Government	252,923	252,923	211,408	41,515
Public Works	64,000	64,000	99,427	(35,427)
Health	12,500	12,500	10,182	2,318
Capital Outlay	54,000	54,000	13,165	40,835
Debt Service:				
Principal Retirement	4,900	4,900	4,900	-
Interest and Fiscal Charges	2,279	2,279	2,279	-
<i>Total Disbursements</i>	<u>390,602</u>	<u>390,602</u>	<u>341,361</u>	<u>49,241</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(139,026)</u>	<u>(107,333)</u>	<u>(129,753)</u>	<u>(22,420)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	-	-	35,150	35,150
Other Financing Uses	(50,000)	(50,000)	-	(50,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(50,000)</u>	<u>(50,000)</u>	<u>35,150</u>	<u>(14,850)</u>
<i>Net Change in Fund Balance</i>	(189,026)	(157,333)	(94,603)	62,730
<i>Unencumbered Fund Balance Beginning of Year</i>	<u>189,409</u>	<u>189,409</u>	<u>189,409</u>	<u>-</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 383</u>	<u>\$ 32,076</u>	<u>\$ 94,806</u>	<u>\$ 62,730</u>

See accompanying notes to the basic financial statements

**MONROE TOWNSHIP
LICKING COUNTY, OHIO**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
SPECIAL FIRE LEVY FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$ 1,501,823	\$ 1,501,823	\$ 1,329,759	\$ (172,064)
Charges for Services	456,010	456,010	600,341	144,331
Intergovernmental	24,577	24,577	173,139	148,562
Earnings on Investments	983	983	-	(983)
Miscellaneous	17,695	17,695	39,156	21,461
<i>Total Receipts</i>	<u>2,001,088</u>	<u>2,001,088</u>	<u>2,142,395</u>	<u>141,307</u>
Disbursements				
Current:				
Public Safety	2,745,600	2,745,600	1,803,625	941,975
Capital Outlay	867,000	867,000	89,341	777,659
Debt Service:				
Principal Retirement	24,231	24,231	24,231	-
Interest and Fiscal Charges	7,597	7,597	7,597	-
<i>Total Disbursements</i>	<u>3,644,428</u>	<u>3,644,428</u>	<u>1,924,794</u>	<u>1,719,634</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(1,643,340)</u>	<u>(1,643,340)</u>	<u>217,601</u>	<u>1,860,941</u>
Other Financing (Uses)				
Other Financing Uses	(20,000)	(20,000)	-	20,000
<i>Total Other Financing Sources (Uses)</i>	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>	<u>20,000</u>
<i>Net Change in Fund Balance</i>	(1,663,340)	(1,663,340)	217,601	1,880,941
<i>Unencumbered Fund Balance Beginning of Year</i>	1,652,664	1,652,664	1,652,664	-
Prior Year Encumbrances Appropriated	11,528	11,528	11,528	-
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 852</u>	<u>\$ 852</u>	<u>\$ 1,881,793</u>	<u>\$ 1,880,941</u>

See accompanying notes to the basic financial statements

**MONROE TOWNSHIP
LICKING COUNTY, OHIO**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FIRE & RESCUE AMBULANCE EMS SERVICES FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Charges for Services	\$ 395,176	\$ 395,176	\$ 399,447	\$ 4,271
Intergovernmental	-	-	41,717	41,717
<i>Total Receipts</i>	395,176	395,176	441,164	45,988
Disbursements				
Current:				
Public Safety	389,315	389,315	324,422	64,893
Capital Outlay	180,000	180,000	198,582	(18,582)
<i>Total Disbursements</i>	569,315	569,315	523,004	46,311
<i>Net Change in Fund Balance</i>	(174,139)	(174,139)	(81,840)	92,299
<i>Unencumbered Fund Balance Beginning of Year</i>	171,404	171,404	171,404	-
<i>Unencumbered Fund Balance End of Year</i>	\$ (2,735)	\$ (2,735)	\$ 89,564	\$ 92,299

See accompanying notes to the basic financial statements

**MONROE TOWNSHIP
LICKING COUNTY, OHIO**

**STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2013**

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 2,246,383
<i>Total Assets</i>	\$ 2,246,383
 Net Position	
Restricted for:	
Capital Projects	\$ 8,715
Permanent Fund Purpose:	
Expendable	3,221
Nonexpendable	5,000
Roads & Bridges	114,654
Fire Operations	1,664,191
Emergency Medical Services	171,404
Other Purposes	89,789
Unrestricted	189,409
<i>Total Net Position</i>	\$ 2,246,383

