

**GREEN TOWNSHIP
HOCKING COUNTY
Regular Audit
December 31, 2008**

Perry & Associates
Certified Public Accountants, A.C.



Mary Taylor, CPA
Auditor of State

Board of Trustees
Green Township
P. O. Box 182
Logan, Ohio 43138

We have reviewed the *Independent Accountants' Report* of Green Township, Hocking County, prepared by Perry & Associates, Certified Public Accountants, A. C., for the audit period January 1, 2008 through December 31, 2008. 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

October 5, 2010

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**GREEN TOWNSHIP
HOCKING COUNTY**

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Perry & Associates
Certified Public Accountants, A.C.

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INDEPENDENT ACCOUNTANTS' REPORT

June 23, 2010

Green Township
Hocking County
P.O. Box 788
Logan, Ohio 43138

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, Hocking County, Ohio**, (the Township) as of and for the year ended December 31, 2008, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Green Township, Hocking County, Ohio, as of December 31, 2008, and the respective changes in cash financial position and the respective budgetary comparison for the General, Gasoline Tax, Road and Bridge, Fire Levy, Road District and Road Improvement Funds thereof for the year then ended in conformity with the basis of accounting Note 2C describes.

For the year ended December 31, 2008, the Township revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2010, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

Respectfully Submitted,

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

Perry and Associates
Certified Public Accountants, A.C.

Green Township, Hocking County
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

This discussion and analysis of the Green Township's financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2008, within the limitations of the Township's cash basis 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 2008 are as follows:

Net assets of governmental activities decreased \$68,217, a significant change from the prior year. All funds were affected by the down turn of the economy.

The Township's general receipts are primarily property taxes. These receipts represent \$268,144 and 56 percent of the total cash received for governmental activities during the year. Property receipts for 2008 changed very little compared to 2007, there was a slight increase as the County has been enforcing the collection of delinquent taxes.

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 Government as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Government 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 Government has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the 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 cash basis of accounting.

Green Township, Hocking County
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

Reporting the Township as a Whole

The statement of net assets and the statement of activities reflect how the Township did financially during 2008, within the limitations of 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 and business-type activity. 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 draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other nonfinancial factors as well such as the Township's property tax base, 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's activities are all considered to be of one type:

Governmental activities. The Township's services are reported here, including police, fire, streets and parks. State and federal grants and income 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 Most Significant Funds

Fund financial statements provide detailed information about the Township's major funds — not the Government 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 are all governmental.

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, Gasoline Tax, Road & Bridge, Fire Levy, Road District, and Road Improvement Funds.

Green Township, Hocking County
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

The Township as a Whole

Table 1 provides a summary of the Township's net assets for 2008 compared to 2007 on a cash basis:

(Table 1)

Net Assets

	Governmental Activities	
	2008	2007
Assets		
Cash and Cash Equivalents	\$205,276	\$273,493
Total Assets	\$205,276	\$273,493
Net Assets		
Restricted for:		
Other Purposes	124,142	21,319
Unrestricted	81,134	252,114
Total Net Assets	\$205,276	\$273,493

As mentioned previously, net assets of governmental activities decreased \$ 68,217 during 2008. The primary reasons contributing to the decreases in cash balances are as follows:

- The Township had several roads that were in very poor condition that needed extra repairs.

Table 2 reflects the changes in net assets on a cash basis in 2007 and 2008 for governmental activities.

