



**GREENVILLE TOWNSHIP
DARKE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2001 - 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**GREENVILLE TOWNSHIP
DARKE COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Greenville Township
Darke County
P.O. Box 188
5366 State Route 571 East
Greenville, Ohio 45331

To the Board of Trustees:

We have audited the accompanying financial statements of Greenville Township (the Township) as of and for the years ended December 31, 2001 and 2000. 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 *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 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, 2001 and 2000, 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 13, 2002 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 audit.

This report is intended solely for the information and use of the audit committee, management, 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 13, 2002

**GREENVILLE TOWNSHIP
DARKE 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, 2001**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Expendable Trust</u>	
Cash Receipts:				
Local Taxes	\$49,939	\$923,442		\$973,381
Intergovernmental	1,011,033	198,028		1,209,061
Charges for Services		143,235		143,235
Licenses, Permits, and Fees		13,425		13,425
Earnings on Investments	110,686			110,686
Other Revenue	75,444	84,256		159,700
	<u>1,247,102</u>	<u>1,362,386</u>		<u>2,609,488</u>
Total Cash Receipts				
	<u>1,247,102</u>	<u>1,362,386</u>		<u>2,609,488</u>
Cash Disbursements:				
General Government	112,311	426,896		539,207
Public Safety		640,809		640,809
Public Works	1,091	258,225		259,316
Health	3,336		\$23	3,359
Capital Outlay	21,487	255,524		277,011
	<u>138,225</u>	<u>1,581,454</u>	<u>23</u>	<u>1,719,702</u>
Total Cash Disbursements				
	<u>138,225</u>	<u>1,581,454</u>	<u>23</u>	<u>1,719,702</u>
Total Receipts Over/(Under) Disbursements	<u>1,108,877</u>	<u>(219,068)</u>	<u>(23)</u>	<u>889,786</u>
Fund Cash Balances, January 1	<u>1,166,116</u>	<u>1,511,186</u>	<u>608</u>	<u>2,677,910</u>
Fund Cash Balances, December 31	<u>\$2,274,993</u>	<u>\$1,292,118</u>	<u>\$585</u>	<u>\$3,567,696</u>
Reserve for Encumbrances, December 31	<u>\$7,800</u>	<u>\$47,000</u>	<u>\$0</u>	<u>\$54,800</u>

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

**GREENVILLE TOWNSHIP
DARKE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
NONEXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Nonexpendable Trust</u>
Operating Cash Receipts:	
Interest	<u>\$5</u>
Fund Cash Balance, January 1	<u>233</u>
Fund Cash Balance, December 31	<u><u>\$238</u></u>

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

**GREENVILLE TOWNSHIP
DARKE 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, 2000**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Expendable Trust</u>	
Cash Receipts:				
Local Taxes	\$45,633	\$873,483		\$919,116
Intergovernmental	118,410	192,176		310,586
Charges for Services		212,814		212,814
Licenses, Permits, and Fees		9,952		9,952
Earnings on Investments	129,508			129,508
Other Revenue	75,640	11,984		87,624
Total Cash Receipts	<u>369,191</u>	<u>1,300,409</u>		<u>1,669,600</u>
Cash Disbursements:				
General Government	92,050	411,385		503,435
Public Safety		623,244		623,244
Public Works	79,411	218,764		298,175
Health	3,317		\$23	3,340
Capital Outlay	5,099	3,020		8,119
Total Cash Disbursements	<u>179,877</u>	<u>1,256,413</u>	<u>23</u>	<u>1,436,313</u>
Total Receipts Over/(Under) Disbursements	<u>189,314</u>	<u>43,996</u>	<u>(23)</u>	<u>233,287</u>
Fund Cash Balances, January 1	<u>976,802</u>	<u>1,467,190</u>	<u>631</u>	<u>2,444,623</u>
Fund Cash Balances, December 31	<u>\$1,166,116</u>	<u>\$1,511,186</u>	<u>\$608</u>	<u>\$2,677,910</u>
Reserve for Encumbrances, December 31	<u>\$10,000</u>	<u>\$53,102</u>	<u>\$0</u>	<u>\$63,102</u>

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

**GREENVILLE TOWNSHIP
DARKE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
NONEXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Nonexpendable Trust</u>
Operating Cash Receipts:	
Interest	<u>\$6</u>
Fund Cash Balance, January 1	<u>227</u>
Fund Cash Balance, December 31	<u><u>\$233</u></u>

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

**GREENVILLE TOWNSHIP
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Greenville Township, Darke County, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides road and bridge maintenance, cemetery maintenance, fire protection, and emergency medical services. The Township contracts with the City of Greenville to provide fire services to provide Township residents.

