



**Auditor of State  
Betty Montgomery**



**BOWLING GREEN TOWNSHIP  
MARION COUNTY**

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Bowling Green Township  
Marion County  
3005 LaRue – Richwood Road  
LaRue, Ohio 43332

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bowling Green Township, Marion County, Ohio, (the Township), as of and for the years ended December 31, 2005, and December 31, 2004, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 processes its financial transactions with 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 our audit provides a reasonable basis for our opinions.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Bowling Green Township, Marion County, Ohio, as of December 31, 2005, and December 31, 2004, and the respective changes in cash basis financial position and the respective budgetary comparisons for the General, Motor Vehicle License Tax, and Gasoline Tax Funds thereof for the years then ended in conformity with the accounting basis Note 2 describes.

For the year ended December 31, 2004, the Township revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.

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In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2005, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

June 19, 2006

**BOWLING GREEN TOWNSHIP  
MARION COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**  
Unaudited

**Highlights**

The Bowling Green Township, Marion County, Ohio, is a body politic and corporate established in 1838 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 also has an elected Township Clerk. The Township residents benefit from Scioto Valley Fire District fire protection paid for on each individual taxpayer's property tax duplicate. Scioto Valley Fire District Board is made up of one trustee from Bowling Green Township and two other townships and a village. Police protection is provided by the Marion County Sheriff.

**Using the Basic Financial Statements**

The Township's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, which provide information about the Township as a whole. Fund financial statements provide a more detailed level of financial information. The Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance.

**Basis of Accounting**

The Township's financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting.

**Reporting the Township as a Whole**

The statement of net assets and the statement of activities reflect how the Township did financially during 2005 and 2004, within the limitations of the cash basis of accounting. The Statement of Net Assets - Cash Basis presents the cash balance of the governmental activities of the Township at year end. The Statement of Activities - Cash Basis compares disbursements with program receipts for each governmental activity. Program receipts include charges paid by the recipient of the program's goods or services and grants restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other nonfinancial factors as well such as the Township's property tax base and the reliance on non-local financial resources for operations and the need for continued growth.

The Statement of Net Assets - Cash Basis reports all of the Township's activities, which are governmental. Property taxes and state grants finance most of these activities.

**BOWLING GREEN TOWNSHIP  
MARION COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

Unaudited  
(Continued)

**Reporting the Township's Most Significant Funds**

Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. The Township's governmental funds are as follows:

| <b>Fund Number</b> | <b>Fund Description</b>   | <b>Fund Type</b> | <b>Major Fund</b> | <b>Restricted/Unrestricted</b> | <b>Business Activity</b> |
|--------------------|---------------------------|------------------|-------------------|--------------------------------|--------------------------|
| 1000               | General                   | General          | Yes               | Unrestricted                   | No                       |
| 2011               | Motor Vehicle License Tax | Special Revenue  | Yes               | Restricted Other               | No                       |
| 2021               | Gasoline Tax              | Special Revenue  | Yes               | Restricted Other               | No                       |
| 2041               | Cemetery                  | Special Revenue  | No                | Restricted Other               | No                       |

The following tables compare 2005 information with 2004. Comparison of 2004 information with 2003 is not provided, as the Township did not prepare government-wide financial statements for 2003.

Table 1 reflects the changes in net assets for 2005 and 2004.

**Table 1  
Changes in Net Assets**

|   | <b>Governmental Activities</b> |             |
|---|--------------------------------|-------------|
|   | <b>2005</b>                    | <b>2004</b> |
| Receipts:                                 |                                |             |
| Program Receipts                          |                                |             |
| Charges for Services & Sales              | \$ 2,275                       | \$ 1,700    |
| Operating Grants                          | 89,681                         | 76,414      |
| Total Program Receipts                    | 91,956                         | 78,114      |
| General Receipts                          |                                |             |
| Property Taxes                            | 32,606                         | 36,035      |
| Other Taxes                               | 221                            | 175         |
| Grants and Entitlements<br>not restricted | 15,331                         | 20,869      |
| Earnings on Investments                   | 3,325                          | 2,855       |
| Miscellaneous                             | 3,602                          | 911         |
| Total General Receipts                    | 55,085                         | 60,845      |
| Total Receipts                            | 147,040                        | 138,959     |
| Disbursements:                            |                                |             |
| General Government                        | 48,348                         | 51,492      |
| Public Works                              | 43,265                         | 60,755      |
| Health                                    | 18,389                         | 13,787      |
| Capital Outlay                            | 21,800                         | 7,500       |
| Total Disbursements                       | 131,802                        | 133,534     |
| Increase/(Decrease) in Net Assets         | 15,239                         | 5,425       |
| Net Assets, January 1                     | 170,264                        | 164,839     |
| Net Assets, December 31                   | \$ 185,503                     | \$ 170,264  |



**BOWLING GREEN TOWNSHIP  
MARION COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

Unaudited  
(Continued)

Program receipts accounted for 63 percent and 56 percent of the District's total receipts in 2005 and 2004, respectively. These receipts consist primarily of cemetery charges for services and state operating grants.

General receipts represent 37 percent and 44 percent of the Township's total receipts in 2005 and 2004, respectively, and of these amounts, over 59 percent are property taxes. State grants and entitlements, interest, and other taxes make up the balance of the Township's general receipts (41 percent). Other receipts are insignificant and somewhat unpredictable revenue sources.

