



Green Township, Ohio

Basic Financial Statements

Year Ended December 31, 2011

(with Independent Auditors' Report)



Dave Yost • Auditor of State

Board of Trustees
Green Township
6303 Harrison Avenue
Cincinnati, Ohio 45247

We have reviewed the *Independent Auditors' Report* of Green Township, Hamilton County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2011 through December 31, 2011. 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.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

April 23, 2013

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Green Township, Ohio:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Green Township, Hamilton County, Ohio (the Township) as of and for the year ended December 31, 2011, 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 *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 audit provides a reasonable basis for our opinions.

As discussed in Note 2, the accompanying financial statements and notes follow the modified 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 modified cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Green Township, Hamilton County, Ohio, as of December 31, 2011, and the respective changes in modified cash financial position and the respective budgetary comparison for the General Fund, TIF Fund, Fire Levy Fund, Police Levy Fund, Safety Services – Police and Fire Fund, Safety Services – Police Fund, Safety Services – Fire Fund, and the Road and Bridge Fund thereof for the year then ended in conformity with the basis of accounting Note 2 describes.

As described in Note 13, during 2011 the Township adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

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In accordance with *Government Auditing Standards*, we have also issued our report dated April 4, 2013 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

We conducted our audit to opine on the Township's financial statements taken as a whole. Management's Discussion & Analysis includes tables of net assets, changes in net assets and governmental activities. These tables provide additional information, but are not part of the basic financial statements. However, these tables are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These tables were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. Other than the aforementioned procedures applied to the tables, we applied no procedures to any other information in Management's Discussion & Analysis, and we express no opinion or any other assurance on it.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
April 4, 2013

Green Township, Hamilton County
Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

This discussion and analysis of the Green Township financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2011, within the limitations of the Township's modified 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 2011 are as follows:

Net assets of governmental activities decreased \$2,127,295, or 8%. The Township saw a decrease in receipts in 2011; inheritance taxes decreased by \$873,000, special revenue property taxes decreased \$176,000, OPWC project revenue decreased by \$440,000 and the Township issued general obligation bonds in 2010 to retire outstanding notes and finance various improvements.

The General Fund Balance decreased \$297,914 in 2011. The Safety Services Levy-Police and Safety Services Levy-Fire generated less revenue than in prior years and the General Fund had to pick up a more significant portion of the expenses related to the Police and Fire Departments in 2011.

The Township's general receipts are primarily property taxes and payments in lieu of taxes. These receipts represent approximately 72% of the total cash received for governmental activities during the year. Property tax receipts for 2011 decreased 2% while the payment in lieu of taxes increased approximately 5% compared to 2010.

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 modified 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.

Green Township, Hamilton County
Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

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.

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 Government as a Whole

The statement of net assets and the statement of activities reflect how the Township performed financially during 2011, 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 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 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 condition. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial condition 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, all activity is accounted for as governmental activities:

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

Reporting the Government'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 or committed as to how it may be used is being spent for the intended purpose. The funds of the Township are all categorized as governmental funds.

Governmental Funds - 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 non-major 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 include the General Fund, Tax Incremental Financing Fund (TIF), Fire Levy Fund, Police Levy Fund, Road and Bridge Levy Fund, Safety Services Police and Fire Levy Fund, Safety Services Fire Levy Fund and Safety Services Police Levy Fund. The programs reported in governmental funds are identical to those reported in the governmental activities section of the entity-wide statements.

General Fund The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general fund laws of Ohio.

Tax Increment Financing Fund (TIF) The tax increment financing special revenue fund accounts for payments received in lieu of taxes on property located within Green Township designated as a TIF parcel.

Fire Levy Fund The fire special revenue fund accounts for tax revenues levied for the operations of the Township Fire Department.

Police Levy Fund The police special revenue fund accounts for tax revenues levied for the operation of the Township Police Department.

Road and Bridge Levy Fund The road and bridge special revenue fund accounts for tax revenues levied for operations of the Township Public Works Department.

Safety Services Police and Fire Levy Fund This special revenue fund accounts for tax revenues levied for the operations of the Township Fire Department and Police Department.

Safety Services Fire Levy Fund The fire special revenue fund accounts for tax revenues levied for the operations of the Township Fire Department.

Green Township, Hamilton County
Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

Safety Services Police Levy Fund The police special revenue fund accounts for tax revenues levied for the operation of the Township Police Department.

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

The Township as a Whole

Table 1 provides a summary of the Township's net assets for 2011 and 2010 on a cash basis:

(Table 1)

Net Assets

Governmental Activities

	<u>2011</u>	<i>Restated</i> <u>2010</u>
Assets		
Equity in Pooled Cash and Investments	\$ 24,589,609	26,716,904
<i>Total Assets</i>	<u>24,589,609</u>	<u>26,716,904</u>
Net Assets		
Restricted for:		
Public Safety	544,411	764,005
Streets	431,099	347,937
Other purposes	133,674	133,179
Capital projects	10,667,302	12,365,337
Unrestricted	<u>12,813,123</u>	<u>13,106,446</u>
<i>Total Net Assets</i>	\$ <u>24,589,609</u>	<u>26,716,904</u>

As mentioned previously, net assets of governmental activities decreased by \$2,127,295, or 8% during 2011. The primary reasons contributing to the decrease in cash balances is the decrease in inheritance tax receipts and OPWC state grant money in 2011.

Green Township, Hamilton County
Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

Table 2 demonstrates the changes in net assets for fiscal year 2011.

