

SILVERCREEK TOWNSHIP

DAYTON REGION, GREENE COUNTY

REGULAR AUDIT

JANUARY 1, 1999 – DECEMBER 31, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Board of Trustees
Silvercreek Township
3 North Sycamore St.
Jamestown, OH 45335

We have reviewed the independent auditor's report of the Silvercreek Township, Greene County, prepared by Vanderhorst & Manning, for the audit period January 1, 1999 through December 31, 2000. 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. The Silvercreek Township is responsible for compliance with these laws and regulations.

JIM PETRO
Auditor of State

June 25, 2001

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**SILVERCREEK TOWNSHIP
GREENE COUNTY**

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**VANDERHORST & MANNING CPAs, LLC
6105 NORTH DIXIE DRIVE
DAYTON, OHIO 45414**

REPORT OF INDEPENDENT AUDITORS

Board of Trustees
Silvercreek Township
3 North Sycamore Street
Jamestown, Ohio 45335

We have audited the accompanying financial statements of the Silvercreek Township, Greene County, Ohio, (the Township), as of and for the years ended December 31, 2000 and December 31, 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 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 of Silvercreek Township, as of December 31, 2000 and December 31, 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 *Governmental Auditing Standards*, we have also issued a report dated April 18, 2001 on our consideration of the Township's internal control over financial reporting and our test of its compliance with certain provisions of law, 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.

Silvercreek Township
Greene County
Report of Independent Auditors
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This report is intended solely for the information and use of the Township's management, the Board 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.

Vanderhorst & Manning CPAs, LLC
Dayton, Ohio

April 18, 2001

**SILVERCREEK TOWNSHIP
GREENE 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

	GOVERNMENTAL FUND TYPES		Total (Memorandum Only)
	General	Special Revenue	
Cash Receipts:			
Taxes	\$ 38,292	\$ 120,366	\$ 158,658
Charges for Services	0	27,766	27,766
Licenses, Permits and Fees	1,325	18,100	19,425
Intergovernmental Receipts	70,996	105,076	176,072
Interest	9,541	4,731	14,272
All Other Receipts	5,521	57,095	62,616
Total Cash Receipts	<u>125,675</u>	<u>333,134</u>	<u>458,809</u>
Cash Disbursements:			
Current:			
General Government	76,453	0	76,453
Public Safety	0	84,956	84,956
Public Works	0	148,066	148,066
Health	5,442	13,560	19,002
Capital Outlay	0	145,527	145,527
Total Cash Disbursements	<u>81,895</u>	<u>392,109</u>	<u>474,004</u>
Total Receipts Over/(Under) Disbursements	<u>43,780</u>	<u>(58,975)</u>	<u>(15,195)</u>
Other Financing Receipts/(Disbursements):			
Other Financing Sources	0	0	0
Total Other Financing Receipts (Disbursements)	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	43,780	(58,975)	(15,195)
Fund Cash Balances, January 1, 2000	<u>62,222</u>	<u>411,177</u>	<u>473,399</u>
Fund Cash Balances, December 31, 2000	<u>\$ 106,002</u>	<u>\$ 352,202</u>	<u>\$ 458,204</u>

The Notes to the Financial Statements are an integral part of this statement.

**SILVERCREEK TOWNSHIP
GREENE COUNTY**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCE - NON-EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	Non-Expendable <u>Trust</u>
Operating Cash Receipts:	
Interest	\$ <u>317</u>
Operating Cash Disbursements:	
Supplies and Materials	<u>307</u>
Total Cash Disbursements	<u>307</u>
Operating Income	10
Fund Cash Balance, January 1, 2000	<u>9,772</u>
Fund Cash Balance, December 31, 2000	\$ <u><u>9,782</u></u>

The Notes to the Financial Statements are an integral part of this statement.

**SILVERCREEK TOWNSHIP
GREENE 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

	GOVERNMENTAL FUND TYPES			Total (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash Receipts:				
Taxes	\$ 36,356	\$ 114,941	\$ 568	\$ 151,865
Changes for Services	0	22,143	0	22,143
Licenses, Permits and Fees	1,300	14,575	0	15,875
Intergovernmental Receipts	49,051	95,301	0	144,352
Interest	10,908	4,307	0	15,215
All Other Receipts	5,441	84,400	2,500	92,341
Total Cash Receipts	<u>103,056</u>	<u>335,667</u>	<u>3,068</u>	<u>441,791</u>
Cash Disbursements:				
Current:				
General Government	90,476	0	0	90,476
Public Safety	0	72,125	0	72,125
Public Works	0	198,281	0	198,281
Health	6,336	4,418	0	10,754
Capital Outlay	1,800	31,160	0	32,960
Total Cash Disbursements	<u>98,612</u>	<u>305,984</u>	<u>0</u>	<u>404,596</u>
Total Receipts Over/(Under) Disbursements	<u>4,444</u>	<u>29,683</u>	<u>3,068</u>	<u>37,195</u>
Other Financing Receipts/(Disbursements):				
Transfers In		5,287		5,287
Transfers Out	0	0	(5,287)	(5,287)
Total Other Financing Receipts (Disbursements)	<u>0</u>	<u>5,287</u>	<u>(5,287)</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	4,444	34,970	(2,219)	37,195
Fund Cash Balances, January 1, 1999	<u>57,778</u>	<u>376,207</u>	<u>2,219</u>	<u>436,204</u>
Fund Cash Balances, December 31, 1999	<u>\$ 62,222</u>	<u>\$ 411,177</u>	<u>\$ 0</u>	<u>\$ 473,399</u>

The Notes to the Financial Statements are an integral part of this statement.

