



Mary Taylor, CPA  
Auditor of State



**SILVERCREEK TOWNSHIP  
GREENE COUNTY**

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Silvercreek Township  
Greene County  
3 North Sycamore Street  
Jamestown, Ohio 45335

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Silvercreek Township, Greene County, (the Township), as of and for the years ended December 31, 2006 and 2005, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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. The Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis 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 respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Silvercreek Township, Greene County, as of December 31, 2006 and 2005, and the respective changes in financial position thereof and the respective budgetary comparisons for the General, Gas Tax, Motor Vehicle License Tax (2006 only), Road and Bridge, Cemetery (2006 only), Fire District, Permissive Motor Vehicle License Tax (2006 only) and Ambulance and EMS Service Funds, for the years then ended in conformity with accounting principles generally accepted in the United States of America.

For the years ended December 31, 2006 and 2005, the Township revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.

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In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2008, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

February 5, 2008

**SILVERCREEK TOWNSHIP  
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

This discussion and analysis of the Silvercreek Township's financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2006, within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

**Highlights**

Key highlights for 2006 are as follows:

- The Township's general receipts are primarily property taxes and grants and entitlements. These receipts represent respectively 34.1 and 15.3 percent of the total cash received for governmental activities during the year. Property tax and grants and entitlement receipts for 2006 changed very little compared to 2005.
- The township paid \$23,645 in Workers Compensation premiums in 2006 for payroll reporting period January 1, 2005 – December 31, 2005.
- The township contracted with Ray Hensley through the Greene County Engineer's office for road resurfacing project in the amount of \$48,255.

**Using the Basic Financial Statements**

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's cash basis of accounting.

**Report Components**

The statement of net assets and the statement of activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

**SILVERCREEK TOWNSHIP  
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)**

**Reporting the Government as a Whole**

The statement of net assets and the statement of activities reflect how the Township did financially during 2006, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other non-financial factors as well such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property and income taxes.

In the statement of net assets and the statement of activities, we divide the Township into two types of activities:

**Governmental activities.** Most of the Township's basic services are reported here, including ambulance and EMS service, fire, and road and bridge. State grants and income and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

There were no business-type activities at the Township.

**Reporting the Government's Most Significant Funds**

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Township are governmental activities.

**Governmental Funds** - All of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General Fund, Gas Tax Fund, Motor Vehicle License Tax Fund, Road and Bridge Fund, Cemetery Fund, Fire District Fund, Permissive Motor Vehicle License Tax Fund and Ambulance and EMS Services Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.



**SILVERCREEK TOWNSHIP  
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)**

**The Government as a Whole**

Table 1 provides a summary of the Township's net assets for 2006 compared to 2005 on a cash basis:

**(Table 1)  
Net Assets**

	<b>Governmental Activities</b>	
	<b>2006</b>	<b>2005</b>
<b>Assets</b>		
Cash and Cash Equivalents	\$745,088	\$724,841
Total Assets	<u>745,088</u>	<u>724,841</u>
<b>Net Assets</b>		
<b>Restricted</b>		
<b>Permanent Fund:</b>		
Expendable	10,945	10,315
Non-expendable	500	500
Other Purposes	408,585	424,717
Unrestricted	<u>325,058</u>	<u>289,309</u>
Total Net Assets	<u>\$745,088</u>	<u>\$724,841</u>

Table 2 reflects the changes in net assets on a cash basis in 2006 and 2005 for governmental activities.

**(Table 2)  
Changes in Net Assets**

	<b>Governmental Activities</b>	
	<b>2006</b>	<b>2005</b>
<b>Receipts:</b>		
<b>Program Receipts:</b>		
Charges for Services and Sales	\$136,317	\$120,540
Operating Grants and Contributions	156,266	147,019
Total Program Receipts	<u>292,583</u>	<u>267,559</u>
<b>General Receipts:</b>		
Property and Other Local Taxes	216,761	209,445
Grants and Entitlements Not Restricted to Specific Programs	97,252	127,728
Interest	3,177	2,264
Miscellaneous	25,278	14,936
Total General Receipts	<u>342,468</u>	<u>354,373</u>
Total Receipts	<u>635,051</u>	<u>621,932</u>
<b>Disbursements:</b>		
General Government	113,668	107,056
Public Safety	135,750	152,376
Public Works	173,611	160,903
Health	11,651	15,231
Capital Outlay	180,124	87,602
Total Disbursements	<u>614,804</u>	<u>523,168</u>
Change in Net Assets	20,247	98,764
Net Assets, January 1	<u>724,841</u>	<u>626,077</u>
Net Assets, December 31	<u>\$745,088</u>	<u>\$724,841</u>

**SILVERCREEK TOWNSHIP  
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)**

**Governmental Activities**

If you look at the Statement of Activities on page 10, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for capital outlay and public works, which account for 29 and 28 percent of all governmental disbursements, respectively. Public safety also represents a significant cost, about 22 percent. The next two columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

**(Table 3)  
Governmental Activities**

	<b>Total Cost Of Services 2006</b>	<b>Net Cost Of Services 2006</b>	<b>Total Cost Of Services 2005</b>	<b>Net Cost Of Services 2005</b>
General Government	\$113,668	(\$105,813)	\$107,056	(\$ 80,569)
Public Safety	135,750	(4,346)	152,376	(39,547)
Public Works	173,611	(42,187)	160,903	(56,410)
Health	11,651	10,249	15,231	8,519
Capital Outlay	180,124	(180,124)	87,602	(87,602)
Total Expenses	<u>\$614,804</u>	<u>(\$322,221)</u>	<u>\$523,168</u>	<u>(\$255,609)</u>

**The Government's Funds**

Total governmental funds had receipts of \$635,051 and disbursements of \$614,804. A significant change within governmental funds occurred within the General Fund. The fund balance of the General Fund increased \$35,749 as the result of increased costs for salaries and benefits and not achieving anticipated growth in income and property tax receipts.

General Fund receipts were more than disbursements by \$35,749 indicating that the General Fund is in a surplus spending situation.

**General Fund Budgeting Highlights**

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

Budgetary activity is reflected in the budget and actual statements which is part of the financial statements presented.

**SILVERCREEK TOWNSHIP  
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)**

**Current Issues**

The challenge for all Townships is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on local taxes and have no industry to support the tax base.

**Contacting the Government's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Melissa A Smith, Fiscal Officer, Silvercreek Township, 3 North Sycamore Street, Jamestown, Ohio 45335.

