

GREENE TOWNSHIP

INDEPENDENT AUDITOR'S REPORT

FOR THE YEARS ENDED
DECEMBER 31, 2003 AND DECEMBER 31, 2002



**Auditor of State
Betty Montgomery**

Board of Trustees
Greene Township

We have reviewed the Independent Auditor's Report of Greene Township, Wayne County, prepared by Gary B. Fink & Associates, Inc. for the audit period January 1, 2002 through December 31, 2003. 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. Greene Township is responsible for compliance with these laws and regulations.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

August 16, 2004

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**GREENE TOWNSHIP, OHIO
WAYNE COUNTY
FOR THE YEARS ENDED
DECEMBER 31, 2003 AND DECEMBER 31, 2002**

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GREENE TOWNSHIP

**ELECTED OFFICIALS
AS OF DECEMBER 31, 2003**

<u>NAME</u>	<u>TITLE</u>	<u>TERM OF OFFICE</u>	<u>SURETY</u>	<u>AMOUNT</u>	<u>PERIOD</u>
Robert Good	Trustee	01/01/00-01/01/04	(A)	\$5,000	01/01/00- 01/01/04
Homer Hostetler	Trustee	01/01/02-01/01/06	(A)	\$5,000	01/01/02- 01/01/06
Donald Zimmerly	Trustee	01/01/02-01/01/06	(A)	\$5,000	01/01/02- 01/01/06
Phyllis Troyer	Clerk	04/01/00-03/31/04	(B)	\$25,000	04/01/00- 03/31/04

(A) Ohio Risk Management Plan

STATUTORY LEGAL COUNSEL

Prosecutor
Wayne County Prosecutors Office
428 West Liberty Street
Wooster, OH 44691

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Greene Township, Wayne County
4781 Egypt Road
Smithville, OH 44677

We have audited the accompanying financial statements of Greene Township, Wayne County (the Township), as of and for the years ended December 31, 2003 and December 31, 2002, as listed in the table of contents. 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 described 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 accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances of Greene Township as of December 31, 2003 and December 31, 2002, and its 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 May 27, 2004 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations and contracts. 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.

INDEPENDENT AUDITOR'S REPORT (continued)

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 Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than those specified parties.

A handwritten signature in black ink, appearing to read 'G B Fink', written in a cursive style.

GARY B. FINK & ASSOCIATES, INC.
Certified Public Accountants

May 27, 2004

Greene Township, Ohio
Wayne County
Combined Statement of Cash Receipts, Cash Disbursements and
Changes in Fund Cash Balances - All Governmental Fund Types
For the Year Ended December 31, 2003

	General	Special Revenue	Debt Service	Total (Memorandum Only)
Cash Receipts				
Local Taxes	\$61,402	\$121,565	\$26,575	\$209,542
Intergovernmental	80,239	98,393	0	178,632
Interest	672	353	0	1,025
Other	596	2,159	0	2,755
Total Cash Receipts	142,909	222,470	26,575	391,954
Cash Disbursements				
General Government	83,000	0	0	83,000
Public Safety	2,079	0	0	2,079
Public Works	0	265,256	0	265,256
Health	17,998	0	0	17,998
Capital Outlay	2,014	49,044	0	51,058
Debt Service:				
Redemption of Principal	0	0	25,000	25,000
Interest and Fiscal Charges	0	0	1,571	1,571
Total Cash Disbursements	105,091	314,300	26,571	445,962
Excess/(Deficiency) of Cash Receipts Over/ (Under) Cash Disbursements Before Other Financing Sources/(Uses)	37,818	(91,830)	4	(54,008)
Other Financing (Uses)				
Other Financing Uses	0	(5,675)	0	(5,675)
Total Other Financing (Uses)	0	(5,675)	0	(5,675)
Total Receipts Over/(Under) Disbursements	37,818	(97,505)	4	(59,683)
Fund Cash Balances, January 1, 2003	51,283	161,116	13	212,412
Fund Cash Balances, December 31, 2003	<u>\$89,101</u>	<u>\$63,611</u>	<u>\$17</u>	<u>\$152,729</u>

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

Greene Township, Ohio
Wayne County
Combined Statement of Cash Receipts, Cash Disbursements and
Changes in Fund Cash Balances - All Governmental Fund Types
For the Year Ended December 31, 2002

	General	Special Revenue	Debt Service	Total (Memorandum Only)
Cash Receipts				
Local Taxes	\$51,356	\$112,958	\$28,000	\$192,314
Intergovernmental	72,340	94,562	0	166,902
Interest	849	731	0	1,580
Other	1,217	8,434	0	9,651
Total Cash Receipts	125,762	216,685	28,000	370,447
Cash Disbursements				
General Government	80,660	0	0	80,660
Public Safety	55,010	0	0	55,010
Public Works	0	176,394	0	176,394
Health	16,676	0	0	16,676
Capital Outlay	0	57,551	0	57,551
Debt Service:				
Redemption of Principal	0	0	25,000	25,000
Interest and Fiscal Charges	0	0	2,996	2,996
Total Cash Disbursements	152,346	233,945	27,996	414,287
Total Receipts Over/(Under) Disbursements	(26,584)	(17,260)	4	(43,840)
Fund Cash Balances, January 1, 2002	77,867	178,376	9	256,252
Fund Cash Balances, December 31, 2002	<u>\$51,283</u>	<u>\$161,116</u>	<u>\$13</u>	<u>\$212,412</u>