(Table 2)		
Change in Net Assets		
Governmental Activities		
	<u>2011</u>	<u>2010</u>
Receipts:		
Program Receipts:		
Charges for Services	\$ 2,454,297	\$ 2,604,400
Operating Grants	98,660	120,734
Capital Grants	<u>1,048,918</u>	<u>1,430,491</u>
<i>Total Program Receipts</i>	<u>3,601,875</u>	<u>4,155,625</u>
General Receipts		
Property and Other Local Taxes	8,690,333	8,869,594
Payments in Lieu of Taxes	19,002,745	18,043,828
Grants and Entitlements not Restricted	6,434,101	7,230,638
Bonds/Notes Issued	-	9,895,000
Premium on Bonds	-	141,547
Interest	189,154	254,204
Miscellaneous	<u>444,445</u>	<u>2,207,133</u>
<i>Total General Receipts</i>	<u>34,760,778</u>	<u>46,641,944</u>
<i>Total Receipts</i>	<u>38,362,653</u>	<u>50,797,569</u>
Disbursements:		
General Government	1,632,515	1,538,125
Public Safety	11,920,719	11,681,335
Public Works	2,594,706	2,987,222
Public Health	66,143	65,462
Economic Development	252,600	281,977
Conservation-Recreation	1,084,998	1,118,320
Payment to Schools	12,886,468	12,282,932
Capital Outlay	8,985,193	8,247,372
Debt Service:		
Principal Retirement	815,000	4,685,000
Interest and Fiscal Charges	<u>251,606</u>	<u>393,477</u>
<i>Total Disbursements</i>	<u>40,489,948</u>	<u>43,281,222</u>
<i>Change in Net Assets</i>	(2,127,295)	7,516,347
<i>Net Assets, January 1</i>	<u>26,716,904</u>	<u>19,200,557</u>
<i>Net Assets, December 31</i>	<u>\$ 24,589,609</u>	<u>\$ 26,716,904</u>

Green Township, Hamilton County
Management's Discussion and Analysis
For the Year Ended December 31, 2011
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Of the general receipts, 80% of the Township's total receipts were received through property taxes and the payments in lieu of taxes. Unrestricted grants and entitlements represent 19% and decreased approximately 11% due to fewer estate tax settlements during 2011.

The decrease in disbursements during 2011 under 2010 was related mainly to the payoff of a bond anticipation note in the amount of \$3.8 million in 2010, which inflated disbursements.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for other Township activities. Also included are the costs of the administrator, department heads, elected officials, as well as internal services, such as payroll, accounts payable and receivable, and purchasing.

Public Safety includes the costs of police and fire protection; Public Health is the health services provided by the county; Conservation-Recreation Activities are the costs of maintaining the parks and playing fields, the Senior Center, and the Nathaniel Green Lodge (a meeting facility); Public Works is the cost of maintaining the roads; and Capital Outlay is the cost for purchases of capital assets.

Governmental Activities

If you refer to the Statement of Activities, 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, Public Works, and Payments to Schools at year end December 31, 2011, which account for 4%, 29%, 6%, and 32% of all governmental disbursements, respectively. 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.

The Township's Funds

The Township governmental funds had receipts of \$38,362,653 and disbursements of \$40,489,948 for 2011. The greatest changes within governmental funds occurred within the General, Safety Services Police and TIF Funds. The ending fund balance at December 31, 2011 for the General Fund was \$12,614,073, the Safety Services Police Fund was \$3,332 and the TIF Fund was \$10,667,302. The outstanding purchase orders at year end December 31, 2011 for the General Fund and TIF Fund totaled \$161,077 and \$6,846,264, respectively.

General Fund receipts were less than disbursements by \$297,914 in 2011, which is a result of the General Fund spending more on safety services than in previous years.

Green Township, Hamilton County
Management's Discussion and Analysis
For the Year Ended December 31, 2011
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 2011, the Township amended its General Fund budget several times to reflect changing circumstances. Final budgeted receipts were above original budgeted receipts due to unexpected growth in intergovernmental receipts. The difference between final budgeted receipts and actual receipts was \$12,086 for 2011.

Final disbursements were budgeted at \$5,450,687 while actual disbursements were \$5,352,174 for the General Fund in 2011. The Township had \$161,077 in outstanding purchase orders at year end 2011, but still stayed well within budgeted amounts. The result is the decrease in fund balance of \$464,982 for 2011.

Capital Assets

The Township does keep track of its capital assets for insurance purposes but not for financial reporting.

Debt Administration

At December 31, 2011, the Township's outstanding debt included \$8,230,000 in general obligation bonds issued for various purposes. For further information regarding the Township's debt, refer to Note 9 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. The Township relies heavily on local taxes and has very little industry to support the tax base. A deficit for all funds of \$2,708,022 is projected in 2015. The loss of revenue with the State mandated reduction will decrease revenue more than \$3,000,000 beginning in 2013. Green Township will continue to seek additional revenue sources as well as reduce disbursements to balance the budget.

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 Tom Straus, Fiscal Officer, Green Township, 6303 Harrison Avenue, Cincinnati, Ohio 45247.

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Green Township, Hamilton County
Statement of Net Assets - Modified Cash Basis
December 31, 2011

	Governmental Activities
Assets	
Equity in Pooled Cash and Investments	\$ 24,589,609
<i>Total Assets</i>	<u>24,589,609</u>
Net Assets	
Restricted for:	
Public safety	544,411
Streets	431,099
Other purposes	133,674
Capital projects	10,667,302
Unrestricted	<u>12,813,123</u>
<i>Total Net Assets</i>	<u>\$ 24,589,609</u>

See accompanying notes to the basic financial statements.