Green Township, Hocking County
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

(Table 2)

Changes in Net Assets

	Governmental	
	Activities	
	2008	2007
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$ 3,600	\$ 2,350
Operating Grants and Contributions	101,073	106,116
Capital Grants and Contributions	10,500	15,722
Total Program Receipts	115,173	124,188
General Receipts:		
Property and Other Local Taxes	268,144	265,653
Grants and Entitlements Not Restricted		
To Specific Programs	70,803	53,483
Other Debt Proceeds	15,000	-
Sale of Fixed Assets	6,800	-
Interest	2,354	1,988
Miscellaneous	2,711	501
Total General Receipts	365,892	321,625
Total Receipts	481,065	445,813
Disbursements:		
General Government	46,227	39,576
Public Safety:	29,133	31,129
Public Works	373,163	345,258
Health	15,279	14,991
Human Services	10,000	10,000
Capital Outlay	56,714	2,470
Principal Retirement	15,750	15,750
Interest and Fiscal Charges	3,016	3,912
Total Disbursements	549,282	463,086
Increase (Decrease) in Net Assets	(68,217)	(17,273)
Net Assets, January 1	273,493	290,766
Net Assets, December 31	\$(205,276)	\$(273,493)

Green Township, Hocking County
 Management's Discussion and Analysis
 For the Year Ended December 31, 2008
 Unaudited

Program receipts represent only 24 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money.

General receipts represent 76 percent of the Township's total receipts, and of this amount, over 73 percent are local taxes. Other receipts are very insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Government and the support services provided for the other Government activities. These include the costs of council, as well as internal services such as payroll and purchasing. Since these costs do not represent direct services to residents, we try to limit these costs.

Public Safety is the costs of police and fire protections; Public Works are the costs of maintaining the roads; Health Services are the services provided by the Hocking County Health Department; and Debt Services are the payments made to retire outstanding debt of the Township

Governmental Activities

If you look at the Statement of Activities on page 10, you will see that the first column lists the major services provided by the Government. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for public works and general government, which account for 68 and 8 percent of all governmental disbursements, respectively. Public Safety also represents a significant cost, about 5 percent. The next three columns of the Statement entitled Program 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 2008	Net Cost of Services 2008	Total Cost of Services 2007	Net Cost of Services 2007
General Government	\$ 46,227	\$ (46,227)	\$ 39,576	\$ (39,576)
Public Safety	29,133	(29,133)	31,129	(31,129)
Public Works	373,163	(261,750)	345,258	(223,420)
Health	15,279	(11,679)	14,991	(12,641)
Human Services	10,000	(10,000)	10,000	(10,000)
Capital Outlay	56,714	(56,714)	2,470	(2,470)
Other	-	160	-	-
Principal Retirement	15,750	(15,750)	15,750	(15,750)
Interest and Fiscal Charges	3,016	(3,016)	3,912	(3,912)
Total Expenses	\$ 549,282	\$ (434,109)	\$ 463,086	\$ (338,898)

The dependence upon property tax receipts is apparent as over 48 percent of governmental activities are supported through these general receipts.

Green Township, Hocking County
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

The Township's Funds

Total governmental funds had receipts of \$481,065 and disbursements of \$549,282. The greatest change within governmental funds occurred within the General Fund.

Gasoline Tax Fund receipts were less than disbursements by \$18,967 indicating that the Gasoline Tax Fund is in a deficit spending situation. It was the recommendation of the finance committee and the administration that a reduction in disbursements was preferable to requesting additional funds from the taxpayers. Some of these reductions have already been implemented for 2009 including the implementation of Voyager Fleet systems which should help cut the cost on fuel costs. The Township also did additional spending on chip & seal this year using up the majority of the excess carryover balance the Township continues to rollover year after year.

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 Township has a few significant budgeted funds.

Final disbursements were budgeted at \$79,713 while actual disbursements were \$75,694.

Debt Administration

At December 31, 2008, the Township's outstanding debt included \$51,750 for equipment. 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. With the increase costs and need for road materials, it is very hard to predict if any overall increases will be necessary.