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**SILVERCREEK TOWNSHIP  
GREENE COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS  
DECEMBER 31, 2006**

	<b>Governmental Activities</b>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$745,088
Total Assets	<u>745,088</u>
<b>Net Assets</b>	
<b>Restricted for:</b>	
Permanent Fund: Cemetery Bequest	
Expendable	10,945
Non-expendable	500
Other Purposes	408,585
Unrestricted	325,058
Total Net Assets	<u>\$745,088</u>

*See accompanying notes to the basic financial statements.*

**SILVERCREEK TOWNSHIP  
GREENE COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<b>Program Cash Receipts</b>			<b>Net (Disbursements) Receipts and Changes In Net Assets</b>
	<b>Cash Disbursements</b>	<b>Charges for Services and Sales</b>	<b>Operating Grants and Contributions</b>	<b>Governmental Activities</b>
<b>Governmental Activities</b>				
General Government	\$113,668	\$1,781	\$6,074	(\$105,813)
Public Safety	135,750	112,636	18,768	(4,346)
Public Works	173,611		131,424	(42,187)
Health	11,651	21,900		10,249
Capital Outlay	180,124			(180,124)
Total Governmental Activities	<u>\$614,804</u>	<u>\$136,317</u>	<u>\$156,266</u>	<u>(322,221)</u>
<b>General Receipts</b>				
Property Taxes				216,761
Grants and Entitlements not Restricted to Specific Programs				97,252
Earnings on Investments				3,177
Miscellaneous				25,278
Total General Receipts				<u>342,468</u>
Change in Net Assets				20,247
Net Assets Beginning of Year				724,841
Net Assets End of Year				<u>\$745,088</u>

*See accompanying notes to the basic financial statements.*

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**SILVERCREEK TOWNSHIP  
GREENE COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2006**

	<u>General</u>	<u>Gas Tax</u>	<u>Motor Vehicle License Tax</u>	<u>Road and Bridge</u>
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$325,058	\$58,964	\$28,226	\$51,548
Total Assets	<u>325,058</u>	<u>58,964</u>	<u>28,226</u>	<u>51,548</u>
<b>Fund Balances</b>				
<b>Unreserved:</b>				
<b>Undesignated (Deficit), Reported in:</b>				
General Fund	325,058			
Special Revenue Funds		58,964	28,226	51,548
Permanent Fund				
Total Fund Balances	<u>\$325,058</u>	<u>\$58,964</u>	<u>\$28,226</u>	<u>\$51,548</u>

*See accompanying notes to the basic financial statements.*



<u>Cemetery</u>	<u>Fire District</u>	<u>Permissive Motor Vehicle</u>	<u>Ambulance and EMS Service</u>	<u>Other Governmental Funds</u>	<u>Total</u>
\$64,227	\$58,509	\$26,021	\$121,090	\$11,445	\$745,088
<u>64,227</u>	<u>58,509</u>	<u>26,021</u>	<u>121,090</u>	<u>11,445</u>	<u>745,088</u>
64,227	58,509	26,021	121,090		325,058
				11,445	408,585
<u>\$64,227</u>	<u>\$58,509</u>	<u>\$26,021</u>	<u>\$121,090</u>	<u>\$11,445</u>	<u>11,445</u>
					<u>\$745,088</u>

**SILVERCREEK TOWNSHIP  
GREENE COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 200606**

	<u>General</u>	<u>Gas Tax</u>	<u>Motor Vehicle License Tax</u>	<u>Road and Bridge</u>
<b>Receipts</b>				
Property and Other Local Taxes	\$55,489			\$66,265
Charges for Services				
Licenses, Permits and Fees	1,700			
Intergovernmental	103,326	\$86,201	\$7,610	30,762
Earnings on Investments	2,158	472	417	
Miscellaneous	8,687			5,841
Total Receipts	<u>171,360</u>	<u>86,673</u>	<u>8,027</u>	<u>102,868</u>
<b>Disbursements</b>				
<b>Current:</b>				
General Government	112,611			
Public Safety				
Public Works		75,171	5,458	90,673
Health	4,820			
Capital Outlay	18,180	50,804	6,213	15,850
Total Disbursements	<u>135,611</u>	<u>125,975</u>	<u>11,671</u>	<u>106,523</u>
Net Change in Fund Balances	35,749	(39,302)	(3,644)	(3,655)
Fund Balances Beginning of Year	<u>289,309</u>	<u>98,266</u>	<u>31,870</u>	<u>55,203</u>
Fund Balances End of Year	<u>\$325,058</u>	<u>\$58,964</u>	<u>\$28,226</u>	<u>\$51,548</u>

*See accompanying notes to the basic financial statements.*

<u>Cemetery</u>	<u>Fire District</u>	<u>Permissive Motor Vehicle License</u>	<u>Ambulance and EMS Service</u>	<u>Other Governmental Funds</u>	<u>Total</u>
	\$95,007				\$216,761
	6,000		\$106,636		112,636
\$16,800					18,500
	9,768	\$6,851	9,000		253,518
				\$130	3,177
12,159	3,272			500	30,459
<u>28,959</u>	<u>114,047</u>	<u>6,851</u>	<u>115,636</u>	<u>630</u>	<u>635,051</u>
			1,057		113,668
	79,910		55,840		135,750
		2,309			173,611
6,831					11,651
10,957	16,663	643	60,814		180,124
<u>17,788</u>	<u>96,573</u>	<u>2,952</u>	<u>117,711</u>		<u>614,804</u>
11,171	17,474	3,899	(2,075)	630	20,247
53,056	41,035	22,122	123,165	10,815	724,841
<u>53,056</u>	<u>41,035</u>	<u>22,122</u>	<u>123,165</u>	<u>10,815</u>	<u>724,841</u>
<u>\$64,227</u>	<u>\$58,509</u>	<u>\$26,021</u>	<u>\$121,090</u>	<u>\$11,445</u>	<u>\$745,088</u>

**SILVERCREEK TOWNSHIP  
GREENE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL-BUDGET BASIS  
GENERAL FUND  
OR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
<b>Receipts</b>				
Property and Other Local Taxes	\$48,000	\$53,678	\$55,489	\$1,811
Licenses, Fees & Permits	1,000	1,000	1,700	700
Intergovernmental	45,519	90,519	103,326	12,807
Earnings on Investments	600	600	2,158	1,558
Miscellaneous	10,255	10,255	8,687	(1,568)
Total receipts	<u>105,374</u>	<u>156,052</u>	<u>171,360</u>	<u>15,308</u>
<b>Disbursements</b>				
<b>Current:</b>				
General Government	275,000	275,000	112,611	162,389
Health	65,000	70,678	4,820	65,858
Capital Outlay	54,683	54,683	18,180	36,503
Total Disbursements	<u>394,683</u>	<u>400,361</u>	<u>135,611</u>	<u>264,750</u>
Net Change in Fund Balance	(289,309)	(244,309)	35,749	280,058
Fund Balance Beginning of Year	<u>289,309</u>	<u>289,309</u>	<u>289,309</u>	<u></u>
Fund Balance End of Year	<u>\$0</u>	<u>\$45,000</u>	<u>\$325,058</u>	<u>\$280,058</u>