Green Township, Hamilton County
Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2011

	Program Cash Receipts				Net Disbursements (Receipts) and Changes in Net Assets
	Cash <u>Disbursements</u>	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
General Government	\$ 1,632,515	\$ 763,865	\$ 10,450	\$ -	\$ 858,200
Public Safety	11,920,719	1,212,810	6,911	-	10,700,998
Public Works	2,594,706	-	81,299	1,048,918	1,464,489
Public Health	66,143	-	-	-	66,143
Economic Development	252,600	5,662	-	-	246,938
Payment to Schools	12,886,468	-	-	-	12,886,468
Conservation-Recreation	1,084,998	471,960	-	-	613,038
Capital Outlay	8,985,193	-	-	-	8,985,193
Interest and Fiscal Charges	251,606	-	-	-	251,606
Principal Retirement	815,000	-	-	-	815,000
<i>Total Governmental Activities</i>	<u>\$ 40,489,948</u>	<u>\$ 2,454,297</u>	<u>\$ 98,660</u>	<u>\$ 1,048,918</u>	<u>\$ 36,888,073</u>

General Receipts

Property Taxes Levied for:	
General Purposes	335,116
Public Safety	7,085,471
Public Works	1,269,746
Payment in Lieu of Taxes	19,002,745
Grants and Entitlements not Restricted to Specific Programs	6,434,101
Interest	189,154
Miscellaneous	444,445
<i>Total General Receipts</i>	<u>34,760,778</u>
 Change in Net Assets	 (2,127,295)
 <i>Net Assets Beginning of Year</i>	 <u>26,716,904</u>
 <i>Net Assets End of Year</i>	 <u>\$ 24,589,609</u>

Green Township, Hamilton County
Statement of Assets and Fund Balances - Modified Cash Basis
 Governmental Funds
 December 31, 2011

	<u>General</u>	<u>Tax Increment Financing</u>	<u>Fire Levy</u>	<u>Police Levy</u>	<u>Road and Bridge</u>	<u>Safety Services- Police & Fire</u>	<u>Safety Services- Fire</u>	<u>Safety Services- Police</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets										
Equity in Pooled Cash and Investments	\$ 12,614,073	\$ 10,667,302	\$ 212,861	\$ 50,855	\$ 199,050	\$ 191,777	\$ 13,995	\$ 3,332	\$ 636,364	\$ 24,589,609
<i>Total Assets</i>	<u>12,614,073</u>	<u>10,667,302</u>	<u>212,861</u>	<u>50,855</u>	<u>199,050</u>	<u>191,777</u>	<u>13,995</u>	<u>3,332</u>	<u>636,364</u>	<u>24,589,609</u>
Fund Balances										
Restricted	-	10,667,302	212,861	50,855	-	191,777	13,995	3,332	636,364	11,776,486
Committed	-	-	-	-	199,050	-	-	-	-	199,050
Assigned	3,031,634	-	-	-	-	-	-	-	-	3,031,634
Unassigned	9,582,439	-	-	-	-	-	-	-	-	9,582,439
<i>Total Fund Balances</i>	<u>\$ 12,614,073</u>	<u>\$ 10,667,302</u>	<u>\$ 212,861</u>	<u>\$ 50,855</u>	<u>\$ 199,050</u>	<u>\$ 191,777</u>	<u>\$ 13,995</u>	<u>\$ 3,332</u>	<u>\$ 636,364</u>	<u>\$ 24,589,609</u>

See accompanying notes to the basic financial statements.

Green Township, Hamilton County
Statement of Receipts, Disbursements and Change in Fund Balance - Modified Cash Basis
Governmental Funds
For the Year Ended December 31, 2011

	General	Tax Increment Financing	Fire Levy	Police Levy	Road and Bridge	Safety Services- Police & Fire	Safety Services- Fire	Safety Services- Police	Other Governmental Funds	Total Governmental Funds
Receipts										
Property and Other Local Taxes	\$ 335,116	\$ -	\$ 1,983,489	\$ 513,816	\$ 906,091	\$ 3,331,161	\$ 715,786	\$ 541,219	\$ 363,655	\$ 8,690,333
Charges for Services	596,850	-	1,063,380	-	-	-	-	-	-	1,660,230
Licenses, Permits and Fees	727,925	-	32,059	-	-	-	-	-	-	759,984
Fines and Forfeitures	26,992	-	-	-	-	-	-	-	7,091	34,083
Intergovernmental	2,839,922	2,294,076	293,704	76,685	145,780	538,666	109,305	82,393	1,105,989	7,486,520
Special Assessments	-	-	-	-	-	-	-	-	81,299	81,299
Interest	186,540	-	-	-	-	-	-	-	2,614	189,154
Other	184,799	194,748	13,681	-	15,335	-	-	-	49,742	458,305
Payment in Lieu of Taxes	-	19,002,745	-	-	-	-	-	-	-	19,002,745
<i>Total Receipts</i>	<u>4,898,144</u>	<u>21,491,569</u>	<u>3,386,313</u>	<u>590,501</u>	<u>1,067,206</u>	<u>3,869,827</u>	<u>825,091</u>	<u>623,612</u>	<u>1,610,390</u>	<u>38,362,653</u>
Disbursements										
Current:										
General Government	1,379,269	253,246	-	-	-	-	-	-	-	1,632,515
Public Safety	2,401,454	-	3,427,368	581,904	-	3,803,901	829,446	867,350	9,296	11,920,719
Public Works	91,776	-	-	-	1,062,615	-	-	-	1,440,315	2,594,706
Health	66,143	-	-	-	-	-	-	-	-	66,143
Economic Development	176,174	-	-	-	-	-	-	-	76,426	252,600
Payment to Schools/Other	-	12,886,468	-	-	-	-	-	-	-	12,886,468
Conservation-Recreation	1,081,242	-	-	-	-	-	-	-	3,756	1,084,998
Capital Outlay	-	8,983,284	1,909	-	-	-	-	-	-	8,985,193
Debt Service										
Principal Retirement	-	815,000	-	-	-	-	-	-	-	815,000
Interest and Fiscal Charges	-	251,606	-	-	-	-	-	-	-	251,606
<i>Total Disbursements</i>	<u>5,196,058</u>	<u>23,189,604</u>	<u>3,429,277</u>	<u>581,904</u>	<u>1,062,615</u>	<u>3,803,901</u>	<u>829,446</u>	<u>867,350</u>	<u>1,529,793</u>	<u>40,489,948</u>
<i>Net Change in Fund Balances</i>	(297,914)	(1,698,035)	(42,964)	8,597	4,591	65,926	(4,355)	(243,738)	80,597	(2,127,295)
<i>Fund Balances Beginning of Year, Restated</i>	<u>12,911,987</u>	<u>12,365,337</u>	<u>255,825</u>	<u>42,258</u>	<u>194,459</u>	<u>125,851</u>	<u>18,350</u>	<u>247,070</u>	<u>555,767</u>	<u>26,716,904</u>
<i>Fund Balances End of Year</i>	<u>\$ 12,614,073</u>	<u>\$ 10,667,302</u>	<u>\$ 212,861</u>	<u>\$ 50,855</u>	<u>\$ 199,050</u>	<u>\$ 191,777</u>	<u>\$ 13,995</u>	<u>\$ 3,332</u>	<u>\$ 636,364</u>	<u>\$ 24,589,609</u>