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 Danika A. Lehman Fiscal Officer, Township, PO Box 182, Logan, OH 43138

Green Township, Hocking County
Statement of Net Assets - Cash Basis
As of December 31, 2008

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 205,276
<i>Total Assets</i>	<u>205,276</u>
Net Assets	
Restricted for:	
Other Purposes	124,142
Unrestricted	<u>81,134</u>
<i>Total Net Assets</i>	<u>\$ 205,276</u>

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

Green Township, Hocking County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2008

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets	
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
General Government	\$ 46,227	\$ -	\$ -	\$ -	\$ (46,227)
Public Safety	29,133	-	-	-	(29,133)
Public Works	373,163	-	100,913	10,500	(261,750)
Health	15,279	3,600	-	-	(11,679)
Human Services	10,000	-	-	-	(10,000)
Other	-	-	160	-	160
Capital Outlay	56,714	-	-	-	(56,714)
Debt Service:					
Principal Retirement	15,750	-	-	-	(15,750)
Interest and Fiscal Charges	3,016	-	-	-	(3,016)
<i>Total Governmental Activities</i>	<u>\$ 549,282</u>	<u>\$ 3,600</u>	<u>\$ 101,073</u>	<u>\$ 10,500</u>	<u>(434,109)</u>
General Receipts					
Property Taxes					254,367
Other Taxes					13,777
Grants and Entitlements not Restricted to Specific Programs					70,803
Other Debt Proceeds					15,000
Sale of Fixed Assets					6,880
Earnings on Investments					2,354
Miscellaneous					2,711
<i>Total General Receipts</i>					<u>365,892</u>
Change in Net Assets					(68,217)
<i>Net Assets Beginning of Year</i>					<u>273,493</u>
<i>Net Assets End of Year</i>					<u>\$ 205,276</u>

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

Green Township, Hocking County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
For the Year Ended December 31, 2008

	General	Gasoline Tax	Road and Bridge	Fire Levy	Road District	Road Improvement	Other Governmental Funds	Total Governmental Funds
Assets								
Equity in Pooled Cash and Cash Equivalents	\$ 81,134	\$ 19,990	\$ 28,887	\$ 20,975	\$ 8,454	\$ 27,579	\$ 18,257	\$ 205,276
<i>Total Assets</i>	<u>81,134</u>	<u>19,990</u>	<u>28,887</u>	<u>20,975</u>	<u>8,454</u>	<u>27,579</u>	<u>18,257</u>	<u>205,276</u>
Fund Balances								
Reserved:								
Reserved for Encumbrances	3,243	476	787	-	\$1,618	1,783	666	8,573
Unreserved:								
Undesignated (Deficit), Reported in:								
General Fund	77,891	-	-	-	-	-	-	77,891
Special Revenue Funds	-	19,514	28,100	20,975	6,836	25,796	17,591	118,812
<i>Total Fund Balances</i>	<u>\$ 81,134</u>	<u>\$ 19,990</u>	<u>\$ 28,887</u>	<u>\$ 20,975</u>	<u>\$ 8,454</u>	<u>\$ 27,579</u>	<u>\$ 18,257</u>	<u>\$ 205,276</u>

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

Green Township, Hocking County
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
 Governmental Funds
 For the Year Ended December 31, 2008