*See accompanying notes to the basic financial statements.*

**SILVERCREEK TOWNSHIP  
GREENE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL-BUDGET BASIS  
GASOLINE TAX FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Intergovernmental	\$52,000	\$72,000	\$86,201	\$14,201
Earnings on Investments	1,600	1,600	472	(1,128)
Miscellaneous	1,000	1,000		(1,000)
Total receipts	<u>54,600</u>	<u>74,600</u>	<u>86,673</u>	<u>12,073</u>
<b>Disbursements</b>				
<b>Current:</b>				
Public Works	117,000	117,000	75,171	41,829
Capital Outlay	35,866	55,866	50,804	5,062
Total Disbursements	<u>152,866</u>	<u>172,866</u>	<u>125,975</u>	<u>46,891</u>
Net Change in Fund Balance	(98,266)	(98,266)	(39,302)	58,964
Fund Balance Beginning of Year	<u>98,266</u>	<u>98,266</u>	<u>98,266</u>	
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$58,964</u></u>	<u><u>\$58,964</u></u>

*See accompanying notes to the basic financial statements.*

**SILVERCREEK TOWNSHIP  
GREENE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL-BUDGET BASIS  
MOTOR VEHICLE LICENSE TAX FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Intergovernmental	\$7,000	\$7,000	\$7,610	\$610
Earnings on Investments	500	500	417	(83)
Miscellaneous	500	500		(500)
Total receipts	<u>8,000</u>	<u>8,000</u>	<u>8,027</u>	<u>27</u>
<b>Disbursements</b>				
<b>Current:</b>				
Public Works	31,000	31,000	5,458	25,542
Capital Outlay	8,870	8,870	6,213	2,657
Total Disbursements	<u>39,870</u>	<u>39,870</u>	<u>11,671</u>	<u>28,199</u>
Net Change in Fund Balance	(31,870)	(31,870)	(3,644)	28,226
Fund Balance Beginning of Year	<u>31,870</u>	<u>31,870</u>	<u>31,870</u>	
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$28,226</u></u>	<u><u>\$28,226</u></u>

*See accompanying notes to the basic financial statements.*

**SILVERCREEK TOWNSHIP  
GREENE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL-BUDGET BASIS  
ROAD AND BRIDGE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$60,000	\$64,603	\$66,265	\$1,662
Intergovernmental	8,000	8,000	30,762	22,762
Miscellaneous	6,000	26,000	5,841	(20,159)
Total receipts	<u>74,000</u>	<u>98,603</u>	<u>102,868</u>	<u>4,265</u>
<b>Disbursements</b>				
<b>Current:</b>				
Public Works	116,000	136,000	90,673	45,327
Other	13,203	17,806	15,850	1,956
Total Disbursements	<u>129,203</u>	<u>153,806</u>	<u>106,523</u>	<u>47,283</u>
Net Change in Fund Balance	(55,203)	(55,203)	(3,655)	51,548
Fund Balance Beginning of Year	<u>55,203</u>	<u>55,203</u>	<u>55,203</u>	
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$51,548</u></u>	<u><u>\$51,548</u></u>

*See accompanying notes to the basic financial statements.*

**SILVERCREEK TOWNSHIP  
GREENE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL-BUDGET BASIS  
CEMETERY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Licenses, Permits and Fees	\$18,000	\$18,000	\$16,800	(\$1,200)
Miscellaneous	10,000	10,000	12,159	2,159
Total receipts	<u>28,000</u>	<u>28,000</u>	<u>28,959</u>	<u>959</u>
<b>Disbursements</b>				
<b>Current:</b>				
Health	65,000	65,000	6,831	58,169
Capital Outlay	16,056	16,056	10,957	5,099
Total Disbursements	<u>81,056</u>	<u>81,056</u>	<u>17,788</u>	<u>63,268</u>
Net Change in Fund Balance	(53,056)	(53,056)	11,171	64,227
Fund Balance Beginning of Year	<u>53,056</u>	<u>53,056</u>	<u>53,056</u>	
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$64,227</u></u>	<u><u>\$64,227</u></u>

*See accompanying notes to the basic financial statements.*



**SILVERCREEK TOWNSHIP  
GREENE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL-BUDGET BASIS  
FIRE DISTRICT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Property Taxes	\$70,000	\$90,267	\$95,007	\$4,740
Charges for Services	6,000	6,000	6,000	
Intergovernmental	8,000	8,000	9,768	1,768
Miscellaneous	9,000	9,000	3,272	(5,728)
Total receipts	<u>93,000</u>	<u>113,267</u>	<u>114,047</u>	<u>780</u>
<b>Disbursements</b>				
Current:				
Public Safety	112,000	132,267	79,910	52,357
Capital Outlay	22,035	22,035	16,663	5,372
Total Disbursements	<u>134,035</u>	<u>154,302</u>	<u>96,573</u>	<u>57,729</u>
Net Change in Fund Balance	(41,035)	(41,035)	17,474	58,509
Fund Balance Beginning of Year	<u>41,035</u>	<u>41,035</u>	<u>41,035</u>	
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$58,509</u></u>	<u><u>\$58,509</u></u>

*See accompanying notes to the basic financial statements.*

**SILVERCREEK TOWNSHIP  
GREENE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL-BUDGET BASIS  
PERMISSIVE MOTOR VEHICLE LICENSE TAX FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Intergovernmental	\$6,000	\$6,000	\$6,851	\$851
Earnings on Investments	500	300		(300)
Miscellaneous	500	500		(500)
Total receipts	<u>7,000</u>	<u>6,800</u>	<u>6,851</u>	<u>51</u>
<b>Disbursements</b>				
<b>Current:</b>				
Public Safety	24,000	24,000	2,309	21,691
Capital Outlay	5,122	4,922	643	4,279
Total Disbursements	<u>29,122</u>	<u>28,922</u>	<u>2,952</u>	<u>25,970</u>
Net Change in Fund Balance	(22,122)	(22,122)	3,899	26,021
Fund Balance Beginning of Year	<u>22,122</u>	<u>22,122</u>	<u>22,122</u>	
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$26,021</u></u>	<u><u>\$26,021</u></u>

