



**MONROE TOWNSHIP
HENRY COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



**JIM PETRO
AUDITOR OF STATE**

STATE OF OHIO

**MONROE TOWNSHIP
HENRY COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Monroe Township
Henry County
9606 County Road L
Malinta, Ohio 43535-9707

To the Board of Trustees:

We have audited the accompanying financial statements of Monroe Township, Henry County, Ohio, (the Township) as of and for the years ended December 31, 2000 and 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 audits 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 audits 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 provide 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 Township as of December 31, 2000 and 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 April 23, 2000 and 1999 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 *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Monroe Township
Henry County
Report of Independent Accountants
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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.

Jim Petro
Auditor of State

April 23, 2001

**MONROE TOWNSHIP
HENRY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Local Taxes	\$7,503	\$36,882	\$64,902		\$109,287
Charges for Services	14,114	7,753			21,867
Intergovernmental	32,628	70,755	7,206		110,589
Licenses, Permits, and Fees		1,150			1,150
Interest	23,431	2,901			26,332
Other Revenue	6,552	1,984		\$3,311	11,847
	<u>84,228</u>	<u>121,425</u>	<u>72,108</u>	<u>3,311</u>	<u>281,072</u>
Cash Disbursements:					
Current:					
General Government	51,397	401	1,594		53,392
Public Safety		16,409			16,409
Public Works	509	130,375			130,884
Debt Service:					
Bond Principal Payment			29,819		29,819
Interest and Fiscal Charges			26,902		26,902
Capital Outlay	100	3,773		518,466	522,339
	<u>52,006</u>	<u>150,958</u>	<u>58,315</u>	<u>518,466</u>	<u>779,745</u>
Total Receipts Over/(Under) Disbursements	<u>32,222</u>	<u>(29,533)</u>	<u>13,793</u>	<u>(515,155)</u>	<u>(498,673)</u>
Other Financing Receipts/(Disbursements):					
Transfers-In		8,625			8,625
Transfers-Out	(8,625)				(8,625)
	<u>(8,625)</u>	<u>8,625</u>			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	23,597	(20,908)	13,793	(515,155)	(498,673)
Fund Cash Balances, January 1	106,040	341,496	11,963	526,541	986,040
Fund Cash Balances, December 31	<u>\$129,637</u>	<u>\$320,588</u>	<u>\$25,756</u>	<u>\$11,386</u>	<u>\$487,367</u>
Reserve for Encumbrances, December 31					

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

**MONROE TOWNSHIP
HENRY COUNTY**

**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>	<u>Capital Projects</u>	
Cash Receipts:					
Local Taxes	\$6,028	\$32,510	\$52,148		\$90,686
Charges for Services	13,088	7,157			20,245
Intergovernmental	30,222	75,106	5,706		111,034
Licenses, Permits, and Fees		750			750
Interest	22,446	2,829		\$4,935	30,210
Other Revenue	5,625	47		36	5,708
	<u>77,409</u>	<u>118,399</u>	<u>57,854</u>	<u>4,971</u>	<u>258,633</u>
Cash Disbursements:					
Current:					
General Government	73,439		1,301		74,740
Public Safety		13,061			13,061
Public Works	10,474	89,244			99,718
Debt Service:					
Bond Principal Payment			22,606		22,606
Interest and Fiscal Charges			21,984		21,984
Capital Outlay	1,958			73,430	75,388
	<u>85,871</u>	<u>102,305</u>	<u>45,891</u>	<u>73,430</u>	<u>307,497</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(8,462)</u>	<u>16,094</u>	<u>11,963</u>	<u>(68,459)</u>	<u>(48,864)</u>
Other Financing Receipts/(Disbursements):					
Proceeds from Sale of Public Debt:					
Sale of Bonds				595,000	595,000
Transfers-In		37,760			37,760
Transfers-Out	(37,760)				(37,760)
	<u>(37,760)</u>	<u>37,760</u>		<u>595,000</u>	<u>595,000</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(46,222)	53,854	11,963	526,541	546,136
Fund Cash Balances, January 1	152,262	287,642			439,904
Fund Cash Balances, December 31	<u>\$106,040</u>	<u>\$341,496</u>	<u>\$11,963</u>	<u>\$526,541</u>	<u>\$986,040</u>
Reserve for Encumbrances, December 31				\$510,047	\$510,047

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

**MONROE TOWNSHIP
HENRY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Monroe Township, Henry 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 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 deposit are valued at cost.