Table 2 provides a summary of the Township's net assets for 2005 compared to 2004 on a cash basis:

**Table 2  
Net Assets - Cash Basis**

|                  | <b>Governmental Activities</b> |             |
|------------------|--------------------------------|-------------|
|                  | <b>2005</b>                    | <b>2004</b> |
| Assets           |                                |             |
| Cash             | \$ 185,503                     | \$ 170,264  |
| Total Assets     | 185,503                        | 170,264     |
| Net Assets       |                                |             |
| Restricted for:  |                                |             |
| Other Purposes   | 143,902                        | 113,765     |
| Unrestricted     | 41,601                         | 56,499      |
| Total Net Assets | \$ 185,503                     | \$ 170,264  |

The increase in net assets from 2004 to 2005 was primarily due to an increase in gas tax revenues, which resulted from gas tax rate increases in July 2004 and July 2005.

**Governmental Activities**

Table 3 indicates the total cost of services and the net cost of services. The Statement of Activities - Cash Basis reflects the cost of program services and the charges for services and operating grants offsetting those services. The total cost of services represents expenses related to each governmental program. The net cost of services identifies the cost of those services supported by charges for services and operating grants.

**Table 3  
Governmental Activities**

|                           | <b>Total Cost of Services</b> |                  | <b>Net Cost of Services</b> |                   |
|---------------------------|-------------------------------|------------------|-----------------------------|-------------------|
|                           | <b>2005</b>                   | <b>2004</b>      | <b>2005</b>                 | <b>2004</b>       |
| General Government        | \$48,348                      | \$51,492         | (\$48,348)                  | (\$51,492)        |
| Public Works              | 43,265                        | 60,755           | 46,416                      | 15,659            |
| Health                    | 18,389                        | 13,787           | (16,114)                    | (12,087)          |
| Capital Outlay            | 21,800                        | 7,500            | (21,800)                    | (7,500)           |
| <b>Total Distribution</b> | <b>\$131,802</b>              | <b>\$133,534</b> | <b>(\$39,846)</b>           | <b>(\$55,420)</b> |

**BOWLING GREEN TOWNSHIP  
MARION COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

Unaudited  
(Continued)

The dependence upon property tax receipts is apparent as approximately 30% and 42% percent of governmental activities are supported through these general receipts in 2005 and 2004, respectively.

**The Township's Funds**

In 2005, the governmental funds had total receipts of \$147,041 and disbursements of \$131,802. The governmental funds had an increase in the cash balance of \$15,239. The greatest change within governmental funds occurred within the Gasoline Tax Fund. As mentioned previously, the cash balance increase was largely due to an increase in gas tax revenues, which resulted from gas tax rate increases in July 2004 and July 2005.

In 2004, the governmental funds had total receipts of \$138,959 and disbursements of \$133,534. The governmental funds had an increase in the cash balance of \$5,425.

**Budgeting Highlights**

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted funds are the General Fund and the Gasoline Tax Fund.

The Township did not amend its General Fund budget in 2005 or 2004. During 2005, the Township did amend its Gasoline Tax Fund budget one time to reflect changing circumstances. The Township did not amend its Gasoline Tax Fund budget in 2004.

**Contacting the Township's Financial Management**

This financial report is designed to provide a general overview of the Township's finances for all those with an interest in the Township's finances, and to reflect the Township's accountability for the money it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Bowling Green Township, 3005 Richwood LaRue Road, LaRue, Ohio 43332, c/o Robin Anderson, Clerk.

**BOWLING TOWNSHIP  
MARION COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS  
DECEMBER 31, 2005**

|  | <u>Governmental<br/>Activities</u> |
|--|------------------------------------|
| <b>Assets</b>                              |                                    |
| Equity in Pooled Cash and Cash Equivalents | <u>\$185,503</u>                   |
| <i>Total Assets</i>                        | <u><u>\$185,503</u></u>            |
| <br>                                       |                                    |
| <b>Net Assets</b>                          |                                    |
| Restricted for:                            |                                    |
| Other Purposes                             | 143,902                            |
| Unrestricted                               | <u>41,601</u>                      |
| <i>Total Net Assets</i>                    | <u><u>\$185,503</u></u>            |

See accompanying notes to the basic financial statements

**BOWLING GREEN TOWNSHIP  
MARION COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

|                                      |                       | Program Cash Receipts                |                     | Net (Disbursements)<br>Receipts and<br>Changes in Net<br>Assets |
|--------------------------------------|-----------------------|--------------------------------------|---------------------|---|
|                                      | Cash<br>Disbursements | Charges<br>for Services<br>and Sales | Operating<br>Grants | Governmental<br>Activities                                      |
| <b>Governmental Activities</b>       |                       |                                      |                     |   |
| General Government                   | \$48,348              | \$0                                  | \$0                 | (\$48,348)  |
| Public Works                         | 43,265                | 0                                    | 89,681              | 46,416  |
| Health                               | 18,389                | 2,275                                | 0                   | (16,114)  |
| Capital Outlay                       | 21,800                | 0                                    | 0                   | (21,800)  |
| <i>Total Governmental Activities</i> | 131,802               | 2,275                                | 89,681              | (39,846)  |
|                                      |                       | <b>General Receipts</b>              |                     |   |
|                                      |                       |                                      |                     | 32,827  |
|                                      |                       |                                      |                     | 15,331  |
|                                      |                       |                                      |                     | 3,325   |
|                                      |                       |                                      |                     | 3,602   |
|                                      |                       |                                      |                     | <i>Total General Receipts</i> 55,085                            |
|                                      |                       |                                      |                     | 15,239  |
|                                      |                       |                                      |                     | <i>Net Assets Beginning of Year</i> 170,264                     |
|                                      |                       |                                      |                     | <i>Net Assets End of Year</i> \$185,503                         |