See accompanying notes to the basic financial statements

Green Township, Hamilton County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2011

	<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	\$ 287,995	\$ 335,117	\$ 335,116	\$ (1)
Charges for Services	512,926	585,460	596,850	11,390
Licenses, Permits and Fees	620,705	702,554	722,263	19,709
Fines and Forfeitures	23,197	26,982	26,992	10
Intergovernmental	2,440,598	2,834,455	2,839,922	5,467
Interest	160,310	224,610	186,540	(38,070)
Other	154,269	190,100	179,509	(10,591)
<i>Total Receipts</i>	<u>4,200,000</u>	<u>4,899,278</u>	<u>4,887,192</u>	<u>(12,086)</u>
Disbursements				
Current:				
General Government	1,532,539	1,443,961	1,410,949	33,012
Public Safety	2,660,694	2,481,438	2,458,388	23,050
Public Works	98,103	92,988	91,841	1,147
Public Health	66,143	66,143	66,143	-
Economic Development	189,181	183,123	176,711	6,412
Conservation-Recreation	1,243,488	1,183,034	1,148,142	34,892
<i>Total Disbursements</i>	<u>5,790,148</u>	<u>5,450,687</u>	<u>5,352,174</u>	<u>98,513</u>
<i>Net Change in Fund Balance</i>	(1,590,148)	(551,409)	(464,982)	86,427
<i>Fund Balance Beginning of Year</i>	12,804,394	12,804,394	12,804,394	-
<i>Prior Year Encumbrances Appropriated</i>	73,049	73,049	73,049	-
<i>Fund Balance End of Year</i>	<u>\$ 11,287,295</u>	<u>\$ 12,326,034</u>	<u>\$ 12,412,461</u>	<u>\$ 86,427</u>

See accompanying notes to the basic financial statements

Green Township, Hamilton County
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
TIF Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$ 1,989,691	\$ 2,294,076	\$ 2,294,076	\$ -
Payment in Lieu of Taxes	16,481,401	19,002,745	19,002,745	-
Other	168,908	191,500	194,748	3,248
<i>Total Receipts</i>	<u>18,640,000</u>	<u>21,488,321</u>	<u>21,491,569</u>	<u>3,248</u>
Disbursements				
Current:				
General Government	213,025	253,246	253,246	-
Payment to Schools	10,839,808	12,886,467	12,886,468	(1)
Capital Outlay	17,075,284	15,845,081	15,829,548	15,533
Debt Service:				
Principal and interest	897,205	1,066,606	1,066,606	-
<i>Total Disbursements</i>	<u>29,025,322</u>	<u>30,051,400</u>	<u>30,035,868</u>	<u>15,532</u>
<i>Net Change in Fund Balance</i>	(10,385,322)	(8,563,079)	(8,544,299)	18,780
<i>Fund Balance Beginning of Year</i>	8,605,515	8,605,515	8,605,515	-
<i>Prior Year Encumbrances Appropriated</i>	3,759,822	3,759,822	3,759,822	-
<i>Fund Balance End of Year</i>	<u>\$ 1,980,015</u>	<u>\$ 3,802,258</u>	<u>\$ 3,821,038</u>	<u>\$ 18,780</u>

See accompanying notes to the basic financial statements.

