

GREEN TOWNSHIP
ROSS COUNTY, OHIO

Audited Financial Statements

For the Year Ended December 31, 2005



Mary Taylor, CPA
Auditor of State

Board of Trustees
Green Township
6409 Kingston-Adelphi Road
Kingston, Ohio 45644

We have reviewed the *Independent Auditor's Report* of Green Township, Ross County, prepared by Van Krevel and Company, CPA's, for the audit period January 1, 2005 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.

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 Township is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

November 30, 2007

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Green Township
Ross County, Ohio

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Independent Auditor's Report

Green Township
Ross County, Ohio
P O Box 759
Kingston, Ohio 45644

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 Green Township, Ross County, Ohio (the Township) as of and for the year ended December 31, 2005, 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 an opinion on these financial statements based on our audit.

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

As discussed in Note 2, the accompanying financial statements and notes follow the modified cash basis of accounting. This is a comprehensive 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 modified cash financial position of the governmental activities, each major fund and the aggregate remaining fund information of Green Township, Ross County, Ohio, as of December 31, 2005, and the respective changes in modified cash financial position, and the respective budgetary comparisons for the General, Gasoline Tax, Road and Bridge, Fire District, and Fire, Rescue, and EMS Funds for the year then ended on the basis of accounting described in Note 2.

For the year ended December 31, 2005, the Township revised its financial presentation comparable to the requirements of Governmental Accounting Standards Board Statement 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 January 31, 2007, 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 read in conjunction with this report in considering 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 cursive script that reads "Van Krevel & Company".

Van Krevel & Company
Dublin, Ohio

January 31, 2007

Green Township
Ross County, Ohio

Management's Discussion and Analysis
For the Year Ended December 31, 2005
(Unaudited)

This discussion and analysis of Green Township's financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2005, within the limitations of the Township's modified cash basis of accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2005 are as follows:

Net assets of governmental activities increased \$101,943, or 13.5 percent, a significant change from the prior year. The fund most affected by the increase in cash and cash equivalents was the Fire, Rescue and EMS Fund, which received \$105,498 in revenue in 2005.

The Township's general receipts are primarily property taxes and grants. These receipts represent respectively 51.3 and 12.4 percent of the total cash received for governmental activities during the year. Property tax receipts for 2005 changed very little compared to 2004 as development within the Township has slowed.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a modified cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's modified cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

Green Township
Ross County, Ohio

Management's Discussion and Analysis
For the Year Ended December 31, 2005
(Unaudited)

As a result of using the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the modified 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, within the limitations of modified cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions 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 cash disbursements with program receipts identifies how each governmental function activity 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 modified 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 non-financial factors as well, such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources, such as property and income taxes.

In the statement of net assets and the statement of activities, the Township has one type of activity:

Governmental activities. Most of the Township's basic services are reported here, including police and streets. State and federal grants and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Township's Most Significant Funds

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Township are contained in one category:

Governmental Funds - All of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General Fund, Gasoline Tax Fund, Road and Bridge Fund, Fire District Fund and Fire, Rescue and EMS Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

Green Township
Ross County, Ohio

Management's Discussion and Analysis
For the Year Ended December 31, 2005
(Unaudited)

The Township as a Whole

Table 1 provides a summary of the Township's net assets for 2005 on a cash basis:

(Table 1)
Net Assets

	Governmental Activities
	<u>2005</u>
Assets	
Cash and Cash Equivalents	\$854,781
Total Assets	<u>854,781</u>
Net Assets	
Restricted for:	
Debt Service	2
Permanent Fund	
Expendable	5,556
Nonexpendable	5,000
Other Purposes	709,047
Unrestricted	<u>135,176</u>
Total Net Assets	<u>\$854,781</u>

As mentioned previously, net assets of governmental activities increased \$ 101,943 or 13.5 percent during 2005. The primary reason contributing to the increase in cash balances is an increase in charges for services occurring primarily in the Fire, Rescue and EMS Fund.

Green Township
Ross County, Ohio

Management's Discussion and Analysis
For the Year Ended December 31, 2005
(Unaudited)

Table 2 reflects the changes in net assets in 2005.

