



**GREEN TOWNSHIP
MONROE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999 - 1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**GREEN TOWNSHIP
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REPORT OF INDEPENDENT ACCOUNTANTS

Green Township
Monroe County
P.O. Box 14
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To the Board of Trustees:

We have audited the accompanying financial statements of Green Township, Monroe County, Ohio, (the Township) as of and for the years ended December 31, 1999 and 1998. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Green Township, Monroe County, as of December 31, 1999 and 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2000, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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

A handwritten signature in black ink, appearing to read "Jim Petro".

Jim Petro
Auditor of State

July 31, 2000

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

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts:				
Property Tax and Other Local Taxes	\$7,913	\$772	\$	\$8,685
Intergovernmental Receipts	3,314	72,634	7,143	83,091
Earnings on Investments	236	622		858
Miscellaneous	154	182		336
Total Cash Receipts	<u>11,617</u>	<u>74,210</u>	<u>7,143</u>	<u>92,970</u>
Cash Disbursements:				
Current:				
General Government	11,227	30		11,257
Public Safety	480	892		1,372
Public Works		87,057		87,057
Human Services	50			50
Debt Service:				
Note Principal Payments		5,179	5,098	10,277
Note Interest Payments		658	2,045	2,703
Total Cash Disbursements	<u>11,757</u>	<u>93,816</u>	<u>7,143</u>	<u>112,716</u>
Total Receipts Over/(Under) Disbursements	<u>(140)</u>	<u>(19,606)</u>	<u>0</u>	<u>(19,746)</u>
Other Financing Receipts:				
Operating Transfers-In	1,462			1,462
Operating Transfers-Out		(1,462)		(1,462)
Total Other Financing Receipts	<u>1,462</u>	<u>(1,462)</u>	<u>0</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>1,322</u>	<u>(21,068)</u>	<u>0</u>	<u>(19,746)</u>
Fund Cash Balances, January 1	<u>188</u>	<u>44,363</u>	<u>0</u>	<u>44,551</u>
Fund Cash Balances, December 31	<u><u>\$1,510</u></u>	<u><u>\$23,295</u></u>	<u><u>\$0</u></u>	<u><u>\$24,805</u></u>

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

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

	<u>Governmental Fund Types</u>			<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts:				
Property Tax and Other Local Taxes	\$5,128	\$2,331	\$	\$7,459
Intergovernmental Receipts	3,538	112,325	7,143	123,006
Earnings on Investments	346	419		765
Miscellaneous	571	8,171		8,742
Total Cash Receipts	<u>9,583</u>	<u>123,246</u>	<u>7,143</u>	<u>139,972</u>
Cash Disbursements:				
Current:				
General Government	9,422	451		9,873
Public Safety	480	854		1,334
Public Works	316	82,368		82,684
Human Services	50			50
Debt Service:				
Note Principal Payments		4,859	4,727	9,586
Note Interest Payments		978	2,416	3,394
Total Cash Disbursements	<u>10,268</u>	<u>89,510</u>	<u>7,143</u>	<u>106,921</u>
Total Receipts Over/(Under) Disbursements	<u>(685)</u>	<u>33,736</u>	<u>0</u>	<u>33,051</u>
Fund Cash Balances, January 1	<u>873</u>	<u>10,627</u>	<u>0</u>	<u>11,500</u>
Fund Cash Balances, December 31	<u>\$188</u>	<u>\$44,363</u>	<u>\$0</u>	<u>\$44,551</u>

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Green Township, Monroe County, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides general governmental services, including road and bridge maintenance, cemetery maintenance, and fire protection. The Township contracts with the Clarrington Volunteer Fire Department, Sardis Volunteer Fire Department, and the Antioch and Community Volunteer Fire Department to provide fire services

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

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

C. Fund Accounting

The Township uses fund accounting to segregate cash that is restricted as to use. The Township classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

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

Motor Vehicle License Tax Fund - This fund receives motor vehicle license tax money for constructing, maintaining and repairing Township roads.

