



**MONROE TOWNSHIP  
CLERMONT COUNTY  
REGULAR AUDIT  
FOR THE YEARS ENDED DECEMBER 31, 2019 - 2018**

313 Second St.  
Marietta, OH 45750  
740 373 0056

1907 Grand Central Ave.  
Vienna, WV 26105  
304 422 2203

150 W. Main St., #A  
St. Clairsville, OH 43950  
740 695 1569

1310 Market St., #300  
Wheeling, WV 26003  
304 232 1358

749 Wheeling Ave., #300  
Cambridge, OH 43725  
740 435 3417

[www.perrycpas.com](http://www.perrycpas.com)



OHIO AUDITOR OF STATE  
KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
IPAReport@ohioauditor.gov  
(800) 282-0370

Board of Trustees  
Monroe Township  
2828 St. Rt. 222  
Bethel, Ohio 45106

We have reviewed the *Independent Auditor's Report* of Monroe Township, Clermont County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2018 through December 31, 2019. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Monroe Township is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

October 04, 2021

**This page intentionally left blank.**

MONROE TOWNSHIP  
CLERMONT COUNTY

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Independent Auditor's Report .....	1
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2019 .....	3
Notes to the Financial Statements For the Year Ended December 31, 2019 .....	4
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2018 .....	11
Notes to the Financial Statements For the Year Ended December 31, 2018 .....	12
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	20
Schedule of Audit Findings .....	22
Schedule of Prior Audit Findings.....	25

**This page intentionally left blank.**



313 Second St.  
Marietta, OH 45750  
740.373.0056

1907 Grand Central Ave.  
Vienna, WV 26105  
304.422.2203

150 West Main St.  
St. Clairsville, OH 43950  
740.695.1569

1310 Market Street, Suite 300  
Wheeling, WV 26003  
304.232.1358

749 Wheeling Ave., Suite 300  
Cambridge, OH 43725  
740.435.3417

## INDEPENDENT AUDITOR'S REPORT

July 30, 2021

Monroe Township  
Clermont County  
2828 State Route 222  
Bethel, Ohio 45106

To the Board of Trustees:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of **Monroe Township**, Clermont County, Ohio (the Township) as of and for the years ended December 31, 2019 and 2018.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Township's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations  
Members: American Institute of Certified Public Accountants  
• Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners • Association of Certified Anti-Money Laundering Specialists •

RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.



***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 2 of the financial statements, the Township prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Township does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2019 and 2018, and the respective changes in financial position thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of Monroe Township, Clermont County as of December 31, 2019 and 2018, and for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

***Emphasis of Matter***

As discussed in Note 13 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township. We did not modify our opinion regarding this matter.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2021, 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 grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



**Perry & Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio



**MONROE TOWNSHIP  
CLERMONT COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$ 139,262	\$ 1,482,277	\$ 1,621,539
Charges for Services	-	215,614	215,614
Licenses, Permits and Fees	43,329	-	43,329
Fines and Forfeitures	-	175	175
Intergovernmental	81,542	338,970	420,512
Earnings on Investments	8,348	3,759	12,107
Miscellaneous	24,521	53,825	78,346
	<u>297,002</u>	<u>2,094,620</u>	<u>2,391,622</u>
<i>Total Cash Receipts</i>			
<b>Cash Disbursements</b>			
Current:			
General Government	172,056	67,517	239,573
Public Safety	-	1,523,541	1,523,541
Public Works	-	394,168	394,168
Health	22,505	27,284	49,789
Conservation-Recreation	20,276	-	20,276
Capital Outlay	601	141,202	141,803
Debt Service:			
Principal Retirement	-	9,163	9,163
Interest and Fiscal Charges	-	2,646	2,646
	<u>215,438</u>	<u>2,165,521</u>	<u>2,380,959</u>
<i>Total Cash Disbursements</i>			
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>81,564</u>	<u>(70,901)</u>	<u>10,663</u>
<b>Other Financing Receipts (Disbursements)</b>			
Other Debt Proceeds	-	31,903	31,903
Sale of Capital Assets	-	2,651	2,651
Advances In	30,000	162,668	192,668
Advances Out	(56,868)	(135,800)	(192,668)
Other Financing Sources	1,965	-	1,965
	<u>(24,903)</u>	<u>61,422</u>	<u>36,519</u>
<i>Total Other Financing Receipts (Disbursements)</i>			
<i>Net Change in Fund Cash Balances</i>	56,661	(9,479)	47,182
<i>Fund Cash Balances, January 1</i>	<u>121,850</u>	<u>970,325</u>	<u>1,092,175</u>
<b>Fund Cash Balances, December 31</b>			
Restricted	-	874,041	874,041
Committed	-	86,805	86,805
Unassigned	178,511	-	178,511
	<u>178,511</u>	<u>960,846</u>	<u>1,139,357</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 178,511</u>	<u>\$ 960,846</u>	<u>\$ 1,139,357</u>

