

Green Camp Township

Marion County, Ohio

Regular Audit

For the Years Ended December 31, 2005 and 2004

BALESTRA, HARR & SCHERER, CPAs, INC.

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**Auditor of State
Betty Montgomery**

Board of Trustees
Green Camp Township
5021 LaRue Green Camp Road
New Bloomington, Ohio 43341

We have reviewed the *Independent Auditor's Report* of Green Camp Township, Marion County, prepared by Balestra, Harr & Scherer, CPAs, Inc. for the audit period January 1, 2004 through December 31, 2005. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State's Office (AOS). Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditor's Report* on your financial statements. While the AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditor's Report* also includes an opinion on the financial statements using the regulatory format the AOS permits.

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

A handwritten signature in black ink that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

November 7, 2006

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Green Camp Township
Marion County, Ohio
For the Years Ended December 31, 2005 and 2004
Table of Contents

Title	Page
Independent Auditors' Report	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 2005	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 2004	4
Notes to the Financial Statements	5
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements in Accordance With <i>Government Auditing Standards</i>	10
Schedule of Findings	12

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Ohio Society of Certified Public Accountants

Independent Auditor's Report

Board of Trustees
Green Camp Township
Marion County, Ohio
5021 LaRue-Green Camp Road
New Bloomington, Ohio 43341

We have audited the accompanying financial statements of the Green Camp Township, Marion County, Ohio, (the Township) as of and for the years ended December 31, 2005 and 2004. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described more fully in Note 1, the Township has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the Township to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2005 and 2004. Instead of the combined funds the accompanying financial statements present for 2005 (and 2004), the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2005 and 2004. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Township has elected not to reformat its statements. Since this Township does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.


In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2005 and 2004, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2005 and 2004, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Township, as of the December 31, 2005 and 2004, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

Board of Trustees
Green Camp Township
Independent Auditor's Report
Page 2

The aforementioned revision to generally accepted accounting principles also requires the Township to include Management's Discussion and Analysis for the year ended December 31, 2005 and 2004. The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2006, 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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



Balestra, Harr & Scherer, CPAs, Inc.
September 22, 2006

Green Camp Township
Marion County, Ohio

Combined Statement of Cash Receipts, Cash Disbursements, and
Changes in Fund Cash Balances
All Governmental Fund Types
For the Year Ended December 31, 2005

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash Receipts:				
Local Taxes	\$31,409	\$48,266	\$0	\$79,675
Intergovernmental	14,600	98,655	81,741	194,996
Licenses, Permits, and Fees	0	4,363	0	4,363
Earnings on Investments	2,003	3,092	0	5,095
Other Revenue	2,608	285	0	2,893
 Total Cash Receipts	 50,620	 154,661	 81,741	 287,022
Cash Disbursements:				
Current:				
General Government	69,753	36,256	0	106,009
Public Safety	0	38,555	88,540	127,095
Public Works	0	38,436	0	38,436
Health	4,902	6,089	0	10,991
Capital Outlay	4,232	67,316	0	71,548
Debt Service:				
Principal	1,644	0	0	1,644
Interest	2,050	0	0	2,050
Total Cash Disbursements	82,581	186,652	88,540	357,773
 Total Receipts Over/(Under) Disbursements	 (31,961)	 (31,991)	 (6,799)	 (70,751)
Other Financing Receipts/(Disbursements):				
Transfer In		500		500
Transfer Out	(500)			(500)
Total Financing Receipts/(Disbursements)	(500)	500	0	0
 Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	 (32,461)	 (31,491)	 (6,799)	 (70,751)
 Fund Cash Balances, January 1	 94,773	 249,301	 7,582	 351,656
 Fund Cash Balances, December 31	 \$62,312	 \$217,810	 \$783	 \$280,905

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

Green Camp Township
Marion County, Ohio

Combined Statement of Cash Receipts, Cash Disbursements, and
Changes in Fund Cash Balances
All Governmental Fund Types
For the Year Ended December 31, 2004

