



**MONROE TOWNSHIP  
LICKING COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999**



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

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**STATE OF OHIO**



**MONROE TOWNSHIP  
LICKING COUNTY**

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**STATE OF OHIO  
OFFICE OF THE AUDITOR**

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**REPORT OF INDEPENDENT ACCOUNTANTS**

Board of Trustees  
Monroe Township  
Licking County  
9444 Woodhaven Road  
Johnstown, Ohio 43031

We have audited the accompanying financial statements of Monroe Township, Licking County, Ohio, (the Township) as of and for the years ended December 31, 2000 and December 31, 1999. 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 auditing standards generally accepted in the United States of America 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 reserve for encumbrances of Monroe Township, Licking County, Ohio as of December 31, 2000 and December 31, 1999, 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 May 11, 2001 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. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

May 11, 2001

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**MONROE TOWNSHIP  
LICKING COUNTY**

**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, 2000**

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Non-Expendable Trust	
<b>Cash Receipts:</b>						
Local Taxes	\$67,051	\$479,738	\$18,566	\$0	\$0	\$565,355
Intergovernmental	69,098	119,055	0	0	0	188,153
Charges for Services	0	126,195	0	0	0	126,195
Licenses, Permits, and Fees	3,419	12,300	0	0	0	15,719
Earnings on Investments	8,463	37,482	0	21,914	296	68,155
Gifts and Donations	0	722,504	0	123,029	0	845,533
Other Receipts	3,719	23,968	0	0	0	27,687
<b>Total Cash Receipts</b>	<b>151,750</b>	<b>1,521,242</b>	<b>18,566</b>	<b>144,943</b>	<b>296</b>	<b>1,836,797</b>
<b>Cash Disbursements:</b>						
Current:						
General Government	97,607	0	0	0	0	97,607
Public Safety	0	369,110	0	0	0	369,110
Public Works	27,093	62,490	0	0	0	89,583
Health	6,032	20,822	0	0	0	26,854
Debt Service:						
Redemption of Principal	0	0	17,703	0	0	17,703
Interest and Fiscal Charges	0	0	863	0	0	863
Capital Outlay	25,068	31,216	0	44,810	0	101,094
<b>Total Cash Disbursements</b>	<b>155,800</b>	<b>483,638</b>	<b>18,566</b>	<b>44,810</b>	<b>0</b>	<b>702,814</b>
<b>Total Cash Receipts Over Cash Disbursements</b>	<b>(4,050)</b>	<b>1,037,604</b>	<b>0</b>	<b>100,133</b>	<b>296</b>	<b>1,133,983</b>
<b>Other Financing Receipts/(Disbursements):</b>						
Proceeds from Notes	24,000	0	0	0	0	24,000
<b>Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements</b>	<b>19,950</b>	<b>1,037,604</b>	<b>0</b>	<b>100,133</b>	<b>296</b>	<b>1,157,983</b>
<b>Fund Cash Balances, January 1</b>	<b>50,489</b>	<b>127,475</b>	<b>0</b>	<b>282,192</b>	<b>6,137</b>	<b>466,293</b>
<b>Fund Cash Balances, December 31</b>	<b>\$70,439</b>	<b>\$1,165,079</b>	<b>\$0</b>	<b>\$382,325</b>	<b>\$6,433</b>	<b>\$1,624,276</b>

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

**MONROE TOWNSHIP  
LICKING COUNTY**

**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**

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Non- Expendable Trust	
<b>Cash Receipts:</b>						
Local Taxes	\$56,573	\$463,073	\$19,005	\$0	\$0	\$538,651
Intergovernmental	43,034	119,097	0	82,346	0	244,477
Licenses, Permits, and Fees	4,016	9,550	0	0	0	13,566
Earnings on Investments	4,179	2,212	0	9,603	389	16,383
Gifts and Donations	0	0	0	148,705	0	148,705
Other Receipts	1,843	18,543	0	0	0	20,386
<b>Total Cash Receipts</b>	<u>109,645</u>	<u>612,475</u>	<u>19,005</u>	<u>240,654</u>	<u>389</u>	<u>982,168</u>
<b>Cash Disbursements:</b>						
Current:						
General Government	97,458	0	0	0	0	97,458
Public Safety	0	457,406	0	0	0	457,406
Public Works	26,311	67,437	0	0	0	93,748
Health	5,576	19,983	0	0	0	25,559
Debt Service:						
Redemption of Principal	0	0	17,703	0	0	17,703
Interest and Fiscal Charges	0	0	1,302	0	0	1,302
Capital Outlay	36,239	30,320	0	98,462	0	165,021
<b>Total Cash Disbursements</b>	<u>165,584</u>	<u>575,146</u>	<u>19,005</u>	<u>98,462</u>	<u>0</u>	<u>858,197</u>
Total Cash Receipts Over/(Under) Cash Disbursement:	<u>(55,939)</u>	<u>37,329</u>	<u>0</u>	<u>142,192</u>	<u>389</u>	<u>123,971</u>
<b>Other Financing Receipts:</b>						
Proceeds of Notes	35,405	0	0	0	0	35,405
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	(20,534)	37,329	0	142,192	389	159,376
Fund Cash Balances, January 1	71,023	90,146	0	140,000	5,748	306,917
<b>Fund Cash Balances, December 31</b>	<u><b>\$50,489</b></u>	<u><b>\$127,475</b></u>	<u><b>\$0</b></u>	<u><b>\$282,192</b></u>	<u><b>\$6,137</b></u>	<u><b>\$466,293</b></u>
Reserve for Encumbrances, December 31	<u>\$0</u>	<u>\$204</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$204</u>

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

**MONROE TOWNSHIP  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Monroe Township, Licking 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, fire protection and emergency medical 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. The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

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 Fund:

Fire District Fund - This fund receives property tax money to pay for providing fire protection and emergency medical services.