	General	Gasoline Tax	Road and Bridge	Fire Levy	Road District	Road Improvement	Other Governmental Funds	Total Governmental Funds
Receipts								
Property and Other Local Taxes	\$ 19,456	\$ -	\$ 104,863	\$ 33,211	\$ 51,522	\$ 59,092	\$ -	\$ 268,144
Licenses, Permits and Fees	13	-	-	-	-	-	3,600	3,613
Intergovernmental	33,422	84,773	15,691	6,261	7,688	7,741	26,800	182,376
Interest	2,067	147	-	-	-	-	140	2,354
Other	147	8	2,543	-	-	-	-	2,698
Total Receipts	55,105	84,928	123,097	39,472	59,210	66,833	30,540	459,185
Disbursements								
Current:								
General Government	46,227	-	-	-	-	-	-	46,227
Public Safety	-	-	-	29,133	-	-	-	29,133
Public Works	14,336	85,129	113,283	-	68,131	63,642	28,642	373,163
Health	11,850	-	-	-	-	-	3,429	15,279
Human Services	-	-	-	-	-	-	10,000	10,000
Capital Outlay	38	15,000	20,000	10,682	10,994	-	-	56,714
Debt Service:								
Principal Retirement	-	15,750	-	-	-	-	-	15,750
Interest and Fiscal Charges	-	3,016	-	-	-	-	-	3,016
Total Disbursements	72,451	118,895	133,283	39,815	79,125	63,642	42,071	549,282
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>(17,346)</i>	<i>(33,967)</i>	<i>(10,186)</i>	<i>(343)</i>	<i>(19,915)</i>	<i>3,191</i>	<i>(11,531)</i>	<i>(90,097)</i>
Other Financing Sources (Uses)								
Proceeds from Note	-	15,000	-	-	-	-	-	15,000
Sale of Fixed Assets	2,171	-	1,274	-	518	1,667	1,250	6,880
Advances In	2,145	2,145	-	-	-	-	-	4,290
Advances Out	(2,145)	(2,145)	-	-	-	-	-	(4,290)
Total Other Financing Sources (Uses)	2,171	15,000	1,274	-	518	1,667	1,250	21,880
Net Change in Fund Balances	(15,175)	(18,967)	(8,912)	(343)	(19,397)	4,858	(10,281)	(68,217)
Fund Balances Beginning of Year	96,309	38,957	37,799	21,318	27,851	22,721	28,538	273,493
Fund Balances End of Year	\$ 81,134	\$ 19,990	\$ 28,887	\$ 20,975	\$ 8,454	\$ 27,579	\$ 18,257	\$ 205,276

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

Green Township, Hocking County
*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
General Fund
For the Year Ended December 31, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 15,450	\$ 15,828	\$ 19,456	\$ 3,628
Licenses, Permits and Fees	-	13	13	-
Intergovernmental	22,120	31,565	33,422	1,857
Interest	1,400	1,400	2,067	667
Other	-	7	147	140
<i>Total Receipts</i>	38,970	48,813	55,105	6,292
Disbursements				
Current:				
General Government	57,715	50,281	47,044	3,237
Public Works	2,000	16,772	16,762	10
Health	12,000	12,610	11,850	760
Capital Outlay	300	50	38	12
<i>Total Disbursements</i>	72,015	79,713	75,694	4,019
<i>Excess of Receipts Over (Under) Disbursements</i>	(33,045)	(30,900)	(20,589)	10,311
Other Financing Sources (Uses)				
Sale of Fixed Assets	-	-	2,171	2,171
Advances In	-	-	2,145	2,145
Advances Out	-	(2,145)	(2,145)	-
<i>Total Other Financing Sources (Uses)</i>	-	(2,145)	2,171	4,316
<i>Net Change in Fund Balance</i>	(33,045)	(33,045)	(18,418)	14,627
<i>Fund Balance Beginning of Year</i>	96,309	96,309	96,309	-
<i>Fund Balance End of Year</i>	\$ 63,264	\$ 63,264	\$ 77,891	\$ 14,627

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

Green Township, Hocking County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Gasoline Tax Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	86,000	86,160	84,773	(1,387)
Interest	250	250	147	(103)
Other	-	7	8	1
<i>Total receipts</i>	86,250	86,417	84,928	(1,489)
Disbursements				
Current:				
Public Works	90,000	91,256	85,605	5,651
Capital Outlay	-	15,000	15,000	-
Debt Service:				
Principal Retirement	16,000	15,750	15,750	-
Interest and Fiscal Charges	4,000	3,016	3,016	-
<i>Total Disbursements</i>	110,000	125,022	119,371	5,651
<i>Excess of Receipts Over (Under) Disbursements</i>	(23,750)	(38,605)	(34,443)	4,162
Other Financing Sources (Uses)				
Notes Issued	-	15,000	15,000	-
Advances In	-	-	2,145	2,145
Advances Out	-	(2,145)	(2,145)	-
<i>Total Other Financing Sources (Uses)</i>	-	12,855	15,000	2,145
<i>Net Change in Fund Balance</i>	(23,750)	(25,750)	(19,443)	6,307
<i>Fund Balance Beginning of Year</i>	38,957	38,957	38,957	-
<i>Fund Balance End of Year</i>	\$ 15,207	\$ 13,207	\$ 19,514	\$ 6,307