*See accompanying notes to the basic financial statements.*

**SILVERCREEK TOWNSHIP  
GREENE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL-BUDGET BASIS  
AMBULANCE AND EMS SERVICE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Charges for Services	\$60,000	\$100,000	\$106,636	\$6,636
Miscellaneous	7,000	7,000	9,000	2,000
Total receipts	<u>67,000</u>	<u>107,000</u>	<u>115,636</u>	<u>8,636</u>
<b>Disbursements</b>				
<b>Current:</b>				
General Government		6,000	1,057	4,943
Public Safety	125,000	119,000	55,840	63,160
Capital Outlay	65,165	85,165	60,814	24,351
Total Disbursements	<u>190,165</u>	<u>210,165</u>	<u>117,711</u>	<u>92,454</u>
Net Change in Fund Balance	(123,165)	(103,165)	(2,075)	101,090
Fund Balance Beginning of Year	<u>123,165</u>	<u>123,165</u>	<u>123,165</u>	
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$20,000</u></u>	<u><u>\$121,090</u></u>	<u><u>\$101,090</u></u>

*See accompanying notes to the basic financial statements.*

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**SILVERCREEK TOWNSHIP  
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)**

**1. REPORTING ENTITY**

The Silvercreek Township, Greene County, Ohio is a body politic and corporate 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 also has an elected Township Fiscal Officer.

**A. Primary Government**

The primary government consists of all funds and the Board of Trustees that are not legally separate from the Township. The Township provides general government services and maintenance of Township roads and bridges. The Township Fire and EMS provides services to the residents of Silvercreek Township, including the Village of Jamestown and portions of Ross Township. Police protection is provided by the Greene County Sheriff's office and the Village of Jamestown police department.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Township's accounting policies.

**A. Basis of Presentation**

The Township's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**1. Government-Wide Financial Statements**

The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the Township that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. The Township has no business-type activities.

The statement of net assets presents the cash and investment balances of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Township's general receipts.

**SILVERCREEK TOWNSHIP  
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)**

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

**2. Fund Financial Statements**

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

**B. Fund Accounting**

The Township uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use.

**1. Governmental Funds**

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Township's major governmental funds are the General Fund, Gas Tax Fund, Motor Vehicle License Tax Fund, Road and Bridge Fund, Cemetery Fund, Fire District Fund, Permissive Motor Vehicle License Tax Fund and Ambulance and EMS Service Fund. The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

The other major governmental funds of the Township are the Gas Tax Fund, Motor Vehicle License Tax Fund, Road and Bridge Fund, Cemetery Fund, Fire District Fund, Permissive Motor Vehicle License Tax Fund and the Ambulance and EMS Service Fund. The Gasoline Tax Fund receives gas tax monies from the County and is used for constructing, maintaining and repairing township roads. The Motor Vehicle License Tax Fund and the Permissive Motor Vehicle License Tax Fund receive County and State levied license tax money from the County and is used for constructing, maintaining and repairing Township roads. The Road and Bridge Fund is financed by property taxes. Expenditures are for the upkeep and maintenance of roads and road department personnel and benefits. The Cemetery fund is financed by the sale of cemetery lots and fees generated from grave opening and closings. Disbursements are for the upkeep and maintenance of the cemetery. The Fire District Fund receives almost all its revenue from tax levies. Disbursements are for maintenance of fire trucks, personnel and other fire department related expenditures. The Ambulance and EMS Service Fund receives almost all its revenues from EMS billings. Disbursements are for the operation of the EMS and ambulance services.

The other governmental funds of the Township account for grants and other resources whose use is restricted to a particular purpose.

**SILVERCREEK TOWNSHIP  
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)**

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

**C. Basis of Accounting**

The Township's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Township are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.

**D. Budgetary Process**

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriations ordinance is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, department, and object level for all funds

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Clerk. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the Township.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

**E. Cash and Investments**

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

During 2006, the Township invested in nonnegotiable certificates of deposit. The nonnegotiable certificates of deposit are reported at cost.

**SILVERCREEK TOWNSHIP  
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)**

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

Interest earnings are allocated to Township funds according to State statutes. Interest receipts credited to the General Fund during 2006 was \$2,158 which includes \$772 assigned from other funds.

**F. Inventory and Prepaid Items**

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

**G. Capital Assets**

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

**H. Interfund Receivables/Payables**

The Township reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

**I. Accumulated Leave**

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

**J. Employer Contributions to Cost-Sharing Pension Plans**

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

**K. Net Assets**

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

**L. Fund Balance Reserves**

The Township reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. The Township had no reserves at year end.

**M. Interfund Transactions**

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.



**SILVERCREEK TOWNSHIP  
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)**

**3. CHANGE IN BASIS OF ACCOUNTING AND RESTATEMENT OF FUND EQUITY**

For the year ended December 31, 2006, the Township has implemented GASB Statement No. 46 for net assets restricted by enabling legislation. Statement No. 46 establishes that any amount of the primary government's net assets at the end of the reporting period restricted by enabling legislation should be disclosed in the notes to the financial statements.

**4. BUDGETARY BASIS OF ACCOUNTING**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund, gas tax fund, motor vehicle license tax fund, road and bridge fund, cemetery fund, fire district fund, permissive motor vehicle license tax fund and ambulance and EMS service fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis) and outstanding year end advances are treated as another financing source or use (budgetary basis) rather than as an interfund receivable or payable. The Township had no outstanding encumbrances at year end.

**5. DEPOSITS AND INVESTMENTS**

Monies held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

**SILVERCREEK TOWNSHIP  
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)**

**5. DEPOSITS AND INVESTMENTS (Continued)**

3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$662,640 of the Township's bank balance of \$778,653 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

**6. PROPERTY TAXES**

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2006 represent the collection of 2005 taxes. Real property taxes received in 2006 were levied after October 1, 2005, on the assessed values as of January 1, 2005, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

**SILVERCREEK TOWNSHIP  
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)**

**6. PROPERTY TAXES (Continued)**

Public utility property tax receipts received in 2006 represent the collection of 2005 taxes. Public utility real and tangible personal property taxes received in 2006 became a lien on December 31, 2005, were levied after October 1, 2005, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2006 represent the collection of 2006 taxes. Tangible personal property taxes received in 2005 were levied after October 1, 2005, on the true value as of December 31, 2005. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all Township operations for the year ended December 31, 2006, was \$6.40 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2006 property tax receipts were based are as follows:

Real Property	
Residential/Agricultural	\$34,593,620
Tangible Personal Property	
Business	357,100
Public Utility	1,663,080
Total Assessed Value	<u>\$36,613,800</u>

**7. RISK MANAGEMENT**

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2006, the Township contracted with EMC (Employers Mutual Casualty Company) through Swartzel Affiliated Insurance Service, 1755 Big Hill Rd., Dayton, Ohio 45439-2201, for insurance coverage. Coverage: Blanket Building, Contents and Property in the open, \$266,381 and Business Income other than rental value, \$100,000.