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:

Road and Bridge Fund - This fund receives charges for services and tax monies for constructing, maintaining and repairing the Township's roads.

**MONROE TOWNSHIP
HENRY COUNTY**

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

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

Fire District Fund - This fund receives charges for services and tax monies to provide fire protection to the Township.

3. Debt Service Funds

The debt service fund is used to accumulate resources for the payment of bond indebtedness. The Township had the following significant Debt Service Funds

General Bond Retirement - This fund receives levy money to pay off bond debt.

4. Capital Project 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 project funds

Permanent Improvement - This fund is used to pay off the new firehouse.

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 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. 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.

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 2000 and 1999 budgetary activity appears in Note 3.

**MONROE TOWNSHIP
HENRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(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>2000</u>	<u>1999</u>
Demand deposits	\$357,367	\$421,040
Certificates of deposit	130,000	565,000
Total deposits	<u>\$487,367</u>	<u>\$986,040</u>

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

3. BUDGETARY ACTIVITY

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

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$45,500	\$84,228	\$38,728
Special Revenue	124,969	130,050	5,081
Debt Service	72,013	72,108	95
Capital Projects	10,000	3,311	(6,689)
Total	<u>\$252,482</u>	<u>\$289,697</u>	<u>\$37,215</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$151,225	\$60,631	\$90,594
Special Revenue	464,687	150,958	313,729
Debt Service	83,976	58,315	25,661
Capital Projects	536,541	518,466	18,075
Total	<u>\$1,236,429</u>	<u>\$788,370</u>	<u>\$448,059</u>

**MONROE TOWNSHIP
HENRY COUNTY**

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

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$38,611	\$77,409	\$38,798
Special Revenue	110,121	156,159	46,038
Debt Service	57,866	57,854	(12)
Capital Projects	595,000	599,971	4,971
Total	<u>\$801,598</u>	<u>\$891,393</u>	<u>\$89,795</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$190,695	\$123,631	\$67,064
Special Revenue	381,200	102,305	278,895
Debt Service	57,866	45,891	11,975
Capital Projects	595,000	73,430	521,570
Total	<u>\$1,224,761</u>	<u>\$345,257</u>	<u>\$879,504</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.

Public utilities are also taxed on personal and real property located within the Township.

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:

	<u>Principal</u>	<u>Interest Rate</u>
General Obligation Bonds	<u>\$542,575</u>	4.7%

**MONROE TOWNSHIP
HENRY COUNTY**

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

The general obligation bonds were issued to finance the building of a new firehouse. The bonds are collateralized solely by the Township's taxing authority.

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

Year ending December 31:	General Obligation Bonds
2001	\$56,722
2002	56,722
2003	56,722
2004	56,722
2005	56,722
2006	56,722
2007	56,722
2008	56,722
2009	56,722
2010	56,722
2011	56,722
2012	56,722
2013	56,722
Total	<u><u>\$737,382</u></u>

6. RETIREMENT SYSTEMS

The Township's 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. For 2000 and 1999, members of PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 10.84% of participants' gross salaries in 2000, 13.55% in 1999. The Township has paid all contributions required through December 31, 2000.

7. RISK MANAGEMENT

The Township is a member of the Ohio Township Association Risk Management Association (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
- Public official's liability
- Automobile
- Property coverage

The Township also provides health insurance to the Clerk and Trustees through a private carrier.

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

Monroe Township
Henry County
9606 County Road L
Malinta, Ohio 43535-9707

To the Board of Trustees:

We have audited the accompanying financial statements of Monroe Township, Henry County, Ohio, (the Township) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated December 31, 2000 and 1999. We conducted our audits 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 audits 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*.

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 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 23, 2001.

Monroe Township
Henry 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 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.

Jim Petro
Auditor of State

April 23, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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MONROE TOWNSHIP

HENRY 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 15, 2001**