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

Green Township, Hocking County
*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Road & Bridge Fund
For the Year Ended December 31, 2008*

	Budgeted Amounts			(Optional) Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$ 91,000	\$ 101,922	\$ 104,863	\$ 2,941
Intergovernmental	11,000	12,254	15,691	3,437
Other	-	2,542	2,543	1
<i>Total Receipts</i>	102,000	116,718	123,097	6,379
Disbursements				
Current:				
Public Works	110,000	125,992	114,070	11,922
Capital Outlay	-	20,000	20,000	-
<i>Total Disbursements</i>	110,000	145,992	134,070	11,922
<i>Excess of Receipts Over (Under) Disbursements</i>	(8,000)	(29,274)	(10,973)	18,301
Other Financing Sources				
Sale of Fixed Assets	-	1,274	1,274	-
<i>Total Other Financing Sources</i>	-	1,274	1,274	-
<i>Net Change in Fund Balance</i>	(8,000)	(28,000)	(9,699)	18,301
<i>Fund Balance Beginning of Year</i>	37,799	37,799	37,799	-
<i>Fund Balance End of Year</i>	\$ 29,799	\$ 9,799	\$ 28,100	\$ 18,301

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

Green Township, Hocking County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Fire Levy Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$ 33,000	\$ 31,940	\$ 33,211	\$ 1,271
Intergovernmental	4,000	5,637	6,261	624
<i>Total receipts</i>	<u>37,000</u>	<u>37,577</u>	<u>39,472</u>	<u>1,895</u>
Disbursements				
Current:				
Public Safety	43,100	43,677	29,133	14,544
Capital Outlay	15,000	15,000	10,682	4,318
<i>Total Disbursements</i>	<u>58,100</u>	<u>58,677</u>	<u>39,815</u>	<u>18,862</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(21,100)</u>	<u>(21,100)</u>	<u>(343)</u>	<u>20,757</u>
<i>Fund Balance Beginning of Year</i>	<u>21,318</u>	<u>21,318</u>	<u>21,318</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 218</u>	<u>\$ 218</u>	<u>\$ 20,975</u>	<u>\$ 20,757</u>

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

Green Township, Hocking County
*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Road District Fund
For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$ 50,000	\$ 49,477	\$ 51,522	\$ 2,045
Intergovernmental	6,000	7,688	7,688	-
<i>Total receipts</i>	<u>56,000</u>	<u>57,165</u>	<u>59,210</u>	<u>2,045</u>
Disbursements				
Current:				
Public Works	65,000	70,690	69,749	941
Capital Outlay	-	10,994	10,994	-
<i>Total Disbursements</i>	<u>65,000</u>	<u>81,684</u>	<u>80,743</u>	<u>941</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(9,000)</u>	<u>(24,519)</u>	<u>(21,533)</u>	<u>2,986</u>
Other Financing Sources (Uses)				
Sale of Fixed Assets	-	518	518	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>518</u>	<u>518</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(9,000)	(24,001)	(21,015)	2,986
<i>Fund Balance Beginning of Year</i>	<u>27,851</u>	<u>27,851</u>	<u>27,851</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 18,851</u>	<u>\$ 3,850</u>	<u>\$ 6,836</u>	<u>\$ 2,986</u>

