



**GREEN TOWNSHIP
ASHLAND COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**GREEN TOWNSHIP
ASHLAND COUNTY**

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

111 Second Street, NW
Fourth Floor
Canton, Ohio 44702
Telephone 330-438-0617
800-443-9272
Facsimile 330-471-0001
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Green Township
Ashland County
783 W. St. Rt. 39
Perrysville, OH 44842

To the Board of Trustees:

We have audited the accompanying financial statements of Green Township, Ashland County, Ohio, (the Township) as of and for the years ended December 31, 2000 and 1999. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Township as of December 31, 2000 and 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 20, 2001, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

This report is intended solely for the information and use of management, the Board of Trustees, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

April 20, 2001

**GREEN TOWNSHIP
ASHLAND COUNTY**

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

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Local Taxes	\$82,739	\$151,212	\$56,668		\$290,619
Intergovernmental	121,899	77,724	4,498		204,121
Licenses, Permits, and Fees	2,670				2,670
Earnings on Investments	4,956	539	12,047	\$923	18,465
Other	1,605	988			2,593
	<u>213,869</u>	<u>230,463</u>	<u>73,213</u>	<u>923</u>	<u>518,468</u>
Total Cash Receipts					
Cash Disbursements:					
Current:					
General Government	96,016				96,016
Public Safety	5,992	67,062			73,054
Public Works	80,010	116,882			196,892
Health	1,722	19,027			20,749
Debt Service:					
Redemption of Principal			25,000		25,000
Interest and Fiscal Charges			33,900		33,900
Capital Outlay	1,534	28,115			29,649
	<u>185,274</u>	<u>231,086</u>	<u>58,900</u>		<u>475,260</u>
Total Cash Disbursements					
Total Cash Receipts Over/(Under) Cash Disbursements	<u>28,595</u>	<u>(623)</u>	<u>14,313</u>	<u>923</u>	<u>43,208</u>
Other Financing Receipts/(Disbursements):					
Sale of Fixed Assets	123	1,786			1,909
Transfers-In		28,115		30,000	58,115
Transfers-Out	(38,115)	(20,000)			(58,115)
	<u>(37,992)</u>	<u>9,901</u>		<u>30,000</u>	<u>1,909</u>
Total Other Financing Receipts/(Disbursements)					
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(9,397)</u>	<u>9,278</u>	<u>14,313</u>	<u>30,923</u>	<u>45,117</u>
Fund Cash Balances, January 1	<u>62,685</u>	<u>44,264</u>	<u>172,163</u>	<u>15,862</u>	<u>294,974</u>
Fund Cash Balances, December 31	<u>\$53,288</u>	<u>\$53,542</u>	<u>\$186,476</u>	<u>\$46,785</u>	<u>\$340,091</u>
Reserves for Encumbrances, December 31	<u>\$7,377</u>	<u>\$49</u>	<u>\$0</u>	<u>\$0</u>	<u>\$7,426</u>

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

**GREEN TOWNSHIP
ASHLAND COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Local Taxes	\$80,962	\$145,585	\$59,324		\$285,871
Intergovernmental	48,280	76,057	4,192		128,529
Licenses, Permits, and Fees	2,121				2,121
Earnings on Investments	3,624	381	8,977	\$773	13,755
Other	71				71
Total Cash Receipts	<u>135,058</u>	<u>222,023</u>	<u>72,493</u>	<u>773</u>	<u>430,347</u>
Cash Disbursements:					
Current:					
General Government	90,861				90,861
Public Safety		70,075			70,075
Public Works	56,989	91,798			148,787
Health	1,800	19,382			21,182
Debt Service:					
Redemption of Principal			20,000		20,000
Interest and Fiscal Charges			35,635		35,635
Capital Outlay	322	25,000			25,322
Total Cash Disbursements	<u>149,972</u>	<u>206,255</u>	<u>55,635</u>		<u>411,862</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(14,914)</u>	<u>15,768</u>	<u>16,858</u>	<u>773</u>	<u>18,485</u>
Fund Cash Balances, January 1	<u>77,599</u>	<u>28,496</u>	<u>155,305</u>	<u>15,089</u>	<u>276,489</u>
Fund Cash Balances, December 31	<u>\$62,685</u>	<u>\$44,264</u>	<u>\$172,163</u>	<u>\$15,862</u>	<u>\$294,974</u>
Reserves for Encumbrances, December 31	<u>\$252</u>	<u>\$1,616</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,868</u>

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

**GREEN TOWNSHIP
ASHLAND COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - FIDUCIARY FUND TYPE
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**

	2000	1999
	Non-expendable Trust Fund	Non-expendable Trust Fund
Non-Operating Cash Receipts:		
Gifts and Donations		\$1,553
Earnings on Investments	\$292	477
Miscellaneous		900
Total Non-Operating Cash Receipts	292	2,930
Non-Operating Cash Disbursements:		
Capital Outlay	4,000	
Maintenance and Repair		5,922
Total Non-Operating Cash Disbursements	4,000	5,922
Net Loss	(3,708)	(2,992)
Fund Cash Balance, January 1	9,190	12,182
Fund Cash Balance, December 31	\$5,482	\$9,190
Reserves for Encumbrances, December 31	\$300	\$0

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

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**GREEN TOWNSHIP
ASHLAND COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Green Township, Ashland County, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides general governmental services, including road and bridge maintenance and cemetery maintenance. The Township contracts with the Village of Perrysville and the Village of Loudonville to provide fire services and the Village of Loudonville to provide ambulance services.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

Certificates of deposit, and the U.S. Treasury Savings Bond are valued at cost. The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

Investments are included in the fund cash balances. 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.