See accompanying notes to the basic financial statements

**BOWLING GREEN TOWNSHIP  
MARION COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2005**

|  | General         | Motor Vehicle<br>License Tax | Gasoline<br>Tax  | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|-----------------|------------------------------|------------------|--------------------------------|--------------------------------|
| <b>Assets</b>                              |                 |                              |                  |                                |                                |
| Equity in Pooled Cash and Cash Equivalents | \$41,601        | \$28,157                     | \$109,271        | \$6,474                        | \$185,503                      |
| <i>Total Assets</i>                        | <u>\$41,601</u> | <u>\$28,157</u>              | <u>\$109,271</u> | <u>\$6,474</u>                 | <u>\$185,503</u>               |
| <b>Fund Balances</b>                       |                 |                              |                  |                                |                                |
| Unreserved:                                |                 |                              |                  |                                |                                |
| Undesignated, Reported in:                 |                 |                              |                  |                                |                                |
| General Fund                               | 41,601          | 0                            | 0                | 0                              | 41,601                         |
| Special Revenue Funds                      | 0               | 28,157                       | 109,271          | 6,474                          | 143,902                        |
| <i>Total Fund Balances</i>                 | <u>\$41,601</u> | <u>\$28,157</u>              | <u>\$109,271</u> | <u>\$6,474</u>                 | <u>\$185,503</u>               |

See accompanying notes to the basic financial statements

**BOWLING GREEN TOWNSHIP  
MARION COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

|  | General                | Motor Vehicle<br>License Tax | Gasoline<br>Tax         | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|------------------------|------------------------------|-------------------------|--------------------------------|--------------------------------|
| <b>Receipts</b>                        |                        |                              |                         |                                |                                |
| Property and Other Local Taxes         | \$32,827               | \$0                          | \$0                     | \$0                            | \$32,827                       |
| Licenses, Permits and Fees             | 0                      | 0                            | 0                       | 1,600                          | 1,600                          |
| Intergovernmental                      | 14,419                 | 8,990                        | 81,603                  | 0                              | 105,012                        |
| Interest                               | 990                    | 435                          | 1,900                   | 0                              | 3,325                          |
| Miscellaneous                          | 3,602                  | 0                            | 0                       | 675                            | 4,277                          |
| <i>Total Receipts</i>                  | <u>51,838</u>          | <u>9,425</u>                 | <u>83,503</u>           | <u>2,275</u>                   | <u>147,041</u>                 |
| <b>Disbursements</b>                   |                        |                              |                         |                                |                                |
| Current:                               |                        |                              |                         |                                |                                |
| General Government                     | 48,348                 | 0                            | 0                       | 0                              | 48,348                         |
| Public Works                           | 0                      | 4,940                        | 38,325                  | 0                              | 43,265                         |
| Health                                 | 18,389                 | 0                            | 0                       | 0                              | 18,389                         |
| Capital Outlay                         | 0                      | 0                            | 21,800                  | 0                              | 21,800                         |
| <i>Total Disbursements</i>             | <u>66,737</u>          | <u>4,940</u>                 | <u>60,125</u>           | <u>0</u>                       | <u>131,802</u>                 |
| <i>Net Change in Fund Balances</i>     | (14,899)               | 4,485                        | 23,378                  | 2,275                          | 15,239                         |
| <i>Fund Balances Beginning of Year</i> | <u>56,500</u>          | <u>23,672</u>                | <u>85,893</u>           | <u>4,199</u>                   | <u>170,264</u>                 |
| <i>Fund Balances End of Year</i>       | <u><u>\$41,601</u></u> | <u><u>\$28,157</u></u>       | <u><u>\$109,271</u></u> | <u><u>\$6,474</u></u>          | <u><u>\$185,503</u></u>        |

See accompanying notes to the basic financial statements

**BOWLING GREEN TOWNSHIP  
MARION COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGE  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2005**

|   | Budgeted Amounts |                 | Actual          | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------|-----------------|-----------------|---|
|   | Original         | Final           |                 |   |
| <b>Receipts</b>                               |                  |                 |                 |   |
| Property and Other Local Taxes                | \$36,429         | \$36,429        | \$32,827        | (\$3,602)   |
| Intergovernmental                             | 14,847           | 14,847          | 14,419          | (428)   |
| Interest                                      | 750              | 750             | 990             | 240   |
| Miscellaneous                                 | 0                | 0               | 3,602           | 3,602   |
| <i>Total receipts</i>                         | <u>52,026</u>    | <u>52,026</u>   | <u>51,838</u>   | <u>(188)</u>  |
| <b>Disbursements</b>                          |                  |                 |                 |   |
| Current:                                      |                  |                 |                 |   |
| General Government                            | 53,169           | 54,139          | 48,348          | 5,791   |
| Health  | 15,300           | 20,300          | 18,389          | 1,911   |
| Other   | 5,000            | 5,000           | 0               | 5,000   |
| <i>Total Disbursements</i>                    | <u>73,469</u>    | <u>79,439</u>   | <u>66,737</u>   | <u>12,702</u>   |
| <i>Excess of Receipts Under Disbursements</i> | <u>(21,443)</u>  | <u>(27,413)</u> | <u>(14,899)</u> | <u>12,514</u>   |
| <b>Other Financing Uses</b>                   |                  |                 |                 |   |
| Other Financing Uses                          | (32,438)         | (26,468)        | 0               | 26,468  |
| <i>Net Change in Fund Balance</i>             | <u>(53,881)</u>  | <u>(53,881)</u> | <u>(14,899)</u> | <u>38,982</u>   |
| <i>Fund Balance Beginning of Year</i>         | <u>56,500</u>    | <u>56,500</u>   | <u>56,500</u>   | <u>0</u>  |
| <i>Fund Balance End of Year</i>               | <u>\$2,619</u>   | <u>\$2,619</u>  | <u>\$41,601</u> | <u>\$38,982</u>   |