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

Investments are included in fund cash balances. 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.

Certificates of deposit are valued at cost. Money market mutual funds (including STAR Ohio) are recorded at share values reported by the mutual fund.

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 trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

**GREENVILLE TOWNSHIP
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Road and Bridge Fund - This fund receives property tax money to construct, maintain and repair Township roads and bridges.

Gasoline Tax Fund - This fund receives gasoline tax money to construct, maintain and repair Township roads.

Fire Levy Fund - This fund receives property tax money to provide fire protection.

Emergency Rescue Service Levy Fund - This fund receives property tax money for emergency medical services.

3. Fiduciary Funds (Trust Funds)

These funds are used to account for resources restricted by legally binding trust agreements and funds for which the Township is acting in an agency capacity. The Township had the following significant fiduciary funds:

Cemetery Bequest Fund - An expendable trust fund used for care of specific grave sites.

Ross Cemetery Bequest Fund - An nonexpendable trust fund used for the care of a specific grave site.

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 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.

A summary of 2001 and 2000 budgetary activity appears in Note 3.

**GREENVILLE TOWNSHIP
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Property, Plant and Equipment

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

G. Accumulated Leave

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

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:

	2001	2000
Demand deposits	\$2,353,874	\$2,249,043
Certificates of deposit	100,100	429,100
Total deposits	2,453,974	2,678,143
STAR Ohio	1,113,960	0
Total investments	1,113,960	0
Total deposits and investments	\$3,567,934	\$2,678,143

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

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

**GREENVILLE TOWNSHIP
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2001 and 2000 follows:

2001 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$195,190	\$1,247,102	\$1,051,912
Special Revenue	1,307,840	1,362,386	54,546
Fiduciary	5	5	0
Total	<u>\$1,503,035</u>	<u>\$2,609,493</u>	<u>\$1,106,458</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$1,361,306	\$146,025	\$1,215,281
Special Revenue	2,819,026	1,628,454	1,190,572
Fiduciary	847	23	824
Total	<u>\$4,181,179</u>	<u>\$1,774,502</u>	<u>\$2,406,677</u>

2000 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$192,070	\$369,191	\$177,121
Special Revenue	1,268,810	1,300,409	31,599
Fiduciary	5	6	1
Total	<u>\$1,460,885</u>	<u>\$1,669,606</u>	<u>\$208,721</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$1,168,872	\$189,877	\$978,995
Special Revenue	2,736,000	1,309,515	1,426,485
Fiduciary	863	23	840
Total	<u>\$3,905,735</u>	<u>\$1,499,415</u>	<u>\$2,406,320</u>

**GREENVILLE TOWNSHIP
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

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 payment, the first half is due December 31. The second half payment is due the following June 20.

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

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

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

5. RETIREMENT SYSTEMS

The Township's elected officials and employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2001 and 2000, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries through 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13%, effective July 1, 2000 through December 31, 2000. The Township has paid all contributions required through December 31, 2001.

6. INSURANCE RESERVE ACCOUNT

The Township is a member of the Western Reserve Administration Services (WRAS), which is a health partnership option plan. When the Partnership Option is installed, a claims reserve account must be established in order for WRAS to pay the employer portion of claims and to cover incurred but unreported claims. At December 31, 2001 and 2000, the Township had balances of \$11,599 and \$14,503, respectively, in its in reserve account with Western Reserve Administrative Services.

7. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Electronic Data Processing Equipment

**GREENVILLE TOWNSHIP
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

8. SUBSEQUENT EVENTS

The Township has purchased five acres of property from Harris Development, Inc. to build a new rescue services facility. As of December 31, 2001, a total amount of \$32,000 was paid for the undeveloped land. As of March 13, 2002, a total of \$74,393 has been paid for the land development.



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

Greenville Township
Darke County
P.O. Box 188
5366 State Route 571 East
Greenville, Ohio 45331

To the Board of Trustees:

We have audited the accompanying financial statements of Greenville Township (the Township) as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated March 13, 2002. 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.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated March 13, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the 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 13, 2002.

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

This report is intended solely for the information and use of the audit committee, 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 13, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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GREENVILLE TOWNSHIP

DARKE COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
APRIL 18, 2002**