



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Report of Independent Accountants .....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types and Non-Expendable Trust Fund - For the Year Ended December 31, 1999 .....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types and Non-Expendable Trust Fund For the Year Ended December 31, 1998 .....	4
Notes to the Financial Statements .....	5
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	11

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## REPORT OF INDEPENDENT ACCOUNTANTS

Green Township  
Ross County  
10153 State Route 159  
P.O. Box 759  
Kingston, OH 45644

Board of Trustees:

We have audited the accompanying financial statements of Green Township, Ross County, Ohio, (the Township) as of and for the years ended December 31, 1999 and December 31, 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 the Township as of December 31, 1999 and December 31, 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 March 3, 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 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.

**JIM PETRO**  
Auditor of State

March 3, 2000

**Green Township**



**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES AND NON-EXPENDABLE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>				<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Non-Expendable Trust</u>	
<b>Cash Receipts:</b>					
Local Taxes	\$45,884	\$251,175	\$0	\$0	\$297,059
Intergovernmental	51,448	82,976	0	0	134,424
Charges for Services	0	1,650	0	0	1,650
Licenses, Permits, and Fees	0	5,550	0	0	5,550
Earnings on Investments	16,775	1,117	0	339	18,231
Other Revenue	989	19,568	0	0	20,557
<b>Total Cash Receipts</b>	<b>115,096</b>	<b>362,036</b>	<b>0</b>	<b>339</b>	<b>477,471</b>
<b>Cash Disbursements:</b>					
Current:					
General Government	84,323	0	0	0	84,323
Public Safety	0	144,803	0	0	144,803
Public Works	0	130,332	0	0	130,332
Health	0	2,549	0	0	2,549
Debt Service:					
Redemption of Principal	0	0	16,005	0	16,005
Interest and Fiscal Charges	0	0	2,003	0	2,003
Capital Outlay	0	16,900	0	0	16,900
<b>Total Cash Disbursements</b>	<b>84,323</b>	<b>294,584</b>	<b>18,008</b>	<b>0</b>	<b>396,915</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>30,773</b>	<b>67,452</b>	<b>(18,008)</b>	<b>339</b>	<b>80,556</b>
<b>Other Financing Receipts/(Disbursements):</b>					
Transfers-In	0	0	17,685	0	17,685
Transfers-Out	(17,685)	0	0	0	(17,685)
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(17,685)</b>	<b>0</b>	<b>17,685</b>	<b>0</b>	<b>0</b>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<b>13,088</b>	<b>67,452</b>	<b>(323)</b>	<b>339</b>	<b>80,556</b>
<b>Fund Cash Balances, January 1, 1999</b>	<b>93,272</b>	<b>484,616</b>	<b>323</b>	<b>8,295</b>	<b>586,506</b>
<b>Fund Cash Balances, December 31, 1999</b>	<b>\$106,360</b>	<b>\$552,068</b>	<b>\$0</b>	<b>\$8,634</b>	<b>\$667,062</b>
<b>Reserve for Encumbrances, December 31, 1999</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES AND NON-EXPENDABLE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>				<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Non-Expendable Trust</u>	
<b>Cash Receipts:</b>					
Local Taxes	\$39,270	\$224,542	\$0	\$0	\$263,812
Intergovernmental	77,092	78,115	0	0	155,207
Special Assessments	0	0	0	0	0
Charges for Services	0	0	0	0	0
Licenses, Permits, and Fees	0	7,255	0	0	7,255
Fines, Forfeitures, and Penalties	0	0	0	0	0
Earnings on Investments	12,976	1,267	0	373	14,616
Other Revenue	11,449	40,361	0	0	51,810
<b>Total Cash Receipts</b>	<u>140,787</u>	<u>351,540</u>	<u>0</u>	<u>373</u>	<u>492,700</u>
<b>Cash Disbursements:</b>					
Current:					
General Government	78,513	460	0	0	78,973
Public Safety	0	63,881	0	0	63,881
Public Works	338	110,248	0	0	110,586
Health	0	4,250	0	0	4,250
Miscellaneous	0	33,381	0	0	33,381
Debt Service:					
Redemption of Principal	0	0	12,000	0	12,000
Interest and Fiscal Charges	0	0	2,677	0	2,677
<b>Total Cash Disbursements</b>	<u>78,851</u>	<u>212,220</u>	<u>14,677</u>	<u>0</u>	<u>305,748</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>61,936</u>	<u>139,320</u>	<u>(14,677)</u>	<u>373</u>	<u>186,952</u>
<b>Other Financing Receipts/(Disbursements):</b>					
Transfers-In	0	0	15,000	0	15,000
Transfers-Out	(15,000)	0	0	0	(15,000)
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>(15,000)</u>	<u>0</u>	<u>15,000</u>	<u>0</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	46,936	139,320	323	373	186,952
Fund Cash Balances, January 1, 1998	46,336	345,224	0	7,922	399,482
<b>Fund Cash Balances, December 31, 1998</b>	<u>\$93,272</u>	<u>\$484,544</u>	<u>\$323</u>	<u>\$8,295</u>	<u>\$586,434</u>
Reserve for Encumbrances, December 31, 1998	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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



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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Green Township, Ross County, Ohio, (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, fire protection and emergency medical services. The Township contracts with Pickaway Township, Pickaway County to provide fire services and Haller Services, Inc., to provide ambulance 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. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

**C. Cash and Investments**

Certificates of deposit, are valued at cost.