Federal Emergency Management Agency (FEMA) Fund - This fund receives grant monies for repairs after damages from a natural disaster.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

3. Debt Service Fund

This fund is used to accumulate resources for the payment of note indebtedness. The Township established a note retirement fund to retire a note that was issued to purchase a grader.

D. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reapportioned in the subsequent year.

A summary of 1999 and 1988 budgetary activity appears in Note 3.

E. Property, Plant and Equipment

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

2. EQUITY IN POOLED CASH

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

	<u>1999</u>	<u>1998</u>
Demand deposits	\$24,805	\$44,551

Deposits: The Township's deposits are insured by the Federal Deposit Insurance Corporation.

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and 1998, follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$12,271	\$13,079	\$808
Special Revenue	55,374	74,210	18,836
Debt Service	7,143	7,143	0
Total	\$74,788	\$94,432	\$19,644

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$12,575	\$11,757	\$818
Special Revenue	114,447	95,278	19,169
Debt Service	7,143	7,143	0
Total	\$134,165	\$114,178	\$19,987

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$9,501	\$9,583	\$82
Special Revenue	54,219	123,246	69,027
Debt Service	7,143	7,143	0
Total	\$70,863	\$139,972	\$69,109

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$10,268	\$10,268	\$0
Special Revenue	122,220	89,510	32,710
Debt Service	7,143	7,143	0
Total	\$139,631	\$106,921	\$32,710

At December 31, 1999 and 1998, the Gasoline Tax and FEMA Funds' appropriations exceeded estimated resources.

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

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

5. DEBT

Debt outstanding at December 31, 1999, was as follows:

	Principal	Interest Rate
General Obligation Notes - Grader	\$26,831	7.00%
Capital Lease	7,441	

The general obligation notes were issued to finance the purchase of a grader to be used for Township road maintenance. The Capital Lease relates to an Equipment Lease-Purchase Agreement with the Ford Motor Credit Company for a 1997 Ford Dump Truck to be used for the maintenance of roads within the Township. The notes are collateralized solely by the Township's taxing authority.

Amortization of the above debt, including interest, is scheduled as follows:

Year ending December 31:	Capital Lease	General Obligation Notes
2000	\$5,837	\$7,143
2001	1,946	7,143
2002		7,143
2003		7,143
2004		3,571
Total	\$7,783	\$32,143

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

6. RETIREMENT SYSTEMS

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

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1988, members of PERS contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 1999.

7. RISK MANAGEMENT

The Township is a member of the Ohio Municipal League Joint Self Insurance Pool (the Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool may assess supplemental premiums. The following risks are covered by the Pool:

- General liability and casualty
- Public official's liability
- Vehicle

8. CONTINGENT LIABILITY

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

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

Green Township
Monroe County
P.O. Box 14
Laings, Ohio 43752

To the Board of Trustees:

We have audited the accompanying financial statements of Green Township, Monroe County, Ohio, (the Township) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated July 31, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying Schedule of Findings as item 1999-41056-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated July 31, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated July 31, 2000.

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

This report is intended for the information and use of the management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

July 31, 2000

**GREEN TOWNSHIP
SCHEDULE OF FINDINGS
DECEMBER 31, 1999 AND 1988**

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

FINDING NUMBER 1999-41056-001

Noncompliance Citation

Ohio Rev. Code Section 5705.39 prohibits a political subdivision or taxing unit from making a fund appropriation in excess of the estimated revenue available for expenditure from the fund as certified by the Budget Commission on the official certificate of estimated resources.

At December 31, 1999, the Gasoline Tax and FEMA Funds' appropriations exceeded estimated resources by \$13,558 and \$1,151, respectively.

At December 31, 1998, the Gasoline Tax and FEMA Funds' appropriations exceeded estimated resources by \$3,374 and \$54,000, respectively.

We recommend the Township compare appropriations to estimated revenue for each fund when the annual appropriation resolution is adopted and when supplemental amendments are passed to help ensure amounts appropriated do not exceed estimated revenues.



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GREEN TOWNSHIP

MONROE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 19, 2000**