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

**MONROE TOWNSHIP**  
**CLERMONT COUNTY**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

---

**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Monroe Township, Clermont County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township also participates in a Mutual Aid agreement with neighboring entities for Fire & EMS coverage. Police services are provided by the Clermont County Sheriff's Department under contract with the Clermont County Board of Commissioners.

***Public Entity Risk Pool***

The Township participates in one public entity risk pool. Note 12 to the financial statements provides additional information for this entity. This organization is:

Ohio Township Association Risk Management Authority (OTARMA)

The Township's management believes these financial statements present all activities for which the Township is financially accountable.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types which is organized on a fund type basis.

***Fund Accounting***

The Township uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Township are presented below:

***General Fund*** The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

***Special Revenue Funds*** These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Fund:

***Fire Department Fund*** - This fund receives property tax money for providing fire safety services to the Township.

**MONROE TOWNSHIP**  
**CLERMONT COUNTY**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

---

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned and recognizes disbursements 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 the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

***Budgetary Process***

The Ohio Revised Code requires that each fund be budgeted annually.

***Appropriations*** Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund/function level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

***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 approve estimated resources.

***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 2019 budgetary activity appears in Note 3.

***Deposits and Investments***

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

***Capital Assets***

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**MONROE TOWNSHIP**  
**CLERMONT COUNTY**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

---

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Accumulated Leave***

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

***Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

***Nonspendable*** The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

***Restricted*** Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

***Committed*** Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

***Assigned*** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

***Unassigned*** Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**MONROE TOWNSHIP**  
**CLERMONT COUNTY**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 227,423	\$ 298,967	\$ 71,544
Special Revenue	1,905,081	2,129,174	224,093
<b>Total</b>	<b>\$ 2,132,504</b>	<b>\$ 2,428,141</b>	<b>\$ 295,637</b>

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 278,541	\$ 223,134	\$ 55,407
Special Revenue	2,677,535	2,221,960	455,575
<b>Total</b>	<b>\$ 2,956,076</b>	<b>\$ 2,445,094</b>	<b>\$ 510,982</b>

**Note 4 – Deposits and Investments**

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

	2019
Demand deposits	\$ 611,497
Total deposits	611,497
STAR Ohio	263,989
STAR Ohio Plus	263,871
Total investments	527,860
Total deposits and investments	<b>\$1,139,357</b>

**Deposits**

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

At December 31, 2019, \$195,232 of deposits were not insured or collateralized because the Township's financial institution had a reduced collateralization rate of 50% through OPCS.

**Investments**

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

**MONROE TOWNSHIP**  
**CLERMONT COUNTY**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

---

**Note 5 – Property Taxes**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, 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.

The County is responsible for assessing property and for billing, collecting, and distributing all property taxes on behalf of the Township.

**Note 6 – Interfund Balances**

Outstanding advances at December 31, 2019, consisted of \$26,868 advanced to the Fire Department Fund from the General Fund to cover fire related expenses.

