



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

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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, Darke County, Ohio, (the Township) as of and for the years ended December 31, 1999 and 1998. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our 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, 1999 and 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 21, 2000 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

This report is intended solely for the information and use of the 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.

A handwritten signature in black ink, appearing to read "Jim Petro".

Jim Petro
Auditor of State

April 21, 2000

Greenville Township

**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, 1999**

	<u>Governmental Fund Types</u>		<u>Fiduciary Funds</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Expendable Trust</u>	
Cash Receipts:				
Local Taxes	\$42,796	\$937,452	\$0	\$980,248
Intergovernmental	81,395	161,022	0	242,417
Charges for Services	0	192,898	0	192,898
Licenses, Permits, and Fees	0	8,873	0	8,873
Earnings on Investments	93,046	446	0	93,492
Other Revenue	8,541	28,172	0	36,713
	<u>225,778</u>	<u>1,328,863</u>	<u>0</u>	<u>1,554,641</u>
Cash Disbursements:				
Current:				
General Government	88,775	389,542	0	478,317
Public Safety	0	635,268	0	635,268
Public Works	29,032	289,754	22	318,808
Health	1,679	0	0	1,679
Capital Outlay	7,055	10,488	0	17,543
	<u>126,541</u>	<u>1,325,052</u>	<u>22</u>	<u>1,451,615</u>
Total Receipts Over/(Under) Disbursements	<u>99,237</u>	<u>3,811</u>	<u>(22)</u>	<u>103,026</u>
Fund Cash Balances, January 1	<u>877,565</u>	<u>1,463,379</u>	<u>653</u>	<u>2,341,597</u>
Fund Cash Balances, December 31	<u>\$976,802</u>	<u>\$1,467,190</u>	<u>\$631</u>	<u>\$2,444,623</u>
Reserve for Encumbrances, December 31	<u>\$3,271</u>	<u>\$16,366</u>	<u>\$0</u>	<u>\$19,637</u>

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

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
NONEXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Fiduciary Fund Type
	Nonexpendable Trust
Operating Cash Receipts:	
Interest	\$4
Fund Cash Balances, January 1	223
Fund Cash Balances, December 31	\$227

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

**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, 1998**

	<u>Governmental Fund Types</u>			<u>Fiduciary Funds</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
Cash Receipts:					
Local Taxes	\$41,908	\$913,327	\$0	\$0	\$955,235
Intergovernmental	51,644	158,962	73,481	0	284,087
Charges for Services	0	197,926	0	0	197,926
Licenses, Permits, and Fees	0	9,558	0	0	9,558
Earnings on Investments	84,241	763	0	0	85,004
Other Revenue	2,964	23,331	0	0	26,295
Total Cash Receipts	<u>180,757</u>	<u>1,303,867</u>	<u>73,481</u>	<u>0</u>	<u>1,558,105</u>
Cash Disbursements:					
Current:					
General Government	90,306	384,315	0	0	474,621
Public Safety	0	538,568	0	0	538,568
Public Works	15,732	301,070	0	0	316,802
Health	1,247	0	0	23	1,270
Capital Outlay	10,022	16,024	73,481	0	99,527
Total Cash Disbursements	<u>117,307</u>	<u>1,239,977</u>	<u>73,481</u>	<u>23</u>	<u>1,430,788</u>
Total Receipts Over/(Under) Disbursements	<u>63,450</u>	<u>63,890</u>	<u>0</u>	<u>(23)</u>	<u>127,317</u>
Fund Cash Balances, January 1	<u>814,115</u>	<u>1,399,489</u>	<u>0</u>	<u>676</u>	<u>2,214,280</u>
Fund Cash Balances, December 31	<u>\$877,565</u>	<u>\$1,463,379</u>	<u>\$0</u>	<u>\$653</u>	<u>\$2,341,597</u>
Reserve for Encumbrances, December 31	<u>\$0</u>	<u>\$11,369</u>	<u>\$0</u>	<u>\$0</u>	<u>\$11,369</u>

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN FUND CASH BALANCE
 NONEXPENDABLE TRUST FUND
 FOR THE YEAR ENDED DECEMBER 31, 1998**

	Fiduciary Fund Type
	Nonexpendable Trust
Operating Cash Receipts:	
Interest	\$5
 Fund Cash Balances, January 1	218
 Fund Cash Balances, December 31	\$223

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

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 general governmental services, including road and bridge maintenance, cemetery maintenance, and emergency medical services. The Township contracts with the City of Greenville to provide fire services to 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

Certificates of deposit are valued at cost.

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

Motor Vehicle License Tax Fund - This fund receives motor vehicle license tax money for constructing, maintaining and repairing Township roads.

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

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Gasoline Tax Fund - This fund receives gasoline tax money to pay for constructing, maintaining and repairing Township roads.

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

3. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Township had the following significant capital project fund in 1998.

Issue II Fund - The Township received a grant from the State of Ohio to a reconstruction road project which was a joint project with Neave Township.

4. Fiduciary Funds (Trust and Agency 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 (except certain agency funds) 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.

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 1999 and 1998 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

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

	<u>1999</u>	<u>1998</u>
Demand deposits	\$1,715,750	\$1,612,720
Certificates of deposit	729,100	729,100
Total deposits	<u>\$2,444,850</u>	<u>\$2,341,820</u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution to the Township, or (3) collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$178,790	\$225,778	\$46,988
Special Revenue	1,395,495	1,328,863	(66,632)
Fiduciary	0	4	4
Total	<u>\$1,574,285</u>	<u>\$1,554,645</u>	<u>(\$19,640)</u>

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,056,355	\$129,812	\$926,543
Special Revenue	2,847,505	1,341,418	1,506,087
Fiduciary	877	22	855
Total	<u>\$3,904,737</u>	<u>\$1,471,252</u>	<u>\$2,433,485</u>

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$157,590	\$180,757	\$23,167
Special Revenue	1,246,220	1,303,867	57,647
Capital Projects	89,255	73,481	(15,774)
Fiduciary	0	5	5
Total	<u>\$1,493,065</u>	<u>\$1,558,110</u>	<u>\$65,045</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$969,305	\$117,307	\$851,998
Special Revenue	2,635,337	1,251,346	1,383,991
Capital Projects	89,255	73,481	15,774
Fiduciary	894	23	871
Total	<u>\$3,694,791</u>	<u>\$1,442,157</u>	<u>\$2,252,634</u>

4. PROPERTY TAX

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

5. 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, 1999, the Township had a balance of \$4,788.39 in its reserve account with Western Reserve Administrative Services.

6. RETIREMENT SYSTEMS

The Township's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost sharing, multiple employer plan. The plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code. PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 1999.

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 coverage to full-time employees through a private carrier.

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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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, Darke County, Ohio (the Township), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated April 21, 2000. We conducted our audit 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 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 April 21, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the 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 April 21, 2000.

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

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

Jim Petro
Auditor of State

April 21, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Columbus, Ohio 43216-1140

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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
MAY 30, 2000