Green Township, Hamilton County
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Fire Levy Fund
For the Year Ended December 31, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$ 1,924,146	\$ 1,983,489	\$ 1,983,489	\$ -
Charges for Services	1,031,565	1,030,000	1,063,380	33,380
Licenses, Permits and Fees	31,100	29,400	32,059	2,659
Intergovernmental	284,917	293,704	293,704	-
Other	<u>13,272</u>	<u>14,300</u>	<u>13,681</u>	<u>(619)</u>
<i>Total Receipts</i>	<u>3,285,000</u>	<u>3,350,893</u>	<u>3,386,313</u>	<u>35,420</u>
Disbursements				
Current:				
Public Safety	3,504,440	3,528,816	3,513,090	15,726
Capital Outlay	<u>1,892</u>	<u>1,949</u>	<u>1,909</u>	<u>40</u>
<i>Total Disbursements</i>	<u>3,506,332</u>	<u>3,530,765</u>	<u>3,514,999</u>	<u>15,766</u>
<i>Net Change in Fund Balance</i>	(221,332)	(179,872)	(128,686)	51,186
<i>Fund Balance Beginning of Year</i>	232,586	232,586	232,586	-
<i>Prior Year Encumbrances Appropriated</i>	<u>23,239</u>	<u>23,239</u>	<u>23,239</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 34,493</u>	<u>\$ 75,953</u>	<u>\$ 127,139</u>	<u>\$ 51,186</u>

See accompanying notes to the basic financial statements.

Green Township, Hamilton County
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Police Levy Fund
For the Year Ended December 31, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$ 515,120	\$ 513,816	\$ 513,816	\$ -
Intergovernmental	<u>76,880</u>	<u>76,684</u>	<u>76,685</u>	<u>1</u>
<i>Total Receipts</i>	<u>592,000</u>	<u>590,500</u>	<u>590,501</u>	<u>1</u>
Disbursements				
Current:				
Public Safety	<u>634,258</u>	<u>581,904</u>	<u>581,904</u>	<u>-</u>
<i>Total Disbursements</i>	<u>634,258</u>	<u>581,904</u>	<u>581,904</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(42,258)	8,596	8,597	1
<i>Fund Balance Beginning of Year</i>	<u>42,258</u>	<u>42,258</u>	<u>42,258</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ 50,854</u>	<u>\$ 50,855</u>	<u>\$ 1</u>

See accompanying notes to the basic financial statements.

Green Township, Hamilton County
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Safety Services-Police and Fire Fund
For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 3,245,230	\$ 3,331,161	\$ 3,331,161	\$ -
Intergovernmental	524,770	538,666	538,666	-
<i>Total Receipts</i>	<u>3,770,000</u>	<u>3,869,827</u>	<u>3,869,827</u>	<u>-</u>
Disbursements				
Current:				
Public Safety	3,872,808	3,838,351	3,818,119	20,232
<i>Total Disbursements</i>	<u>3,872,808</u>	<u>3,838,351</u>	<u>3,818,119</u>	<u>20,232</u>
<i>Net Change in Fund Balance</i>	(102,808)	31,476	51,708	20,232
<i>Fund Balance Beginning of Year</i>	<u>125,851</u>	<u>125,851</u>	<u>125,851</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 23,043</u>	<u>\$ 157,327</u>	<u>\$ 177,559</u>	<u>\$ 20,232</u>

See accompanying notes to the basic financial statements.

Green Township, Hamilton County
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Safety Services-Police Fund
For the Year Ended December 31, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$ 539,820	\$ 541,219	\$ 541,219	\$ -
Intergovernmental	<u>82,180</u>	<u>82,392</u>	<u>82,393</u>	<u>1</u>
<i>Total Receipts</i>	<u>622,000</u>	<u>623,611</u>	<u>623,612</u>	<u>1</u>
Disbursements				
Current:				
Public Safety	<u>869,069</u>	<u>867,350</u>	<u>867,350</u>	<u>-</u>
<i>Total Disbursements</i>	<u>869,069</u>	<u>867,350</u>	<u>867,350</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(247,069)	(243,739)	(243,738)	1
<i>Fund Balance Beginning of Year</i>	<u>247,070</u>	<u>247,070</u>	<u>247,070</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 1</u>	<u>\$ 3,331</u>	<u>\$ 3,332</u>	<u>\$ 1</u>

See accompanying notes to the basic financial statements.

Green Township, Hamilton County
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Safety Services-Fire Fund
For the Year Ended December 31, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$ 711,369	\$ 715,786	\$ 715,786	\$ -
Intergovernmental	<u>108,631</u>	<u>109,306</u>	<u>109,305</u>	<u>(1)</u>
<i>Total Receipts</i>	<u>820,000</u>	<u>825,092</u>	<u>825,091</u>	<u>(1)</u>
Disbursements				
Current:				
Public Safety	<u>837,500</u>	<u>829,446</u>	<u>829,446</u>	<u>-</u>
<i>Total Disbursements</i>	<u>837,500</u>	<u>829,446</u>	<u>829,446</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(17,500)	(4,354)	(4,355)	(1)
<i>Fund Balance Beginning of Year</i>	<u>18,350</u>	<u>18,350</u>	<u>18,350</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 850</u>	<u>\$ 13,996</u>	<u>\$ 13,995</u>	<u>\$ (1)</u>

See accompanying notes to the basic financial statements.

Green Township, Hamilton County
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Road and Bridge Fund
For the Year Ended December 31, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$ 886,388	\$ 906,091	\$ 906,091	\$ -
Intergovernmental	142,610	145,781	145,780	(1)
Other	<u>15,002</u>	<u>15,800</u>	<u>15,335</u>	<u>(465)</u>
<i>Total Receipts</i>	<u>1,044,000</u>	<u>1,067,672</u>	<u>1,067,206</u>	<u>(466)</u>
Disbursements				
Current:				
Public Works	1,238,260	1,143,055	1,111,054	32,001
Capital Outlay	<u>113</u>	<u>2,000</u>	<u>103</u>	<u>1,897</u>
<i>Total Disbursements</i>	<u>1,238,373</u>	<u>1,145,055</u>	<u>1,111,157</u>	<u>33,898</u>
<i>Net Change in Fund Balance</i>	<u>(194,373)</u>	<u>(77,383)</u>	<u>(43,951)</u>	<u>33,432</u>
<i>Fund Balance Beginning of Year</i>	178,386	178,386	178,386	-
<i>Prior Year Encumbrances Appropriated</i>	<u>16,073</u>	<u>16,073</u>	<u>16,073</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 86</u>	<u>\$ 117,076</u>	<u>\$ 150,508</u>	<u>\$ 33,432</u>

See accompanying notes to the basic financial statements.