**Note 7 – Risk Management**

***Risk Pool Membership***

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2019</u>
Cash and investments	\$35,207,320
Actuarial liabilities	\$ 10,519,942

**MONROE TOWNSHIP**  
**CLERMONT COUNTY**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

---

**Note 8 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Eight employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2019.

***Ohio Police and Fire Retirement System***

Ten of the Township's certified Fire Fighters contributed to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Township contributed to OP&F an amount equal to 24% of full-time fire fighters' wages. The Township has paid all contributions required through December 31, 2019.

***Social Security***

Thirty-four of the Township's employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2019.

**Note 9 – Postemployment Benefits**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2019. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

**MONROE TOWNSHIP**  
**CLERMONT COUNTY**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

---

**Note 10 – Debt**

**Leases**

The Township leases vehicles under non-cancelable leases. The Township disbursed \$11,809 to pay lease costs for the year ended December 31, 2019 out of the Fire & EMS 1 mil Replacement Levy and Fire and Rescue, Ambulance and EMS Funds.

**Amortization**

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

Year Ending December 31:	Leases
2020	\$ 15,435
2021	15,435
2022	7,251
2023	7,251
2024	3,625
Total	<u>\$ 48,997</u>

**Note 11 – Contingent Liabilities**

Amounts grantor agencies pay to the township are subject to audit and adjustment by the grantor. The grantor may require a refund of any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**Note 12 – Public Entity Risk Pool**

As described in Note 7, the Township participates in OTARMA, a public entity risk pool. OTARMA is governed by a seven member board of directors consisting of the executive director of the Ohio Township Association and township trustees, fiscal officers, and administrators.

**Note 13 – Subsequent Events**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township. The impact on the Township's future operating costs, revenues, any recovery from emergency funding, either federal or state, cannot be estimated.



**MONROE TOWNSHIP  
CLERMONT COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$ 139,124	\$ 1,144,442	\$ -	\$ 1,283,566
Charges for Services	-	213,837	-	213,837
Licenses, Permits and Fees	40,321	-	-	40,321
Fines and Forfeitures	-	115	-	115
Intergovernmental	79,449	283,075	-	362,524
Earnings on Investments	6,577	3,395	-	9,972
Miscellaneous	27,389	232,635	-	260,024
	<u>292,860</u>	<u>1,877,499</u>	<u>-</u>	<u>2,170,359</u>
<i>Total Cash Receipts</i>				
<b>Cash Disbursements</b>				
Current:				
General Government	223,501	47,489	-	270,990
Public Safety	1,492	1,480,890	-	1,482,382
Public Works	-	310,038	-	310,038
Health	26,705	22,151	-	48,856
Human Services	-	3,791	-	3,791
Conservation-Recreation	20,623	-	-	20,623
Capital Outlay	3,270	70,540	-	73,810
Debt Service:				
Principal Retirement	-	5,776	-	5,776
Interest and Fiscal Charges	-	2,408	-	2,408
	<u>275,591</u>	<u>1,943,083</u>	<u>-</u>	<u>2,218,674</u>
<i>Total Cash Disbursements</i>				
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>17,269</u>	<u>(65,584)</u>	<u>-</u>	<u>(48,315)</u>
<b>Other Financing Receipts (Disbursements)</b>				
Sale of Capital Assets	50,000	1,350	-	51,350
Transfers In	-	67,708	-	67,708
Transfers Out	-	-	(67,708)	(67,708)
Advances In	-	141,500	-	141,500
Advances Out	-	(141,500)	-	(141,500)
	<u>50,000</u>	<u>69,058</u>	<u>(67,708)</u>	<u>51,350</u>
<i>Total Other Financing Receipts (Disbursements)</i>				
<i>Net Change in Fund Cash Balances</i>	<u>67,269</u>	<u>3,474</u>	<u>(67,708)</u>	<u>3,035</u>
<i>Fund Cash Balances, January 1</i>	<u>54,581</u>	<u>966,851</u>	<u>67,708</u>	<u>1,089,140</u>
<b>Fund Cash Balances, December 31</b>				
Restricted	-	880,204	-	880,204
Committed	-	90,121	-	90,121
Assigned	53,868	-	-	53,868
Unassigned	67,982	-	-	67,982
	<u>67,982</u>	<u>-</u>	<u>-</u>	<u>67,982</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 121,850</u>	<u>\$ 970,325</u>	<u>\$ -</u>	<u>\$ 1,092,175</u>