(Table 2)
Changes in Net Assets

	Governmental Activities
	2005
Receipts:	
Program Receipts:	
Charges for Services and Sales	\$112,950
Operating Grants and Contributions	144,021
Capital Grants and Contributions	-
Total Program Receipts	256,971
General Receipts:	
Property and Other Local Taxes	392,085
Grants and Entitlements Not Restricted	
to Specific Programs	94,763
Sale of Fixed Assets	2,648
Interest	6,038
Miscellaneous	12,182
Total General Receipts	507,716
Total Receipts	764,687
Disbursements:	
General Government	165,829
Public Safety	171,979
Public Works	235,344
Health	5,056
Capital Outlay	47
Debt Service	
Principal	70,125
Interest	14,364
Total Disbursements	662,744
Excess (Deficiency) Before Transfers	101,943
Transfers	
Increase (Decrease) in Net Assets	101,943
Net Assets, Beginning of Year	752,838
Net Assets, End of year	\$854,781

Program receipts represent only 33.6 percent of total receipts and are comprised of charges for services and operating grants and contributions.

General receipts represent 66.4 percent of the Township's total receipts. Of this amount, over 72 percent are property taxes, with state and federal grants and entitlements making up the balance of the Township's general receipts (23.7 percent). Other receipts are very insignificant and are somewhat unpredictable revenue sources.

Green Township
Ross County, Ohio

Management's Discussion and Analysis
For the Year Ended December 31, 2005
(Unaudited)

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities.

Public Safety is the costs of fire protection; Public Works is the cost of maintaining and repairing roads and similar items; and Health is for health services provided to the Township.

Governmental Activities

If you look at the Statements of Activities on page 12, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for General Government, Public Safety and Public Works, which account for 25.0, 25.9 and 35.5 percent of all governmental disbursements, respectively. The next two columns of the Statement entitled Program Cash Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

Governmental Activities

	Total Cost Of Services 2005	Net Cost of Services 2005
General Government	\$165,829	\$165,829
Public Safety	171,979	39,241
Public Works	235,344	116,711
Health	5,056	(544)
Capital Outlay	47	47
Debt Service		
Principal	70,125	70,125
Interest	14,364	14,364
Total Expenses	<u>\$662,744</u>	<u>\$405,773</u>

The dependence upon property tax receipts is apparent as over 61 percent of governmental activities are supported through these general receipts.

The Township's Funds

Total governmental funds had receipts of \$764,687 and disbursements of \$662,744. The greatest change within governmental funds occurred within the Fire, Rescue and EMS Fund. The fund balance of the Fire, Rescue and EMS Fund increased \$105,498 as the result of charges for services.

Green Township
Ross County, Ohio

Management's Discussion and Analysis
For the Year Ended December 31, 2005
(Unaudited)

General Fund 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 fund is the General Fund.

During 2005, the Township did not amend its General Fund budget. Actual receipts were \$57,513 higher than budgeted receipts primarily due to intergovernmental receipts.

Final disbursements were budgeted at \$255,607 while actual disbursements were \$177,944 primarily due to lower expenditures than were anticipated for general government. The result is a decrease in fund balance of \$10,601 for 2005.

Capital Assets and Debt Administration

Capital Assets

The Township does not currently keep track of its capital assets and infrastructure. Acquisitions of property, plant and equipment are recorded as disbursements when paid.

Debt

At December 31, 2005, the Township's outstanding debt included \$376,275 in bank notes issued for the purchase of a fire truck and building of a fire station. For further information regarding the Township's debt, refer to Note 10 to the basic financial statements.

Current Issues

The challenge for all Townships is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on local taxes and have very little industry to support the tax base. We will work diligently to maintain the highest level of services to our residents at the lowest possible cost.

Contacting the Township's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Ted Holdren, Clerk-Treasurer, Green Township, 6409 Kingston-Adelphi Road, Kingston, Ohio 45644.