**SILVERCREEK TOWNSHIP
GREENE COUNTY**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCE - NON-EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 1999

	Non-Expendable Trust
Operating Cash Receipts:	
Interest	\$ 337
Donations	500
Total Cash Receipts	<u>837</u>
Operating Cash Disbursements:	
Supplies and Materials	<u>265</u>
Total Cash Disbursements	<u>265</u>
Operating Income	572
Fund Cash Balance, January 1, 1999	<u>9,200</u>
Fund Cash Balance, December 31, 1999	<u><u>\$ 9,772</u></u>

The Notes to the Financial Statements are an integral part of this statement.

**SILVERCREEK TOWNSHIP
GREENE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Entity

Silvercreek Township of Greene County, Ohio, (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 maintenance, cemetery management and fire protection.

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.

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:

**SILVERCREEK TOWNSHIP
GREENE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

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:

Road and Bridge Fund – This fund receives tax levy money for maintaining and repairing Township roads.

Fire District Fund – This fund receives tax money to provide fire protection to the Township.

Capital Projects Fund:

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

Public Works Commission Fund – This fund receives money from the Ohio Public Works Commission for the Township Highway System Project.

**SILVERCREEK TOWNSHIP
GREENE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

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

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 must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

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.

Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

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 when paid. These items are not reflected as assets on the accompanying financial statements.

**SILVERCREEK TOWNSHIP
GREENE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 cash 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:

	2000	1999
Demand deposits	\$355,296	\$333,338
Savings	9,260	9,127
Certificate of Deposit	<u>103,430</u>	<u>140,706</u>
Total Deposits & Investments	<u>\$467,986</u>	<u>\$483,171</u>

Deposits:

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

3. BUDGETARY ACTIVITY

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

Fund Type	2000 Budgeted vs. Actual Receipts		
	Budgeted Receipts	Actual Receipts	Variance
General	\$104,166	\$125,675	\$ 21,509
Special Revenue	277,046	333,134	56,088
Non-Expendable Trust	<u>360</u>	<u>317</u>	<u>(43)</u>
Total	<u>\$381,572</u>	<u>\$459,126</u>	<u>\$ 77,554</u>

**SILVERCREEK TOWNSHIP
GREENE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 166,389	\$ 81,895	\$ 84,494
Special Revenue	688,223	392,109	296,114
Non-Expendable Trust	<u>10,132</u>	<u>307</u>	<u>9,825</u>
Total	<u>\$ 864,744</u>	<u>\$474,311</u>	<u>\$ 390,433</u>

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$101,431	\$103,056	\$ 1,625
Special Revenue	323,217	340,954	17,737
Capital Projects Fund	4,005	3,068	(937)
Non-Expendable Trust	<u>360</u>	<u>837</u>	<u>477</u>
Total	<u>\$429,013</u>	<u>\$447,915</u>	<u>\$ 18,902</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$157,928	\$ 98,612	\$ 59,316
Special Revenue	696,055	311,271	384,784
Capital Projects Fund	6,224	0	6,224
Non-Expendable Trust	<u>9,560</u>	<u>265</u>	<u>9,295</u>
Total	<u>\$869,767</u>	<u>\$410,148</u>	<u>\$459,619</u>

**SILVERCREEK TOWNSHIP
GREENE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Township 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.

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 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 health care, 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 2000 and 1999, members of PERS contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries through June 30, 2000. For the period July 1, 2000 through December 31, 2000, PERS temporarily reduced the employer's contribution rate to 8.13% of participants' gross salaries. The Township has paid all contributions required through December 31, 2000.

**SILVERCREEK TOWNSHIP
GREENE COUNTY**

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

6. RISK MANAGEMENT

The Township is a member of a pooled insurance group that provides coverage for real property, building contents and vehicles under the terms and conditions required by the pool. Risk sharing certificates are provided in the form of intergovernmental contracts between the Township and the Ohio Township Association Risk Management Authority (OTARMA). OTARMA administers the pool and upon execution of the contract, the Township pays the annual membership contribution fee. Real property and contents were inspected by OTARMA and are covered for the amount of the repair or replacement within the limits outlined on the statement of value provided as part of the risk sharing certificate.

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

7. CONTINGENT LIABILITIES

The Township is not a defendant in any lawsuits that counsel believes will materially adversely affect the Township's financial condition.

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

8. SUBSEQUENT EVENTS

No events have occurred subsequent to the financial statements which would have a material impact.

**VANDERHORST & MANNING CPAs, LLC
6105 NORTH DIXIE DRIVE
DAYTON, OHIO 45414**

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

Board of Trustees
Silvercreek Township
3 North Sycamore Street
Jamestown, Ohio 45335

We have audited the financial statements of Silvercreek Township, Greene County (the Township), as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated April 18, 2001. 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 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 April 18, 2001

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 so not require inclusion in this report, that we have reported to management of the Township in a separate letter dated April 18, 2001

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

Vanderhorst & Manning CPAs, LLC
Dayton, Ohio

April 18, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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SILVERCREEK TOWNSHIP

GREENE 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
JULY 10, 2001**