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

Green Township, Hocking County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Road Improvement Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$ 56,500	\$ 57,336	\$ 59,092	\$ 1,756
Intergovernmental	6,000	7,741	7,741	-
<i>Total receipts</i>	<u>62,500</u>	<u>65,077</u>	<u>66,833</u>	<u>1,756</u>
Disbursements				
Current:				
Public Works	65,000	83,245	65,425	17,820
<i>Total Disbursements</i>	<u>65,000</u>	<u>83,245</u>	<u>65,425</u>	<u>17,820</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(2,500)</u>	<u>(18,168)</u>	<u>1,408</u>	<u>19,576</u>
Other Financing Sources (Uses)				
Sale of Fixed Assets	-	1,667	1,667	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>1,667</u>	<u>1,667</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(2,500)	(16,501)	3,075	19,576
<i>Fund Balance Beginning of Year</i>	<u>22,721</u>	<u>22,721</u>	<u>22,721</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 20,221</u>	<u>\$ 6,220</u>	<u>\$ 25,796</u>	<u>\$ 19,576</u>

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

Note 1 – Reporting Entity

Green Township, Hocking County, Ohio (the Township), is a body politic and corporate established in 1818 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 that were included to ensure that the financial statements are not misleading.

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 government services, maintenance of Township roads and bridges, and cemetery maintenance. The Township contracts with the City of Logan for fire protection. Police protection is provided by Hocking County Sheriff.

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The Township does not apply FASB statements issued after November 30, 1989, to its business-type activities and to its enterprise funds. Following are the more significant of the Township's accounting policies.

The Township does not have proprietary funds, business-type activities, or enterprise funds.

A. Basis of Presentation

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

Government-Wide Financial Statements

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

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

Note 2 – Summary of Significant Accounting Policies (Continued)

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 and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

B. Fund Accounting

The Township uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The Township only has governmental funds.

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Township's major governmental funds include: General, Gasoline Tax, Road & Bridge, Fire Levy, Road Improvement, and Road District. 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 Ohio. The Gasoline Tax Fund receives monies from the gasoline taxes, The Road & Bridge, Road Improvement and Road District funds are funded with property taxes. These funds are used for labor, equipment, and materials for road maintenance and repairs. The Fire Levy Fund is funded with taxes from a levy and is used to pay for the fire protection contract the Township has.

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

C. Basis of Accounting

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

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

Note 2 – Summary of Significant Accounting Policies (Continued)

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 estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended 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. Deposits and Investments

The Township deposits all revenue into a regular checking account, however during September of 2008, a High Performance Interest Bearing Checking account was opened to be used to transfer monies in and out of to the regular checking to be used for expenses.

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 2008 was \$2,067, Motor Vehicle License Tax Fund was \$140 and Gasoline Tax Fund was \$147.

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. The Township had no restricted assets.

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.

I. Interfund Receivables/Payables

The Township reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements. There were advances to the Gasoline Tax Fund from the General Fund and all advances were repaid by 2008 year end.

J. Accumulated Leave

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

Note 2 – Summary of Significant Accounting Policies (Continued)

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 for postretirement health care benefits.

L. Long-Term Obligations

The Township's 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.

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.

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

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.

Note 3 – Change in Basis of Accounting and Restatement of Fund Equity

Last year the Township reported fund financial statements by fund type using the regulatory basis of accounting as prescribed by the State Auditor's Office. This year the Township has implemented the cash basis of accounting described in note 2. The fund financial statements now present each major fund in a separate column with nonmajor funds aggregated and presented in a single column, rather than a column for each fund type.

Note 4 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund and other major funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$3,243 for the general fund and \$4,664 for other major special revenue funds.

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.

Note 5 – Deposits and Investments (Continued)

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.
3. Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities.
4. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked daily, and the term of the agreement must not exceed thirty days.
5. Bonds and other obligations of the State of Ohio or Ohio local governments.
6. Timer certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts.
7. 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.
8. The State Treasurer's investment pool (STAR Ohio).