See accompanying notes to the basic financial statements

**BOWLING GREEN TOWNSHIP  
MARION COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGE  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
MOTOR VEHICLE LICENSE TAX FUND  
FOR THE YEAR ENDED DECEMBER 31, 2005**

|  | Budgeted Amounts   |                    | Actual                 | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|--------------------|--------------------|------------------------|---|
|  | Original           | Final              |                        |   |
| <b>Receipts</b>                                      |                    |                    |                        |   |
| Intergovernmental                                    | \$9,000            | \$9,000            | \$8,990                | (\$10)  |
| Interest   | 350                | 350                | 435                    | 85  |
| <i>Total receipts</i>                                | <u>9,350</u>       | <u>9,350</u>       | <u>9,425</u>           | <u>75</u>   |
| <b>Disbursements</b>                                 |                    |                    |                        |   |
| Current:   |                    |                    |                        |   |
| Public Works   | 9,400              | 9,400              | 4,940                  | 4,460   |
| <i>Total Disbursements</i>                           | <u>9,400</u>       | <u>9,400</u>       | <u>4,940</u>           | <u>4,460</u>  |
| <i>Excess of Receipts Over (Under) Disbursements</i> | (50)               | (50)               | 4,485                  | 4,535   |
| <b>Other Financing Uses</b>                          |                    |                    |                        |   |
| Other Financing Uses                                 | (23,552)           | (23,552)           | 0                      | 23,552  |
| <i>Net Change in Fund Balance</i>                    | (23,602)           | (23,602)           | 4,485                  | 28,087  |
| <i>Fund Balance Beginning of Year</i>                | <u>23,672</u>      | <u>23,672</u>      | <u>23,672</u>          | <u>0</u>  |
| <i>Fund Balance End of Year</i>                      | <u><u>\$70</u></u> | <u><u>\$70</u></u> | <u><u>\$28,157</u></u> | <u><u>\$28,087</u></u>                                  |

See accompanying notes to the basic financial statements



**BOWLING GREEN TOWNSHIP  
MARION COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGE  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GASOLINE TAX FUND  
FOR THE YEAR ENDED DECEMBER 31, 2005**

|  | Budgeted Amounts    |                     | Actual                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|---------------------|---------------------|-------------------------|---|
|  | Original            | Final               |                         |   |
| <b>Receipts</b>                                      |                     |                     |                         |   |
| Intergovernmental                                    | \$92,800            | \$92,800            | \$81,603                | (\$11,197)  |
| Interest   | 1,000               | 1,000               | 1,900                   | 900   |
| <i>Total receipts</i>                                | <u>93,800</u>       | <u>93,800</u>       | <u>83,503</u>           | <u>(10,297)</u>   |
| <b>Disbursements</b>                                 |                     |                     |                         |   |
| Current:   |                     |                     |                         |   |
| Public Works   | 90,500              | 90,500              | 38,325                  | 52,175  |
| Other  | 30,000              | 36,800              | 21,800                  | 15,000  |
| <i>Total Disbursements</i>                           | <u>120,500</u>      | <u>127,300</u>      | <u>60,125</u>           | <u>67,175</u>   |
| <i>Excess of Receipts Over (Under) Disbursements</i> | (26,700)            | (33,500)            | 23,378                  | 56,878  |
| <b>Other Financing Uses</b>                          |                     |                     |                         |   |
| Other Financing Uses                                 | (58,887)            | (52,087)            | 0                       | 52,087  |
| <i>Net Change in Fund Balance</i>                    | (85,587)            | (85,587)            | 23,378                  | 108,965   |
| <i>Fund Balance Beginning of Year</i>                | <u>85,893</u>       | <u>85,893</u>       | <u>85,893</u>           | <u>0</u>  |
| <i>Fund Balance End of Year</i>                      | <u><u>\$306</u></u> | <u><u>\$306</u></u> | <u><u>\$109,271</u></u> | <u><u>\$108,965</u></u>                                 |

See accompanying notes to the basic financial statements

**BOWLING TOWNSHIP  
MARION COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS  
DECEMBER 31, 2004**

|  | <u>Governmental<br/>Activities</u> |
|--|------------------------------------|
| <b>Assets</b>                              |                                    |
| Equity in Pooled Cash and Cash Equivalents | <u>\$170,264</u>                   |
| <i>Total Assets</i>                        | <u><u>\$170,264</u></u>            |
| <br>                                       |                                    |
| <b>Net Assets</b>                          |                                    |
| Restricted for:                            |                                    |
| Other Purposes                             | 113,765                            |
| Unrestricted                               | <u>56,499</u>                      |
| <i>Total Net Assets</i>                    | <u><u>\$170,264</u></u>            |