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

**MONROE TOWNSHIP**  
**CLERMONT COUNTY**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

---

**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Monroe Township, Clermont County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township also participates in a Mutual Aid agreement with neighboring entities for Fire & EMS coverage. Police services are provided by the Clermont County Sheriff's Department under contract with the Clermont County Board of Commissioners.

***Public Entity Risk Pool***

The Township participates in one public entity risk pool. Note 12 to the financial statements provides additional information for this entity. This organization is:

Ohio Township Association Risk Management Authority (OTARMA)

The Township's management believes these financial statements present all activities for which the Township is financially accountable.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types which is organized on a fund type basis.

***Fund Accounting***

The Township uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Township are presented below:

***General Fund*** The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

***Special Revenue Funds*** These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Fund:

***Fire Department Fund*** - This fund receives property tax money for providing fire safety services to the Township.

***Fire and Rescue, Ambulance and EMS Fund*** - This fund receives revenue from providing emergency medical services to the Township.

***Capital Project Funds*** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant Capital Project Fund:

***Public Works Commission Project Fund*** – This project to re-route North Altman Road was cancelled due to cost after re-engineering delays and the money transferred back to the Road and Bridge Fund from which it originated.

**MONROE TOWNSHIP**  
**CLERMONT COUNTY**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

---

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned and recognizes disbursements 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 the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

***Budgetary Process***

The Ohio Revised Code requires that each fund be budgeted annually.

***Appropriations*** Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund/function level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

***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 approve estimated resources.

***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 2018 budgetary activity appears in Note 3.

***Deposits and Investments***

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

***Capital Assets***

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**MONROE TOWNSHIP**  
**CLERMONT COUNTY**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

---

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Accumulated Leave***

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

***Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

***Nonspendable*** The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

***Restricted*** Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

***Committed*** Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

***Assigned*** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

***Unassigned*** Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**MONROE TOWNSHIP**  
**CLERMONT COUNTY**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2018 follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 326,136	\$ 342,860	\$ 16,724
Special Revenue	2,060,427	1,946,557	(113,870)
Total	\$ 2,386,563	\$ 2,289,417	\$ (97,146)

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 279,620	\$ 277,681	\$ 1,939
Special Revenue	2,080,954	1,956,524	124,430
Capital Projects	67,708	67,708	0
Total	\$ 2,428,282	\$ 2,301,913	\$ 126,369

**Note 4 – Deposits and Investments**

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

	2018
Demand deposits	\$ 576,386
Total deposits	576,386
STAR Ohio	257,943
STAR Ohio Plus	257,846
Total investments	515,789
Total deposits and investments	\$1,092,175

**Deposits**

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

At December 31, 2018, \$188,705 of deposits were not insured or collateralized because the Township's financial institution had a reduced collateralization rate of 50% through OPCS.

**Investments**

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

**MONROE TOWNSHIP**  
**CLERMONT COUNTY**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

---

**Note 5 – Property Taxes**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, 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.

The County is responsible for assessing property and for billing, collecting, and distributing all property taxes on behalf of the Township.

**Note 6 – Risk Management**

***Risk Pool Membership***

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2018</u>
Cash and investments	\$33,097,416
Actuarial liabilities	\$ 7,874,610

**Note 7 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Eight employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2018.

**MONROE TOWNSHIP**  
**CLERMONT COUNTY**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

---

**Note 7 – Defined Benefit Pension Plans (Continued)**

***Ohio Police and Fire Retirement System***

Nine of the Township's certified Fire Fighters contributed to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Township contributed to OP&F an amount equal to 24% of full-time fire fighters' wages. The Township has paid all contributions required through December 31, 2018.

***Social Security***

Thirty-three of the Township's employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2018.