Green Township
Ross County, Ohio

Statement of Net Assets - Modified Cash Basis
December 31, 2005

	<u>Governmental</u> <u>Activities</u>
ASSETS	
Equity in Pooled Cash and Cash Equivalents	\$845,998
Certificate of Deposit	<u>8,783</u>
Total Assets	<u>\$854,781</u>
NET ASSETS	
Restricted for:	
Debt Service	\$ 2
Permanent Fund: Cemetery Bequest	
Expendable	5,556
Nonexpendable	5,000
Other Purposes	709,047
Unrestricted	<u>135,176</u>
Total Net Assets	<u>\$854,781</u>

Green Township
Ross County, Ohio

Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2005

	<u>Cash</u> <u>Disbursements</u>	<u>Charges</u> <u>For Services</u> <u>and Sales</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Net (Disbursements)</u> <u>Receipts and Changes</u> <u>in Net Assets</u> <u>Governmental</u> <u>Activities</u>
Governmental Activities:				
General Government	\$165,829	\$	\$	\$(165,829)
Public Safety	171,979	107,350	25,388	(39,241)
Public Works	235,344		118,633	(116,711)
Health	5,056	5,600		544
Capital Outlay	47			(47)
Debt Service:				
Principal	70,125			(70,125)
Interest	<u>14,364</u>	<u> </u>	<u> </u>	<u>(14,364)</u>
Total Governmental Activities	<u>\$662,744</u>	<u>\$112,950</u>	<u>\$144,021</u>	<u>\$(405,773)</u>
 General Receipts:				
Property Taxes				\$ 392,085
Grants and Entitlements not Restricted to Specific Programs				94,763
Sale of Fixed Assets				2,648
Earnings on Investments				6,038
Miscellaneous				<u>12,182</u>
Total General Receipts				<u>507,716</u>
 Changes in Net Assets				 101,943
 Net Assets-Beginning of the Year				 <u>752,838</u>
 Net Assets-End of the Year				 <u>\$ 854,781</u>

Green Township
Ross County, Ohio

Statement of Modified Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2005

	<u>General</u>	<u>Gasoline Tax</u>	<u>Road and Bridge</u>
Assets:			
Equity in Pooled Cash and Cash Equivalents	<u>\$135,176</u>	<u>\$29,741</u>	<u>\$100,578</u>
Total Assets	<u>\$135,176</u>	<u>\$29,741</u>	<u>\$100,578</u>
Fund Balances:			
Unreserved:			
Undesignated, Reported in:			
General Fund	\$135,176	\$	\$
Special Revenue Funds		29,741	100,578
Debt Service Fund			
Permanent Fund	_____	_____	_____
Total Fund Balances	<u>\$135,176</u>	<u>\$29,741</u>	<u>\$100,578</u>

<u>Fire District</u>	<u>Fire Rescue and EMS</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>\$411,299</u>	<u>\$105,498</u>	<u>\$72,489</u>	<u>\$854,781</u>
<u>\$411,299</u>	<u>\$105,498</u>	<u>\$72,489</u>	<u>\$854,781</u>
\$ 411,299	\$ 105,498	\$ 61,931	\$135,176 709,047
_____	_____	2 10,556	2 10,556
<u>\$411,299</u>	<u>\$105,498</u>	<u>\$72,489</u>	<u>\$854,781</u>

Green Township
Ross County, Ohio

Statement of Receipts, Disbursements and Changes in Modified Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2005

	<u>General</u>	<u>Gasoline Tax</u>	<u>Road and Bridge</u>
Receipts:			
Property and Other Local Taxes	\$ 58,740	\$	\$104,976
Charges for Services			
Licenses, Permits and Fees			
Intergovernmental	94,763	77,233	26,556
Earnings on Investments	5,458	268	
Miscellaneous	<u>8,382</u>		
Total Receipts	<u>167,343</u>	<u>77,501</u>	<u>131,532</u>
Disbursements:			
Current:			
General Government	165,829		
Public Safety			
Public Works	12,115	67,378	130,288
Health			
Capital Outlay			
Debt Service:			
Principal Retirement			
Interest and Fiscal Charges			
Total Disbursements	<u>177,944</u>	<u>67,378</u>	<u>130,288</u>
Total Receipts Over/(Under) Disbursements	(10,601)	10,123	1,244
Other Financing Receipts/(Disbursements)			
Sale of Fixed Assets	<u> </u>	<u> </u>	<u> </u>
Total Other Financing Receipts/(Disbursements)	-	-	-
Excess of Receipts and Other Financing Receipts Over/ (Under) Disbursements	(10,601)	10,123	1,244
Fund Balances, January 1	<u>145,777</u>	<u>19,618</u>	<u>99,334</u>
Fund Balances, December 31	<u>\$135,176</u>	<u>\$ 29,741</u>	<u>\$100,578</u>