Each Trustee has a bond of \$5,000 and the Fiscal Officer a bond of \$25,000.

The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The System administers and pays all claims. Premium payments made are for the prior year reporting period. Payment in the amount of \$23,645 was made to the Ohio Bureau of Workers Compensation.

The Township does not carry health insurance for its employees but will reimburse employees up to \$300 for insurance coverage.

**SILVERCREEK TOWNSHIP  
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)**

**8. DEFINED BENEFIT PENSION PLAN**

**Ohio Public Employees Retirement System**

The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

For the year ended December 31, 2006, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 9 percent of their annual covered salaries. The Township's contribution rate for pension benefits for 2006 was 13.70 percent, except for those plan members in law enforcement or public safety. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2006 and 2005 were \$15,866 and \$14,964 respectively. The full amount has been contributed for 2006 and 2005.

**9. POST-EMPLOYMENT BENEFITS**

**Ohio Public Employees Retirement System**

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and qualified survivor benefit recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2006 local government employer contribution rate was 13.7 percent of covered payroll; 4.50 percent of covered payroll was the portion that was used to fund health care.

**SILVERCREEK TOWNSHIP  
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)**

**9. POST-EMPLOYMENT BENEFITS (Continued)**

Benefits are advance-funded using the individual age actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2005, include a rate of return on investments of 6.50 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.30 percent based on additional annual pay increases. Health care premiums were assumed to increase between .50 and 6.00 percent annually for the next nine years and 4.00 percent annually after nine years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12 percent corridor.

The number of active contributing participants in the traditional and combined plans was 369,214. The number of active contributing participants for both plans used in the December 31, 2005, actuarial valuation was 358,804. Actual employer contributions for 2006 which were used to fund post-employment benefits were \$5,211. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2005, (the latest information available) were \$11.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$31.3 billion and \$20.2 billion, respectively.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. To improve the solvency of the Health Care Fund, OPERS created a separate investment pool for health care assets. Member and employer contribution rates increased as of January 1, 2006, and January 1, 2007, which will allow additional funds to be allocated to the health care plan.

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**SILVERCREEK TOWNSHIP  
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

This discussion and analysis of the Silvercreek Township's financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2005, within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

**Highlights**

Key highlights for 2005 are as follows:

- The Township's general receipts are primarily property taxes and grants and entitlements. These receipts represent respectively 33.7 and 20.5 percent of the total cash received for governmental activities during the year. Property tax and grants and entitlement receipts for 2005 changed very little compared to 2004.
- The Township paid Ohio Worker's Compensation \$17,971 in 2005 for reporting year January 1, 2004 to December 31, 2004.
- The Township contracted with Ray Hensley through the Greene County Engineer's office for a road resurfacing project in the amount of \$36, 282.

**Using the Basic Financial Statements**

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's cash basis of accounting.

**Report Components**

The statement of net assets and the statement of activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

**SILVERCREEK TOWNSHIP  
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2005  
(Continued)**

**Reporting the Government as a Whole**

The statement of net assets and the statement of activities reflect how the Township did financially during 2005, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other non-financial factors as well such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

In the statement of net assets and the statement of activities, we reflect the Township's financial data in the governmental funds.

**Governmental activities.** Most of the Township's basic services are reported here, including ems and ambulance, fire, and road and bridge. State grants and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

There were no business-type activities at the Township.

**Reporting the Government's Most Significant Funds**

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Township are all governmental.

**Governmental Funds** - Most of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column.

The Township's major governmental funds are the General Fund, Gas Tax Fund, Road and Bridge Fund, Fire District Fund, Ambulance and EMS Services Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.



**SILVERCREEK TOWNSHIP  
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2005  
(Continued)**

**The Government as a Whole**

Table 1 provides a summary of the Township's net assets for 2005. Since the Township did not prepare financial statement in this format for 2004, a comparative analysis of government-wide data has not been presented. In future years, when prior year information is available, a comparative analysis will be presented:

**(Table 1)  
Net Assets**

	<b>Governmental Activities 2005</b>
<b>Assets</b>	
Cash and Cash Equivalents	\$724,841
Total Assets	724,841
<b>Net Assets</b>	
<b>Restricted</b>	
<b>Permanent Fund:</b>	
Expendable	10,315
Non-expendable	500
Other Purposes	424,717
Unrestricted	289,309
Total Net Assets	\$724,841

Table 2 reflects the changes in net assets on a cash basis in 2005 for governmental activities. Since the Township did not prepare financial statement in this format for 2004, a comparative analysis of government-wide data has not been presented. In future years, when prior year information is available, a comparative analysis will be presented:

**(Table 2)  
Changes in Net Assets**

	<b>Governmental Activities 2005</b>
<b>Receipts:</b>	
<b>Program Receipts:</b>	
Charges for Services and Sales	\$120,540
Operating Grants and Contributions	147,019
Total Program Receipts	267,559
<b>General Receipts:</b>	
Property and Other Local Taxes	209,445
Grants and Entitlements Not Restricted to Specific Programs	127,728
Interest	2,264
Miscellaneous	14,936
Total General Receipts	354,373
Total Receipts	621,932

(Continued)

**SILVERCREEK TOWNSHIP  
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2005  
(Continued)**

**(Table 2)  
Changes in Net Assets  
(Continued)**

	<b>Governmental Activities 2005</b>
<b>Disbursements:</b>	
General Government	107,056
Public Safety	152,376
Public Works	160,903
Health	15,231
Capital Outlay	87,602
Total Disbursements	<u>523,168</u>
 Change in Net Assets	 98,764
 Net Assets, January 1	 <u>626,077</u>
Net Assets, December 31	<u><u>\$724,841</u></u>

**Governmental Activities**

If you look at the Statement of Activities on page 42, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for public works and public safety, which account for 31 and 29 percent of all governmental disbursements, respectively. General government also represents a significant cost, about 20 percent. The next two columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

**(Table 3)  
Governmental Activities**

	<b>Total Cost Of Services 2005</b>	<b>Net Cost Of Services 2005</b>
General Government	\$107,056	(\$ 80,569)
Public Safety	152,376	(39,547)
Public Works	160,903	(56,410)
Health	15,231	8,519
Capital Outlay	87,602	(87,602)
Total Expenses	<u>\$523,168</u>	<u>(\$255,609)</u>

**The Government's Funds**

Total governmental funds had receipts of \$621,932 and disbursements of \$523,168. The greatest change within governmental funds occurred within the General Fund. The fund balance of the General Fund increased \$83,370 as the result of property tax and intergovernmental receipts exceeding the costs for salaries and benefits.

General Fund receipts were more than disbursements by \$83,370 indicating that the General Fund is in a surplus spending situation.