See accompanying notes to the basic financial statements

**MONROE TOWNSHIP
LICKING COUNTY, OHIO**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Cash Disbursements	Program Cash Receipts			Net (Disbursements) Receipts and
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Total
Governmental Activities					
Current:					
General Government	\$ 198,396	\$ 13,119	\$ 53,129	\$ -	\$ (132,148)
Public Safety	1,956,638	889,644	175,027	-	(891,967)
Public Works	273,562	-	99,471	179,912	5,821
Health	35,602	45,912	-	-	10,310
Capital Outlay	648,681	-	-	-	(648,681)
Debt Service:					
Principal Retirement	39,817	-	-	-	(39,817)
Interest and Fiscal Charges	10,183	-	-	-	(10,183)
Total Governmental Activities	\$ 3,162,879	\$ 948,675	\$ 327,627	\$ 179,912	(1,706,665)
General Receipts:					
Property Taxes Levied for:					
					134,143
					1,341,431
					56,283
					1,816
					4,494
					36,514
					49,000
					<u>1,623,681</u>
					Change in Net Position (82,984)
					Net Position Beginning of Year <u>2,329,367</u>
					Net Position End of Year <u>\$ 2,246,383</u>

See accompanying notes to the basic financial statements

**MONROE TOWNSHIP
LICKING COUNTY, OHIO**

**STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
DECEMBER 31, 2013**

	General	Fire Special Levy	Fire & Rescue Ambulance Service	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 189,409	\$ 1,664,192	\$ 171,404	\$ 221,378	\$ 2,246,383
<i>Total Assets</i>	<u>\$ 189,409</u>	<u>\$ 1,664,192</u>	<u>\$ 171,404</u>	<u>\$ 221,378</u>	<u>\$ 2,246,383</u>
Fund Balances					
Nonspendable	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000
Restricted	-	1,664,192	171,404	216,378	2,051,974
Committed	49,000	-	-	-	49,000
Assigned	140,409	-	-	-	140,409
<i>Total Fund Balances</i>	<u>\$ 189,409</u>	<u>\$ 1,664,192</u>	<u>\$ 171,404</u>	<u>\$ 221,378</u>	<u>\$ 2,246,383</u>

See accompanying notes to the basic financial statements

**MONROE TOWNSHIP
LICKING COUNTY, OHIO**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	General	Fire Special Levy	Fire & Rescue Ambulance Service	Other Governmental Funds	Total Governmental Funds
Receipts					
Property and Other Local Taxes	\$ 134,143	\$ 1,341,431	\$ -	\$ 56,283	\$ 1,531,857
Charges for Services	-	494,467	395,177	-	889,644
Licenses, Permits and Fees	11,283	-	-	24,965	36,248
Intergovernmental	54,945	175,027	-	278,950	508,922
Earnings on Investments	4,333	-	-	161	4,494
Miscellaneous	12,299	1,410	-	45,567	59,276
<i>Total Receipts</i>	<u>217,003</u>	<u>2,012,335</u>	<u>395,177</u>	<u>405,926</u>	<u>3,030,441</u>
Disbursements					
Current:					
General Government	198,396	-	-	-	198,396
Public Safety	-	1,673,610	283,028	-	1,956,638
Public Works	16,817	-	-	256,745	273,562
Health	10,448	-	-	25,154	35,602
Capital Outlay	44,755	242,958	170,603	190,365	648,681
Debt Service:					
Principal Retirement	-	23,155	-	16,662	39,817
Interest and Fiscal Charges	494	8,674	-	1,015	10,183
<i>Total Disbursements</i>	<u>270,910</u>	<u>1,948,397</u>	<u>453,631</u>	<u>489,941</u>	<u>3,162,879</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(53,907)</u>	<u>63,938</u>	<u>(58,454)</u>	<u>(84,015)</u>	<u>(132,438)</u>
Other Financing Sources (Uses)					
Other Debt Proceeds	49,000	-	-	-	49,000
Transfers In	-	-	-	10,539	10,539
Transfers Out	-	-	-	(10,539)	(10,539)
<i>Total Other Financing Sources (Uses)</i>	<u>49,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,000</u>
<i>Net Change in Fund Balances</i>	(4,907)	63,938	(58,454)	(84,015)	(83,438)
<i>Fund Balances Beginning of Year</i>	<u>194,316</u>	<u>1,600,254</u>	<u>229,858</u>	<u>305,393</u>	<u>2,329,821</u>
<i>Fund Balances End of Year</i>	<u>\$ 189,409</u>	<u>\$ 1,664,192</u>	<u>\$ 171,404</u>	<u>\$ 221,378</u>	<u>\$ 2,246,383</u>