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 disbursements, respectively.

**D. Fund Accounting**

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

**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:

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

**2. Special Revenue Funds (Continued)**

Road and Bridge Fund - This fund receives property tax money for constructing, maintaining and repairing Township roads and bridges.

Fire District Fund - This fund receives property tax money and intergovernmental revenue to provide fire protection for the Township and surrounding areas.

**3. Debt Service Funds**

The debt service fund is used to accumulate resources for the payment of bonds and note indebtedness. The Township had the following significant Debt Service Fund:

Note Retirement Fund - This fund accumulates resources for the repayment of the note outstanding with Kingston National Bank for Township Hall.

**4. Fiduciary Funds (Non-Expendable Trust)**

This fund is used to account for resources restricted by legally binding trust agreement, which requires the Township to maintain the corpus of the trust. The Township had the following non-expendable trust fund:

Cemetery Bequest Non-Expendable Trust Fund - This fund receives interest revenue which is utilized for maintenance and upkeep of the township cemetery.

**E. 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 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 unencumbered 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 re-appropriated in the subsequent year.

A summary of 1998 and 1999 budgetary activity appears in Note 3.

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. 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 AND INVESTMENTS**

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

	<u>1999</u>	<u>1998</u>
Demand deposits	\$550,614	\$476,178
Certificates of deposit	<u>116,449</u>	<u>110,259</u>
Total deposits	<u><u>667,063</u></u>	<u><u>586,437</u></u>

**Deposits:** Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending March 3, 2000 follows:

**1999 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$104,517	\$115,096	\$10,579
Special Revenue	339,651	362,036	22,385
Debt Service	18,000	17,685	(315)
Non-Expendable Trust	<u>412</u>	<u>339</u>	<u>(73)</u>
Total	<u><u>\$462,580</u></u>	<u><u>\$495,156</u></u>	<u><u>\$32,576</u></u>

**1999 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$192,845	\$102,008	\$90,837
Special Revenue	812,422	294,584	517,838
Debt Service	18,823	18,008	815
Non-Expendable Trust	<u>2,709</u>	<u>0</u>	<u>2,709</u>
Total	<u><u>\$1,026,799</u></u>	<u><u>\$414,600</u></u>	<u><u>\$612,199</u></u>

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

**3. BUDGETARY ACTIVITY(Continued)**

**1998 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$82,073	\$140,787	\$58,714
Special Revenue	313,149	351,540	38,391
Debt Service	15,000	15,000	0
Non-Expendable Trust	400	373	(27)
Total	<u>\$410,622</u>	<u>\$507,700</u>	<u>\$97,078</u>

**1998 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$128,409	\$93,851	\$34,558
Special Revenue	658,373	212,220	446,153
Debt Service	15,000	14,677	323
Non-Expendable Trust	0	0	0
Total	<u>\$801,782</u>	<u>\$320,748</u>	<u>\$481,034</u>

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by 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:

	<u>Principal</u>	<u>Interest Rate</u>
General Obligation Notes	23,000	5%
Total	<u>\$23,000</u>	

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

**5. DEBT (Continued)**

The note outstanding with Kingston National Bank relates to the purchase of Township Hall, payments are made annually. A new note is issued each year for the remaining unpaid balance until the note is paid in full. The note has to be paid in full by April, 2003.

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

Year ending December 31:	General Obligation Notes
2000	<u>\$23,000</u>
Total	<u><u>\$23,000</u></u>

**6. RETIREMENT SYSTEMS**

The Township's full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plans. The 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 1998 and 1999, 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 has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Wrongful Acts

The Township also provides health insurance to full-time employees through a private carrier.

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

Green Township  
Ross County  
10153 State Route 159  
P.O. Box 759  
Kingston, Ohio 45544

To the Board of Trustees:

We have audited the accompanying financial statements of Green Township, Ross County, Ohio (the Township), as of and for the years ended December 31, 1999 and December 31, 1998, and have issued our report thereon dated March 3, 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated March 3, 2000.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered 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 March 3, 2000.

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

**JIM PETRO**  
Auditor of State

March 3, 2000





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**GREEN TOWNSHIP**

**ROSS COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
APRIL 18, 2000**