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.

**GREEN TOWNSHIP
ASHLAND COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

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 legally 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.

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

Green-Perrysville Fire Special Levy - This fund receives property tax money for the maintaining fire services in the Township.

3. Debt Service Fund

The Debt Service Fund is used to accumulate resources for the payment of bonds. The Township had the following Debt Service Fund:

Fire Station Bond Retirement - This fund receives property tax money used for the retirement of bonds issued by the Township.

4. Capital Projects Fund

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through the trust fund). The Township had the following Capital Projects Fund:

Dump Truck Capital Projects Fund - This fund is used to set aside money for the future purchase of a dump truck by the Township.

5. Fiduciary Fund (Trust Fund)

These funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Township to maintain the corpus of the trust, the fund is classified as a non-expendable trust fund. Other trust funds are classified as expendable. The Township had the following significant fiduciary funds:

County Line Cemetery Non-expendable Trust Fund - This fund receives interest from certificates of deposits that are used to maintain cemetery grounds.

Bethesda Cemetery Non-expendable Trust Fund - This fund receives interest from certificates of deposits, STAR Ohio Investments, and a U.S. savings bond for the maintenance of cemetery grounds.

**GREEN TOWNSHIP
ASHLAND COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Township.

**GREEN TOWNSHIP
ASHLAND COUNTY**

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

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>2000</u>	<u>1999</u>
Demand deposits	\$74,152	\$73,715
Certificates of deposit	750	750
Total deposits	74,902	74,465
U.S. Treasury Savings Bond	500	500
STAR Ohio	270,171	229,199
Total investments	270,671	229,699
Total deposits and investments	\$345,573	\$304,164

Deposits: Deposits are either insured by the Federal Depository Insurance Corporation.

Investments: The U.S. Savings Bond is held in book-entry form by the Federal Reserve, in the name of the Township. Investments at STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

3. BUDGETARY ACTIVITY

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

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$195,194	\$213,992	\$18,798
Special Revenue	263,846	260,364	(3,482)
Debt Service	69,173	73,213	4,040
Capital Projects	103	30,923	30,820
Fiduciary	726	292	(434)
Total	\$529,042	\$578,784	\$49,742

**GREEN TOWNSHIP
ASHLAND COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$257,879	\$230,766	\$27,113
Special Revenue	308,110	251,135	56,975
Debt Service	241,336	58,900	182,436
Capital Projects	15,965	0	15,965
Fiduciary	8,766	4,300	4,466
Total	<u>\$832,056</u>	<u>\$545,101</u>	<u>\$286,955</u>

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$112,596	\$135,058	\$22,462
Special Revenue	216,745	222,023	5,278
Debt Service	69,192	72,493	3,301
Capital Projects	0	773	773
Fiduciary	1,025	2,930	1,905
Total	<u>\$399,558</u>	<u>\$433,277</u>	<u>\$33,719</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$190,194	\$150,224	\$39,970
Special Revenue	243,263	207,871	35,392
Debt Service	224,498	55,635	168,863
Capital Projects	15,089	0	15,089
Fiduciary	12,058	5,924	6,134
Total	<u>\$685,102</u>	<u>\$419,654</u>	<u>\$265,448</u>

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 payments, the first half is due December 31. The second half payment is due the following June 20.

**GREEN TOWNSHIP
ASHLAND COUNTY**

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

4. PROPERTY TAX (Continued)

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

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

5. DEBT

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
General Obligation Bonds Series 1992	\$440,000	Variable (8.625% -7.000%)

The general obligation bonds were issued to finance the construction of a new fire station to service the Township. The bonds are collateralized solely by the Township's taxing authority.

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

Year ending December 31:	General Obligation Bonds Series 1992
2001	\$56,206
2002	59,050
2003	56,950
2004	54,850
2005	57,750
Subsequent	364,900
Total	\$649,706

6. RETIREMENT SYSTEM

The Township's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, members of PERS contributed 8.5% of their gross salaries. The Township contributed an amount equal to 10.84% and 13.55% of participants' gross salaries for 2000 and 1999, respectively. The Township has paid all contributions required through December 31, 2000.

**GREEN TOWNSHIP
ASHLAND COUNTY**

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

7. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

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

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

8. CONTINGENT LIABILITIES

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

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111 Second Street, NW
Fourth Floor
Canton, Ohio 44702
Telephone 330-438-0617
800-443-9272
Facsimile 330-471-0001
www.auditor.state.oh.us

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

Green Township
Ashland County
783 W. St. Rt. 39
Perrysville, OH 44842

To the Board of Trustees:

We have audited the accompanying financial statements of Green Township, Ashland County, Ohio, (the Township) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated April 20, 2001. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted 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 April 20, 2001.

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

This report is intended for the information and use of management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

April 20, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

GREEN TOWNSHIP

ASHLAND 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
JUNE 12, 2001**