



**Auditor of State  
Betty Montgomery**



**GREEN TOWNSHIP  
CLARK COUNTY**

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# Auditor of State Betty Montgomery

## INDEPENDENT ACCOUNTANTS' REPORT

Green Township  
Clark County  
5730 Springfield-Jamestown Road  
Springfield, Ohio 45502

To the Board of Trustees:

We have audited the accompanying financial statements of Green Township, Clark County (the Township), as of and for the years ended December 31, 2003 and 2002. 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.

The Township's financial transactions were processed using the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to conduct the audit of the Township because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. 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, 2003 and 2002, 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 December 31, 2003 and 2002 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.

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Green Township  
Clark County  
Independent Accountants' Report  
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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 § 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

August 25, 2004

**GREEN TOWNSHIP  
CLARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Local Taxes	\$11,077	\$232,519	\$243,596
Intergovernmental	124,375	106,343	230,718
Charges for Services		31,068	31,068
Licenses, Permits, and Fees		1,550	1,550
Earnings on Investments	5,138	502	5,640
Other Revenue	1,197	2,400	3,597
	<u>141,787</u>	<u>374,382</u>	<u>516,169</u>
<b>Total Cash Receipts</b>			
<b>Cash Disbursements:</b>			
Current:			
General Government	84,738	1,427	86,165
Public Safety		142,473	142,473
Public Works	521	102,079	102,600
Health	6,500	51,484	57,984
Conservation - Recreation	30,000		30,000
Capital Outlay	379	17,705	18,084
	<u>122,138</u>	<u>315,168</u>	<u>437,306</u>
<b>Total Cash Disbursements</b>			
Total Receipts Over Disbursements	19,649	59,214	78,863
<b>Other Financing (Disbursements):</b>			
Other Uses	(14)		(14)
Cash Receipts Over Cash Disbursements and Other Financing Disbursements	19,635	59,214	78,849
Fund Cash Balances, January 1	<u>172,353</u>	<u>398,864</u>	<u>571,217</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$191,988</u></u>	<u><u>\$458,078</u></u>	<u><u>\$650,066</u></u>
Reserve for Encumbrances, December 31	<u><u>\$40</u></u>		<u><u>\$40</u></u>

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

**GREEN TOWNSHIP  
CLARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
NONEXPENDABLE TRUST FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Nonexpendable Trust</u>
<b>Cash Receipts:</b>	
Earnings on Investments	\$23
<b>Cash Disbursements</b>	<u>0</u>
Receipts Over Disbursements	23
Fund Cash Balances, January 1	<u>3,216</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$3,239</u></u>

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



**GREEN TOWNSHIP  
CLARK COUNTY**

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

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Local Taxes	\$10,452	\$178,446	\$188,898
Intergovernmental	73,817	94,201	168,018
Charges for Services		24,760	24,760
Licenses, Permits, and Fees		375	375
Earnings on Investments	7,358	760	8,118
Other Revenue	3,943	900	4,843
	<u>95,570</u>	<u>299,442</u>	<u>395,012</u>
<b>Total Cash Receipts</b>			
<b>Cash Disbursements:</b>			
Current:			
General Government	85,676		85,676
Public Safety		106,552	106,552
Public Works	3,910	119,305	123,215
Health	6,366	34,459	40,825
Capital Outlay	12,092	7,046	19,138
	<u>108,044</u>	<u>267,362</u>	<u>375,406</u>
<b>Total Cash Disbursements</b>			
Total Receipts Over/(Under) Disbursements	(12,474)	32,080	19,606
Fund Cash Balances, January 1	<u>184,827</u>	<u>366,784</u>	<u>551,611</u>
<b>Fund Cash Balances, December 31</b>	<u>\$172,353</u>	<u>\$398,864</u>	<u>\$571,217</u>
Reserve for Encumbrances, December 31	<u>\$3,574</u>	<u>\$16,704</u>	<u>\$20,278</u>

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

**GREEN TOWNSHIP  
CLARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
NONEXPENDABLE TRUST FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Nonexpendable Trust</u>
<b>Cash Receipts:</b>	
Earnings on Investments	\$38
<b>Cash Disbursements</b>	<u>0</u>
Receipts Over Disbursements	38
Fund Cash Balances, January 1	<u>3,178</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$3,216</u></u>

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

**GREEN TOWNSHIP  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Green Township, Clark 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 road and bridge maintenance, fire protection and emergency medical services. The Township contracts with Miami Township, Green County and Mad River Township, Clark County, to provide fire services and Emergency Medical Services for certain residents.