See accompanying notes to the basic financial statements

**BOWLING GREEN TOWNSHIP  
MARION COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

|                                      | Cash<br>Disbursements | Program Cash Receipts  |                     | Net (Disbursements)<br>Receipts and<br>Changes in Net<br>Assets |
|--------------------------------------|-----------------------|--|---------------------|---|
|                                      |                       | Charges<br>for Services<br>and Sales                           | Operating<br>Grants | Governmental<br>Activities                                      |
| <b>Governmental Activities</b>       |                       |  |                     |   |
| General Government                   | \$51,492              | \$0  | \$0                 | (\$51,492)  |
| Public Works                         | 60,755                | 0  | 76,414              | 15,659  |
| Health                               | 13,787                | 1,700  | 0                   | (12,087)  |
| Capital Outlay                       | 7,500                 | 0  | 0                   | (7,500)   |
| <i>Total Governmental Activities</i> | <u>133,534</u>        | <u>1,700</u>   | <u>76,414</u>       | <u>(55,420)</u>   |
|                                      |                       | <b>General Receipts</b>  |                     |   |
|                                      |                       | Property Taxes Levied for General Purposes                     |                     | 36,210  |
|                                      |                       | Grants and Entitlements not Restricted<br>to Specific Programs |                     | 20,869  |
|                                      |                       | Interest   |                     | 2,855   |
|                                      |                       | Miscellaneous  |                     | 911   |
|                                      |                       | <i>Total General Receipts</i>                                  |                     | <u>60,845</u>   |
|                                      |                       | Change in Net Assets   |                     | 5,425   |
|                                      |                       | <i>Net Assets Beginning of Year</i>                            |                     | <u>164,839</u>  |
|                                      |                       | <i>Net Assets End of Year</i>                                  |                     | <u>\$170,264</u>  |

See accompanying notes to the basic financial statements

**BOWLING GREEN TOWNSHIP  
MARION COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2004**

|  | General         | Motor Vehicle<br>License Tax | Gasoline<br>Tax | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|-----------------|------------------------------|-----------------|--------------------------------|--------------------------------|
| <b>Assets</b>                              |                 |                              |                 |                                |                                |
| Equity in Pooled Cash and Cash Equivalents | \$56,499        | \$23,673                     | \$85,893        | \$4,199                        | \$170,264                      |
| <i>Total Assets</i>                        | <u>\$56,499</u> | <u>\$23,673</u>              | <u>\$85,893</u> | <u>\$4,199</u>                 | <u>\$170,264</u>               |
| <b>Fund Balances</b>                       |                 |                              |                 |                                |                                |
| Unreserved:                                |                 |                              |                 |                                |                                |
| Undesignated, Reported in:                 |                 |                              |                 |                                |                                |
| General Fund                               | 56,499          | 0                            | 0               | 0                              | 56,499                         |
| Special Revenue Funds                      | 0               | 23,673                       | 85,893          | 4,199                          | 113,765                        |
| <i>Total Fund Balances</i>                 | <u>\$56,499</u> | <u>\$23,673</u>              | <u>\$85,893</u> | <u>\$4,199</u>                 | <u>\$170,264</u>               |

See accompanying notes to the basic financial statements

**BOWLING GREEN TOWNSHIP  
MARION COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

|  | General                | Motor Vehicle<br>License Tax | Gasoline<br>Tax        | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|------------------------|------------------------------|------------------------|--------------------------------|--------------------------------|
| <b>Receipts</b>                        |                        |                              |                        |                                |                                |
| Property and Other Local Taxes         | \$36,210               | \$0                          | \$0                    | \$0                            | \$36,210                       |
| Licenses, Permits and Fees             | 0                      | 0                            | 0                      | 1,000                          | 1,000                          |
| Intergovernmental                      | 20,870                 | 9,188                        | 67,226                 | 0                              | 97,284                         |
| Interest                               | 984                    | 461                          | 1,409                  | 0                              | 2,854                          |
| Miscellaneous                          | 911                    | 0                            | 0                      | 700                            | 1,611                          |
| <i>Total Receipts</i>                  | <u>58,975</u>          | <u>9,649</u>                 | <u>68,635</u>          | <u>1,700</u>                   | <u>138,959</u>                 |
| <b>Disbursements</b>                   |                        |                              |                        |                                |                                |
| Current:                               |                        |                              |                        |                                |                                |
| General Government                     | 51,492                 | 0                            | 0                      | 0                              | 51,492                         |
| Public Works                           | 0                      | 6,123                        | 54,632                 | 0                              | 60,755                         |
| Health                                 | 12,647                 | 0                            | 0                      | 1,140                          | 13,787                         |
| Capital Outlay                         | 2,500                  | 0                            | 0                      | 5,000                          | 7,500                          |
| <i>Total Disbursements</i>             | <u>66,639</u>          | <u>6,123</u>                 | <u>54,632</u>          | <u>6,140</u>                   | <u>133,534</u>                 |
| <i>Net Change in Fund Balances</i>     | (7,664)                | 3,526                        | 14,003                 | (4,440)                        | 5,425                          |
| <i>Fund Balances Beginning of Year</i> | <u>64,164</u>          | <u>20,146</u>                | <u>71,890</u>          | <u>8,639</u>                   | <u>164,839</u>                 |
| <i>Fund Balances End of Year</i>       | <u><u>\$56,500</u></u> | <u><u>\$23,672</u></u>       | <u><u>\$85,893</u></u> | <u><u>\$4,199</u></u>          | <u><u>\$170,264</u></u>        |