<u>Fire District</u>	<u>Fire Rescue and EMS</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$143,878	\$ 105,498	\$84,491	\$392,085
1,852		5,600	5,600
25,388		14,844	238,784
		312	6,038
		<u>3,800</u>	<u>12,182</u>
<u>171,118</u>	<u>105,498</u>	<u>109,047</u>	<u>762,039</u>
			165,829
171,979			171,979
		25,563	235,344
		5,056	5,056
		47	47
		70,125	70,125
		<u>14,364</u>	<u>14,364</u>
<u>171,979</u>	<u>-</u>	<u>115,155</u>	<u>662,744</u>
(861)	105,498	(6,108)	99,295
<u>2,648</u>			<u>2,648</u>
2,648	-	-	2,648
1,787	105,498	(6,108)	101,943
<u>409,513</u>	<u>-</u>	<u>78,597</u>	<u>752,838</u>
<u>\$411,299</u>	<u>\$105,498</u>	<u>\$72,489</u>	<u>\$854,781</u>

Green Township
Ross County, Ohio

Statement of Receipts, Disbursements and Changes in Fund Balances
Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance With
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Receipts:				
Property and Other Local Taxes	\$ 54,500	\$ 54,500	\$ 58,740	\$ 4,240
Intergovernmental	46,830	46,830	94,763	47,933
Earnings on Investments	3,500	3,500	5,458	1,958
Miscellaneous	<u>5,000</u>	<u>5,000</u>	<u>8,382</u>	<u>3,382</u>
Total Receipts	<u>109,830</u>	<u>109,830</u>	<u>167,343</u>	<u>57,513</u>
Disbursements:				
Current:				
General Government	235,607	235,607	165,829	69,778
Public Works	<u>20,000</u>	<u>20,000</u>	<u>12,115</u>	<u>7,885</u>
Total Disbursements	<u>255,607</u>	<u>255,607</u>	<u>177,944</u>	<u>77,663</u>
Total Receipts Over/(Under) Disbursements	(145,777)	(145,777)	(10,601)	135,176
Fund Balances, January 1	<u>145,777</u>	<u>145,777</u>	<u>145,777</u>	-
Fund Balances, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$135,176</u>	<u>\$135,176</u>

Green Township
Ross County, Ohio

Statement of Receipts, Disbursements and Changes in Fund Balances
Budget and Actual - Budget Basis
Gasoline Tax Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Receipts:				
Intergovernmental	\$ 50,800	\$ 50,800	\$ 77,233	\$ 26,433
Earnings on Investments	<u>200</u>	<u>200</u>	<u>268</u>	<u>68</u>
Total Receipts	<u>51,000</u>	<u>51,000</u>	<u>77,501</u>	<u>26,501</u>
Disbursements:				
Current:				
Public Works	<u>70,618</u>	<u>70,618</u>	<u>67,378</u>	<u>3,240</u>
Total Disbursements	<u>70,618</u>	<u>70,618</u>	<u>67,378</u>	<u>3,240</u>
Total Receipts Over/(Under) Disbursements	(19,618)	(19,618)	10,123	29,741
Fund Balances, January 1	<u>19,618</u>	<u>19,618</u>	<u>19,618</u>	-
Fund Balances, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,741</u>	<u>\$ 29,741</u>

Green Township
Ross County, Ohio

Statement of Receipts, Disbursements and Changes in Fund Balances
Budget and Actual - Budget Basis
Road and Bridge Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Receipts:				
Property and Other Local Taxes	\$100,000	\$100,000	\$104,976	\$ 4,976
Intergovernmental	<u>23,356</u>	<u>23,356</u>	<u>26,556</u>	<u>3,200</u>
Total Receipts	<u>123,356</u>	<u>123,356</u>	<u>131,532</u>	<u>8,176</u>
Disbursements:				
Current:				
Public Works	162,690	162,690	130,288	32,402
Capital Outlay	<u>60,000</u>	<u>60,000</u>	<u> </u>	<u>60,000</u>
Total Disbursements	<u>222,690</u>	<u>222,690</u>	<u>130,288</u>	<u>92,402</u>
Total Receipts Over/(Under) Disbursements	(99,334)	(99,334)	1,244	100,578
Fund Balances, January 1	<u>99,334</u>	<u>99,334</u>	<u>99,334</u>	<u> </u>
Fund Balances, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$100,578</u>	<u>\$100,578</u>

