

**MONROE TOWNSHIP**

DAYTON REGION, DARKE COUNTY

**REGULAR AUDIT**

JANUARY 1, 1998 THROUGH DECEMBER 31, 1999

**MONROE TOWNSHIP  
DARKE COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Elected Officials	(i)
Index of Funds	(ii)
Report of Independent Auditors'	
Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances – All Governmental Fund Types - For the Year Ended December 31, 1999	1
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance – Fiduciary Fund Type – Non-Expendable Trust Fund - For the Year Ended December 31, 1999	2
Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances – All Governmental Fund Types - For the Year Ended December 31, 1998	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance – Fiduciary Fund Type – Non-Expendable Trust Fund - For the Year Ended December 31, 1998	4
Notes to the Financial Statements	5 – 9
Report on Compliance and On Internal Control Required By <i>Government Auditing Standards</i>	10 – 11

**MONROE TOWNSHIP  
DARKE COUNTY**

2223 RED RIVER WEST GROVE ROAD  
LAURA, OH 45337

ELECTED OFFICIALS  
AS OF DECEMBER 31, 1999

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**ELECTED OFFICIALS**

<b>NAME</b>	<b>TITLE</b>	<b>TERM OF OFFICE</b>
<b>Board of Trustees</b>		
Roger Archer	Trustee	1/1/98 – 12/31/01
Larry Feitshans	Trustee	1/1/96 – 12/31/99
Scott Sease	Trustee	1/1/98 – 12/31/01
Dawn Oswalt	Clerk	4/1/96 – 3/31/00

**STATUTORY LEGAL COUNSEL**

Richard Howell  
Darke County Prosecuting Attorney  
Darke County Courthouse  
Greenville, Ohio 45331

**MONROE TOWNSHIP  
DARKE COUNTY**

**INDEX OF FUNDS**

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**GOVERNMENTAL FUND TYPES:**

**General Fund:**

General Fund

**Special Revenue Funds:**

Motor Vehicle License Tax Fund

Gasoline Tax Fund

Road & Bridge Fund

Fire District Fund

Cemetery Fund

Zoning Fund

**FIDUCIARY TYPE:**

**Trust and Agency Fund Class:**

**Non-Expendable Trust Fund:**

Cemetery Bequest Fund



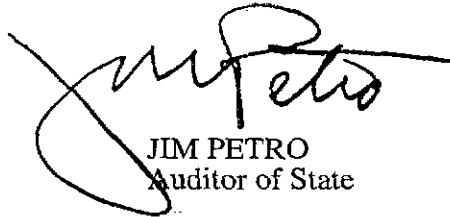
STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

35 North Fourth Street, 1<sup>st</sup> Floor  
Columbus, Ohio 43215  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-728-7398

Board of Trustees  
Monroe Township

We have reviewed the independent auditor's report of Monroe Township, Darke County, prepared by Vanderhorst & Manning CPAs, LLC for the audit period January 1, 1998 through December 31, 1999. 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. Monroe Township is responsible for compliance with these laws and regulations.



JIM PETRO  
Auditor of State

May 23, 2000



# VANDERHORST & MANNING CPAs, LLC

Members of American Institute and Ohio Society of Certified Public Accountants

**Dayton** (937) 898-3167  
FAX # (937) 898-9202  
6105 N. Dixie Dr.  
P. O. Box 13449  
Dayton, Ohio 45413  
E-Mail: [vm-day@wesnet.com](mailto:vm-day@wesnet.com)

**Sidney** (937) 492-0386  
FAX # (937) 492-3262  
118 East South St.  
Sidney, Ohio 45365  
E-Mail: [vm-sid@wesnet.com](mailto:vm-sid@wesnet.com)

**Greenville** (937) 548-9643  
FAX # (937) 548-9627  
111 Delaware Avenue  
Greenville, Ohio 45331  
E-Mail: [vm-gm@wesnet.com](mailto:vm-gm@wesnet.com)

Web Site Address:  
[www.vmcpa.com](http://www.vmcpa.com)

## REPORT OF INDEPENDENT AUDITORS'

Board of Trustees  
Monroe Township  
2223 Red River-West Grove Road  
Laura, Ohio 45337

We have audited the accompanying financial statements of Monroe Township, Darke County, (the Township), as of and for the years ended December 31, 1999, and 1998. 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 audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Monroe Township, Darke County, as of December 31, 1999, and 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 1, 2000, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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