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

GREENE TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2003 AND DECEMBER 31, 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Greene Township, Wayne 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. The Township provides general governmental services, including road and bridge maintenance. The Township contracts with the Central Fire District to provide fire services and ambulance services to the residents of the Township.

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 (ie., 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 Cash Equivalents

Investments are included in the fund cash balances. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. The Township invested funds in short-term repurchase agreements through a cash management program offered by a local bank. Gains and 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:

GREENE TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2003 AND DECEMBER 31, 2002

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

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.

Special Revenue Funds - These funds are used to account for proceeds from specific sources that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

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.

Debt Service Funds - These funds are used to accumulate resources for the payment note indebtedness. The Township has the following Debt Service Fund:

General Bond/Note Retirement - This fund receives a portion of real estate and personal property taxes to repay Township debt.

E. Budgetary Process

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

Appropriations - Budgetary expenditures (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.

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 commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2003 and 2002 budgetary activity appears in Note 3.

GREENE TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2003 AND DECEMBER 31, 2002

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 vacation and sick leave. Unpaid vacation and sick 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:

	<u>2003</u>	<u>2002</u>
Demand deposits	(\$35,908)	\$15,725
Repurchase agreement	<u>188,637</u>	<u>196,687</u>
Total Deposits and Investments	<u>\$152,729</u>	<u>\$212,412</u>

Deposits

Deposits are insured by the Federal Depository Insurance Corporation.

Investments

The Township invested in repurchase agreements during the audit period, which are valued at cost. The securities are held in book form by the financial institution. The financial institution maintains records identifying the Township as owner of these securities.

GREENE TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2003 AND DECEMBER 31, 2002

3. **BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2003 and December 31, 2002 was as follows:

2003 Budget vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$135,632	\$142,909	\$7,277
Special Revenue	226,185	222,470	(3,715)
Debt Service	26,575	26,575	0
Total	<u>\$388,392</u>	<u>\$391,954</u>	<u>\$3,562</u>

2003 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$173,300	\$105,091	\$68,209
Special Revenue	387,100	319,975	67,125
Debt Service	26,585	26,571	14
Total	<u>\$586,985</u>	<u>\$451,637</u>	<u>\$135,348</u>

2002 Budget vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$124,376	\$125,762	\$1,386
Special Revenue	220,385	216,685	(3,700)
Debt Service	28,005	28,000	(5)
Total	<u>\$372,766</u>	<u>\$370,447</u>	<u>(\$2,319)</u>

GREENE TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2003 AND DECEMBER 31, 2002

3. **BUDGETARY ACTIVITY** (continued)

2002 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$202,000	\$152,346	\$49,654
Special Revenue	369,400	233,945	135,455
Debt Service	28,001	27,996	5
 Total	 \$599,401	 \$414,287	 \$185,114

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.

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

Tangible personal property tax is assessed to 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**

Employees belong to the Public Employees Retirement System (PERS) of Ohio, PERS is a cost-sharing, multiple-employer defined pension 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 2003 and 2002, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for 2003. The Township has paid all contributions required through December 31, 2003.

GREENE TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2003 AND DECEMBER 31, 2002

6. **RISK MANAGEMENT**

The Township belongs to the Ohio Government Risk Management Plan (the "Plan"), an unincorporated non-profit association with over 600 governmental entity members providing a formalized, jointly administered self-insurance risk management program and other administrative services.

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is deemed a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each members needs. The Plan pays judgments settlements and other expenses resulting from covered claims that exceed the members deductible.

The Plan uses conventional insurance coverages and reinsures these coverages 100% rather than using a risk pool of member funds to pay individual and collective losses. Therefore, the individual members are only responsible for their self-retention (deductible) amounts which vary from member to member.

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Trustees
Greene Township, Wayne County
4781 Egypt Road
Smithville, OH 44677

We have audited the financial statements of Greene Township, Wayne County (the Township), as of and for the years ended December 31, 2003 and December 31, 2002, and have issued our report thereon dated May 27, 2004. 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 and contracts, 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 an immaterial instance of noncompliance that we have reported to management of the Township in a separate letter dated May 27, 2004.

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 operations that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that we have reported to management of the Township in a separate letter dated May 27, 2004

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* (continued)

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 Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than those specified parties.



GARY B. FINK & ASSOCIATES, INC.
Certified Public Accountants

May 27, 2004



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

GREENE TOWNSHIP

WAYNE 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
AUGUST 31, 2004**