**MONROE TOWNSHIP
LICKING COUNTY, OHIO**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 147,276	\$ 147,276	\$ 134,143	\$ (13,133)
Licenses, Permits and Fees	8,658	8,658	11,283	2,625
Intergovernmental	13,785	13,785	54,945	41,160
Earnings on Investments	3,764	3,764	4,333	569
Miscellaneous	6,023	6,023	12,299	6,276
<i>Total Receipts</i>	<u>179,506</u>	<u>179,506</u>	<u>217,003</u>	<u>37,497</u>
Disbursements				
Current:				
General Government	241,395	241,395	198,396	42,999
Public Works	17,000	17,000	16,817	183
Health	12,500	12,500	10,448	2,052
Capital Outlay	53,930	53,930	44,755	9,175
Debt Service:				
Interest and Fiscal Charges	494	494	494	-
<i>Total Disbursements</i>	<u>325,319</u>	<u>325,319</u>	<u>270,910</u>	<u>54,409</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(145,813)</u>	<u>(145,813)</u>	<u>(53,907)</u>	<u>91,906</u>
Other Financing Sources (Uses)				
Other Debt Proceeds	-	-	49,000	49,000
Other Financing Uses	(50,000)	(50,000)	-	50,000
<i>Total Other Financing Sources (Uses)</i>	<u>(50,000)</u>	<u>(50,000)</u>	<u>49,000</u>	<u>99,000</u>
<i>Net Change in Fund Balance</i>	(195,813)	(195,813)	(4,907)	190,906
<i>Unencumbered Fund Balance Beginning of Year</i>	191,816	191,816	191,816	-
Prior Year Encumbrances Appropriated	2,500	2,500	2,500	-
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ (1,497)</u>	<u>\$ (1,497)</u>	<u>\$ 189,409</u>	<u>\$ 190,906</u>

See accompanying notes to the basic financial statements

**MONROE TOWNSHIP
LICKING COUNTY, OHIO**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
SPECIAL FIRE LEVY FUND
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 1,472,756	\$ 1,472,756	\$ 1,341,431	\$ (131,325)
Charges for Services	330,351	330,351	494,467	164,116
Intergovernmental	21,365	21,365	175,027	153,662
Earnings on Investments	712	712	-	(712)
Miscellaneous	12,819	12,819	1,410	(11,409)
<i>Total Receipts</i>	<u>1,838,003</u>	<u>1,838,003</u>	<u>2,012,335</u>	<u>174,332</u>
Disbursements				
Current:				
Public Safety	2,541,011	2,541,011	1,685,138	855,873
Capital Outlay	859,702	859,702	242,958	616,744
Debt Service:				
Principal Retirement	23,155	23,155	23,155	-
Interest and Fiscal Charges	8,674	8,674	8,674	-
<i>Total Disbursements</i>	<u>3,432,542</u>	<u>3,432,542</u>	<u>1,959,925</u>	<u>1,472,617</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(1,594,539)</u>	<u>(1,594,539)</u>	<u>52,410</u>	<u>1,646,949</u>
Other Financing (Uses)				
Other Financing Uses	(40,000)	(40,000)	-	40,000
<i>Total Other Financing Sources (Uses)</i>	<u>(40,000)</u>	<u>(40,000)</u>	<u>-</u>	<u>40,000</u>
<i>Net Change in Fund Balance</i>	(1,634,539)	(1,634,539)	52,410	1,686,949
<i>Unencumbered Fund Balance Beginning of Year</i>	1,565,713	1,565,713	1,565,713	-
Prior Year Encumbrances Appropriated	34,541	34,541	34,541	-
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ (34,285)</u>	<u>\$ (34,285)</u>	<u>\$ 1,652,664</u>	<u>\$ 1,686,949</u>

See accompanying notes to the basic financial statements

**MONROE TOWNSHIP
LICKING COUNTY, OHIO**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FIRE & RESCUE AMBULANCE EMS SERVICES FUND
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Charges for Services	\$ 393,491	\$ 393,491	\$ 395,177	\$ 1,686
<i>Total Receipts</i>	<u>393,491</u>	<u>393,491</u>	<u>395,177</u>	<u>1,686</u>
Disbursements				
Current:				
Public Safety	444,000	444,000	283,028	160,972
Capital Outlay	180,000	180,000	170,603	9,397
<i>Total Disbursements</i>	<u>624,000</u>	<u>624,000</u>	<u>453,631</u>	<u>170,369</u>
<i>Net Change in Fund Balance</i>	(230,509)	(230,509)	(58,454)	172,055
<i>Unencumbered Fund Balance Beginning of Year</i>	100,906	100,906	100,906	-
Prior Year Encumbrances Appropriated	128,952	128,952	128,952	-
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ (651)</u>	<u>\$ (651)</u>	<u>\$ 171,404</u>	<u>\$ 172,055</u>