Green Township, Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 1 – Reporting Entity

Green Township, Hamilton County, Ohio (the Township), is a body politic and corporate established in 1809 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 three-member Board of Trustees, each of whom is elected for overlapping terms of four years. The Township has an elected Township Fiscal Officer and a Township Administrator who is appointed by the Board of Trustees. All Department Heads report to the Township Administrator.

The reporting entity is comprised solely of the primary government.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. For the Township this includes providing police protection, fire and emergency medical services, road maintenance and repairs, parks and recreation, planning, zoning, and economic development. The Board of Trustees and Township Administrator have direct responsibility for these activities.

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 to or can otherwise access the organization's resources; the Township is legally obligated 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 the 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 has no component units.

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

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2.C, these financial statements are presented on a 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, (GAAP), 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.

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.

Green Township, Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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 non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Green Township has no business type activities.

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

Fund Financial Statements

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

B. Fund Accounting

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

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other non-exchange transactions as governmental funds. The Township's major funds are the General Fund, Tax Increment Financing (TIF) Fund, Fire Levy Fund, Police Levy Fund, Road and Bridge Levy Fund, Safety Services Police and Fire Fund, Safety Services Fire and Safety Services Police. 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 other governmental funds of the Township account for grants and other resources whose use is restricted or committed to a particular purpose.

The Township has no proprietary or agency types of funds.

Green Township, Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

C. Basis of Accounting

The Township's financial statements are prepared using the modified 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 disbursed rather than when a liability is incurred.

As a result of the use of the 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, certified by the county auditor, 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 when applicable, object level.

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. 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 Investments".

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

Green Township, Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

During 2011, the Township invested in nonnegotiable Certificates of Deposit, U.S. Treasury and Agency Securities, a money market fund, and STAR Ohio. The nonnegotiable Certificates of Deposit and the U.S. Treasury and Agency Securities are reported at cost. The Township's money market fund investment is recorded at the amount reported by Fifth Third Bank on December 31, 2011.

STAR Ohio is an investment pool, managed by the Ohio State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2011.

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 2011 were \$186,540 and \$2,614 assigned to other Township funds.

F. Inventory and Prepaid Items

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

G. Capital Assets

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

H. Inter-fund Receivables/Payables

The Township reports advances-in and advances-out for inter-fund loans. The Township had no inter-fund loans in 2011. These items are not reflected as assets and liabilities in the accompanying financial statements.

I. Accumulated Leave

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 modified cash basis of accounting.

J. 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 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

K. 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.

Green Township, Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

L. 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.

M. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Township is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable: The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

Restricted: Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

Committed: The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Board of Trustees. Those committed amounts cannot be used for any other purpose unless the Board of Trustees removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned: Amounts in the assigned fund balance classification are intended to be used by the Township for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Board of Trustees.

Unassigned: Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The Township applies restricted resources first when disbursements are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Green Township, Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

N. Inter-fund 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 inter-fund transfers. Inter-fund transfers are reported as other financing sources/uses in governmental 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 – 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 major special revenue funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the modified cash basis are outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a portion of fund balance (modified cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$161,077 for the General Fund, \$6,846,264 for the TIF fund, \$85,722 for the Fire Levy Fund, \$14,218 for the Safety Services Levy- Police and Fire Fund and \$48,542 for the Road and Bridge Fund in 2011. In addition, the General Fund includes certain funds in the fund financials that are budgeted separately.

Note 4 – 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 withdraw 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

Green Township, Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
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 investments (1) or (2) and repurchase agreements secured by such obligations, provided that investment in securities described in this division are made only through eligible institutions.
7. The State Treasurer's investment pool (STAR Ohio).
8. Commercial paper and bankers acceptances, with appropriate limitations based upon completion of ORC training requirements.

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. 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.

Investments

As of December 31, 2011, the Township had the following investments:

Investment Type	Carrying Value	Maturity (in Years)		
		Less than 1	1-2	3-5
US Agency Securities	\$ 18,390,371	2,040,721	3,000,000	13,349,650
Non-negotiable Certificates of Deposit	500,000	500,000		
Money Market	1,121,840	1,121,840	-	-
STAR Ohio	2,419,915	2,419,915	-	-
	\$ 22,432,126	6,082,476	3,000,000	13,349,650

Green Township, Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

At year end 2011, 82% of the Township's investments are in government sponsored enterprise notes (i.e., federal agencies) that are subject to concentration of credit risk. These include Federal National Mortgage Association, Federal Home Loan Bank, and Federal Home Loan Mortgage Corporation securities which have all been rated Aaa by Moody's and AA+ by Standards and Poor's.

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 2011, \$2,195,472 of the Township's bank balance of \$2,445,472 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

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

Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. 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 requirements 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.