**SILVERCREEK TOWNSHIP  
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2005  
(Continued)**

**General Fund Budgeting Highlights**

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

Budgetary activity is reflected in the budget and actual statements which is part of the financial statements presented.

**Current Issues**

The challenge for all Townships is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on local taxes and have no industry to support the tax base.

**Contacting the Government's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Melissa A. Smith, Fiscal Officer, Silvercreek Township, 3 North Sycamore Street, Jamestown, Ohio 45335.

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**SILVERCREEK TOWNSHIP  
GREENE COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS  
DECEMBER 31, 2005**

	<b>Governmental Activities</b>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$724,841
Total Assets	724,841
 <b>Net Assets</b>	
<b>Restricted for:</b>	
<b>Permanent Fund: Cemetery Bequest</b>	
Expendable	10,315
Nonexpendable	500
Other Purposes	424,717
Unrestricted	289,309
Total Net Assets	\$724,841

*See accompanying notes to the basic financial statements.*

**SILVERCREEK TOWNSHIP  
GREENE COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<b>Program Cash Receipts</b>			<b>Net (Disbursements) Receipts and Changes in Net Assets</b>
<b>Cash Disbursements</b>	<b>Charges for Services and Sales</b>	<b>Operating Grants and Contributions</b>	<b>Governmental Activities</b>	
<b>Governmental Activities</b>				
General Government	\$107,056	\$1,181	\$25,306	(\$80,569)
Public Safety	152,376	95,609	17,220	(39,547)
Public Works	160,903		104,493	(56,410)
Health	15,231	23,750		8,519
Capital Outlay	87,602			(87,602)
Total Governmental Activities	\$523,168	\$120,540	\$147,019	(255,609)
<b>General Receipts</b>				
Property Taxes				209,445
Grants and Entitlements not Restricted to Specific Programs				127,728
Earnings on Investments				2,264
Miscellaneous				14,936
Total General Receipts				354,373
Change in Net Assets				98,764
Net Assets Beginning of Year				626,077
Net Assets End of Year				\$724,841

*See accompanying notes to the basic financial statements.*

**SILVERCREEK TOWNSHIP  
GREENE COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2005**

	<u>General</u>	<u>Gas Tax</u>	<u>Road and Bridge</u>	<u>Fire District</u>	<u>Ambulance and EMS Service</u>	<u>Other Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>							
Equity in Pooled Cash and Cash Equivalents	<u>\$289,309</u>	<u>\$98,266</u>	<u>\$55,203</u>	<u>\$41,035</u>	<u>\$123,165</u>	<u>\$117,863</u>	<u>\$724,841</u>
Total Assets	<u>289,309</u>	<u>98,266</u>	<u>55,203</u>	<u>41,035</u>	<u>123,165</u>	<u>117,863</u>	<u>724,841</u>
<b>Fund Balances</b>							
<b>Unreserved:</b>							
<b>Undesignated (Deficit), Reported in:</b>							
General Fund	289,309						289,309
Special Revenue Funds		98,266	55,203	41,035	123,165	107,048	424,717
Permanent Fund						10,815	10,815
Total Fund Balances	<u>\$289,309</u>	<u>\$98,266</u>	<u>\$55,203</u>	<u>\$41,035</u>	<u>\$123,165</u>	<u>\$117,863</u>	<u>\$724,841</u>

See accompanying notes to the basic financial statements.

**SILVERCREEK TOWNSHIP  
GREENE COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>General</u>	<u>Gas Tax</u>	<u>Road and Bridge</u>	<u>Fire District</u>	<u>Ambulance and EMS Service</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>Receipts</b>							
Property and Other Local Taxes	\$53,051		\$63,035	\$93,359			\$209,445
Charges for Services				6,000	\$89,609		95,609
Licenses, Permits and Fees	1,100					\$16,850	17,950
Intergovernmental	153,034	\$77,233	13,045	9,477	3,000	18,958	274,747
Earnings on Investments	1,441	368				455	2,264
Miscellaneous	8,212			2,763	2,304	8,638	21,917
<b>Total Receipts</b>	<u>216,838</u>	<u>77,601</u>	<u>76,080</u>	<u>111,599</u>	<u>94,913</u>	<u>44,901</u>	<u>621,932</u>
<b>Disbursements</b>							
<b>Current:</b>							
General Government	107,056						107,056
Public Safety				103,745	43,888	4,743	152,376
Public Works		75,573	75,102			10,228	160,903
Health	6,112					9,119	15,231
Capital Outlay	20,300		635	24,630	32,638	9,399	87,602
<b>Total Disbursements</b>	<u>133,468</u>	<u>75,573</u>	<u>75,737</u>	<u>128,375</u>	<u>76,526</u>	<u>33,489</u>	<u>523,168</u>
<b>Net Change in Fund Balances</b>	<u>83,370</u>	<u>2,028</u>	<u>343</u>	<u>(16,776)</u>	<u>18,387</u>	<u>11,412</u>	<u>98,764</u>
<b>Fund Balances Beginning of Year</b>	<u>205,939</u>	<u>96,238</u>	<u>54,860</u>	<u>57,811</u>	<u>104,778</u>	<u>106,451</u>	<u>626,077</u>
<b>Fund Balances End of Year</b>	<u>\$289,309</u>	<u>\$98,266</u>	<u>\$55,203</u>	<u>\$41,035</u>	<u>\$123,165</u>	<u>\$117,863</u>	<u>\$724,841</u>

See accompanying notes to the basic financial statements.



**SILVERCREEK TOWNSHIP  
GREENE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL-BUDGET BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Positive (Negative)</u>
<b>Receipts</b>				
Property and Other Local Taxes	\$50,000	\$50,000	\$53,051	\$3,051
Licenses, Permits and Fees	1,000	1,000	1,100	100
Intergovernmental	51,519	121,519	153,034	31,515
Earnings on Investments	1,000	1,000	1,441	441
Miscellaneous	6,141	6,141	8,212	2,071
Total receipts	<u>109,660</u>	<u>179,660</u>	<u>216,838</u>	<u>37,178</u>
<b>Disbursements</b>				
<b>Current:</b>				
General Government	230,599	230,599	107,056	123,543
Health	60,000	60,000	6,112	53,888
Capital Outlay	25,000	25,000	20,300	4,700
Total Disbursements	<u>315,599</u>	<u>315,599</u>	<u>133,468</u>	<u>182,131</u>
Net Change in Fund Balance	(205,939)	(135,939)	83,370	219,309
Fund Balance Beginning of Year	<u>205,939</u>	<u>205,939</u>	<u>205,939</u>	
Fund Balance End of Year	<u>\$0</u>	<u>\$70,000</u>	<u>\$289,309</u>	<u>\$219,309</u>