See accompanying notes to the basic financial statements

**MONROE TOWNSHIP
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014 AND 2013**

Note 1 – Reporting Entity

Monroe Township, Licking 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 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, component units and other organizations that were included to ensure that the financial statements are not misleading.

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 and fire protection. Police protection is provided by Licking County Sheriff's office.

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. Component units may also include organizations for which the Township authorizes the issuance of debt or the levying of taxes or determines the budget if there is also the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Township. The Township has no component units.

Public Entity Risk Pools

The Township participates in a public entity risk pool. Note 7 to the financial statements provide additional information for this entity. This organization is:

Public Entity Risk Pool:
Ohio Township Association Risk Management Authority

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 the Basis of Accounting section of this Note, 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.

**MONROE TOWNSHIP
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014 AND 2013
(Continued)**

Note 2 – Summary of Significant Accounting Policies (Continued)

Basis of Presentation

The Township's basic financial statements consist of government-wide financial statements, including a statement of net position 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 position and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the Township that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. The Township does not have any Business-type activities.

The statement of net position presents the cash and cash equivalents 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 are 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. Non-major funds are aggregated and presented in a single column.

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 only present governmental funds.

Governmental Funds- The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other non-exchange transactions as governmental funds. The following are the Township's major governmental funds.

General- The General Fund accounts for and reports all financial resources not accounted for and reported 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.

Fire Special Levy Fund- The Special Fire Levy Fund collects property tax revenue and charges for services to provide fire protection to the Township and other residents.

**MONROE TOWNSHIP
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014 AND 2013
(Continued)**

Note 2 – Summary of Significant Accounting Policies (Continued)

Fire & Rescue Ambulance EMS Service Fund- The Fire & Rescue Ambulance EMS Service Fund collects Charges for Services for ambulance and EMS services.

The other governmental funds of the Township account for and report grants and other resources, whose use is restricted, committed or assigned to a particular purpose.

Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, 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. Any such modifications made by the Township are described in the appropriate section in this note.

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.

Budgetary Process

All funds, except agency 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 fund, department, and 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, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

**MONROE TOWNSHIP
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014 AND 2013
(Continued)**

Note 2 – Summary of Significant Accounting Policies (Continued)

Cash and Investments

Township records identify the purchase of specific investments by specific funds.

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.

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 2014, the Township invested in nonnegotiable certificates of deposit and STAR Ohio.

STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2014.

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.

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.

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.

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 8 and 9, the employer contributions include portions for pension benefits and for postretirement healthcare benefits.

**MONROE TOWNSHIP
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014 AND 2013
(Continued)**

Note 2 – Summary of Significant Accounting Policies (Continued)

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 is reported at inception. Lease payments are reported when paid.

Net Position

Net position is 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 position restricted for other purposes include resources restricted for Fire and Ambulatory services. The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net positions are available.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Township is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable- The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Restricted- Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed- The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of Township Trustees. Those committed amounts cannot be used for any other purpose unless the Township Trustees remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned- Amounts in the assigned fund balance classification are intended to be used by the Township for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

**MONROE TOWNSHIP
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014 AND 2013
(Continued)**

Note 2 – Summary of Significant Accounting Policies (Continued)

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

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 non-operating 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 – Compliance

Budgetary expenditures exceeded appropriation authority for the year ended December 31, 2014 as follows:

<u>Fund / Line Item</u>	<u>Variance with Final Budget</u>
General Fund	
Public Works	(\$35,427)
Fire & Rescue Ambulance EMS Services Fund	
Capital Outlay	(18,582)

Note 4 – 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 – Budgetary Basis presented for the General, Fire Special Levy, and Fire & Rescue Ambulance EMS Service Funds 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 disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis) (and outstanding year end advances are treated as an other financing source or use (budgetary basis) rather than as an interfund receivable or payable (cash basis)). Encumbrances outstanding at year end (budgetary basis) amounted to \$8,870 and \$11,528 in 2014 and 2013, respectively, in the Special Fire Services Levy Fund.