Green Township
Ross County, Ohio

Statement of Receipts, Disbursements and Changes in Fund Balances
Budget and Actual - Budget Basis
Fire District Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance With
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Receipts:				
Property and Other Local Taxes	\$121,000	\$121,000	\$143,878	\$ 22,878
Charges for Services	6,000	6,000	1,852	(4,148)
Intergovernmental	22,396	22,396	25,388	2,992
Miscellaneous	<u>1,000</u>	<u>1,000</u>	<u> </u>	<u>(1,000)</u>
Total Receipts	<u>150,396</u>	<u>150,396</u>	<u>171,118</u>	<u>20,722</u>
Disbursements:				
Current:				
Public Safety	<u>559,908</u>	<u>559,908</u>	<u>171,979</u>	<u>387,929</u>
Total Disbursements	<u>559,908</u>	<u>559,908</u>	<u>171,979</u>	<u>387,929</u>
Total Receipts Over/(Under) Disbursements	(409,512)	(409,512)	(861)	408,651
Other Financing Receipts/(Disbursements)				
Sale of Fixed Assets	<u> </u>	<u> </u>	<u>2,648</u>	<u>2,648</u>
Total Other Financing Receipts/ (Disbursements)	-	-	2,648	2,648
Excess of Receipts and Other Financing Receipts Over/(Under) Disbursements	(409,512)	(409,512)	1,787	411,299
Fund Balances, January 1	<u>409,512</u>	<u>409,512</u>	<u>409,512</u>	<u> </u>
Fund Balances, December 31	<u>\$ </u>	<u>\$ </u>	<u>\$411,299</u>	<u>\$411,299</u>

Green Township
Ross County, Ohio

Statement of Receipts, Disbursements and Changes in Fund Balances
Budget and Actual - Budget Basis
Fire, Rescue and EMS Fund
December 31, 2005

	<u>Budgeted Amounts</u>			Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Charges for Services	<u>\$105,498</u>	<u>\$105,498</u>	<u>\$105,498</u>	_____ -
Total Receipts	<u>105,498</u>	<u>105,498</u>	<u>105,498</u>	_____ -
Disbursements:				
Current:	_____	_____	_____	_____ -
Total Disbursements	_____ -	_____ -	_____ -	_____ -
Excess of Receipts Over (Under) Disbursements	105,498	105,498	105,498	-
Fund Balances, January 1	_____ -	_____ -	_____ -	_____ -
Fund Balances, December 31	<u>\$105,498</u>	<u>\$105,498</u>	<u>\$105,498</u>	<u>\$_____ -</u>

Green Township
Ross County, Ohio

Notes to the Financial Statements
December 31, 2005

NOTE 1 REPORTING ENTITY

Green Township, Ross 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 also has an elected Township Fiscal Officer.

The reporting entity is comprised of the primary government, component units and other organizations and believes these financial statements present all activities for which the Township is financially accountable.

A 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 governmental services, maintenance of Township roads and bridges, cemetery maintenance, fire protection and emergency medical services. The Township contracts with Pickaway Township Trustees of Pickaway County to provide fire protection and emergency medical services. The Township also contracts with MedCare Ambulance Service, Inc. to provide ambulance services in the event that the Township is not able to respond.

B Component Units

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Township is obligated for the debt of the organization. The Township is also financially accountable for any organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt or levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Township, are accessible to the township and are significant in amount to the Township. The Township does not have any component units.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 2C, these financial statements are presented on a modified cash basis of accounting. This modified 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 modified 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 modified 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.

Green Township
Ross County, Ohio

Notes to the Financial Statements
December 31, 2005

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. The statements distinguish between those activities of the Township that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Township has no business-type activities.