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**

The Township utilizes a checking account, a money market demand deposit account and a savings account.

**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:

**Fire # 1 District Fund** – This fund receives revenue allocated from property taxes, which is utilized to maintain a Township Fire Department.

**EMS Fund** – This fund receives money from charges for Emergency Medical Services runs. The Township contracts with Health Serve as a third party service organization to bill and collect for the EMS runs.

**GREEN TOWNSHIP  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

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

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

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

**3. Fiduciary Funds (Non Expendable Trust Fund)**

This fund is 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 fiduciary fund:

**Cemetery Bequest Fund** – Amounts donated are maintained in perpetuity. Investment earnings are used for grave upkeep.

**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. Appropriations lapse at year end.

**2. 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.

**3. Encumbrances**

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2003 and 2002 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.

**GREEN TOWNSHIP  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

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

	2003	2002
Demand deposits	\$650,067	\$571,217
Passbook savings	3,238	3,216
Total	\$653,305	\$574,433

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2003 and December 31, 2002 follows:

2003 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$29,554	\$141,787	\$112,233
Special Revenue	407,483	374,382	(33,101)
Fiduciary	72	23	(49)
Total	\$437,109	\$516,192	\$79,083

2003 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$197,382	\$122,192	\$75,190
Special Revenue	599,694	315,168	284,526
Fiduciary	0	0	0
Total	\$797,076	\$437,360	\$359,716

2002 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$59,287	\$95,570	\$36,283
Special Revenue	344,406	299,442	(44,964)
Fiduciary	50	38	(12)
Total	\$403,743	\$395,050	(\$8,693)

**GREEN TOWNSHIP  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$164,607	\$111,618	\$52,989
Special Revenue	613,203	284,066	329,137
Fiduciary	0	0	0
Total	\$777,810	\$395,684	\$382,126

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the 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 SYSTEMS**

The Township employees and elected officials belong to the Public Employees Retirement system of Ohio (PERS). PERS is a state operated, cost-sharing, multiple employer public employee retirement system. PERS provides retirement benefits to vested employees who are eligible to retire based upon years of service. PERS also provides survivor and disability benefits to vested employees.

Contribution rates are prescribed by the Ohio Revised Code. The Township's PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for 2003 and 2002. The Township has paid all contributions required through December 31, 2003.

**6. RISK MANAGEMENT**

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles; and
- Public Official's Bonds

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



**Auditor of State  
Betty Montgomery**

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

Green Township  
Clark County  
5730 Springfield-Jamestown Road  
Springfield, Ohio 45502

To the Board of Trustees:

We have audited the accompanying financial statements of Green Township, Clark County, (the Township), as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated August 25, 2004, wherein we noted that the Township's financial transactions were processed using the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* consider this service to impair the independence of the Auditor of State to conduct the audit of the Township because the Auditor of State designed, developed, implemented, and as requested operates UAN. 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 findings as item 2003-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated August 25, 2004.

**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 other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated August 25, 2004.

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Green Township  
Clark County  
Independent Accountants' Report on Compliance and on Internal Control  
Required by *Government Auditing Standards*  
Page 2

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

August 25, 2004



**GREEN TOWNSHIP  
CLARK COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2003 AND 2002**

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

**FINDING NUMBER: 2003-001**

**Ohio Rev. Code Section 5705.10** states that revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose is to be paid into a special fund for such purpose. The Motor Vehicle License Tax Fund was created to account for the proceeds to the auto registration taxes. **Ohio Rev. Code Section 4503.02** states no part of the Motor Vehicle License Tax funds shall be used for any purpose except planning, constructing, maintaining, and repairing public roads and highways, maintaining bridges and viaducts.

The Township incorrectly posted \$11,662 for 2002 and \$5,569 for 2003 of auto registration taxes to the General Fund rather than the Motor Vehicle License Tax Fund. The Township has agreed to and has posted the adjustment to its financial records. The adjustment is reflected in the accompanying financial statements.

The Township should monitor the source of each receipt and the posting of revenues. Management should refer to the UAN chart of accounts when there is a question of appropriate fund or account coding.

**GREEN TOWNSHIP  
CLARK COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2003 AND 2002**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain:</i></b>
2001-40312-001	Tier II SAS 70 report	No longer valid	No longer valid – Township Discontinued contract during 2002.
2001-40312-002	ORC Sec. 5705.41 (D) –Prior certification	Yes	



**Auditor of State  
Betty Montgomery**

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**GREEN TOWNSHIP**

**CLARK 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  
OCTOBER 5, 2004**