See accompanying notes to the basic financial statements

**BOWLING GREEN TOWNSHIP  
MARION COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGE  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004**

|   | Budgeted Amounts |          | Actual   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------|----------|----------|---|
|   | Original         | Final    |          |   |
| <b>Receipts</b>                               |                  |          |          |   |
| Property and Other Local Taxes                | \$37,955         | \$37,955 | \$36,210 | (\$1,745)   |
| Intergovernmental                             | 19,134           | 19,134   | 20,870   | 1,736   |
| Interest                                      | 500              | 500      | 984      | 484   |
| Miscellaneous                                 | 0                | 0        | 911      | 911   |
| <i>Total receipts</i>                         | 57,589           | 57,589   | 58,975   | 1,386   |
| <b>Disbursements</b>                          |                  |          |          |   |
| Current:                                      |                  |          |          |   |
| General Government                            | 51,050           | 55,773   | 51,492   | 4,281   |
| Health  | 14,740           | 14,740   | 12,647   | 2,093   |
| Other   | 5,000            | 5,000    | 2,500    | 2,500   |
| <i>Total Disbursements</i>                    | 70,790           | 75,513   | 66,639   | 8,874   |
| <i>Excess of Receipts Under Disbursements</i> | (13,201)         | (17,924) | (7,664)  | 10,260  |
| <b>Other Financing Uses</b>                   |                  |          |          |   |
| Other Financing Uses                          | (50,963)         | (46,240) | 0        | 46,240  |
| <i>Net Change in Fund Balance</i>             | (64,164)         | (64,164) | (7,664)  | 56,500  |
| <i>Fund Balance Beginning of Year</i>         | 64,164           | 64,164   | 64,164   | 0   |
| <i>Fund Balance End of Year</i>               | \$0              | \$0      | \$56,500 | \$56,500  |

See accompanying notes to the basic financial statements

**BOWLING GREEN TOWNSHIP  
MARION COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGE  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
MOTOR VEHICLE LICENSE TAX FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004**

|  | Budgeted Amounts |               | Actual          | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|---------------|-----------------|---|
|  | Original         | Final         |                 |   |
| <b>Receipts</b>                                      |                  |               |                 |   |
| Intergovernmental                                    | \$9,000          | \$9,000       | \$9,188         | \$188   |
| Interest   | 280              | 280           | 461             | 181   |
| <i>Total receipts</i>                                | <u>9,280</u>     | <u>9,280</u>  | <u>9,649</u>    | <u>369</u>  |
| <b>Disbursements</b>                                 |                  |               |                 |   |
| Current:   |                  |               |                 |   |
| Public Works   | 9,400            | 9,400         | 6,123           | 3,277   |
| <i>Total Disbursements</i>                           | <u>9,400</u>     | <u>9,400</u>  | <u>6,123</u>    | <u>3,277</u>  |
| <i>Excess of Receipts Over (Under) Disbursements</i> | (120)            | (120)         | 3,526           | 3,646   |
| <b>Other Financing Uses</b>                          |                  |               |                 |   |
| Other Financing Uses                                 | (20,026)         | (20,026)      | 0               | 20,026  |
| <i>Net Change in Fund Balance</i>                    | (20,146)         | (20,146)      | 3,526           | 23,672  |
| <i>Fund Balance Beginning of Year</i>                | <u>20,146</u>    | <u>20,146</u> | <u>20,146</u>   | <u>0</u>  |
| <i>Fund Balance End of Year</i>                      | <u>\$0</u>       | <u>\$0</u>    | <u>\$23,672</u> | <u>\$23,672</u>   |

See accompanying notes to the basic financial statements

**BOWLING GREEN TOWNSHIP  
MARION COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGE  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GASOLINE TAX FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004**

|  | Budgeted Amounts |                | Actual          | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|----------------|-----------------|---|
|  | Original         | Final          |                 |   |
| <b>Receipts</b>                                      |                  |                |                 |   |
| Intergovernmental                                    | 62,654           | 62,654         | 67,226          | 4,572   |
| Interest   | 694              | 694            | 1,409           | 715   |
| <i>Total receipts</i>                                | <u>63,348</u>    | <u>63,348</u>  | <u>68,635</u>   | <u>5,287</u>  |
| <b>Disbursements</b>                                 |                  |                |                 |   |
| Current:   |                  |                |                 |   |
| Public Works   | 87,000           | 87,000         | 54,632          | 32,368  |
| Other  | 30,000           | 30,000         | 0               | 30,000  |
| <i>Total Disbursements</i>                           | <u>117,000</u>   | <u>117,000</u> | <u>54,632</u>   | <u>62,368</u>   |
| <i>Excess of Receipts Over (Under) Disbursements</i> | (53,652)         | (53,652)       | 14,003          | 67,655  |
| <b>Other Financing Uses</b>                          |                  |                |                 |   |
| Other Financing Uses                                 | (18,238)         | (18,238)       | 0               | 18,238  |
| <i>Net Change in Fund Balance</i>                    | (71,890)         | (71,890)       | 14,003          | 85,893  |
| <i>Fund Balance Beginning of Year</i>                | <u>71,890</u>    | <u>71,890</u>  | <u>71,890</u>   | <u>0</u>  |
| <i>Fund Balance End of Year</i>                      | <u>\$0</u>       | <u>\$0</u>     | <u>\$85,893</u> | <u>\$85,893</u>   |

See accompanying notes to the basic financial statements



**BOWLING GREEN TOWNSHIP  
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004**

**Note 1 – Reporting Entity**

The Bowling Green Township, Marion County, Ohio (the Township), is a body politic and corporate established in 1838 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 also has an elected Township Clerk.