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.

Deposits

As of December 31, 2008 the carrying amount of the Township's deposits was \$205,276. All of the bank balance was covered by federal depository insurance and \$0.00 was uninsured and uncollateralized.

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

Note 6 – Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Property tax receipts received in 2008 for real and public utility property taxes represents collections of the 2008 taxes. Property tax payments received during 2008 for tangible personal property (other than public utility property) is for 2007 taxes.

Note 6 – Property Taxes (Continued)

2008 real property taxes are levied after October 1, 2008 on the assessed values as of January 1, 2008, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. 2008 real property taxes are collected in and intended to finance 2009.

Real property taxes are payable annually or semi-annually. 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 tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2008 public utility property taxes which became a lien on December 31, 2007 are levied after October 1, 2008 and are collected in 2009 with real property taxes.

2008 tangible property taxes are levied after October 1, 2007 on the value as of December 31, 2007. Collections are made in 2008. Tangible personal property assessments are being phased out – the assessment percentage for all property including inventory for 2008 is 6.25 percent. This will be reduced to zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 3, with the remainder due September 20.

The full tax rate for all Township operations for the year ended December 31, 2008 was \$1.98 per \$1,000 of assessed value. The assessed values of real and personal property upon which 2008 property tax receipts were based are as follows:

Real Property	
Residential	\$ 35,341,690
Agricultural	3,516,970
Commercial/Industrial/Mineral	8,040,940
Tangible Personal Property	
Business	1,938,600
Public Utility	2,080,900
Total Assessed Value	<u>\$50,919,100</u>

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the Township. The County Auditor periodically remits to the Township its portion of the taxes collected.

Note 7 – Risk Management

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

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

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of OTARMA and provides underwriting, claims, loss control, risk management, and reinsurance services for OTARMA. OTARMA is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Note 7 – Risk Management (Continued)

Casualty and Property Coverage

APEEP provides OTARMA with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2008, OTARMA retained \$350,000 for casualty claims and \$100,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge OTARMA’s primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

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

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, 2008 and 2007. (The latest information available.)

	<u>2008</u>	<u>2007</u>
Assets	\$40,737,740	\$43,210,703
Liabilities	<u>(12,981,818)</u>	<u>(13,357,837)</u>
Net Assets	<u>\$27,755,922</u>	<u>\$29,852,866</u>

At December 31, 2008 and 2007, respectively, liabilities above include approximately \$12.1 and \$12.5 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$10.9 and \$11.6 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2008 and 2007, respectively. These amounts will be included in future contributions from members when the related claims are due for payment.

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

<u>Contributions to OTARMA</u>	
2008	\$3,790
2007	3,323
2006	4,482

After completing one year of membership, members may withdraw on each anniversary of the date they joined OTARMA provided they 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 budgetary contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

Note 8 – Defined Benefit Pension Plan

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

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, 2008, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 10 percent of their annual covered salaries. The Township's contribution rate for pension benefits for 2008 was 14 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2008, 2007, and 2006 were \$13,781, \$17,539, and \$14,727 respectively. The full amount has been contributed for 2008, 2007 and 2006. Contributions to the member-directed plan for 2008 were \$13,781 made by the Township and \$9,843 made by the plan members.

Note 9 - Postemployment Benefits

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits other than Pension Benefits by State and Local Government Employers". A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State Statute. The 2009 local government employer contribution rate was 14% of covered payroll.

The retirement board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or the retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the postemployment health care plan.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, is effective on January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which will allow additional fund to be allocated to the health care plan.