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$33,990	\$42,510	\$0	\$76,500
Intergovernmental	44,684	77,005	0	121,689
Rent	13,000	0		13,000
Licenses, Permits, and Fees	0	5,664	0	5,664
Earnings on Investments	1,484	2,354	0	3,838
Other Revenue	2,994	2,808	0	5,802
Total Cash Receipts	<u>96,152</u>	<u>130,342</u>	<u>0</u>	<u>226,494</u>
Cash Disbursements:				
Current:				
General Government	47,364	14,098	0	61,462
Public Safety	0	31,731	0	31,731
Public Works	0	43,768	0	43,768
Health	12,359	5,734	0	18,093
Conservation/Recreation	19,968	0	0	19,968
Capital Outlay	70,671	0	0	70,671
Debt Service:				
Principal	1,116	0	0	1,116
Interest and Other Fiscal Charges	1,469	0	0	1,469
Total Cash Disbursements	<u>152,947</u>	<u>95,331</u>	<u>0</u>	<u>248,278</u>
Total Receipts Over/(Under) Disbursements	<u>(56,795)</u>	<u>35,011</u>	<u>0</u>	<u>(21,784)</u>
Other Financing Receipts/(Disbursements):				
Sale of Notes	59,600	0	0	59,600
Total Financing Receipts/(Disbursements)	<u>59,600</u>	<u>0</u>	<u>0</u>	<u>59,600</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	2,805	35,011	0	37,816
Fund Cash Balances, January 1	<u>91,968</u>	<u>214,290</u>	<u>7,582</u>	<u>313,840</u>
Fund Cash Balances, December 31	<u><u>\$94,773</u></u>	<u><u>\$249,301</u></u>	<u><u>\$7,582</u></u>	<u><u>\$351,656</u></u>

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

Green Camp Township
Marion County, Ohio
Notes to the Financial Statements
For the Years Ended December 31, 2004 and 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

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

Investments are included in fund cash balances. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts.

Certificates of deposit are valued at cost.

D. Fund Accounting

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

1. General Fund - The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.
2. Special Revenue Funds - These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

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

Special Levy Fund - This fund receives tax levy money for fire protection and to provide ambulance or emergency medical services.

Green Camp Township
Marion County, Ohio
Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. Capital Projects Fund – This fund was used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Township has one capital projects fund that received taxes from a levy used for providing and maintaining fire apparatus, building, appliances, or sites. This tax levy expired before 2004 as the levy was passed to purchase fire equipment. The loan for this purpose was satisfied in 2004.

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 and 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 2005 and 2004 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	2005	2004
Deposits	\$127,369	\$144,100
Certificates of deposit	153,536	207,556
Total deposits and investments	\$280,905	\$351,656

Green Camp Township
Marion County, Ohio
Notes to the Financial Statements
For the Years Ended December 31, 2004 and 2005

2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation or (2) collateralized by securities specifically pledged by the financial institution for its public deposits.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2005 and December 31, 2004 follows:

Fund Type	<u>2005 Budgeted vs. Actual Receipts</u>		Variance
	Budgeted Receipts	Actual Receipts	
General	\$63,620	\$50,620	\$(13,000)
Special Revenue	134,666	155,161	20,495
Capital Projects	0	81,741	81,741
Total	\$198,286	\$287,521	\$89,235

Fund Type	<u>2005 Budgeted vs. Actual Budgetary Basis Expenditures</u>		Variance
	Appropriation Authority	Budgetary Expenditures	
General	\$166,333	\$83,081	\$83,252
Special Revenue	454,359	186,652	267,707
Capital Projects	7,582	88,540	(80,958)
Total	\$628,274	\$358,271	\$270,003

Fund Type	<u>2004 Budgeted vs. Actual Receipts</u>		Variance
	Budgeted Receipts	Actual Receipts	
General	\$59,957	\$155,752	\$95,795
Special Revenue	122,580	130,342	7,762
Capital Projects	0	0	0
Total	\$182,537	\$286,093	\$103,556

Fund Type	<u>2004 Budgeted vs. Actual Budgetary Basis Expenditures</u>		Variance
	Appropriation Authority	Budgetary Expenditures	
General	\$160,238	\$152,947	\$7,291
Special Revenue	323,045	95,331	227,714
Capital Projects	0	0	0
Total	\$483,283	\$248,278	\$235,005

Green Camp Township
 Marion County, Ohio
 Notes to the Financial Statements
 For the Years Ended December 31, 2005 and 2004

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.