The statement of net assets presents the cash balances and net assets 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, grant and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interested earned. 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 activity is self-financing on a modified 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. Non major 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 and 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.

Green Township
Ross County, Ohio

Notes to the Financial Statements
December 31, 2005

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Cash disbursements are assigned to the fund from which they are paid. The difference between governmental fund assets and cash disbursements is reported as fund balance. The following are the Township's major governmental funds:

General Fund

The General Fund is used to account 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 the State of Ohio.

Gasoline Tax Fund

This fund receives gas tax money from the Morrow County Auditor's Office for the purpose of paying the road crew's salaries.

Road and Bridge Fund

This fund receives tax money from a 1.2 inside the 10 mill limit, for the purpose of maintaining and repairing roads and bridges within the Township.

Fire District Fund

This fund receives tax money from a 2.0 mill outside the 10 mill limit that was passed by voters in November of 1989, for the purpose of providing fire protection and EMS service to the residents of the Township. Every five years, a 1.0 mill has to be voted on for it to stay in effect.

Fire, Rescue and EMS Fund

This fund receives money from EMS billings for the purpose of providing future fire and EMS services for the Township and paying a monthly service fee to MBI Solutions.

Other Governmental Funds

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

Green Township
Ross County, Ohio

Notes to the Financial Statements
December 31, 2005

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C Basis of Accounting

The Township's financial statements are prepared using the modified cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Townships'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 modified 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 fund, department and object level for all funds as is required by the ORC.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimates 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 certificate 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."

Green Township
Ross County, Ohio

Notes to the Financial Statements
December 31, 2005

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E Cash and Investments (continued)

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool 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, respectively.

At December 31, 2005, the Township maintained an interest bearing checking account and had a certificate of deposit at Kingston National Bank. The certificate of deposit is maintained in a permanent fund, in which only the interest earned is expendable for the Mt. Pleasant Cemetery. The certificate of deposit is valued at cost.

Interest earnings are allocated to Township funds according to State statutes, grant requirements or debt related restrictions. Interest receipts credited to the General Fund during 2005 was \$5,458.

F Restricted Assets

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation.

G 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.

H 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.

J Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's basis of accounting.

K 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 post retirement health care benefits.

Green Township
Ross County, Ohio

Notes to the Financial Statements
December 31, 2005

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L Long-Term Obligations

The Township's modified cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure are reported at inception. Lease payments are reported when paid.

M 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; and providing fire and EMS protection. The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted or unrestricted net assets are available. At year end, net assets restricted for other purposes totaled \$709,047.

N 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. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances. The Township did not have any fund balance reserves at December 31, 2005.

O Interfund Transactions

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

NOTE 3 CHANGE IN BASIS OF ACCOUNTING AND RESTATEMENT OF FUND EQUITY

For 2004, the Township reported fund financial statements by fund type using the regulatory basis of accounting as prescribed by the State Auditor's Office. For 2005, the Township has implemented the modified cash basis of accounting described in Note 2. The fund financial statements now present each major fund in a separate column with non major funds aggregated and presented in a single column rather than a column for each fund type. The transition from the regulatory basis of accounting to the modified cash basis of accounting did not have any impact on the fund balances of the Township.

Green Township
Ross County, Ohio

Notes to the Financial Statements
December 31, 2005

NOTE 4 BUDGETARY BASIS OF ACCOUNTING

The budgetary basis of accounting as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements and encumbrances. The Statements of Receipts, Disbursements and Changes in Fund Balances - Budget and Actual - Budgetary Basis that are presented for the General, Gasoline Tax, Road and Bridge, Fire District, Fire, Rescue, and EMS Funds were prepared on the budgetary basis to provide meaningful comparison of actual results with the budget. The difference(s) between the budgetary basis and the modified cash basis of accounting is (are) outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (modified cash basis). There were no encumbrances outstanding at December 31, 2005.

NOTE 5 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 % 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;

Green Township
Ross County, Ohio

Notes to the Financial Statements
December 31, 2005

NOTE 5 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);
8. Securities lending agreements in which the District lends securities and the eligible institution agrees to exchange either securities described in division (1) or (2), or cash, or both securities and cash, equal value for equal value;
9. High grade commercial paper in an amount not to exceed five percent of the District's total average portfolio;
10. Bankers acceptances for a period not to exceed 270 days in an amount not to exceed ten percent of the District's total average portfolio.