Note 5 – Property Taxes

Property Taxes include amounts levied against all real property, public utility property, and certain tangible personal property located in the Township. Real property tax receipts received in 2011 represent the collection of 2010 taxes. Real property taxes received in 2011 were levied after October 1, 2010, on the assessed values as of January 1, 2010, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2011 represent the collection of 2010 taxes. Public utility real and tangible personal property taxes received in 2011 became a lien on December 31, 2009, were levied after October 1, 2009, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received during 2011 (other than public utility property tax) represent the collection of 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The tangible personal property taxes received from telephone companies in 2011 were levied after April 1, 2010, on the value as of December 31, 2010. Payments made by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

Green Township, Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

The full tax rate for all Township operations for the years ended December 31, 2011 was \$11.71 per \$1,000 of assessed value. The assessed values of real property and public utility property upon which 2011 property tax receipts were based are as follows:

Real Property – Residential, Agricultural, Commercial, Industrial and Other	\$ 1,124,890,000
Public Utility (Personal Property)	<u>26,890,000</u>
Total Valuation	<u>\$ 1,151,780,000</u>

Real property taxes are payable annually or semi-annually. If paid annually, the payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

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 6 – 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 insures against injuries to employees through the Ohio Bureau of Workers' Compensation. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is based on accident history and administrative costs.

During 2011 the Township contracted with Cincinnati Insurance Company for property and casualty coverage. Coverage is provided by National Union Fire Insurance Company for liability. Scottsdale Indemnity Company holds the liability coverage for the Law Enforcement Operations.

Legal Liability	\$ 3,000,000	Per Occurrence
Automobile Liability	1,000,000	Per Occurrence
Law Enforcement Operations	3,000,000	Per Occurrence
Wrongful Acts	50,000	Per Occurrence
Property	14,034,086	Total Coverage
Boiler and Machinery	1,881,798	Limit

There were no significant reductions in coverage from prior years and claims have not exceeded insurance coverage in any of the past three years. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is based on accident history and administrative costs.

The Township has elected to provide employee medical/surgical benefits through OMERESA – Health Span. Employees contribute 15% of the monthly premium cost with the Township the remainder. The premiums vary with the employee depending on type of coverage selected (single, family). The Township provides dental insurance to all employees as a function of this health care plan, through Dental Care Plus. Again employees share 15% of the cost of the monthly premium with the Township paying the remainder. The Township provides life insurance at no cost to the employee and provides a benefit of \$15,000 for each employee.

Note 7 – Pension Plans

A. Ohio Public Employees Retirement System

The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans: The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and (vested) employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, 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 Pension 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 visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling (614) 222-5601 or (800) 222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2011 member and employer contribution rates were consistent across all three plans. The 2011 member contribution rates were 10 percent of their annual salary for members in state and local classifications and 11.6 percent for members in law enforcement. The Township was required to contribute 14 percent of covered payroll for state and local employees and 18.10 percent of covered payroll for law enforcement employees. The Township's required contributions to OPERS for the years ended December 31, 2011, 2010, and 2009 were \$824,169, \$793,779, and \$755,423, respectively. The full amount has been contributed for all years.

B. Ohio Police and Fire Pension Fund

The Township contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations while the Township is required to contribute 24 percent for firefighters. The Township's contributions to the Fund for firefighters were \$824,015, \$885,477, and \$732,505 for the years ended December 31, 2011, 2010, and 2009. The full amount has been contributed for all years.

Green Township, Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 8 – Post-Employment Benefits

A. Ohio Public Employees Retirement System

OPERS maintains a cost-sharing multiple employer defined benefit postemployment health care plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including postemployment health care coverage.

In order to qualify for postemployment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2011, state and local employers contributed at the rate of 14 percent of covered payroll and law enforcement employers contributed at the rate of 18.10 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administered in accordance with Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan was 4 percent during calendar year 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent during calendar year 2011. The portion of employer contributions allocated to health care for the calendar year beginning January 1, 2012 remained the same, but they are subject to change based on Board action. Employers will be notified if the portion allocated to health care changes during the calendar year 2012. The OPERS Board of Trustees is also authorized to establish rules for the retiree, or their surviving beneficiaries, to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The Township's contributions for 2011, 2010, and 2009 which were used to fund postemployment benefits were \$235,465, \$256,710, and \$400,024, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates for state and local employers increased on January 1 of each year from 2006 to 2008. Rate for law enforcement employers increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

Green Township, Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

B. Ohio Police and Fire Pension Fund

The Township contributes to the OP&F sponsored health care program, a cost-sharing multiple-employer defined postemployment health care plan administered by OP&F. OP&F provides health care benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits are codified in Chapter 742 of the Ohio Revised Code.

The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 24.0 percent of covered payroll for fire employers. The Ohio Revised Code states that the employer contribution may not exceed 24.0 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2011, the employer contribution allocated to the health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h). The Township's actual contributions for 2011, 2010, and 2009 that were used to fund postemployment benefits were \$231,548, \$248,819, and \$281,021.

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Green Township, Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 9 – Long-Term Obligations

The changes in the Township’s long-term obligations during 2011 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General Obligation Bonds					
2010 Various Purpose Bonds	\$ 9,045,000	-	815,000	8,230,000	830,000

On February 16, 2010, the Township issued unvoted Various Purpose General Obligation Bonds in the amount of \$9,895,000 for the purpose of retiring outstanding notes and for the various improvements within the Township including road and park improvements. These bonds were issued for a ten year period with a final maturity date of December 1, 2020. Interest rates vary from 2% to 3.5%. Debt service payments made by the Township will be from service payments in lieu of taxes made by property owners pursuant to Section 5709.73 of the Ohio Revised Code.