The reporting entity is comprised of the primary government.

**Primary Government**

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, and cemetery maintenance. The Township contracts with Stofcheck Ambulance Service, Inc. to provide ambulance services.

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**

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Township's accounting policies.

**A. Basis of Presentation**

The Township's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Government-Wide Financial Statements**

The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

**BOWLING GREEN TOWNSHIP  
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004  
(Continued)**

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

The statement of net assets presents the cash balance of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Township's general receipts.

Fund Financial Statements

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

B. Fund Accounting

The Township uses fund accounting 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. Funds are used to segregate resources that are restricted as to use. The funds of the Township are all governmental.

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Township's major governmental funds are the following:

General Fund - The General Fund accounts for all financial resources, except those required to be accounted for 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.

Motor Vehicle License Tax Fund – The Motor Vehicle License Tax Fund receives license tax money to pay for constructing, maintaining and repairing Township roads and bridges.

Gasoline Tax Fund – The Gasoline Tax Fund receives gasoline tax money to pay for constructing, maintaining and repairing Township roads.

The other governmental funds of the Township account for resources whose use is restricted to a particular purpose.

**BOWLING GREEN TOWNSHIP  
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004  
(Continued)**

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

**C. Basis of Accounting**

The Township's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

**D. Budgetary Process**

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriations ordinance is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Clerk. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the Township.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

**E. Cash and Investments**

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments. Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

**BOWLING GREEN TOWNSHIP  
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004  
(Continued)**

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

During 2005 and 2004, the Township invested in nonnegotiable certificates of deposit. These nonnegotiable certificates of deposit are reported at cost.

Interest earnings are allocated to Township funds according to State statutes. Interest receipts credited to the General Fund during 2005 were \$990 which includes \$133 assigned from other Township funds. Interest receipts credited to the General Fund during 2004 were \$984 which includes \$68 assigned from other Township funds.

**F. Inventory and Prepaid Items**

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

**G. Capital Assets**

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

**H. Employer Contributions to Cost-Sharing Pension Plans**

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

**I. Net Assets**

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for constructing, maintaining, and repairing Township roads and bridges.

The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

**J. Fund Balance Reserves**

The Township reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. The Statement of Cash Basis Assets and Fund Balances reports no reserve for encumbrances for the Township for 2005 or 2004. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods.

**Note 3 – Change in Basis of Accounting**

In previous years the Township reported fund financial statements by fund type using the regulatory basis of accounting as prescribed by the State Auditor's Office. Beginning in 2004, the Township has implemented the cash basis of accounting described in note 2. The fund financial statements now present each major fund in a separate column with nonmajor funds aggregated and presented in a single column, rather than a column for each fund type. This change had no effect on fund balance as previously reported.

**BOWLING GREEN TOWNSHIP  
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004  
(Continued)**

**Note 4 – Change in Accounting Principle**

The Township has implemented Governmental Accounting Standards Board (GASB) Statement No. 40, "Deposit and Investment Risk Disclosure." GASB Statement No. 40 establishes and modifies the disclosure requirements related to deposit and investment risks. The implementation of this statement did not result in any change to the Township's financial statements.

**Note 5 – Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Change in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund, motor vehicle license tax fund, and gasoline tax fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget.

**Note 6 – Deposits and Investments**

Monies held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;

**BOWLING GREEN TOWNSHIP  
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004  
(Continued)**

**Note 6 – Deposits and Investments (Continued)**

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

Protection of the Township's deposits is provided by the Federal Deposit Insurance Corporation (FDIC) or by eligible securities pledged by the financial institution as security for repayment.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

**Deposits**

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2005, \$86,506 of the Township's bank balance of \$186,506 was exposed to custodial credit risk while at December 31, 2004, \$73,617 of the Township's bank balance of \$173,617 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

**Note 7 – Property Taxes**

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2005 represent the collection of 2004 taxes, and real property tax receipts received in 2004 represent the collection of 2003 taxes. Real property taxes received in 2005 were levied after October 1, 2004, on the assessed values as of January 1, 2004, the lien date. Real property taxes received in 2004 were levied after October 1, 2003, on the assessed values as of January 1, 2003, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

**BOWLING GREEN TOWNSHIP  
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004  
(Continued)**

**Note 7 – Property Taxes (Continued)**

Public utility property tax receipts received in 2005 represent the collection of 2004 taxes, and public utility property tax receipts received in 2004 represent the collection of 2003 taxes. Public utility real and tangible personal property taxes received in 2005 became a lien on December 31, 2003, were levied after October 1, 2004, and are collected with real property taxes. Public utility real and tangible personal property taxes received in 2004 became a lien on December 31, 2002, were levied after October 1, 2003, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2005 (other than public utility property) represent the collection of 2005 taxes, and tangible personal property tax receipts (other than public utility property) received in 2004 represent the collection of 2004 taxes. Tangible personal property taxes received in 2005 were levied after October 1, 2004, on the true value as of December 31, 2004. Tangible personal property taxes received in 2004 were levied after October 1, 2003, on the true value as of December 31, 2003. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all Township operations for the years ended December 31, 2005, and December 31, 2004, was \$3.30 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2005 and 2004 property tax receipts were based are as follows:

|                               |                     |
|-------------------------------|---------------------|
| Real Property                 |                     |
| Residential                   | \$5,167,970         |
| Agriculture                   | 4,567,960           |
| Commercial/Industrial/Mineral | 83,840              |
| Public Utility Property       |                     |
| Real                          | 14,970              |
| Personal                      | 984,100             |
| Tangible Personal Property    | 219,980             |
| Total Assessed Value          | <u>\$11,038,820</u> |

**Note 8 – Defined Benefit Pension Plan**

**A. Ohio Public Employees Retirement System**

The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.