Protection of the Township's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by collateral pledged to the Township by the financial institution, or by a collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

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.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Township or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At December 31, 2005, the Township had no money in undeposited cash on hand.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reserve Repurchase Agreements."

Deposits

At year end, the Township maintained deposits at Kingston National Bank. The carrying and bank balances of the Township's deposits at December 31, 2005 were \$854,781 and \$876,428, respectively. Of the bank balance, \$100,000 was covered by the Federal Depository Insurance; and up to \$1,000,000 was protected by a Memorandum of Agreement for Deposit of Public Funds at Kingston National Bank.

Green Township
Ross County, Ohio

Notes to the Financial Statements
December 31, 2005

NOTE 5 DEPOSITS AND INVESTMENTS (continued)

Deposits (continued)

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 year end, \$776,428 of the Township's bank balance 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 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 105% of the deposits being secured.

Investments

At December 31, 2005, the Township held no investments.

Interest rate risk arises because the fair value of investments changes as interest rates change. The Township's investment policy addresses interest rate risk by requiring that the Township's investment portfolio be structured so that securities mature to meet cash requirement for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Township has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14 (M)(2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee."

NOTE 6 PROPERTY TAX

Property taxes include amounts levied against all real property, public utility property and tangible personal property located in the Township. Real property taxes received in 2005 represent the collection of 2004 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. Assessed values for real property taxes are established by State statute at 35% 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.

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

Green Township
Ross County, Ohio

Notes to the Financial Statements
December 31, 2005

NOTE 6 PROPERTY TAX (continued)

Tangible personal property tax receipts received in 2005 (other than public utility property) represent the collection of 2005 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 is currently assessed at 25% of true value for capital assets and 23% 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 year ended December 31, 2005 was \$4.80 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2005 property tax receipts were based are as follows:

Real Property	
Residential	\$ 55,195,000
Agriculture	7,210,880
Commercial/Industrial/Mineral	19,248,440
Public Utility Property	
Real	139,760
Personal	5,546,810
Tangible Personal Property	<u>20,500,190</u>
Total Assessed Value	<u>\$107,841,080</u>

NOTE 7 RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions, injuries to employees; and natural disasters.

The Township pays the State Workers' Compensation System a premium based on a rate of \$100 per salaries. This rate is calculated based on accident history and administrative costs. The system administers and pays all claims.

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.

Green Township
Ross County, Ohio

Notes to the Financial Statements
December 31, 2005

NOTE 7 RISK MANAGEMENT (continued)

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 \$500,000,000 per occurrence.

Beginning in 2005, Travelers reinsures specific losses exceeding \$250,000 up to \$600,000,000 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 \$600,000,000 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 claim payments on covered losses. Claims exceeding coverage limits are the obligations of the respective township.

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

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 contributions, 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:

<u>Casualty Coverage</u>	<u>2005</u>
Assets	\$30,485,638
Liabilities	<u>(12,344,576)</u>
Retained Earnings	<u>\$18,141,062</u>
 <u>Property Coverage</u>	
Assets	\$ 9,177,796
Liabilities	<u>(1,406,031)</u>
Retained Earnings	<u>\$ 7,771,765</u>

Green Township
Ross County, Ohio

Notes to the Financial Statements
December 31, 2005

NOTE 7 RISK MANAGEMENT (continued)

Financial Position (continued)

The Casualty Coverage assets and retained earnings above include approximately \$11.6 million of unpaid claims to be billed to approximately 950 member townships in the future, as of December 31, 2005. OTARMA will collect these amounts in future annual premium billings when OTARMA's related liabilities are due for payment. The Townships's share of these unpaid claims is approximately \$39,856.

NOTE 8 DEFINED BENEFIT PENSION PLAN

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 a 5 year period at the rate of 20% 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 this plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions are self-directed by the member and accumulate retirement assets in a manner similar to the member directed plan.