Note 5 – 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.

**MONROE TOWNSHIP
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014 AND 2013
(Continued)**

Note 5 – Deposits and Investments (Continued)

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 two 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).

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. Payment for investments may be made only upon delivery of the securities representing the investments to the clerk/treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**MONROE TOWNSHIP
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014 AND 2013
(Continued)**

Note 5 – Deposits and Investments (Continued)

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 year-end 2014, \$1,476,111 of the Township's bank balance of \$1,726,111 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. At year-end 2013, \$1,432,298 of the Township's bank balance of \$1,682,298 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.

Investments

As of December 31, 2014, the Township had the following investments:

	Fair Value	Maturity
Certificate of Deposit	\$8,236	03/27/15
STAR Ohio	674,183	
Total Portfolio	\$682,419	

As of December 31, 2013, the Township had the following investments:

	Fair Value	Maturity
Certificate of Deposit	\$8,220	03/27/14
STAR Ohio	674,175	
Total Portfolio	\$682,395	

Note 6 – Property Taxes

Property taxes include amounts levied against all real and public utility property located in the Township. Property tax revenue received during 2014 and 2013 for real and public utility property taxes represents collections of 2013 and 2012 taxes.

2014 real property taxes are levied after October 1, 2014, on the assessed value as of January 1, 2014, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2014 real property taxes are collected in and intended to finance 2015, and 2013 real property taxes are collected in and intended to finance 2013.

**MONROE TOWNSHIP
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014 AND 2013
(Continued)**

Note 6 – Property Taxes (Continued)

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2014 public utility property taxes which became a lien December 31, 2013, are levied after October 1, 2014, and are collected in 2015 with real property taxes. 2013 public utility property taxes which became a lien December 31, 2012, are levied after October 1, 2013, and are collected in 2014 with real property taxes.

The full tax rate for all Township operations for the year ended December 31, 2014, was \$8.00 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2014 property tax receipts were based are as follows:

Real Property	\$3,737,734,580
Public Utility Personal Property	165,124,610
Total	<u>\$3,902,859,190</u>

The full tax rate for all Township operations for the year ended December 31, 2013, was \$7.70 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2013 property tax receipts were based are as follows:

Real Property	\$3,643,244,550
Public Utility Personal Property	159,952,690
Total	<u>\$3,803,197,240</u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Township. The County Auditor periodically remits to the Township its portion of the taxes collected.

Note 7 – 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.

York Risk Pooling Services, Inc. (formally known as American Risk Pooling Consultants, Inc.) (York or Management), functions as the administrator of the Pool and provides underwriting claims, loss control, risk management, and reinsurance services for the Pool. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

**MONROE TOWNSHIP
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014 AND 2013
(Continued)**

Note 7 – Risk Management (Continued)

Casualty and Property Coverage

The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2014, OTARMA retained \$350,000 for casualty claims and \$250,000 for property claims.

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

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, 2013 and 2014;

	<u>2014</u>	<u>2013</u>
Assets	\$ 35,970,263	\$ 34,771,270
Liabilities	<u>(8,912,432)</u>	<u>(8,486,363)</u>
Net Position	<u>\$ 27,057,831</u>	<u>\$ 26,467,923</u>

At December 31, 2013 and 2014, respectively, the liabilities above include approximately \$7.9 and \$8.2 million of estimated incurred claims payable. The assets above also include approximately \$7.4 and \$7.2 million of unpaid claims to be billed to approximately 957 member governments in the future, as of December 31, 2013 and 2014, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2014, the Township's share of these unpaid claims collectible in future years is approximately \$16,000.

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.

Contributions to OTARMA

	<u>2014</u>	<u>2013</u>
	\$ 28,449	\$ 29,973

After one year of membership, a member may withdraw on the anniversary of the date of joining OTARMA, if the member notifies OTARMA in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution.

**MONROE TOWNSHIP
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014 AND 2013
(Continued)**

Note 7 – Risk Management (Continued)

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.

Note 8 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

Plan Description – The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension 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. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, 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 Pension 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. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for public safety employer units.

Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll for members in the State and local divisions and 12 percent for public safety members. For the year ended December 31, 2014, members in the state and local divisions contributed 10 percent of covered payroll while public safety members contributed 10.75 percent, respectively. For the year ended December 31, 2013, members in the state and local divisions and public safety members contributed 10 percent of covered payroll.

The Township's 2014 and 2013 contribution rate was 14.0 percent, except for those plan members in public safety, for whom the Township's contribution was 18.10 percent of covered payroll. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits.