**Note 8 – Postemployment Benefits**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2018. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2018. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

**Note 9 – Debt**

***Leases***

A Lease Purchase agreement was signed with First Government Lease Co. on May 15, 2017 with a principal balance of \$33,000, for a term of 5 years, at a rate of 24% for the acquisition of a 2017 Ford Utility Police Interceptor for use as a Fire & EMS Staff Vehicle. The Township disbursed \$8,184 to pay lease costs for the year ended December 31, 2018 out of the Fire and Rescue, Ambulance and EMS Fund.

**MONROE TOWNSHIP**  
**CLERMONT COUNTY**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

---

**Note 9 – Debt (Continued)**

***Amortization***

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

Year Ending December 31:	Leases
2019	\$ 8,184
2020	8,184
2021	8,184
Total	<u>\$ 24,552</u>

**Note 10 – Construction and Contractual Commitments**

The Township is entering into the second year of a three-year contract for Police Services provided by the Clermont County Sheriff's Department. Current carryover and estimated revenue in the Police Fund is insufficient to cover the third year obligations. A cancellation clause exists in the event funding cannot be advanced from the General Fund or otherwise obtained.

**Note 11 – Contingent Liabilities**

The Township is defendant in one Worker's Compensation lawsuit. Although management cannot presently determine the outcome of the suit, management believes that the resolution of this matter will not materially adversely affect the Township's financial condition.

Amounts grantor agencies pay to the township are subject to audit and adjustment by the grantor. The grantor may require a refund of any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**Note 12 – Public Entity Risk Pool**

As described in Note 6, the Township participates in OTARMA, a public entity risk pool. OTARMA is governed by a seven member board of directors consisting of the executive director of the Ohio Township Association and township trustees, fiscal officers, and administrators.

**Note 13 – Subsequent Events**

***COVID-19***

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township. The impact on the Township's future operating costs, revenues, any recovery from emergency funding, either federal or state, cannot be estimated.

***Vehicle Lease to Purchase***

The Township obtained Board approval in late 2018 to enter into a Lease to Purchase agreement for a 2018 Ford F150 truck to replace an existing Fire & EMS staff vehicle removed from service. The Lease to Purchase agreement with Huntington is effective January 15, 2019 with an initial payment due in July, 2019. The Principal balance is \$31,903.34, with a rate of 4.79% financed over 5 years.



**MONROE TOWNSHIP**  
**CLERMONT COUNTY**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

---

**Note 13 – Subsequent Events (Continued)**

***Fire & EMS Replacement Levies***

3mil and 1 mil Fire and EMS replacement levies were approved by voters on the November, 2018 ballot and are effective retroactively for the 2018 tax year. The additional revenue derived from the increase in property valuation that has occurred since the original of the levies were passed will be included in 2019 tax distributions from the County.

***Firefighters' Union Contract Renewal***

The renewal of the Union contract for Firefighters effective January 1, 2019 includes significant increases in hourly wages to enable the Department to compete with other entities and industries for qualified applicants. Part Time hourly wages are also going up to increase retention. The higher wages will drive higher retirement benefits costs due to their basis in wages. These increases take effect March 24, 2019 and will have a material impact on 2019 Appropriations for Fire & EMS.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

July 30, 2021

Monroe Township  
Clermont County  
2828 State Route 222  
Bethel, Ohio 45106

To the Board of Trustees:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts and disbursements by fund type of **Monroe Township**, Clermont County, (the Township) as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements and have issued our report thereon dated July 30, 2021, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township.

**Internal Control Over Financial Reporting**

As part of our financial statement audit, we considered the Township's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Township's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Township's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying schedule of audit findings that we consider material weaknesses. We consider findings 2019-001 and 2019-002 to be material weaknesses.