**MONROE TOWNSHIP  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

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

**D. Fund Accounting (Continued)**

**3. Debt Service Fund**

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:

Debt Sinking Fund - This fund receives property tax money to pay for the retirement of debt principal and interest.

**4. Capital Projects Funds**

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Township had the following significant capital projects funds:

Issue II Fund - The Township received a grant from the State of Ohio for road paving.

Miscellaneous Capital Project Fund - The Township received inheritance money to make improvements to the township hall.

**5. Fiduciary Fund (Trust Fund)**

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 fund:

Cemetery Trust Fund - This fund receives interest earnings on money it holds in trust for the upkeep of the 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. Unencumbered 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.

**MONROE TOWNSHIP  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

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

**E. Budgetary Process (Continued)**

**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. The Township did not encumber all commitments required by Ohio law.

A summary of 2000 and 1999 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.

**G. Unpaid Vacation and Sick Leave**

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Township.

**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>2000</u>	<u>1999</u>
Demand deposits	\$248,845	\$194,846
Certificates of deposit	<u>6,432</u>	<u>6,120</u>
Total deposits	<u>255,277</u>	<u>200,966</u>
STAR Ohio	<u>1,368,999</u>	<u>265,327</u>
Total deposits and investments	<u><u>\$1,624,276</u></u>	<u><u>\$466,293</u></u>

**Deposits:** Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

**Investments:** Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**MONROE TOWNSHIP  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2000 and December 31, 1999 follows:

**2000 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$131,421	\$175,750	\$44,329
Special Revenue	1,476,329	1,521,242	44,913
Debt Service	42,566	18,566	(24,000)
Capital Projects	126,386	144,943	18,557
Fiduciary	275	296	21
Total	<u>\$1,776,977</u>	<u>\$1,860,797</u>	<u>\$83,820</u>

**2000 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$179,450	\$155,800	\$23,650
Special Revenue	1,584,678	483,638	1,101,040
Debt Service	42,566	18,566	24,000
Capital Projects	407,386	44,810	362,576
Total	<u>\$2,214,080</u>	<u>\$702,814</u>	<u>\$1,511,266</u>

**1999 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$126,893	\$145,050	\$18,157
Special Revenue	638,716	612,475	(26,241)
Debt Service	35,405	19,005	(16,400)
Capital Projects	222,346	240,654	18,308
Fiduciary	247	389	142
Total	<u>\$1,023,607</u>	<u>\$1,017,573</u>	<u>(\$6,034)</u>

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

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$187,648	\$165,584	\$22,064
Special Revenue	749,403	575,350	174,053
Debt Service	19,005	19,005	0
Capital Projects	362,346	98,462	263,884
Total	<u>\$1,318,402</u>	<u>\$858,401</u>	<u>\$460,001</u>

**MONROE TOWNSHIP  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(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. DEBT**

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
General Obligation Notes	\$24,000	6%

The general obligation notes were issued in August 2000 to finance the purchase of a new truck to be used for Township road maintenance. The notes are collateralized solely by the new truck.

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

Year ending December 31:	General Obligation Notes
2001	\$13,644
2002	12,580
Total	\$26,224

**6. RETIREMENT SYSTEMS**

The Township's certified Fire Fighters belong to the Police and Firemen's Disability and Pension Funds (PFDPF). Other employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

**MONROE TOWNSHIP  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**6. RETIREMENT SYSTEMS (Continued)**

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, members of PFDPF contributed 10% of their wages to the PFDPF. The Township contributed an amount equal to 19.5% of their wages. PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 10.84% for 2000 and 13.55% for 1999 of participants' gross salaries. The Township has paid all contributions required through December 31, 2000.

**7. RISK MANAGEMENT**

The Township has obtained commercial insurance for the following risks:

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

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



STATE OF OHIO  
OFFICE OF THE AUDITOR  
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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL  
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Board of Trustees  
Monroe Township  
Licking County  
9444 Woodhaven Road  
Johnstown, Ohio 43031

We have audited the financial statements of Monroe Township, Licking County, Ohio (the Township), as of and for the years ended, December 31, 2000 and December 31, 1999, and have issued our report thereon dated May 11, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 Finding as item 2000-40645-001.

**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 May 11, 2001.

Monroe Township  
Licking 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 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

May 11, 2001

**MONROE TOWNSHIP  
LICKING COUNTY**

**SCHEDULE OF FINDING  
DECEMBER 31, 2000 AND 1999**

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

<b>Finding Number</b>	<b>2000-40645-001</b>
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**Certification of Funds**

Ohio Rev. Code Section 5705.41 (D) states in part that no subdivision shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of fiscal officer of the subdivision. The fiscal officer must certify that the amount required to meet such a commitment has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

Prior certification of funds by the Clerk was not obtained for forty-six percent of the expenditures tested.

The Clerk should certify funds before each payment is made through the issuance of a regular, blanket or super blanket purchase order. One blanket certificate can be issued for each line item appropriation for recurring and reasonably predictable operating expenses. These blanket certificates should be canceled at the end of each fiscal year. A super blanket purchase order can be issued for any amount.

Also, as an alternative, the Township can issue then and now certificates. Then and now certificates allow the Clerk to certify that both at the time the expenditure was made and at the time that the certification is completed, sufficient funds are available. These certificates can be certified by the Clerk without subsequent authorization from the Board. However, then and now certificates issued by the Clerk over \$1,000 must be authorized by the Board within thirty days after payment.





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**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  
JULY 10, 2001**