



**Auditor of State
Betty Montgomery**

**GREEN TOWNSHIP
HAMILTON COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental and Fiduciary Fund Types – For the Year Ended December 31, 2002.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental and Fiduciary Fund Types – For the Year Ended December 31, 2001.....	4
Notes to the Financial Statements.....	5
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	11
Schedule of Prior Audit Findings.....	13

This page intentionally left blank.



**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Green Township
Hamilton County
6303 Harrison Avenue
Cincinnati, Ohio 45247

To the Board of Trustees:

We have audited the accompanying financial statements of Green Township, Hamilton County, Ohio (the Township), as of and for the years ended December 31, 2002 and 2001. 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 reserves for encumbrances of the Township as of December 31, 2002 and 2001, 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 29, 2003, 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.

This report is intended solely for the information and use of the audit committee, management, the Board and other officials authorized to receive this report under Section 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

May 29, 2003

**GREEN TOWNSHIP
HAMILTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Fiduciary Funds</u>	
Cash Receipts:					
Local Taxes	\$273,267	\$11,376,099	\$0	\$0	\$11,649,366
Intergovernmental	2,637,664	1,679,015	421,113		4,737,792
Special Assessments		52,290			52,290
Licenses, Permits, and Fees	10	6,847			6,857
Fines, Forfeitures, and Penalties	48,440	8,100			56,540
Earnings on Investments	383,920	2,317			386,237
Other Revenue	718,689	810,589		88,223	1,617,501
	<u>4,061,990</u>	<u>13,935,257</u>	<u>421,113</u>	<u>88,223</u>	<u>18,506,583</u>
Total Cash Receipts					
	<u>4,061,990</u>	<u>13,935,257</u>	<u>421,113</u>	<u>88,223</u>	<u>18,506,583</u>
Cash Disbursements:					
Current:					
General Government	1,911,539	6,416,776		22,465	8,350,780
Public Safety	861,965	3,660,290		2,654	4,524,909
Public Works	610,689	3,521,051		1,886	4,133,626
Health	57,486				57,486
Conservation - Recreation	378,660			60,850	439,510
Debt Service:					
Redemption of Principal		33,192			33,192
Interest and Fiscal Charges		8,471			8,471
Capital Outlay	66,881	278,452	421,113		766,446
	<u>3,887,220</u>	<u>13,918,232</u>	<u>421,113</u>	<u>87,855</u>	<u>18,314,420</u>
Total Cash Disbursements					
	<u>3,887,220</u>	<u>13,918,232</u>	<u>421,113</u>	<u>87,855</u>	<u>18,314,420</u>
Total Receipts Over/(Under) Disbursements	<u>174,770</u>	<u>17,025</u>	<u>0</u>	<u>368</u>	<u>192,163</u>
Other Financing Receipts and (Disbursements):					
Other Sources	72,191	0	0	0	72,191
	<u>72,191</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>72,191</u>
Total Other Financing Receipts/(Disbursements)					
	<u>72,191</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>72,191</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>246,961</u>	<u>17,025</u>	<u>0</u>	<u>368</u>	<u>264,354</u>
Fund Cash Balances, January 1	<u>6,748,578</u>	<u>4,445,672</u>	<u>0</u>	<u>82,343</u>	<u>11,276,593</u>
Fund Cash Balances, December 31	<u>\$6,995,539</u>	<u>\$4,462,697</u>	<u>\$0</u>	<u>\$82,711</u>	<u>\$11,540,947</u>
Reserve for Encumbrances, December 31	<u>\$180,028</u>	<u>\$1,318,101</u>	<u>\$0</u>	<u>\$96</u>	<u>\$1,498,225</u>

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

**GREEN TOWNSHIP
HAMILTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Fiduciary Funds</u>	
Cash Receipts:					
Local Taxes	\$275,651	\$10,622,318	\$0	\$0	\$10,897,969
Intergovernmental	3,698,710	1,560,902	622,362		5,881,974
Special Assessments		47,010			47,010
Licenses, Permits, and Fees	65	5,280			5,345
Fines, Forfeitures, and Penalties	38,363	7,185			45,548
Earnings on Investments	754,066	5,408			759,474
Other Revenue	528,465	748,512		90,883	1,367,860
	<u>5,295,320</u>	<u>12,996,615</u>	<u>622,362</u>	<u>90,883</u>	<u>19,005,180</u>
Total Cash Receipts					
	<u>5,295,320</u>	<u>12,996,615</u>	<u>622,362</u>	<u>90,883</u>	<u>19,005,180</u>
Cash Disbursements:					
Current:					
General Government	1,705,329	5,758,455			7,463,784
Public Safety	1,518,092	2,572,074			4,090,166
Public Works	359,892	4,006,354			4,366,246
Health	56,224				56,224
Conservation - Recreation	391,788				391,788
Debt Service:					
Redemption of Principal	1,223,845	433,192			1,657,037
Interest and Fiscal Charges	29,314	29,505			58,819
Capital Outlay	487,096	90,972	622,362	74,810	1,275,240
	<u>5,771,580</u>	<u>12,890,552</u>	<u>622,362</u>	<u>74,810</u>	<u>19,359,304</u>
Total Cash Disbursements					
	<u>5,771,580</u>	<u>12,890,552</u>	<u>622,362</u>	<u>74,810</u>	<u>19,359,304</u>
Total Receipts Over/(Under) Disbursements	<u>(476,260)</u>	<u>106,063</u>	<u>0</u>	<u>16,073</u>	<u>(354,124)</u>
Other Financing Receipts and (Disbursements):					
Other Sources	151,779	0	0	0	151,779
	<u>151,779</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>151,779</u>
Total Other Financing Receipts/(Disbursements)					
	<u>151,779</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>151,779</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(324,481)</u>	<u>106,063</u>	<u>0</u>	<u>16,073</u>	<u>(202,345)</u>
Fund Cash Balances, January 1	<u>7,073,059</u>	<u>4,339,609</u>	<u>0</u>	<u>66,270</u>	<u>11,478,938</u>
Fund Cash Balances, December 31	<u>\$6,748,578</u>	<u>\$4,445,672</u>	<u>\$0</u>	<u>\$82,343</u>	<u>\$11,276,593</u>
Reserve for Encumbrances, December 31	<u>\$120,566</u>	<u>\$1,409,286</u>	<u>\$0</u>	<u>\$18,616</u>	<u>\$1,548,468</u>