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations  
Members: American Institute of Certified Public Accountants  
• Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners • Association of Certified Anti-Money Laundering Specialists •

***Compliance and Other Matters***

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of audit findings as items 2019-002 and 2019-003.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

**Perry and Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

**MONROE TOWNSHIP  
CLERMONT COUNTY**

**SCHEDULE OF AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

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

**FINDING NUMBER 2019-001**

**Material Weakness**

**Financial Reporting**

Accurate financial reporting is the responsibility of the Fiscal Officer and is essential to ensure information provided to the readers of the financial statements is accurate. Fund balances should be properly classified based on Governmental Accounting Standards Board (GASB) Statement No. 54: Fund Balance Reporting and Governmental Fund Type Definitions. Footnote disclosures should be accurate based on underlying source documentation and governmental accounting standards.

The following errors with the Township's annual financial report were noted:

- Payments to the County Health Department for one of the two tax settlements in each year were netted against property tax revenue rather than being posted as an expense in the General Fund in 2019 and 2018;
- For two property tax settlement receipts, the portion allocated to the Life Squad Fund was posted to the Fire Department Fund in 2018;
- Gasoline Tax, Motor Vehicle License Tax, and Permissive Motor Vehicle License Tax receipts were not always posted to the correct fund in 2019 and 2018;
- As noted in Finding 2019-002 Fiscal Officer and Trustee pay was adjusted to agree to the provided payroll certifications in 2019;
- As noted in Finding 2019-003, all current year activity posted to the MSR Special Event's Fund has been adjusted to the General Fund in 2019 and 2018;
- Debt proceeds were recorded as Other Financing Sources rather than Other Debt Proceeds in the Fire and Rescue, Ambulance, and EMS Fund in 2019;
- The Township classified the Zoning Fund as being part of the Special Revenue Fund Type with a Restricted fund balance in 2019 (correctly mapped to the General Fund in 2018). All current year activity has been adjusted to the General Fund; and
- The Road and Bridge Fund balance was classified entirely as Restricted when it should have been Committed due to all funding coming from inside millage in 2019 and 2018.

Not posting receipts and disbursements accurately resulted in the financial statements requiring several reclassifications and adjusting entries. The financial statements reflect all reclassifications and adjustments. The Township has made all adjustments to its accounting system.

In 2019, adequate notes to the financial statements were not filed as the notes template was not properly modified by the Fiscal Officer. Essentially all aspects of the 2019 notes to the financial statements were updated based on the notes filed for 2018 and the audit documentation obtained over the course of the audit.

**MONROE TOWNSHIP  
CLERMONT COUNTY**

**SCHEDULE OF AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
--

**FINDING NUMBER 2019-001 (Continued)**

**Material Weakness (Continued)**

**Financial Reporting (Continued)**

In 2018, the following changes were made to the notes to the financial statements:

- Updated the Summary of Significant Accounting Policies Note to remove references to Proprietary and Fiduciary Funds and to report all major Special Revenue Funds of the Township;
- Removed the Compliance Note as the matter included was not material noncompliance;
- Updated the Budgetary Activity Note for the audit adjustments made in 2018;
- Updated the Deposits and Investments Note to accurately report demand deposits (reducing the amount reported by outstanding checks);
- Updated wording of the Property Taxes Note;
- Removed unnecessary Interfund Balances Note;
- Updated the Risk Management Note to reflect the proper OTARMA disclosure and to remove the inaccurate information regarding self-insurance;
- Removed unnecessary Interfund Balances, Joint Ventures, Related Organizations, and Related Party Transactions Notes;
- Removed inaccurate Jointly Governed Organizations Note;
- Updated Public Entity Risk Pool Note to reflect OTARMA; and
- Added Subsequent Events Note for COVID-19.

To help ensure accuracy and reliability in the financial reporting process, we recommend that management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all sources of revenues and expenses are properly identified and classified on the financial statements. The Township should also ensure all applicable footnote disclosures are accurately reported. The Township notes shell must be updated to include information specific to the Township and to remove inapplicable disclosures.

We also recommend the Fiscal Officer refer to the Ohio Township Handbook and other Auditor of State resources for guidance to determine the proper establishment of receipt and disbursement accounts and posting of receipts and disbursements.