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2011, are as follows:

Year Ending December 31,	Principal	Interest	Total
2012	\$ 830,000	\$ 235,306	\$ 1,065,306
2013	845,000	218,706	1,063,706
2014	860,000	201,806	1,061,806
2015	880,000	182,457	1,062,457
2016	900,000	160,456	1,060,456
2017-2020	3,915,000	342,369	4,257,369
	\$ 8,230,000	\$ 1,341,100	\$ 9,571,100

Green Township, Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 10 – Fund Balances

Fund balance is classified as restricted, committed, assigned, and unassigned based primarily on the extent to which the Township is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General	Tax	Fire	Police	Road &	Safety	Safety	Safety	Other	Total
		Increment	Levy	Levy	Bridge	Services	Services	Services	Govern-	
		Financing	Levy	Levy		& Fire	Fire	Police	mental	
									Funds	
Restricted for:										
Public Safety	\$ -	-	212,861	50,855	-	191,777	13,995	3,332	71,591	544,411
Streets	-	-	-	-	-	-	-	-	431,099	431,099
Capital Projects	-	10,667,302	-	-	-	-	-	-	-	10,667,302
Other Purposes	-	-	-	-	-	-	-	-	133,674	133,674
Total Restricted	-	10,667,302	212,861	50,855	-	191,777	13,995	3,332	636,364	11,776,486
Committed to:										
Roads and Bridges	-	-	-	-	199,050	-	-	-	-	199,050
Assigned to:										
Budget Resources	2,847,767	-	-	-	-	-	-	-	-	2,847,767
Unpaid Obligations	161,077	-	-	-	-	-	-	-	-	161,077
Public Safety	22,790	-	-	-	-	-	-	-	-	22,790
Total Assigned	3,031,634	-	-	-	-	-	-	-	-	3,031,634
Unassigned	9,582,439	-	-	-	-	-	-	-	-	9,582,439
Total Fund Balances	\$ 12,614,073	10,667,302	212,861	50,855	199,050	191,777	13,995	3,332	636,364	24,589,609

Note 11 – Joint Economic Development District

Green Township participates in a Joint Economic Development District (JEDD) with the City of Cheviot. The JEDD is located entirely within Green Township, Hamilton County. The purpose of the JEDD is to facilitate the development of jobs and employment opportunities along with improving the welfare of people in the State of Ohio and the area of the contracting parties. The JEDD creates a Board of Directors which consists of a Municipal Member, a Township member, a member who represents the owners of the businesses within the JEDD, a member who represents the persons working within the JEDD, and one member who is selected by the above members who serves as chairperson.

The proceeds of the JEDD are used to pay a portion of the costs associated with the construction and improvement of roads, the provision of public services such as police and fire protection, and to provide for improvements in connector roads that benefit the JEDD.

The joint venture between the governmental entities is defined in the following manner:

- Green Township receives 80% of the net income tax revenues collected.
- The City of Cheviot receives 20% of the net income tax revenues collected.

The City of Cheviot administers and collects income tax for the JEDD and reports monthly and quarterly to the contracting parties.

Green Township, Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 12 – Contingent Liabilities

Litigation

Green Township is a party to legal proceedings seeking damages. The Township management is of the opinion that the ultimate disposition of the various claims and legal proceedings will not have a material effect, if any, on the financial condition of the Township.

Note 13 – Change in Accounting Principle

The Township adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. GASB Statement No. 54 enhances the usefulness of fund balance information by providing clarified fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of this statement resulted in the reclassification of a certain fund and restatement of the Township's beginning fund balance:

	<u>General Fund</u>	<u>Other Governmental Funds</u>
Fund Balance, January 1, 2011	\$ 12,877,443	590,311
Fund Reclassification	<u>34,544</u>	<u>(34,544)</u>
Restated Fund Balance, January 1, 2011	\$ <u>12,911,987</u>	<u>555,767</u>

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

To the Board of Trustees
Green Township, Ohio:

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Green Township, Hamilton County, Ohio (Township) as of and for the year ended December 31, 2011, which collectively comprise the Township's basic financial statements and have issued our report thereon dated April 4, 2013 wherein we noted the Township uses the modified cash basis of accounting and the Township adopted Governmental Accounting Standards Board Statement No. 54. 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

Management of the Township is responsible for establishing and maintaining effective 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 auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or 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 corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Township in a separate letter dated April 4, 2013.

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

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
April 4, 2013

GREEN TOWNSHIP, HAMILTON COUNTY, OHIO
Schedule of Prior Audit Findings
Year Ended December 31, 2011

Finding 2010-1 – Audit Adjustment and Reporting of Debt Proceeds

Ohio Revised Code Section 5705.10 states that all proceeds from the sale of public obligations as defined in Ohio Revised Code Section 133.01, except premium and accrued interest, are to be paid into a special fund for the purpose of such issue. The Township issued \$9,895,000 in various purpose general obligation bonds in 2010 for the purposes of retiring outstanding bond anticipation notes and to finance road and park improvements. The Township posted all of the proceeds from the debt issuance in the Bond Retirement Fund. However, in accordance with the Ohio Revised Code, the portion of the proceeds related to the road and park improvements should have been posted to the TIF Fund, which is the fund being used to record project disbursements.

The Township initially reflected a transfer from the Bond Retirement Fund to the TIF Fund to pay for the project disbursements in its books and records as well as the financial statements. An audit adjustment was necessary to correct both the posting of bond proceeds as well as the elimination of the transfer.

Current Status: *Corrected.*



Dave Yost • Auditor of State

GREEN TOWNSHIP

HAMILTON 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
MAY 9, 2013**