



**MONROE TOWNSHIP
PICKAWAY COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**MONROE TOWNSHIP
PICKAWAY COUNTY**

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, 2000	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types For the Year Ended December 31, 1999	4
Notes to the Financial Statements	5
Report on Compliance and 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

35 North Fourth Street
Columbus, Ohio 43215
Telephone 614-466-3402
800-443-9275
Facsimile 614-728-7199
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Monroe Township
Pickaway County
16657 Dennis Road
Mt. Sterling, Ohio 43143

To the Board of Trustees:

We have audited the accompanying financial statements of the Monroe Township, Pickaway 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 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 Monroe Township, Pickaway 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 February 28, 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 *Government Auditing Standards*, and should be read in conjunction with this report in considering the results of that audit.

This report is intended solely for the information and use of management and 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

February 28, 2001

THIS PAGE INTENTIONALLY LEFT BLANK

**MONROE TOWNSHIP
PICKAWAY 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>Capital Projects</u>	
Cash Receipts:				
Property Tax and Other Local Taxes	\$171,892	\$221,410	\$0	\$393,302
Intergovernmental Receipts	33,695	73,454	63,921	171,070
Fines, Licenses, and Permits	2,300	0	0	2,300
Earnings on Investments	2,039	2,039	0	4,078
Other Revenue	2,826	641	0	3,467
	<u>212,752</u>	<u>297,544</u>	<u>63,921</u>	<u>574,217</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
Public Safety	4,500	0	0	4,500
Public Health Services	6,424	0	0	6,424
Public Works	29,000	281,854	0	310,854
Conservation - Recreation	55,182	0	0	55,182
General Government	129,696	0	0	129,696
Debt Service:				
Principal Payments	0	7,048	0	7,048
Interest Payments	0	1,971	0	1,971
Capital Outlay	0	40,127	45,252	85,379
	<u>224,802</u>	<u>331,000</u>	<u>45,252</u>	<u>601,054</u>
Total Disbursements				
Total Receipts Over/(Under) Disbursements	<u>(12,050)</u>	<u>(33,456)</u>	<u>18,669</u>	<u>(26,837)</u>
Other Financing Receipts/(Disbursements):				
Sale of Notes	0	54,349	0	54,349
Sale of Assets	0	15,000	0	15,000
	<u>0</u>	<u>69,349</u>	<u>0</u>	<u>69,349</u>
Total Other Financing Receipts/(Disbursements)				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(12,050)	35,893	18,669	42,512
Fund Cash Balances January 1	<u>94,619</u>	<u>135,487</u>	<u>21,897</u>	<u>252,003</u>
Fund Cash Balances, December 31	<u>\$82,569</u>	<u>\$171,380</u>	<u>\$40,566</u>	<u>\$294,515</u>

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

**MONROE TOWNSHIP
PICKAWAY 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>Capital Projects</u>	
Cash Receipts:				
Property Tax and Other Local Taxes	\$174,583	\$203,612	\$0	\$378,195
Intergovernmental Receipts	34,320	73,744	25,809	133,873
Fines, Licenses, and Permits	2,700	0	0	2,700
Earnings on Investments	2,622	1,765	0	4,387
Other Revenue	1,608	1,103	0	2,711
	<u>215,833</u>	<u>280,224</u>	<u>25,809</u>	<u>521,866</u>
Total Cash Receipts	215,833	280,224	25,809	521,866
Cash Disbursements:				
Current:				
Public Safety	6,740	0	0	6,740
Public Health Services	6,389	0	0	6,389
Public Works	85,536	288,030	0	373,566
Conservation - Recreation	11,529	0	0	11,529
General Government	136,300	0	0	136,300
Debt Service:				
Principal Payments	0	17,700	0	17,700
Interest Payments	0	679	0	679
Capital Outlay	0	42,768	30,015	72,783
	<u>246,494</u>	<u>349,177</u>	<u>30,015</u>	<u>625,686</u>
Total Disbursements	246,494	349,177	30,015	625,686
Total Receipts Over/(Under) Disbursements	(30,661)	(68,953)	(4,206)	(103,820)
Fund Cash Balances January 1	125,280	204,440	26,103	355,823
Fund Cash Balances, December 31	<u>\$94,619</u>	<u>\$135,487</u>	<u>\$21,897</u>	<u>\$252,003</u>

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

**MONROE TOWNSHIP
PICKAWAY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Monroe Township, Pickaway 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 maintenance of the Township's roads and cemeteries. The Township contracts with the Village of Williamsport, Deercreek Township, Tri County Fire District, and Mt. Sterling Joint Ambulance District to provide emergency ambulance and 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. 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. 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:

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.