Vanderhorst & Manning CPAs, LLC  
Greenville, Ohio

May 1, 2000

**MONROE TOWNSHIP  
DARKE COUNTY**

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

	GOVERNMENTAL FUND TYPES		Total (Memorandum Only)
	General	Special Revenue	
<b>Cash Receipts:</b>			
Taxes	\$ 13,052	\$ 38,578	\$ 51,630
Licenses, Permits and Fees	0	2,170	2,170
Intergovernmental Receipts	47,880	68,987	116,867
Interest	1,537	949	2,486
All Other Receipts	47	9,599	9,646
<b>Total Cash Receipts</b>	<u>62,516</u>	<u>120,283</u>	<u>182,799</u>
<b>Cash Disbursements:</b>			
Current:			
General Government	49,355	177	49,532
Public Safety	0	16,866	16,866
Public Works	0	101,886	101,886
Health	5,867	12,592	18,459
Capital Outlay	225	0	225
<b>Total Cash Disbursements</b>	<u>55,447</u>	<u>131,521</u>	<u>186,968</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>7,069</u>	<u>(11,238)</u>	<u>(4,169)</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers In	0	3,000	3,000
Transfers Out	(3,000)	0	(3,000)
<b>Total Other Financing Receipts (Disbursements)</b>	<u>(3,000)</u>	<u>3,000</u>	<u>0</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>4,069</u>	<u>(8,238)</u>	<u>(4,169)</u>
<b>Fund Cash Balances, January 1, 1999</b>	<u>39,629</u>	<u>56,584</u>	<u>96,213</u>
<b>Fund Cash Balances, December 31, 1999</b>	<u>\$ 43,698</u>	<u>\$ 48,346</u>	<u>\$ 92,044</u>

The Notes to the Financial Statements are an integral part of this statement.

**MONROE TOWNSHIP  
DARKE COUNTY**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND  
CASH BALANCE - NON-EXPENDABLE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 1999

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	<b>Non-Expendable Trust</b>
<b>Operating Cash Receipts:</b>	
Interest	\$       45
<b>Operating Cash Disbursements:</b>	
Supplies and Materials	<u>          0</u>
Operating Income	45
<b>Fund Cash Balance, January 1, 1999</b>	<u>1,500</u>
<b>Fund Cash Balance, December 31, 1999</b>	<u><u>\$   1,545</u></u>

The Notes to the Financial Statements are an integral part of this statement.



**MONROE TOWNSHIP  
DARKE COUNTY**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND  
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1998

	GOVERNMENTAL FUND TYPES		Total (Memorandum Only)
	General	Special Revenue	
<b>Cash Receipts:</b>			
Taxes	\$ 13,403	\$ 39,511	\$ 52,914
Licenses, Permits and Fees	0	2,325	2,325
Intergovernmental Receipts	79,795	61,977	141,772
Interest	2,355	1,778	4,133
All Other Receipts	3,239	9,711	12,950
<b>Total Cash Receipts</b>	<u>98,792</u>	<u>115,302</u>	<u>214,094</u>
<b>Cash Disbursements:</b>			
Current:			
General Government	29,575	168	29,743
Public Safety	0	16,900	16,900
Public Works	0	80,524	80,524
Health	5,695	12,110	17,805
Capital Outlay	1,362	43,585	44,947
<b>Total Cash Disbursements</b>	<u>36,632</u>	<u>153,287</u>	<u>189,919</u>
<b>Total Receipts Over/(Under) Disbursements</b>	62,160	(37,985)	24,175
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers In	0	38,500	38,500
Transfers Out	(38,500)	0	(38,500)
<b>Total Other Financing Receipts (Disbursements)</b>	<u>(38,500)</u>	<u>38,500</u>	<u>0</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	23,660	515	24,175
<b>Fund Cash Balances, January 1, 1998</b>	<u>15,969</u>	<u>56,069</u>	<u>72,038</u>
<b>Fund Cash Balances, December 31, 1998</b>	<u>\$ 39,629</u>	<u>\$ 56,584</u>	<u>\$ 96,213</u>

The Notes to the Financial Statements are an integral part of this statement.

**MONROE TOWNSHIP  
DARKE COUNTY**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND  
CASH BALANCE - NON-EXPENDABLE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 1998

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	<b>Non-Expendable Trust</b>
<b>Operating Cash Receipts:</b>	
Interest	\$     50
<b>Operating Cash Disbursements:</b>	
Supplies and Materials	<u>          50</u>
Operating Income	0
<b>Fund Cash Balance, January 1, 1998</b>	<u>         1,500</u>
<b>Fund Cash Balance, December 31, 1998</b>	<u><u>         1,500</u></u>

The Notes to the Financial Statements are an integral part of this statement.

**MONROE TOWNSHIP  
DARKE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Monroe Township of Darke County, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides general governmental services, including street maintenance, emergency medical services, fire protection and police services.

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

**B. Basis of Accounting**

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

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

**C. Cash and Investments**

All Township funds are held in an interest bearing checking account and certificates of deposit.