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

**GREEN TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Green Township, Hamilton 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, police protection, fire protection, emergency medical services, and recreation activities.

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

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.

Certificates of deposit Bonds, and U.S. Treasury Notes are valued at cost. Money market mutual funds (including STAR Ohio) are recorded at share values reported by the mutual fund.

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 property tax money for constructing, maintaining and repairing Township roads and bridges.

**GREEN TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 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:

Ohio Public Works Commission Fund

The Township received grants from the State of Ohio to improve various Township streets.

4. 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:

Park Deposits

This fund receives deposit money from residents who reserve the shelter house at the parks. The deposit money is returned to residents after they used the facility without damage to the facility.

Park Donations

This fund receives donations from residents and civic groups for new equipment and improvements to Township parks.

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.

**GREEN TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 2002 and 2001 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. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's basis of accounting.

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:

	2002	2001
Demand deposits	\$498,517	\$35,220
Certificates of deposit	0	619,509
Total deposits	498,517	654,729
U.S. Treasury Notes	7,414,111	6,960,669
Money Market Funds	6,765	5,267
Government Bonds	3,617,172	3,655,008
STAR Ohio	4,382	920
Total investments	11,042,430	10,621,864
Total deposits and investments	\$11,540,947	\$11,276,593

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: U.S. Treasury Notes are held in book-entry form by the Federal Reserve, in the name of the Township's financial institution. The financial institution maintains records identifying the Township as owner of these securities.

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

**GREEN TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2002 and 2001 follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$4,100,000	\$4,134,181	\$34,181
Special Revenue	13,897,720	13,935,257	37,537
Capital Projects	113,751	421,113	307,362
Fiduciary	88,019	88,223	204
Total	\$18,199,490	\$18,578,774	\$379,284

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$5,462,881	\$4,067,248	\$1,395,633
Special Revenue	15,490,987	15,236,333	254,654
Capital Projects	421,113	421,113	0
Fiduciary	98,034	87,951	10,083
Total	\$21,473,015	\$19,812,645	\$1,660,370

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$5,123,968	\$5,447,099	\$323,131
Special Revenue	12,853,935	12,996,615	142,680
Capital Projects	622,362	622,362	0
Fiduciary	86,530	90,883	4,353
Total	\$18,686,795	\$19,156,959	\$470,164

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$6,365,153	\$5,892,146	\$473,007
Special Revenue	15,447,315	14,299,838	1,147,477
Capital Projects	622,362	622,362	0
Fiduciary	112,486	93,426	19,060
Total	\$22,547,316	\$20,907,772	\$1,639,544

**GREEN TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(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, 2002 was as follows:

	Principal	Interest Rate
General Obligation Notes	\$165,960	4.64%
Total	\$165,960	

The general obligation notes were issued to finance the purchase of new fire equipment for the fire department. The notes are collateralized solely by the Township's taxing authority.

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

	General Obligation Notes
Year ending December 31:	
2003	40,122
2004	38,582
2005	37,042
2006 – 2010	69,464
Total	\$185,210

6. RETIREMENT SYSTEMS

The Township's certified Fire Fighters belong to the Police and Firemen's Disability 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.

Contribution rates are also prescribed by the Ohio Revised Code. For 2002 and 2001, members of PFDPF participants contributed 10% of their wages. The Township contributed an amount equal to 24% of their wages to PFDPF. PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for 2002 and 2001. The Township has paid all contributions required through December 31, 2002.

**GREEN TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

7. RISK MANAGEMENT

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

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

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



**Auditor of State
Betty Montgomery**

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

Green Township
Hamilton County
6303 Harrison Avenue
Cincinnati, Ohio 45247

To the Board of Trustees:

We have audited the accompanying financial statements of Green Township, Hamilton County, Ohio (the Township), as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated May 29, 2003. 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 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 May 29, 2003.

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.

This report is intended solely 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

May 29, 2003

**GREEN TOWNSHIP
HAMILTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FISCAL YEAR END DECEMBER 31, 2002**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2000-40431-001	Revised Code 5705.09(F); the Township did not record SCIP money.	Yes.	SCIP money was recorded in both 2001 and 2002.
2000-40431-002	Revised Code 5705.41(D); the Township failed to properly encumber disbursements.	Yes.	During the substantive testing of the purchasing cycle, no failure to properly encumber before disbursement was noted.



**Auditor of State
Betty Montgomery**

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

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

GREEN TOWNSHIP

HAMILTON 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 22, 2003**