Green Township, Hocking County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 10 – Debt

The Township’s long-term debt activity for the year ended December 31, 2008, was as follows:

	Interest Rate	Balance December 31, 2007	Additions	Reductions	Balance December 31, 2008	Due Within One Year
<u>Governmental Activities</u>						
2005 Issue (\$40,000) Tractor	5.75%	\$ 31,500	\$ -	\$ 10,500	\$ 21,000	\$ 10,500
2006 Issue (\$26,250) Grader	5.5%	21,000	-	5,250	15,750	5,250
2008 Issue (\$15,000) Intl Truck	4.75%	-	15,000	-	15,000	5,000
Total		\$ 52,500	\$ 15,000	\$ 15,750	\$ 51,750	\$ 20,750

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

<u>Promissory Note - Truck</u>			<u>Promissory Note - Tractor</u>		
Year	Principal	Interest	Year	Principal	Interest
2009	\$5,000	\$2,138	2009	\$10,500	\$1,208
2010	5,000	1,425	2010	10,500	604
2011	\$5,000	713	2011		
Totals	\$15,000	\$4,276	Totals	\$21,000	\$1,812

<u>Promissory Note - Grader</u>		
Year	Principal	Interest
2009	\$5,250	\$866
2010	5,250	578
2011	5,250	289
Totals	\$15,750	\$1,733

A promissory note was issued in 2005 in the amount of \$40,000 for the purchase of a tractor. The principal outstanding at December 31, 2007 was \$31,500. The purchase was made through the Citizens Bank of Logan with principal payments of \$10,500 plus interest made yearly.

A promissory note was issued in 2006 in the amount of \$26,250 for the purchase of a grader. The note was issued through the Citizens Bank of Logan with principal payments of \$5,250 plus interest yearly.

A promissory note was issued in 2008 for the amount of \$15,000 for the purchase of an International Truck. The purchase was made through the citizens Bank of Logan with principal payments of \$5,000 plus interest paid yearly.

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

June 23, 2010

Green Township
Hocking County
P.O. Box 788
Logan, Ohio 43138

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **Green Township, Hocking County, Ohio** (the Township) as of and for the year ended December 31, 2008, which collectively comprise the Township's basic financial statements and have issued our report thereon dated June 23, 2010, wherein we noted the Township uses a comprehensive accounting basis other than generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies, or material weaknesses. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider finding 2008-001 described in the accompanying schedule of findings to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We also noted a certain other matter not requiring inclusion in this report that we reported to the Township's management in a separate letter dated June 23, 2010.

We intend this report solely for the information and use of management, Board of Trustees and others within the Township. We intend it for no one other than these specified parties.

Respectfully Submitted,



Perry and Associates
Certified Public Accountants, A.C.

**GREEN TOWNSHIP
HOCKING COUNTY**

**SCHEDULE OF AUDIT FINDINGS
DECEMBER 31, 2008**

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

Finding 2008-001

Material Weakness

Posting Receipts and Expenditures

Receipts and expenditures should be posted to the fund and line item accounts as established by Ohio Administrative Code.

Receipts and expenditures were not always posted correctly. For example;

- Intergovernmental receipts were posted as other taxes in the General, Road and Bridge, Fire, Road District, and Road Improvement Funds in 2008.
- The Township did not record the note proceeds or corresponding Capital Outlay from a loan for a 1999 Truck.

These issues resulted in several reclassifications being made to the Township's financial statements. The financial statements reflect all reclassifications.

To help ensure accuracy and reliability in the financial reporting process, we recommend that management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all sources of revenues and expenditures are properly identified and classified on the financial statements. We also recommend the Fiscal Officer refer to Ohio Administrative Code Section 117-7-01 and/or the Ohio Township Handbook for guidance to determine the proper establishment of receipt and expenditure accounts and posting of receipts and expenditures.

Management's Response – We did not receive a response from officials to this finding.

**GREEN TOWNSHIP
HOCKING COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain
2007-001	Posting Estimated Receipts	Yes	N/A
2007-002	Posting Receipts and Expenditures	No	Repeated as Finding 2008-001



Mary Taylor, CPA
Auditor of State

GREEN TOWNSHIP

HOCKING 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 4, 2010**