



**NIMISHILLEN TOWNSHIP  
STARK COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000-1999**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**NIMISHILLEN TOWNSHIP  
STARK COUNTY**

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## REPORT OF INDEPENDENT ACCOUNTANTS

Nimishillen Township  
Stark County  
P.O. Box 181  
Louisville, Ohio 44641

To the Board of Trustees:

We have audited the accompanying financial statements of Nimishillen Township, Stark County, (the Township) as of and for the years ended December 31, 2000 and 1999. 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 audits.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Township as of December 31, 2000 and 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2001 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

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

**Jim Petro**  
Auditor of State

March 30, 2001

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**NIMISHILLEN TOWNSHIP  
STARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$36,661	\$853,117		\$889,778
Intergovernmental	226,233	247,073		473,306
Special Assessments			\$11,880	11,880
Charges for Services		101,786		101,786
Licenses, Permits, and Fees	14,620			14,620
Earnings on Investments	31,547	6,893		38,440
Other	21,667	21,992		43,659
<b>Total Cash Receipts</b>	<u>330,728</u>	<u>1,230,861</u>	<u>11,880</u>	<u>1,573,469</u>
<b>Cash Disbursements:</b>				
Current:				
General Government	240,280			240,280
Public Safety	6,459	410,981		417,440
Public Works	20,000	561,300	9,216	590,516
<b>Total Cash Disbursements</b>	<u>266,739</u>	<u>972,281</u>	<u>9,216</u>	<u>1,248,236</u>
<b>Total Cash Receipts Over Total Cash Disbursements</b>	<u>63,989</u>	<u>258,580</u>	<u>2,664</u>	<u>325,233</u>
<b>Other Financing Receipts:</b>				
Proceeds of Tax Anticipation Notes		300,000		300,000
Other Sources	1,036			1,036
<b>Total Other Financing Receipts</b>	<u>1,036</u>	<u>300,000</u>		<u>301,036</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements</b>	<u>65,025</u>	<u>558,580</u>	<u>2,664</u>	<u>626,269</u>
<b>Fund Cash Balances, January 1</b>	<u>64,845</u>	<u>278,853</u>	<u>2,111</u>	<u>345,809</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$129,870</b></u>	<u><b>\$837,433</b></u>	<u><b>\$4,775</b></u>	<u><b>\$972,078</b></u>
<b>Reserves for Encumbrances, December 31</b>	<u><b>\$6,364</b></u>	<u><b>\$404,167</b></u>	<u><b>\$0</b></u>	<u><b>\$410,530</b></u>

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

**NIMISHILLEN TOWNSHIP  
STARK COUNTY**

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

	<u>Governmental Fund Types</u>				<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>					
Local Taxes	\$34,318	\$508,264	\$110,501		\$653,083
Intergovernmental	205,013	203,128			408,141
Special Assessments				\$14,321	14,321
Charges for Services		74,512			74,512
Licenses, Permits, and Fees	14,693				14,693
Earnings on Investments	10,571	5,946			16,517
Other	18,305	22,978		752	42,035
<b>Total Cash Receipts</b>	<u>282,900</u>	<u>814,828</u>	<u>110,501</u>	<u>15,073</u>	<u>1,223,302</u>
<b>Cash Disbursements:</b>					
Current:					
General Government	292,289				292,289
Public Safety	26,372	274,440			300,812
Public Works		388,323		7,605	395,928
Debt Service:					
Redemption of Principal			106,213		106,213
Interest and Fiscal Charges			4,401		4,401
<b>Total Cash Disbursements</b>	<u>318,661</u>	<u>662,763</u>	<u>110,614</u>	<u>7,605</u>	<u>1,099,643</u>
Total Cash Receipts Over/(Under) Total Cash Disbursements	<u>(35,761)</u>	<u>152,065</u>	<u>(113)</u>	<u>7,468</u>	<u>123,659</u>
<b>Other Financing Receipts/(Disbursements):</b>					
Advances-In	7,900			2,400	10,300
Advances-Out	(2,400)			(7,900)	(10,300)
Other Sources	1,028				1,028
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>6,528</u>			<u>(5,500)</u>	<u>1,028</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(29,233)</u>	<u>152,065</u>	<u>(113)</u>	<u>1,968</u>	<u>124,687</u>
Fund Cash Balances, January 1	<u>94,078</u>	<u>126,788</u>	<u>113</u>	<u>143</u>	<u>221,122</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$64,845</b></u>	<u><b>\$278,853</b></u>	<u><b>\$0</b></u>	<u><b>\$2,111</b></u>	<u><b>\$345,809</b></u>
Reserves for Encumbrances, December 31	<u>\$24,598</u>	<u>\$35,150</u>	<u>\$0</u>	<u>\$0</u>	<u>\$59,748</u>

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



**NIMISHILLEN TOWNSHIP  
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

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

The Township was associated with the Nimishillen Water and Sewer District (the District), defined as a related organization, until the final dissolution of the District on January 26, 2001. The Township appointed the governing board of the Water and Sewer District; however, it could not influence the District's operations.