Special Revenue Fund

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 construction, maintaining, and repairing township roads.

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

Fire Fund Special Levy- This fund receives property tax monies levied against homeowners to purchase fire protection for Township from other municipalities.

**MONROE TOWNSHIP
PICKAWAY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting, (Continued)

Special Revenue Fund, (Continued)

Emergency Equipment Special Levy- This fund receives property tax monies used to purchase EMS service(s) from surrounding municipalities.

Miscellaneous Special Revenue Fund- This fund receives bed tax revenues assessed against the local hotels for use as governed by the Trustees.

Capital Projects Fund

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 fund:

ODNR Fund - The township received a grant from the State of Ohio Department of Natural Resources to renovate Monroe Township Park.

E. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function and 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.

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.

Encumbrances

Encumbrances outstanding at year end are carried forward and need not be re-appropriated in the next year.

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.

**MONROE TOWNSHIP
PICKAWAY COUNTY**

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

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	\$294,515	\$252,003
Total deposits	<u>\$294,515</u>	<u>\$252,003</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.

3. BUDGETARY ACTIVITY

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

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 232,699	\$ 212,752	\$ (19,947)
Special Revenue	360,869	366,893	6,024
Capital Projects	<u>42,245</u>	<u>63,921</u>	<u>21,676</u>
Total	<u>\$ 635,813</u>	<u>\$ 643,566</u>	<u>\$ 7,753</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 327,318	\$ 224,802	\$ 102,516
Special Revenue	495,357	331,000	164,357
Capital Projects	<u>64,142</u>	<u>45,252</u>	<u>18,890</u>
Total	<u>\$ 886,817</u>	<u>\$ 601,054</u>	<u>\$ 285,763</u>

**MONROE TOWNSHIP
PICKAWAY COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Receipts			
<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 228,322	\$ 215,833	\$ (12,489)
Special Revenue	294,933	280,224	(14,709)
Capital Projects	61,774	25,809	(35,965)
Total	<u>\$ 585,029</u>	<u>\$ 521,866</u>	<u>\$ (63,163)</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 343,668	\$ 246,494	\$ 97,174
Special Revenue	499,374	349,177	150,197
Capital Projects	70,715	30,015	40,700
Total	<u>\$ 913,757</u>	<u>\$ 625,686</u>	<u>\$ 288,071</u>

4. PROPERTY TAX

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

	<u>Principal</u>	<u>Interest Rate</u>
Equipment Note - The Savings Bank	<u>\$46,272</u>	6.450%
Total	<u>\$ 46,272</u>	

**MONROE TOWNSHIP
PICKAWAY COUNTY**

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

5. DEBT (Continued)

The Equipment Note relates to the purchase of a new truck and equipment for the truck for Township use. The note will be repaid in monthly installments of \$1,288 including interest, over 4 years. The loan is collateralized by tax receipts.

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

Year Ending December 31:	Equipment Note
2001	\$ 14,172
2002	15,461
2003	15,461
2004	<u>7,730</u>
Total	<u>\$ 52,824</u>

6. RETIREMENT SYSTEMS

The Township's full and part-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is 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.

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 10.84% in 2000 and 13.55% in 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
- Public officials liability

8. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor. 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.

THIS PAGE INTENTIONALLY LEFT BLANK



**STATE OF OHIO
OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street
Columbus, Ohio 43215
Telephone 614-466-3402
800-443-9275
Facsimile 614-728-7199
www.auditor.state.oh.us

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

Monroe Township
Pickaway County
13138 State Route 56
Kingston, Ohio 45644

To the Board of Trustees

We have audited the accompanying financial statements of the Monroe Township, Pickaway 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 February 28, 2001. 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 no instance of noncompliance that is 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 February 28, 2001.

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 another 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 February 28, 2001.

Monroe Township
Pickaway County
Report on Compliance and 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

February 28, 2001



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

PICKAWAY 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 5, 2001**