The Township's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2014, 2013, and 2012 were \$30,102, \$24,972, and \$21,790, respectively; 100 percent has been contributed for 2014, 2013, and 2012

**MONROE TOWNSHIP
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014 AND 2013
(Continued)**

Note 8 – Defined Benefit Pension Plan (Continued)

Ohio Police and Fire Pension Fund

Plan Description – The Township contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries.

Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code requires plan members to contribute 10.0 percent of their annual covered salary, while employers are required to contribute 24.0 percent for firefighters.

The OP&F Pension Fund is authorized by the Ohio Revised Code to allocate a portion of the employer contributions to retiree health care benefits. The portion of employer contributions used to fund pension benefits was and 18.10 percent of covered payroll for firefighters. The Township's contributions to OP&F for firefighters pension were \$248,997 the year ended December 31, 2014, \$229,612 for the year ended December 31, 2013, and \$220,279 for the year ended December 31, 2012, respectively. For 2014, 100 percent for firefighters has been contributed. The full amount has been contributed for 2013 and 2012.

Note 9 - Postemployment Benefits

Ohio Public Employees Retirement System

Plan Description – Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. The plan includes a medical plan, prescription drug program and Medicare Part B premium reimbursement.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

**MONROE TOWNSHIP
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014 AND 2013
(Continued)**

Note 9 - Postemployment Benefits (Continued)

Funding Policy – The post-employment health care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2014, state and local employers contributed at a rate of 14.0 percent of covered payroll, and public safety contributed at 18.10 percent. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for public safety employer units.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits.

The portion of employer contributions allocated to health care for members in the Traditional Plan and Combined Plan was 2.0 percent for 2014. Effective January 1, 2015 the portion of employer contributions allocated to health care remains at 2.0 percent for both plans as recommended by the OPERS Actuary.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment health care plan.

The Township's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2014, 2013, and 2012 were \$853, \$856 and \$9,416, respectively; 100 percent has been contributed for all years.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012 with a transition plan commencing January 1, 2014. With the passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4.0 percent of the employer contributions toward the health care fund after the end of the transition period.

Ohio Police and Fire Pension Fund

Plan Description – The Township contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost-sharing multiple-employer defined post-employment health care plan administered by OP&F. OP&F provides health care benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long-term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

**MONROE TOWNSHIP
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014 AND 2013
(Continued)**

Note 9 - Postemployment Benefits (Continued)

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required by Ohio Revised Code to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5 percent and 24.0 percent of covered payroll for fire employers, respectively. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2014 and 2013, the employer contribution allocated to the health care plan was 6.75 percent of covered payroll.

The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Township's contributions to OP&F which were allocated to fund post-employment health care benefits for firefighters were \$23,810, for the year ended December 31, 2014, \$21,957 for the year ended December 31, 2013, \$82,604 for the year ended December 31, 2012. The full amount has been contributed for 2014, 2013, and 2012.

Note 10 – Debt

The Township's long-term debt activity for the year ended December 31, 2014, was as follows:

	Amount Outstanding 12/31/13	Additions	Deletions	Amount Outstanding 12/31/14	Amounts Due in One Year
Governmental Activities:					
Fire Truck	\$ 163,373	\$ -	\$ 24,231	\$ 139,142	\$ 25,358
Salt Building	49,000	-	4,900	44,100	4,900
Ford F550	17,161	-	17,161	-	-
	<u>\$ 229,534</u>	<u>\$ -</u>	<u>\$ 46,292</u>	<u>\$ 183,242</u>	<u>\$ 30,258</u>

The Township's long-term debt activity for the year ended December 31, 2013, was as follows:

**MONROE TOWNSHIP
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014 AND 2013
(Continued)**

Note 10 – Debt (Continued)

	Amount			Amount	Amounts
	Outstanding			Outstanding	Due in
	12/31/12	Additions	Deletions	12/31/13	One Year
Governmental Activities:					
Fire Truck	\$ 186,528	\$ -	\$ 23,155	\$ 163,373	\$ 24,231
Salt Building	-	49,000	-	49,000	4,900
Ford F550	33,823	-	16,662	17,161	17,161
	<u>\$ 220,351</u>	<u>\$ 49,000</u>	<u>\$ 39,816</u>	<u>\$ 229,535</u>	<u>\$ 46,292</u>

In 2009, general obligation note in the amount of \$250,000 from Heartland Bank was used to purchase a fire truck for fire services. Payments are made annually with 4.65% interest. The note is collateralized by the fire truck.