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

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when 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 prescribed or permitted by the Auditor of State.

**C. Cash and Investments**

The Repurchase Agreement is recorded at cost. The Township also invested in Certificates of Deposit during fiscal year 2000.

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 disbursements, respectively.

**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 is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

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

**NIMISHILLEN TOWNSHIP  
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

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

**D. Fund Accounting (Continued)**

Fire District Fund - This fund receives tax levy money for the purpose of providing and maintaining fire apparatus, appliances, buildings, sources of water supply and materials or the payment of permanent, part-time, or volunteer firemen, or to provide ambulance or emergency medical services operated by the fire department.

Road and Bridge Fund - This fund receives property tax money for constructing, maintaining and repairing Township roads and bridges.

**3. Debt Service Fund**

The debt service fund is used to accumulate resources for the payment of note indebtedness. The Township had the following Debt Service Fund:

General Bond/Note Retirement Fund - This fund is used to accumulate resources for the payment of principal and interest on the Township's tax anticipation notes.

**4. Capital Projects Funds**

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Township had the following significant Capital Project Fund:

Lighting Assessment Fund - This fund receives property tax money for a special assessment passed for the Township's street lighting project.

**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 and function level of control for the General Fund and at the fund level of control for all other funds, 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.

**NIMISHILLEN TOWNSHIP  
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

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

**E. Budgetary Process (Continued)**

**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.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

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

**G. Unpaid Vacation and Sick Leave**

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Township.

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

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

	<u>2000</u>	<u>1999</u>
Demand deposits	(\$37,922)	\$10,809
Repurchase agreement	<u>1,010,000</u>	<u>335,000</u>
Total deposits and investments	<u><u>\$972,078</u></u>	<u><u>\$345,809</u></u>

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2000 and 1999 follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$327,173	\$331,764	\$4,591
Special Revenue	1,516,289	1,530,861	14,572
Capital Projects	<u>12,096</u>	<u>11,880</u>	<u>(216)</u>
Total	<u><u>\$1,855,558</u></u>	<u><u>\$1,874,505</u></u>	<u><u>\$18,947</u></u>

**NIMISHILLEN TOWNSHIP  
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$367,421	\$273,103	\$94,318
Special Revenue	1,759,991	1,376,448	383,543
Capital Projects	14,207	9,216	4,991
Total	<u>\$2,141,619</u>	<u>\$1,658,767</u>	<u>\$482,852</u>

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$281,133	\$291,828	\$10,695
Special Revenue	815,290	814,828	(462)
Debt Service	110,501	110,501	0
Capital Projects	15,004	17,473	2,469
Total	<u>\$1,221,928</u>	<u>\$1,234,630</u>	<u>\$12,702</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$375,674	\$345,659	\$30,015
Special Revenue	939,848	697,913	241,935
Debt Service	110,615	110,614	1
Capital Projects	9,647	15,505	(5,858)
Total	<u>\$1,435,784</u>	<u>\$1,169,691</u>	<u>\$266,093</u>

**4. PROPERTY TAX**

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

**NIMISHILLEN TOWNSHIP  
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**5. DEBT**

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
Tax Anticipation Notes	\$300,000	5.19%

Tax Anticipation Notes in the amount of \$300,000 were issued during 2000 for the purpose of financing the purchase of a 2000 Pierce Pumper Fire Engine under authority of the laws of the State of Ohio and, in particular, Section 505.37 of the Ohio Revised Code. The notes are to be paid in three installments of \$110,555 including interest over 3 years.

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

Year ending December 31:	Tax Anticipation Notes
2001	\$110,555
2002	110,555
2003	110,555
Total	\$331,665

**6. RETIREMENT SYSTEMS**

All Township employees, other than Firefighters, belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post retirement health care, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates for PERS are also prescribed by the Ohio Revised Code. For 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 10.84% in 2000 and 13.55% in 1999 of participants' gross salaries. The Township has paid all contributions required through December 31, 2000.

Firefighters employed prior to August of 1992 had the option of continuing with PERS or participating in the Social Security Retirement System. Firefighters employed after August of 1992 belong to the Social Security Retirement System. The Township contributed an amount equal to 6.2% of the participants' gross salaries in 2000 and 1999.

**7. RISK MANAGEMENT**

The Township has obtained commercial insurance for the following risks:

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

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

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON  
INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Nimishillen Township  
Stark County  
P.O. Box 181  
Louisville, Ohio 44641

To the Board of Trustees:

We have audited the accompanying financial statements of Nimishillen Township, Stark County, (the Township) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated March 30, 2001. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

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

**Internal Control Over Financial Reporting**

In planning and performing our audits, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated March 30, 2001.

Nimishillen Township  
Stark County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
Page 2

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

**Jim Petro**  
Auditor of State

March 30, 2001





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**NIMISHILLEN TOWNSHIP**

**STARK 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 29, 2001**