**Officials' Response** – We did not receive a response from Officials to this finding.

**FINDING NUMBER 2019-002**

**Material Weakness/Noncompliance**

**Ohio Revised Code § 505.24(C) and 507.09(D)**, sets forth the method by which the Township Trustees' and the Fiscal Officer's compensation should be allocated. These sections require that compensation of a Township Trustee/Fiscal Officer must be paid from the Township General Fund or from such other Township funds, in such proportions as the Board may specify by resolution. In addition, Trustees/Fiscal Officers using the salary method and that are compensated from funds other than the General Fund must certify the percentage of the time spent working on matters that are to be paid from funds other than the General Fund. Trustees/Fiscal Officers must complete a certification prior to receiving his/her pay for that pay period. The certification must be done individually but is not required to be notarized. The certification is not required to be a time log. Rather, all that is required is a statement detailing the percentage of time that the trustee/fiscal officer spent during that pay period providing services related to each fund to be charged.

**MONROE TOWNSHIP  
CLERMONT COUNTY**

**SCHEDULE OF AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
--

**FINDING NUMBER 2019-002 (Continued)**

**Material Weakness/Noncompliance (Continued)**

**Ohio Revised Code § 505.24(C) and 507.09(D) (Continued)**

During 2019, the Fiscal Officer apportioned the Trustees'/Fiscal Officer's salaries to the General, Road and Bridge, Fire Department, and Fire & EMS 3 mil Replacement Levy Funds. The amounts charged did not agree to the payroll certifications for February and March that were presented, and payroll certifications were not presented for January or December. As a result, the Road and Bridge and Fire Department Funds were overcharged \$3,548 and \$5,069, respectively, and the General and Fire & EMS 3 mil Replacement Levy Funds were undercharged \$6,927 and \$1,690, respectively.

As a result, adjustments were made in order to fairly present the annual financial statements. The Township has made all adjustments to its accounting system.

We recommend all Trustees'/Fiscal Officer's salaries be paid in accordance with the prepared payroll certifications if allocated to Township funds other than the General Fund.

**Officials' Response** – We did not receive a response from Officials to this finding.

**FINDING NUMBER 2019-003**

**Noncompliance**

**Ohio Rev. Code Sections 5705.09 and 5705.121** detail the funds that may be established without Auditor of State approval.

The Township established the MSR Special Events Fund in 2018 to account for receipts from special events of the Township, such as the annual car show. This fund was not approved through formal board action and is not authorized under Ohio Rev. Code Section 5705.09 or 5705.121 and the Township did not receive Auditor of State approval to establish the fund.

As there are no restrictions on the receipts posted into this fund, we have proposed adjustments to move the activity of this fund to the General Fund. The Township has made all adjustments to its accounting system.

We recommend the Township review Ohio Rev. Code Sections 5705.09 and 5705.121 and ensure that proper procedures are followed upon establishing new funds.

**Officials' Response** – We did not receive a response from Officials to this finding.



**SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

Finding Number	Finding Summary	Status	Additional Information
2017-001	Posting Receipts, Disbursements and Fund Balance Classification	Not Corrected	Repeated as Finding 2019-001
2017-002	Overpayment of Wages	Corrected	N/A
2017-003	Budgetary Controls	Partially Corrected	Moved to Management Letter
2017-004	Unallowable Advances	Corrected	N/A
2017-005	26 U.S.C. Section 3402 – Timely and Accurate 941 Submissions	Corrected	N/A
2017-006	Ohio Rev. Code Section 145.47 – Timely OPERS Submissions	Partially Corrected	Moved to Management Letter
2017-007	Ohio Rev. Code Section 742.35 – Timely OP&F Submissions	Corrected	N/A
2017-008	Ohio Rev. Code Section 5747.06 – Timely IT-501 Submissions	Corrected	N/A

**This page intentionally left blank.**



# OHIO AUDITOR OF STATE KEITH FABER



**MONROE TOWNSHIP**

**CLERMONT COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 10/14/2021**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)