



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 1999	3
Combined Statement of Cash Receipts and Changes in Fund Cash Balances – Similar Fiduciary Fund Types – For the Year Ended December 31, 1999	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 1998	5
Combined Statement of Cash Receipts and Changes in Fund Cash Balances – Similar Fiduciary Fund Types – For the Year Ended December 31, 1998	6
Notes to the Financial Statements	7
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	11

THIS PAGE INTENTIONALLY LEFT BLANK



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

Voinovich Government Center
242 Federal Plaza West
Suite 302
Youngstown, Ohio 44503
Telephone 330-797-9900
800-443-9271
Facsimile 330-797-9949
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Monroe Township
Harrison County
90200 Mill Hill Road
PO Box 249
Bowerston, Ohio 44695-0249

To the Board of Trustees:

We have audited the accompanying financial statements of Monroe Township, Harrison 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 and reserves for encumbrances of the Monroe Township 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 April 19, 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 audit committee, 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

April 19, 2000

Monroe 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>	
Cash Receipts:			
Local Taxes	\$9,542	\$54,463	\$64,005
Intergovernmental	13,868	69,350	83,218
Earnings on Investments	1,236	849	2,085
Other Revenue	262	5,513	5,775
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	24,908	130,175	155,083
Cash Disbursements:			
Current:			
General Government	16,947	10,297	27,244
Public Safety		35,855	35,855
Public Works		84,545	84,545
Health	1,168		1,168
Capital Outlay	500	16,320	16,820
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	18,615	147,017	165,632
Total Receipts Over/(Under) Disbursements	<hr/>	<hr/>	<hr/>
	6,293	(16,842)	(10,549)
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>
	13,629	78,462	92,091
Fund Cash Balances, December 31	<hr/> \$19,922 <hr/>	<hr/> \$61,620 <hr/>	<hr/> \$81,542 <hr/>

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

**COMBINED STATEMENT OF CASH RECEIPTS AND
CHANGES IN FUND CASH BALANCES -
SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Fiduciary Funds</u>		<u>Totals (Memorandum Only)</u>
	<u>Non-Expendable Trust</u>	<u>Agency</u>	
Operating Receipts:			
Interest	\$301		\$301
Total Operating Receipts	301		301
Operating Income	301		301
Fund Cash Balances, January 1	8,421	\$7,500	15,921
Fund Cash Balances, December 31	<u>\$8,722</u>	<u>\$7,500</u>	<u>\$16,222</u>

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
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$9,953	\$56,944	\$66,897
Intergovernmental	13,783	77,468	91,251
Earnings on Investments	1,371	739	2,110
Other Revenue	<u>2,213</u>	<u>4,397</u>	<u>6,610</u>
 Total Cash Receipts	 <u>27,320</u>	 <u>139,548</u>	 <u>166,868</u>
Cash Disbursements:			
Current:			
General Government	20,980	8,450	29,430
Public Safety		26,156	26,156
Public Works		103,466	103,466
Health	1,727		1,727
Capital Outlay	<u>800</u>	<u>13,260</u>	<u>14,060</u>
 Total Cash Disbursements	 <u>23,507</u>	 <u>151,332</u>	 <u>174,839</u>
 Total Receipts Over/(Under) Disbursements	 <u>3,813</u>	 <u>(11,784)</u>	 <u>(7,971)</u>
 Fund Cash Balances, January 1	 <u>9,816</u>	 <u>90,246</u>	 <u>100,062</u>
 Fund Cash Balances, December 31	 <u>\$13,629</u>	 <u>\$78,462</u>	 <u>\$92,091</u>
 Reserve for Encumbrances, December 31	 <u> </u>	 <u>\$682</u>	 <u>\$682</u>

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

**COMBINED STATEMENT OF CASH RECEIPTS AND
CHANGES IN FUND CASH BALANCES
SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Fiduciary Fund</u>		<u>Totals (Memorandum Only)</u>
	<u>Non-Expendable Trust</u>	<u>Agency</u>	
Operating Receipts:			
Interest	\$313		\$313
Total Operating Receipts	313		313
Operating Income	313		313
Fund Cash Balances, January 1	8,108	\$7,500	15,608
Fund Cash Balances, December 31	<u>\$8,421</u>	<u>\$7,500</u>	<u>\$15,921</u>

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Monroe Township, Harrison 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, and cemetery maintenance. The Township contracts with the Bowerston Volunteer Fire Department to provide fire protection.

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 deposits 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:

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Fiduciary Funds (Trust and Agency Funds)

These funds are used to account for resources restricted by legally binding trust agreements and funds for which the Township is acting in an agency capacity. The Township had the following significant Fiduciary Funds:

Cemetery Bequest Fund - This fund receives interest from a non-expendable cemetery bequest certificate of deposit, which is used to maintain the township cemetery.

Road Bond Fund - This fund receives money for road bonds which are returned if no damage is done to the Township road.

E. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) 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 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 carried over, and need not be reappropriated.

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

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

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

2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

	<u>1999</u>	<u>1998</u>
Demand deposits	\$90,764	\$101,312
Certificate of deposit	<u>7,000</u>	<u>6,700</u>
Total deposits	<u><u>\$97,764</u></u>	<u><u>\$108,012</u></u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation or (2) collateralized by securities specifically pledged by the financial institution to the Township.

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	\$22,490	\$24,908	\$2,418
Special Revenue	142,429	130,175	(12,254)
Non-Expendable Trust	<u>0</u>	<u>301</u>	<u>301</u>
Total	<u><u>\$164,919</u></u>	<u><u>\$155,384</u></u>	<u><u>(\$9,535)</u></u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$25,525	\$18,615	\$6,910
Special Revenue	176,128	147,017	29,111
Non-Expendable	<u>15,900</u>	<u>0</u>	<u>15,900</u>
Total	<u><u>\$217,553</u></u>	<u><u>\$165,632</u></u>	<u><u>\$51,921</u></u>

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$22,553	\$27,320	\$4,767
Special Revenue	144,094	139,548	(4,546)
Fiduciary	<u>1,408</u>	<u>313</u>	<u>(1,095)</u>
Total	<u><u>\$168,055</u></u>	<u><u>\$167,181</u></u>	<u><u>(\$874)</u></u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$29,100	\$23,507	\$5,593
Special Revenue	208,600	152,014	56,586
Fiduciary	<u>15,600</u>	<u>0</u>	<u>15,600</u>
Total	<u><u>\$253,300</u></u>	<u><u>\$175,521</u></u>	<u><u>\$77,779</u></u>

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 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. RETIREMENT SYSTEM

Township employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a 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. PERS members 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.

6. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions
- Building and contents
- Public officials liability



**STATE OF OHIO
OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

Voinovich Government Center

242 Federal Plaza West
Suite 302

Youngstown, Ohio 44503

Telephone 330-797-9900

800-443-9271

Facsimile 330-797-9949

www.auditor.state.oh.us

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

Monroe Township
Harrison County
90200 Mill Hill Road
PO Box 249
Bowerston, Ohio 44695-0249

To the Board of Trustees:

We have audited the accompanying financial statements of Monroe Township, Harrison County, Ohio (the Township), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated April 19, 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 April 19, 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 a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Township in a separate letter dated April 19, 2000.

This report is intended for the information and use of the audit committee, 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", written in a cursive style.

Jim Petro
Auditor of State

April 19, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

MONROE TOWNSHIP

HARRISON 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
MAY 18, 2000**