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 year ended December 31, 2005, the members of all three plans were required to contribute 8.5% of their annual covered salaries. The Township's pension contributions were 13.55% of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

NOTE 9 POST EMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides post retirement health care coverage to age and service retirees with ten or more years of service of qualifying 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 post retirement health care coverage. The health care coverage provided by the retirement system is considered an Other Post Employment 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 post retirement health care based on authority granted by State statute. The 2005 local government employer contribution rate was 13.55% of covered payroll; 4% of covered payroll was the portion that was used to fund health care.

Green Township
Ross County, Ohio

Notes to the Financial Statements
December 31, 2005

NOTE 9 POST EMPLOYMENT BENEFITS (continued)

Ohio Public Employees Retirement System (continued)

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS' latest actuarial review performed as of December 31, 2003, include a rate of return on investments of 8%, an annual increase in active employee total payroll of 4% compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50% and 6.3% based on additional annual pay increases. Health care premiums were assumed to increase between 1% and 6% annually for the next eight years and 4% 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% of unrealized market appreciation or depreciation on investment assets annually.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs.

NOTE 10 DEBT

The Township's long-term debt activity for the year ended December 31, 2005, was as follows:

<u>Governmental Activities</u>	<u>Interest Rate</u>	<u>Balance December 31, 2004</u>	<u>Reductions</u>	<u>Balance December 31, 2005</u>	<u>Due Within One Year</u>
Bank Note-Fire Station Issued 2003 (\$375,000)	3.20%	\$326,400	\$50,125	\$276,275	\$51,790
Bank Note-Fire Truck Issued 2003 (\$140,000)	3.55%	<u>\$120,000</u>	<u>\$20,000</u>	<u>\$100,000</u>	<u>\$20,000</u>
		<u>\$446,400</u>	<u>\$70,125</u>	<u>\$376,275</u>	<u>\$71,790</u>

The Township does not have general obligation bonds. The bank notes are regular amortized loans that are within the tax revenues for the Township. The \$140,000 loan is for the purchase of a 1996 Pierce ladder truck that was purchased in 2003. The \$375,000 loan is for the Fire Station building located on Delano Road.

Green Township
Ross County, Ohio

Notes to the Financial Statements
December 31, 2005

NOTE 10 DEBT (continued)

The following is a summary of the Township's future annual debt service requirements:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ 71,790	\$12,701
2007	73,463	9,608
2008	75,190	7,171
2009	76,973	4,678
2010	<u>78,859</u>	<u>2,082</u>
	<u>\$376,275</u>	<u>\$36,240</u>

NOTE 11 RELATED ORGANIZATION

The Township approved the creation of Kinnikinnick Sewer District (the District). The District is statutorily created under Ohio Revised Code Section 6119 and is a separate and distinct political subdivision of the State. The District board is made up of five board members; four are appointed by the Green Township Trustees. The final board member is appointed by the other board members of the District. The Sewer District was rejected by voters in November, 2005, and is in the process of being dissolved.

NOTE 12 CONTINGENT LIABILITY

The Township is defendant in various lawsuits. Although management cannot presently determine the outcomes of these suits, they believe the resolution of these matters will not materially adversely affect the Township's financial condition.



INDEPENDENT ACCOUNTANT’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Green Township
Ross County, Ohio
P O Box 759
Kingston, Ohio 45644

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund and the remaining fund information of Green Township, Ross County, Ohio (the Township) as of and for the year ended December 31, 2005, which collectively comprise the township’s basic financial statements, and have issued our report thereon dated January 31, 2007, wherein we noted that the Township revised its financial statements for 2005, making them comparable to the requirements of Government Auditing Standard No. 34, *Basic Financial Statements - and Management Discussion and Analysis - for State and Local Governments*. 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 assurance 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 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 operations that we consider to be material weaknesses.

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Green Township
Ross County, Ohio
Independent Accountant's Report on Internal Control
Over Financial Reporting and on Compliance with Other
Matters Based on an Audit of Financial Statements Performed
in accordance with *Government Auditing Standards*

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, contract and grant agreements, non-compliance 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

A handwritten signature in cursive script that reads "Van Krevel & Company".

Van Krevel & Company
Dublin, Ohio

January 31, 2007



Mary Taylor, CPA
Auditor of State

GREEN TOWNSHIP

ROSS 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
DECEMBER 13, 2007**