*See accompanying notes to the basic financial statements.*

**SILVERCREEK TOWNSHIP  
GREENE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL-BUDGET BASIS  
GASOLINE TAX FUND  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Intergovernmental	\$52,000	\$52,000	\$77,233	\$25,233
Earnings on Investments	600	600	368	(232)
Miscellaneous	1,000	1,000		(1,000)
Total receipts	<u>53,600</u>	<u>53,600</u>	<u>77,601</u>	<u>24,001</u>
<b>Disbursements</b>				
<b>Current:</b>				
Public Works	130,000	130,000	75,573	54,427
Capital Outlay	19,838	19,838		19,838
Total Disbursements	<u>149,838</u>	<u>149,838</u>	<u>75,573</u>	<u>74,265</u>
Net Change in Fund Balance	(96,238)	(96,238)	2,028	98,266
Fund Balance Beginning of Year	<u>96,238</u>	<u>96,238</u>	<u>96,238</u>	
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$98,266</u></u>	<u><u>\$98,266</u></u>

*See accompanying notes to the basic financial statements.*

**SILVERCREEK TOWNSHIP  
GREENE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL-BUDGET BASIS  
ROAD AND BRIDGE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Property and Other Local Taxes	\$60,000	\$60,000	\$63,035	\$3,035
Intergovernmental	7,000	7,000	13,045	6,045
Miscellaneous	10,000	9,000		(9,000)
Total receipts	<u>77,000</u>	<u>76,000</u>	<u>76,080</u>	<u>80</u>
<b>Disbursements</b>				
<b>Current:</b>				
Public Works	120,000	120,000	75,102	44,898
Capital Outlay	11,860	10,860	635	10,225
Total Disbursements	<u>131,860</u>	<u>130,860</u>	<u>75,737</u>	<u>55,123</u>
Net Change in Fund Balance	(54,860)	(54,860)	343	55,203
Fund Balance Beginning of Year	<u>54,860</u>	<u>54,860</u>	<u>54,860</u>	
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$55,203</u></u>	<u><u>\$55,203</u></u>

*See accompanying notes to the basic financial statements.*

**SILVERCREEK TOWNSHIP  
GREENE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL-BUDGET BASIS  
FIRE DISTRICT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
<b>Receipts</b>				
Property and Other Local Taxes	\$87,000	\$87,000	\$93,359	\$6,359
Charges for Services	7,000	7,000	6,000	(1,000)
Intergovernmental	10,000	10,000	9,477	(523)
Miscellaneous	9,000	7,500	2,763	(4,737)
Total receipts	<u>113,000</u>	<u>111,500</u>	<u>111,599</u>	<u>99</u>
<b>Disbursements</b>				
<b>Current:</b>				
Public Safety	126,811	135,811	103,745	32,066
Capital Outlay	44,000	33,500	24,630	8,870
Total Disbursements	<u>170,811</u>	<u>169,311</u>	<u>128,375</u>	<u>40,936</u>
Net Change in Fund Balance	(57,811)	(57,811)	(16,776)	41,035
Fund Balance Beginning of Year	<u>57,811</u>	<u>57,811</u>	<u>57,811</u>	<u>                    </u>
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$41,035</u></u>	<u><u>\$41,035</u></u>

*See accompanying notes to the basic financial statements.*

**SILVERCREEK TOWNSHIP  
GREENE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL-BUDGET BASIS  
AMBULANCE AND EMS SERVICE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Charges for Services	\$42,000	\$72,000	\$89,609	\$17,609
Intergovernmental			3,000	3,000
Miscellaneous	20,000	20,000	2,304	(17,696)
Total receipts	<u>62,000</u>	<u>92,000</u>	<u>94,913</u>	<u>2,913</u>
<b>Disbursements</b>				
<b>Current:</b>				
Public Works	105,000	105,000	43,888	61,112
Capital Outlay	61,778	61,778	32,638	29,140
Total Disbursements	<u>166,778</u>	<u>166,778</u>	<u>76,526</u>	<u>90,252</u>
Net Change in Fund Balance	(104,778)	(74,778)	18,387	93,165
Fund Balance Beginning of Year	<u>104,778</u>	<u>104,778</u>	<u>104,778</u>	
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$30,000</u></u>	<u><u>\$123,165</u></u>	<u><u>\$93,165</u></u>

*See accompanying notes to the basic financial statements.*

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**SILVERCREEK TOWNSHIP  
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

**1. REPORTING ENTITY**

The Silvercreek Township, Greene County, Ohio, is a body politic and corporate 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 also has an elected Township Clerk.

**A. Primary Government**

The primary government consists of all funds and the Board of Trustees that are not legally separate from the Township. The Township provides general government services and maintenance of Township roads and bridges. The Township Fire and EMS provides services to the residents of Silvercreek Township, including the Village of Jamestown and portions of Ross Township. Police protection is provided by the Greene County Sheriff's office and the Village of Jamestown police department.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Township's accounting policies.

**A. Basis of Presentation**

The Township's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**1. Government-Wide Financial Statements**

The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. The statements are comprised of governmental activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions.

The statement of net assets presents the cash balance of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function activity is self-financing on a cash basis or draws from the Township's general receipts.

**SILVERCREEK TOWNSHIP  
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005  
(Continued)**

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

**2. Fund Financial Statements**

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

**B. Fund Accounting**

The Township uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use.

**1. Governmental Funds**

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other non-exchange transactions as governmental funds. The Township's major governmental funds are the General Fund, Gas Tax Fund, Road and Bridge Fund, Fire District Fund and Ambulance and EMS Service Fund. The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

The other major governmental funds of the Township are the Gas Tax Fund, Road and Bridge Fund, Fire District Fund, and the Ambulance and EMS Service Fund. The Gasoline Tax Fund receives gas tax monies from the County and is used for constructing, maintaining and repairing township roads. The Road and Bridge Fund is financed by property taxes. Expenditures are for the upkeep and maintenance of roads and road department personnel and benefits. The Fire District Fund receives almost all its revenue from tax levies. Disbursements are for maintenance of fire trucks, personnel and other fire department related expenditures. The Ambulance and EMS Service Fund receives almost all its revenues from EMS billings. Disbursements are for the operation of the EMS and ambulance services.

The other governmental funds of the Township account for grants and other resources whose use is restricted to a particular purpose.

**C. Basis of Accounting**

The Township's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Township are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.



**SILVERCREEK TOWNSHIP  
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005  
(Continued)**

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

**D. Budgetary Process**

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriations resolution is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, department, and object level for all funds

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Clerk. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the Township.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

**E. Cash and Investments**

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

During 2005, the Township invested in nonnegotiable certificates of deposit. The nonnegotiable certificates of deposit are reported at cost.