In 2012, a general obligation note in the amount of \$50,000 from the Heartland Bank was used to purchase a 2012 Ford F-550 and related equipment for the Road and Bridge Fund. Payments are made annually with 3.0% interest. The note is collateralized by the truck and equipment.

In 2013, a general obligation note in the amount of \$49,000 from the Heartland Bank was used to purchase a building for salt storage and related equipment for the Road and Bridge Fund. Payments are made annually with 4.65% interest. The note is collateralized by the building

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

Year	General Obligation Notes	
	Principal	Interest
2015	\$ 30,258	\$ 7,341
2016	31,437	5,879
2017	32,671	4,360
2018	33,963	2,781
2019-2023	54,914	3,418
Total	<u>\$ 183,243</u>	<u>\$ 23,778</u>

Note 11 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Township is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below for 2014:

**MONROE TOWNSHIP
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014 AND 2013
(Continued)**

Note 11 – Fund Balances (Continued)

Fund Balances	General	Special Fire Levy	Fire & Rescue Ambulance EMS Service Fund	Other Governmental Funds	Total
Nonspendable					
Trust	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000
<i>Total Nonspendable</i>	-	-	-	5,000	5,000
Restricted for:					
Road and Bridge Fund	-	-	-	84,561	84,561
Cemetery Fund	-	-	-	35,914	35,914
Fire & Ambulatory Services Fund	-	1,890,663	89,564	41,380	2,021,607
<i>Total Restricted</i>	-	1,890,663	89,564	161,855	2,142,082
Assigned to					
Subsequent Year Appropriations	91,472	-	-	-	91,472
<i>Total Assigned</i>	91,472	-	-	-	91,472
Unassigned (Deficit)	3,334	-	-	-	3,334
<i>Total Fund Balances</i>	<u>\$ 94,806</u>	<u>\$ 1,890,663</u>	<u>\$ 89,564</u>	<u>\$ 166,855</u>	<u>\$ 2,241,888</u>

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**MONROE TOWNSHIP
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014 AND 2013
(Continued)**

Note 11 – Fund Balances (Continued)

Amounts for December 31, 2013 are as follows:

Fund Balances	General	Special Fire Levy	Fire & Rescue Ambulance EMS Service Fund	Other Governmental Funds	Total
Nonspendable					
Trust	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000
<i>Total Nonspendable</i>	-	-	-	5,000	5,000
Restricted for					
Road and Bridge	-	-	-	80,024	80,024
Cemetery	-	-	-	94,989	94,989
Fire & Ambulatory Services	-	1,664,192	171,404	-	1,835,596
Capital Projects	-	-	-	41,365	41,365
<i>Total Restricted</i>	-	1,664,192	171,404	216,378	2,051,974
Committed to					
Salt Building	49,000	-	-	-	49,000
<i>Total Committed</i>	49,000	-	-	-	49,000
Assigned to					
Subsequent Year Appropriations	140,409	-	-	-	140,409
<i>Total Assigned</i>	140,409	-	-	-	140,409
<i>Total Fund Balances</i>	<u>\$ 189,409</u>	<u>\$ 1,664,192</u>	<u>\$ 171,404</u>	<u>\$ 221,378</u>	<u>\$ 2,246,383</u>

Note 12 – Subsequent Events

On February 18, 2015, the Township issued \$85,000 in a general obligation note with Heartland Bank. The note is for five years with an interest rate of 3.25% and was used to purchase road equipment.

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Dave Yost • Auditor of State

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

Monroe Township
Licking County
9444 Woodhaven Road
Johnstown, Ohio 43031

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Monroe Township, Licking County, Ohio (the Township), as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements and have issued our report thereon dated December 3, 2015, wherein we note the Township uses a special framework other than generally accepted accounting principles.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Township's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Township's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2014-001 to be 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, opining 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 we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2014-002.

Township's Response to the Finding

The Township's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Township's responses and, accordingly, we express no opinion on them.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dave Yost
Auditor of State

Columbus, Ohio

December 3, 2015

**MONROE TOWNSHIP
LICKING COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2014 AND 2013**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2014-001

Financial Statement Presentation – Material Weakness

Sound financial reporting is the responsibility of the Fiscal Officer and the Trustee and is an essential control to help ensure the information provided to the readers of the financial statements is complete and accurate.

The following errors were noted in the General Fund in 2014 and 2013, respectively:

- Intergovernmental revenues were understated \$17,314 and \$18,980,
- Sale of Assets of \$35,150 and Proceeds of Loan of \$49,000 were not reflected in the financial statements, and
- Assigned and Committed Fund Balances of \$91,472 and \$189,408 were not reflected in the financial statements.