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, 2005 was as follows:

Year Issued	Interest Rate	12/31/05 Balance
2004	4.26%	\$56,840

On May 5, 2004 the Township entered into a loan agreement with Farmers State Bank for the purchase of a building. The loan amount is for \$59,600 at a 4.26% interest rate with a maturity date of May 5, 2009. The loan was repaid from the General Fund.

Amortization of the above debt is scheduled as follows:

Year Ending December 31:	Principal	Interest	Total
2006	\$ 2,401	\$ 2,771	\$ 5,172
2007	2,155	2,278	4,433
2008	2,249	2,184	4,433
2009	50,035	881	50,916
Total	\$ 56,840	\$ 8,114	\$ 64,954

6. RETIREMENT SYSTEMS

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 post-retirement 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 2005 and 2004, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 2005.

Green Camp Township
Marion County, Ohio
Notes to the Financial Statements
For the Years Ended December 31, 2004 and 2005

7. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

- General Liability Coverage
- Automobile Liability Coverage
- Crime Coverage
- Electronic Data Processing Coverage
- Property Coverage
- Inland Marine Coverage

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

The Township has not incurred significant reductions in insurance coverage from coverage in the prior year by major category or risk.

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**Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
Based on an Audit Performed in Accordance with *Government Auditing Standards***

Board of Trustees
Green Camp Township
Marion County, Ohio
5021 LaRue-Green Camp Road
New Bloomington, Ohio 43341

To the Board of Trustees:

We have audited the financial statements of the Brown Township, Vinton County, Ohio (the Township), as of and for the years ended December 31, 2005 and 2004 and have issued our report thereon dated September 22, 2006, wherein we noted the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion 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 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 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.

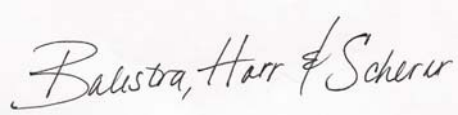
Compliance and Other Matters

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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of audit findings as item 2005-001.

We also noted other matters which we have reported to the management of the Township in a separate letter dated September 22, 2006.

Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters Required by
Government Auditing Standards
Page 2

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

A handwritten signature in cursive script that reads "Balestra, Harr & Scherer". The signature is written in black ink on a light-colored, slightly textured background.

Balestra, Harr & Scherer, CPAs, Inc.

September 22, 2006

Green Camp Township
Marion County, Ohio

Schedule of Findings & Responses
For the Years Ended December 31, 2005 and 2004

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2005-001

ORC Section 5705.39 States that total appropriations from each fund shall not exceed the total estimated resources. No appropriation measure is effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.

As discussed in Auditor of State Bulletin 97-012, if a local government is participating in a grant or loan program whereby proceeds will be received after the expenditures are incurred, it is possible that if properly budgeted, appropriations for one fiscal year will exceed the available amount on the certificate of estimated resources. However, an advance should be used to prevent a negative fund balance. Negative variances in grant funds, between appropriations and certified available resources, should be investigated to determine the cause of the variance.

The Township had appropriations that exceeded estimated resources in the Special Levy, Special Revenue Fund in the amount of \$70,392 during 2005.

The Township should monitor budgetary activity more closely for the next fiscal year and ensure that appropriations do not exceed estimated resources and that the Township receives the certificate from the county auditor verifying they do not exceed, in addition, we recommend that the Township adopt internal controls adequate to mitigate the risk of future noncompliance with the Ohio Revised Code.

Township Clerk responded and will monitor budgetary activities more closely.



**Auditor of State
Betty Montgomery**

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GREEN CAMP 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
NOVEMBER 21, 2006**