



**Auditor of State
Betty Montgomery**

**GREEN TOWNSHIP
HAMILTON COUNTY**

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**Auditor of State
Betty Montgomery**

Green Township
Hamilton County
6303 Harrison Avenue
Cincinnati, Ohio 45247

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in cursive script that reads "Betty Montgomery".

Betty Montgomery
Auditor of State

March 7, 2006

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Green Township
Hamilton County
6303 Harrison Avenue
Cincinnati, Ohio 45247

To the Board of Trustees:

We have audited the accompanying financial statements of Green Township, Hamilton County, Ohio (the Township), as of and for the years ended December 31, 2004 and 2003. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

Revisions to GAAP would require the Township to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. Instead of the combined funds the accompanying financial statements present for 2004 (and 2003), the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2004. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Township has elected not to reformat its statements. Since this Township does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

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

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Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of Green Township, Hamilton County, as of December 31, 2004 and 2003, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2006, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Betty Montgomery
Auditor of State

March 7, 2006

**GREEN TOWNSHIP
HAMILTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Fiduciary Funds</u>	
Cash Receipts:					
Local Taxes	\$292,325	\$5,851,198	\$0	\$0	\$6,143,523
Payment in Lieu of Taxes		9,279,239			9,279,239
Intergovernmental	3,627,016	2,011,908	340,784		5,979,708
Special Assessments		57,449			57,449
Licenses, Permits, and Fees	495,302	8,645			503,947
Fines, Forfeitures, and Penalties	36,370	3,382			39,752
Earnings on Investments	239,196	1,744			240,940
Other Revenue	314,297	522,752		49,701	886,750
	<u>5,004,506</u>	<u>17,736,317</u>	<u>340,784</u>	<u>49,701</u>	<u>23,131,308</u>
Total Cash Receipts					
Cash Disbursements:					
Current:					
General Government	2,153,586	11,592,688		3,717	13,749,991
Public Safety	2,409,206	3,305,828		2,723	5,717,757
Public Works	171,225	3,025,409		1,242	3,197,876
Health	58,989				58,989
Conservation - Recreation	556,693			38,204	594,897
Miscellaneous		9,239			9,239
Debt Service:					
Redemption of Principal		33,192			33,192
Interest and Fiscal Charges		5,390			5,390
Capital Outlay	24,018	81,078	340,784		445,880
	<u>5,373,717</u>	<u>18,052,824</u>	<u>340,784</u>	<u>45,886</u>	<u>23,813,211</u>
Total Cash Disbursements					
Total Receipts Over/(Under) Disbursements	<u>(369,211)</u>	<u>(316,507)</u>	<u>0</u>	<u>3,815</u>	<u>(681,903)</u>
Fund Cash Balances, January 1	<u>5,393,113</u>	<u>3,940,547</u>	<u>0</u>	<u>80,055</u>	<u>9,413,715</u>
Fund Cash Balances, December 31	<u>\$5,023,902</u>	<u>\$3,624,040</u>	<u>\$0</u>	<u>\$83,870</u>	<u>\$8,731,812</u>
Reserve for Encumbrances, December 31	<u>\$122,136</u>	<u>\$1,499,743</u>	<u>\$0</u>	<u>\$414</u>	<u>\$1,622,293</u>

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

**GREEN TOWNSHIP
HAMILTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Fiduciary Funds</u>	
Cash Receipts:					
Local Taxes	\$291,543	\$5,490,281	\$0	\$0	\$5,781,824
Payment in Lieu of Taxes		7,957,796			7,957,796
Intergovernmental	2,406,265	1,983,762	451,006		4,841,033
Special Assessments		50,629			50,629
Licenses, Permits, and Fees	462,371	14,320			476,691
Fines, Forfeitures, and Penalties	40,688	2,494			43,182
Earnings on Investments	235,917	1,784			237,701
Other Revenue	185,677	737,066		45,030	967,773
	<u>3,622,461</u>	<u>16,238,132</u>	<u>451,006</u>	<u>45,030</u>	<u>20,356,629</u>
Total Cash Receipts					
Cash Disbursements:					
Current:					
General Government	1,939,203	9,211,126		1,658	11,151,987
Public Safety	2,125,421	3,164,419		4,013	5,293,853
Public Works	584,175	4,187,624		1,840	4,773,639
Health	58,146				58,146
Conservation - Recreation	462,689			40,175	502,864
Miscellaneous		13,569			13,569
Debt Service:					
Redemption of Principal		33,192			33,192
Interest and Fiscal Charges		6,931			6,931
Capital Outlay	55,253	143,421	451,006		649,680
	<u>5,224,887</u>	<u>16,760,282</u>	<u>451,006</u>	<u>47,686</u>	<u>22,483,861</u>
Total Cash Disbursements					
Total Receipts Over/(Under) Disbursements	<u>(1,602,426)</u>	<u>(522,150)</u>	<u>0</u>	<u>(2,656)</u>	<u>(2,127,232)</u>
Fund Cash Balances, January 1	<u>6,995,539</u>	<u>4,462,697</u>	<u>0</u>	<u>82,711</u>	<u>11,540,947</u>
Fund Cash Balances, December 31	<u>\$5,393,113</u>	<u>\$3,940,547</u>	<u>\$0</u>	<u>\$80,055</u>	<u>\$9,413,715</u>
Reserve for Encumbrances, December 31	<u>\$202,592</u>	<u>\$1,070,012</u>	<u>\$0</u>	<u>\$185</u>	<u>\$1,272,789</u>

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

**GREEN TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Green Township, Hamilton County, Ohio (the Township), as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, police protection, fire protection, emergency medical services, and recreation activities.