The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

**BOWLING GREEN TOWNSHIP  
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004  
(Continued)**

**Note 8 – Defined Benefit Pension Plan (Continued)**

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

For the years ended December 31, 2005, and December 31, 2004, the members of all three plans, were required to contribute 8.5 percent of their annual covered salaries. The Township's contribution rate for pension benefits for 2005 and 2004 was 9.55 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2005, 2004, and 2003 were \$3,700, \$3,712, and \$3,108 respectively. The full amount has been contributed for 2005, 2004 and 2003.

**Note 9 - Postemployment Benefits**

**A. Ohio Public Employees Retirement System**

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2005 and 2004 local government employer contribution rate was 13.55 percent of covered payroll; 4.00 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2004, include a rate of return on investments of 8.00 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase between 1.00 and 6.00 percent annually for the next eight years and 4.00 percent annually after eight years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 376,109. Actual employer contributions for 2005 and 2004 which were used to fund postemployment benefits were \$1,550 and \$1,555, respectively. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2004, (the latest information available) were \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.5 billion and \$18.7 billion, respectively.



**BOWLING GREEN TOWNSHIP  
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004  
(Continued)**

**Note 9 - Postemployment Benefits (Continued)**

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, will be effective January 1, 2007. In addition to the HCPP, OPERS has taken additional action to improve the solvency of the Health Care Fund in 2005 by creating a separate investment pool for health care assets. As an additional component of the HCPP, member and employer contribution rates increased as of January 1, 2006, which will allow additional funds to be allocated to the health care plan.

**Note 10 – Risk Management**

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member townships pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

**Casualty Coverage**

OTARMA retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year. Townships can elect additional coverage, from \$2,000,000 to \$12,000,000 with the General Reinsurance Corporation, through contracts with OTARMA.

If losses exhaust OTARMA's retained earnings, APEEP provides *excess of funds available* coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

**Property Coverage**

Through 2004, OTARMA retained property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsured losses exceeding \$100,000 up to \$500 million per occurrence. APEEP's Guarantee Fund was responsible for losses and loss adjustment expenses exceeding operating contributions.

Beginning in 2005, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable value. If the stop loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2005 was \$1,682,589.

The aforementioned casualty and property reinsurance agreements do not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective township.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

**BOWLING GREEN TOWNSHIP  
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004  
(Continued)**

**Note 10 – Risk Management (Continued)**

Members may withdraw on each anniversary of the date they joined OTARMA. They must provide written notice to OTARMA 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contribution, minus the subsequent year's premium. Also upon withdrawal, payments for all property and casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the withdrawal.

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2005 and 2004.

| <u>Casualty Coverage</u> | <u>2005</u>         | <u>2004</u>         |
|--------------------------|---------------------|---------------------|
| Assets                   | \$30,485,638        | \$28,132,620        |
| Liabilities              | (12,344,576)        | (11,086,379)        |
| Retained earnings        | <u>\$18,141,062</u> | <u>\$17,046,241</u> |

| <u>Property Coverage</u> | <u>2005</u>        | <u>2004</u>        |
|--------------------------|--------------------|--------------------|
| Assets                   | \$9,177,796        | \$7,588,343        |
| Liabilities              | (1,406,031)        | (543,176)          |
| Retained earnings        | <u>\$7,771,765</u> | <u>\$7,045,167</u> |

The Casualty Coverage assets and retained earnings above include approximately \$11.6 million and \$10.3 million of unpaid claims to be billed to approximately 950 member townships in the future, as of December 31, 2005 and 2004, respectively. OTARMA will collect these amounts in future annual premium billings when OTARMA's related liabilities are due for payment. The Township's share of these unpaid claims is approximately \$3,938.



## Auditor of State Betty Montgomery

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

Bowling Green Township  
Marion County  
3005 LaRue-Richwood Road  
LaRue, Ohio 43332

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Bowling Green Township, Marion County, Ohio, (the Township) as of and for the years ended December 31, 2005, and December 31, 2004, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 19, 2006, wherein we noted the Township implemented the cash basis of accounting in 2004. We also noted the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit 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 the Comptroller General of the United States' *Government Auditing Standards*.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Township's internal control over financial reporting to determine our auditing procedures to express our opinions on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the Township's management dated June 19, 2006,, we reported an other matter involving internal control over financial reporting we did not deem a reportable condition.

#### **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 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*. In a separate letter to the Township's management dated June 19, 2006, we reported other matters related to noncompliance we deemed immaterial.

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[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

We intend this report solely for the information and use of the audit committee, management, and the Board of Township Trustees. It is not intended for 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

June 19, 2006



**Auditor of State  
Betty Montgomery**

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**BOWLING GREEN TOWNSHIP**

**MARION 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  
SEPTEMBER 19, 2006**