Interest earnings are allocated to Township funds according to State statutes. Interest receipts credited to the General Fund during 2005 was \$1,441 which includes \$537 assigned from other funds.

**F. Capital Assets**

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

**G. Accumulated Leave**

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

**SILVERCREEK TOWNSHIP  
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005  
(Continued)**

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

**H. Net Assets**

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

**I. Fund Balance Reserves**

The Township reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. The Township had no reserves at year end.

**J. Employer Contributions to Cost-Sharing Pension Plans**

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

**3. CHANGE IN BASIS OF ACCOUNTING AND RESTATEMENT OF FUND EQUITY**

Last year the Township reported fund financial statements by fund type using the regulatory basis of accounting as prescribed by the State Auditor's Office. This year the Township has implemented the cash basis of accounting described in note 2. The fund financial statements now present each major fund in a separate column with non-major funds aggregated and presented in a single column, rather than a column for each fund type.

**4. BUDGETARY BASIS OF ACCOUNTING**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund, Gas Tax Fund, Road and Bridge Fund, Fire District Fund and Ambulance and EMS Service Fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The Township had no outstanding encumbrances at year end.

**5. DEPOSITS AND INVESTMENTS**

Monies held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

**SILVERCREEK TOWNSHIP  
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005  
(Continued)**

**5. DEPOSITS AND INVESTMENTS (Continued)**

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$652,865 of the Township's bank balance of \$748,351 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

**SILVERCREEK TOWNSHIP  
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005  
(Continued)**

**5. DEPOSITS AND INVESTMENTS (Continued)**

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

**6. PROPERTY TAXES**

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2005 represent the collection of 2004 taxes. Real property taxes received in 2005 were levied after October 1, 2004, on the assessed values as of January 1, 2004, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2005 represent the collection of 2004 taxes. Public utility real and tangible personal property taxes received in 2005 became a lien on December 31, 2004, were levied after October 1, 2004, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2005 represent the collection of 2005 taxes. Tangible personal property taxes received in 2005 were levied after October 1, 2004, on the true value as of December 31, 2004. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all Township operations for the year ended December 31, 2005, was \$6.40 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2005 property tax receipts were based are as follows:

Real Property	
Residential/Agricultural	\$32,479,430
Tangible Personal Property	
Business	418,778
Public Utility	2,102,680
Total Assessed Value	<u><u>\$35,000,888</u></u>

**SILVERCREEK TOWNSHIP  
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005  
(Continued)**

**7. RISK MANAGEMENT**

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2006, the Township contracted with EMC (Employers Mutual Casualty Company) through Swartzel Affiliated Insurance Service, 1755 Big Hill Rd., Dayton, Ohio 45439-2201, for insurance coverage. Coverage: Blanket Building, Contents and Property in the open, \$266,381 and Business Income other than rental value, \$100,000.

Each Trustee has a bond of \$5,000 and the Fiscal Officer a bond of \$25,000.

The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The System administers and pays all claims.

**8. DEFINED BENEFIT PENSION PLAN**

**Ohio Public Employees Retirement System**

The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6701 or (800) 222-7377.

For the year ended December 31, 2005, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. The Township's contribution rate for pension benefits for 2005 was 13.55 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2005 were \$14,964. The full amount has been contributed for 2005.

**SILVERCREEK TOWNSHIP  
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005  
(Continued)**

**9. POST-EMPLOYMENT BENEFITS**

**Ohio Public Employees Retirement System**

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Post-employment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2005 local government employer contribution rate was 13.55 percent of covered payroll; 4 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2004, include a rate of return on investments of 8.00 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.30 percent based on additional annual pay increases. Health care premiums were assumed to increase between 1.00 and 6.00 percent annually for the next eight years and 4.00 percent annually after eight years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 376,109. Actual Township contributions for 2005 which were used to fund post-employment benefits were \$4,417. The actual contribution and the actuarially required contribution amounts are the same. The actuarial value of OPERS's net assets available for payment of benefits at December 31, 2004, (the latest information available) was \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.5 billion and \$18.7 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs. Member and employer contribution rates increased as of January 1, 2006, which will allow additional funds to be allocated to the health care plan.



# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Silvercreek Township  
Greene County  
3 North Sycamore Street  
Jamestown, Ohio 45335

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Silvercreek Township, Greene County (the Township) as of and for the years ended December 31, 2006 and 2005, which collectively comprise the Township's basic financial statements and have issued our report thereon dated February 5, 2008, wherein, we noted the Township uses a comprehensive accounting basis other than generally accepted accounting principles. We also noted the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. 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 the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Township's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

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**Internal Control Over Financial Reporting  
(Continued)**

We consider the following deficiency described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting: 2006-001.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Township's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. However, we believe the significant deficiency finding number 2006-001 described above, is also a material weakness.

**Compliance and Other Matters**

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instance of noncompliance or other matter that we must report under *Government Auditing Standards*.

We did note certain noncompliance or other matters that we reported to the Township's management in a separate letter dated February 5, 2008.

The Township's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Township's response and, accordingly, we express no opinion on it.

We intend this report solely for the information and use of the management and the Board of Trustees. We intend it for no one other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

February 5, 2008



**SILVERCREEK TOWNSHIP  
GREENE COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2006 AND 2005**

<b>1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
---

**FINDING NUMBER 2006-001**

**Material Weakness**

**Miscellaneous Revenue**

Miscellaneous revenue is money collected by the Township from minor sources which do not form a significant part of its normal activities. The following intergovernmental receipts were improperly posted as miscellaneous revenues by the Township:

**2006**

- \$22,850 of Road and Bridge Fund receipts from Greene County for road improvements.
- \$9,000 of Emergency Medical Services (EMS) grant from the State in the Ambulance and Emergency Medical Services Fund.

**2005**

- \$19,525 of General Fund Receipts from Greene County.
- \$5,610 of State and County receipts in the Road and Bridge Fund.
- \$3,000 of Emergency Medical Services Grant from the State in the Ambulance and Emergency Medical Services Fund.
- \$1,000 of Federal Emergency Management Agency (FEMA) grant funds in the Permissive Motor Vehicle License Tax Fund.

Adjustments were posted to the accompanying financial statements to properly reflect the abovementioned transactions. Procedures should be established and implemented to verify that the Township properly classifies all its revenues and expenditures. Failure to do so could result in material misstatements on the Township's financial statements.

**Official's Response:**

To correct this issue, the Trustees will approve opening the intergovernmental revenue codes and then begin posting to them.





**Mary Taylor, CPA**  
Auditor of State

**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  
MARCH 11, 2008**