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 the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements. The Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Cash and Investments

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Township values U.S. Treasury Notes and Government Bonds at cost. Money market mutual funds (including STAR Ohio) are recorded at share values that the mutual funds report.

D. Fund Accounting

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

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds 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:

**GREEN TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

TIF Fund - This fund receives payment in lieu of taxes (PILOT) assessed and collected by the County.

3. Capital Project Funds

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Township had the following significant capital project funds:

Ohio Public Works Commission Fund - The Township received a grant from the State of Ohio to improve various Township streets.

5. Fiduciary Funds (Expendable Trust Funds)

These funds account for resources restricted by legally binding trust agreements. The Township had the following significant fiduciary funds:

Park Deposits Fund - This fund receives deposit money from residents who reserve the shelter houses at the parks. The deposit money is returned to residents after they used the facility without damage to the facility.

Park Donations Fund - This fund receives donations from residents and civic groups for new equipment and improvements to Township parks.

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function 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. Unencumbered appropriations lapse at year end.

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

**GREEN TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A summary of 2004 and 2003 budgetary activity appears in Note 3.

F. Property, Plant, and Equipment

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	2004	2003
Demand deposits	\$43,824	\$775,067
U.S. Treasury Notes	2,234,260	2,365,517
Money Market Funds	260,690	32,321
Government Bonds	6,188,558	6,236,384
STAR Ohio	4,480	4,426
Total investments	8,687,988	8,638,648
Total deposits and investments	\$8,731,812	\$9,413,715

Deposits: Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by the financial institution's public entity deposit pool.

Investments: The Federal Reserve holds the Township's U.S. Treasury Notes and Government Bonds in book-entry form by, in the name of the Township's financial institution. The financial institution maintains records identifying the Township as owner of these securities.

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

**GREEN TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2004 and 2003 follows:

2004 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$4,900,289	\$5,004,506	\$104,217
Special Revenue	17,779,088	17,736,317	(42,771)
Capital Projects	550,000	340,784	(209,216)
Fiduciary	64,980	49,701	(15,279)
Total	\$23,294,357	\$23,131,308	(\$163,049)

2004 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$6,325,865	\$5,495,853	\$830,012
Special Revenue	20,069,007	19,552,567	516,440
Capital Projects	550,000	340,784	209,216
Fiduciary	87,595	46,300	41,295
Total	\$27,032,467	\$25,435,504	\$1,596,963

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$3,508,592	\$3,622,461	\$113,869
Special Revenue	16,183,761	16,238,132	54,371
Capital Projects	730,000	451,006	(278,994)
Fiduciary	44,350	45,030	680
Total	\$20,466,703	\$20,356,629	(\$110,074)

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$5,918,137	\$5,427,479	\$490,658
Special Revenue	18,717,657	17,830,294	887,363
Capital Projects	730,000	451,006	278,994
Fiduciary	54,546	47,871	6,675
Total	\$25,420,340	\$23,756,650	\$1,663,690

**GREEN TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

4. PROPERTY TAX

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

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

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

5. DEBT

Debt outstanding at December 31, 2004 was as follows:

	Principal	Interest Rate
General Obligation Notes	\$99,576	4.64%

The Township issued \$298,728 in General Obligation Fire Equipment Notes on August 25, 1998, maturing on May 15, 2007 at an interest rate of 4.64% to finance the purchase of new fire equipment for the fire department. The Township's taxing authority collateralized the notes.

Amortization of the above debt, including interest, is scheduled as follows:

	General Obligation Notes
Year ending December 31:	
2005	\$37,042
2006	35,502
2007	33,962
Total	\$106,506

6. RETIREMENT SYSTEMS

The Township's certified Fire Fighters belong to the Police and Firemen's Disability Pension Fund (PFDPF). Other employees belong to the Ohio Public Employees Retirement System (OPERS). PFDPF and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2004 and 2003, members of PFDPF contributed 10 percent of their wages. The Township contributed an amount equal to 24 percent of their wages to PFDPF. OPERS members contributed 8.5 percent of their gross salaries. The Township contributed an amount equaling 13.55 percent of participants' gross salaries. OPERS Police members contributed 10.1 percent of their wages. The Township contributed an amount equal to 16.7 percent of their wages to OPERS. The Township has paid all contributions required through December 31, 2004.

**GREEN TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

7. RISK MANAGEMENT

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

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

The Township also provides health insurance and dental coverage to full-time employees through a private carrier.



**Auditor of State
Betty Montgomery**

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

Green Township
Hamilton County
6303 Harrison Avenue
Cincinnati, Ohio 45247

To the Board of Trustees:

We have audited the financial statements of the Green Township, Hamilton County, Ohio (the Township), as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated March 7, 2006, wherein we noted the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the Township's management dated March 7, 2006, we reported other matters involving internal control over financial reporting we did not deem a reportable condition.

Compliance and Other Matters

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

Green Township
Hamilton County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

We intend this report solely for the information and use of the audit committee, management, and the Board of Trustees. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

March 7, 2006



**Auditor of State
Betty Montgomery**

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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
MARCH 23, 2006**