**D. Fund Accounting**

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

**General Fund:**

The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

**Special Revenue Funds:**

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

**Motor Vehicle License Tax Fund** – This fund receives motor vehicle license tax money for construction, maintaining and repairing Township streets.

**Gasoline Tax Fund** – This fund receives gasoline money for constructing, maintaining and repairing Township streets.

**MONROE TOWNSHIP  
DARKE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

**Special Revenue Funds: (Continued)**

**Road and Bridge Fund** – This fund receives property tax money for constructing, maintaining and repairing Township streets.

**Fire District Fund** – This fund receives funding through levies and provides fire protection services for the Township.

**Fiduciary Funds:**

The Township's fiduciary fund is a Non-Expendable Trust Fund. Non-Expendable Trust Fund – Fiduciary Funds are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and or other funds. Non-Expendable Trust Funds are accounted for in essentially the same manner as Proprietary funds.

**E. Budgetary Process**

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

**Appropriations**

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

**Estimated Resources**

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

**MONROE TOWNSHIP  
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process (Continued)**

**Encumbrances**

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made.

Encumbrances outstanding at year end are cancelled, and reappropriated in the subsequent year.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

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

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

The Township maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments.

The carrying amount of cash and investments at December 31 was as follows:

	1999	1998
Demand Deposits	\$ 81,625	\$ 60,417
Certificate of Deposits	<u>11,963</u>	<u>37,294</u>
	<u>\$ 93,588</u>	<u>\$ 97,711</u>

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

**MONROE TOWNSHIP  
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 1999, and 1998 was as follows:

**1999 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 40,674	\$ 62,516	\$ 21,842
Special Revenue	123,890	123,283	(607)
Non-Expendable Trust	<u>45</u>	<u>45</u>	<u>0</u>
Total	<u>\$164,609</u>	<u>\$185,844</u>	<u>\$ 21,235</u>

**1999 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 80,302	\$ 58,447	\$ 21,855
Special Revenue	180,474	131,521	48,953
Non-Expendable Trust	<u>1,545</u>	<u>0</u>	<u>1,545</u>
Total	<u>\$262,321</u>	<u>\$189,968</u>	<u>\$ 72,353</u>

**1998 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 50,476	\$ 98,792	\$ 48,316
Special Revenue	146,120	153,802	7,682
Non-Expendable Trust	<u>50</u>	<u>50</u>	<u>0</u>
Total	<u>\$196,646</u>	<u>\$252,644</u>	<u>\$ 55,998</u>

**1998 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 55,278	\$ 75,132	\$ (19,854)
Special Revenue	166,189	153,287	12,902
Non-Expendable Trust	<u>1,550</u>	<u>50</u>	<u>1,500</u>
Total	<u>\$223,017</u>	<u>\$228,469</u>	<u>\$ (5,452)</u>

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

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

**MONROE TOWNSHIP  
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998**

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**4. PROPERTY TAX (Continued)**

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

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

**5. RETIREMENT SYSTEMS**

The Township's full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. These plans provide retirement benefits, including post-retirement health care, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 1999.

**6. RISK MANAGEMENT**

The Township has obtained commercial insurance for the following risks:

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



# VANDERHORST & MANNING CPAs, LLC

Members of American Institute and Ohio Society of Certified Public Accountants

**Dayton** (937) 898-3167  
FAX # (937) 898-9202  
6105 N. Dixie Dr.  
P. O. Box 13449  
Dayton, Ohio 45413  
E-Mail: vm-day@wesnet.com

**Sidney** (937) 492-0386  
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E-Mail: vm-sid@wesnet.com

**Greenville** (937) 548-9643  
FAX # (937) 548-9627  
111 Delaware Avenue  
Greenville, Ohio 45331  
E-Mail: vm-grn@wesnet.com

**Web Site Address:**  
[www.vmcpa.com](http://www.vmcpa.com)

## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Board of Trustees  
Monroe Township  
2223 Red River West Grove Road  
Laura, Ohio 45337

We have audited the financial statements of the Monroe Township, Darke County (the Township), as of and for the years ended December 31, 1999, and 1998, and have issued our report thereon dated May 1, 2000. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

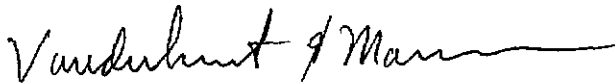
As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the 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 that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of others matters involving internal control that we have reported to the management of the Township in a separate letter dated May 1, 2000.



### **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 over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the specific internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses. However, we noted immaterial instances of matters involving internal control that we have reported to management of the Township in a separate letter dated May 1, 2000.

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



Vanderhorst & Manning CPAs, LLC  
Greenville, Ohio

May 1, 2000



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514

800-282-0370

Facsimile 614-466-4490

MONROE TOWNSHIP

DARKE 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.

By: Susan Babbitt

Date: JUNE 6, 2000