The following error was noted in the Special Fire Levy Fund in 2014 and 2013, respectively:

- Intergovernmental revenues were understated \$173,139 and \$171,837.

The following errors were noted in Governmental Activities in 2014 and 2013, respectively:

- Charges for Service Program Revenues were understated \$399,447 and \$395,177,
- Property Tax General Revenues were overstated \$199,042 and \$197,421,
- Miscellaneous General Revenues were overstated \$35,150 and \$54,205, and
- Restricted for Other Purposes was understated \$94,805 and \$189,409.

In addition to the above, the following errors were identified in the Township's budgetary statements:

- General Fund: Estimated resources were understated \$29,434 in 2014 and overstated \$94,196 in 2013.
- Special Fire Levy Fund: Estimated resources were overstated \$179,310 and \$228,532 in 2014 and 2013, respectively, and
- Fire & Rescue Ambulance EMS Services Fund: Estimated resources were overstated \$146,540 and \$128,509, while appropriations were overstated \$23,000 and \$128,762 in 2014 and 2013, respectively.

As a result, inaccurate financial reports are being provided to the Trustees to aid in management decisions, which could lead to errors or irregularities occurring which could go undetected by management. A monitoring system should be in place to prevent or detect material misstatements for the accurate presentation of the Township's financial statements.

**MONROE TOWNSHIP
LICKING COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2014 AND 2013
(Continued)**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

FINDING NUMBER 2014-001

Financial Statement Presentation – Material Weakness (Continued)

Not posting receipts, disbursements and budgetary amounts accurately to the ledgers resulted in the financial statements requiring numerous audit reclassifications and adjusting entries. Furthermore, inaccurate accounting records could make it difficult for the Board of Trustees to effectively manage and budget for the Township's activities, including budgetary totals posted to the Township's ledgers.

The Township's financial statements and budgetary schedules have been adjusted to accurately reflect the proper line item classifications and budget totals.

The Township's Fiscal Officer should take steps to help ensure the accurate posting of all transactions to the ledgers. Cash receipts and disbursements should be posted in accordance with procedures and posting guidelines established in the Uniform Accounting Network line item descriptions. By exercising accuracy in recording financial activity, the Township can help reduce posting errors and increase the reliability of the financial data throughout the year. Additionally, budget numbers posted to the Township's ledgers should reflect budget numbers filed with the County Budget Commission.

Also, the Township should implement additional procedures over the completeness and accuracy of financial information reported within the annual financial report. Such procedures may include review of the financial statements and related components with analytical comparisons of the current year annual report to the prior year reports for obvious errors or omissions.

Officials' Response:

Monroe Township will move forward and take all changes that need to be made to have a better managed township. Will continue to grow and learn the proper procedures of the township business.

FINDING NUMBER 2014-002

Appropriation Amendments

Ohio Rev. Code §5705.40 states that any appropriation ordinance or measure may be amended or supplemented, provided that such amendment or supplement shall comply with all provisions of law governing the taxing authority in making an original appropriation and that no appropriation for any purpose shall be reduced below an amount sufficient to cover all unliquidated and outstanding contracts or obligations certified from or against the appropriation.

The fiscal officer amended appropriation measures in the UAN system without the approval of the Board of Trustees during 2013 and 2014. As a result, the Township materially misstated the budgetary statements identified in Finding 2014-001 above.

**MONROE TOWNSHIP
LICKING COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2014 AND 2013
(Continued)**

<p>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</p>

FINDING NUMBER 2014-002

Appropriation Amendments (Continued)

Ohio Rev. Code §5705.39 states that no appropriation measure shall become effective until the county auditor files with the appropriating authority a certificate that the total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed such official estimate or amended official estimate. Therefore, the failure to submit approved appropriation amendments to the County Budget Commission resulted in ineffective appropriation measures.

The Trustees should approve all appropriation measures, including amendments. Once approved, the appropriation measures should be sent to the County Budget Commission for certification.

Officials' Response:

Monroe Township will move forward and take all changes that need to be made to have a better managed township. Will continue to grow and learn the proper procedures of the township business.

**MONROE TOWNSHIP
LICKING COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2014 AND 2013**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2012-01	Financial Statements Adjustments – Material Weakness	No	Repeated as Finding 2014-001



Dave Yost • Auditor of State

MONROE TOWNSHIP

LICKING 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
JANUARY 7, 2016**