



**SPRING VALLEY TOWNSHIP  
GREENE COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000-1999**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**SPRING VALLEY TOWNSHIP  
GREENE COUNTY**

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## REPORT OF INDEPENDENT ACCOUNTANTS

Spring Valley Township  
Greene County  
2547 St. Rt. 42  
P.O. Box 147  
Spring Valley, Ohio 45370

To the Board of Trustees:

We have audited the accompanying financial statements of the Spring Valley Township, Greene County, (the Township) as of and for the years ended December 31, 2000 and 1999. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Township as of December 31, 2000 and 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2001 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the management, the Board and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

June 12, 2001

**SPRING VALLEY TOWNSHIP  
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Governmental Fund Types			Fiduciary Fund	Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Expendable Trust	
<b>Cash Receipts:</b>					
Local Taxes	\$132,490	\$566,027			\$698,517
Intergovernmental Receipts	4,759	52,375	\$571,353		628,487
Interest	27,372	2,043		\$15	29,430
Licenses, Permits, and Fees	2,117	11,265			13,382
Fines, Forfeitures, and Penalties	625	0			625
Other Revenue	41,919	19,230			61,149
<b>Total Cash Receipts</b>	<b>209,282</b>	<b>650,940</b>	<b>571,353</b>	<b>15</b>	<b>1,431,590</b>
<b>Cash Disbursements:</b>					
Current:					
General Government	99,996	25,083			125,079
Public Safety	0	177,858			177,858
Public Works	31,106	261,371			292,477
Health	4,582	10,897			15,479
Conservation - Recreation	10,117				10,117
Capital Outlay	9,783	11,172	673,613		694,568
Debt Service:					
Note Principal Payment	42,260	60,000			102,260
Interest and Fiscal Charges		1,244			1,244
<b>Total Cash Disbursements</b>	<b>197,844</b>	<b>547,625</b>	<b>673,613</b>	<b>0</b>	<b>1,419,082</b>
Total Receipts Over/(Under) Disbursements	11,438	103,315	(102,260)	15	12,508
<b>Other Financing Receipts/(Disbursements):</b>					
Transfers-In		27,000			27,000
Transfers-Out	(27,000)				(27,000)
Proceeds of Notes			102,260		102,260
Other Sources	266	20,792			21,058
Other Uses		(20,897)	0	0	(20,897)
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(26,734)</b>	<b>26,895</b>	<b>102,260</b>	<b>0</b>	<b>102,421</b>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(15,296)	130,210	0	15	114,929
Fund Cash Balances, January 1	233,398	264,705	0	1,477	499,580
<b>Fund Cash Balances, December 31</b>	<b>\$218,102</b>	<b>\$394,915</b>	<b>\$0</b>	<b>\$1,492</b>	<b>\$614,509</b>
Reserve for Encumbrances, December 31	\$124	\$811	\$0	\$0	\$935

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

**SPRING VALLEY TOWNSHIP  
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
 CHANGES IN FUND CASH BALANCES  
 ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
 FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Expendable Trust</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$162,015	\$484,107		\$646,122
Intergovernmental Receipts	6,050	38,708		44,758
Interest	22,277	1,487	\$10	23,774
Licenses, Permits & Fees	6,405	4,390		10,795
Fines, Forfeitures, and Penalties	595	0		595
Other Revenue	585	5,039		5,624
<b>Total Cash Receipts</b>	<b>197,927</b>	<b>533,731</b>	<b>10</b>	<b>731,668</b>
<b>Cash Disbursements:</b>				
Current:				
General Government	132,888	30,211	63	163,162
Public Safety		166,666		166,666
Public Works	24,450	295,926		320,376
Health	5,497	2,890		8,387
Conservation - Recreation	2,355	0		2,355
Capital Outlay	27,051	119,130		146,181
<b>Total Cash Disbursements</b>	<b>192,241</b>	<b>614,823</b>	<b>63</b>	<b>807,127</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>5,686</b>	<b>(81,092)</b>	<b>(53)</b>	<b>(75,459)</b>
<b>Other Financing Receipts/(Disbursements):</b>				
Transfers-In		10,000	1,016	11,016
Transfers-Out	(10,000)		(1,016)	(11,016)
Other Financing Sources		3,241		3,241
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(10,000)</b>	<b>13,241</b>		<b>3,241</b>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(4,314)	(67,851)	(53)	(72,218)
Fund Cash Balances, January 1	237,712	332,556	1,530	571,798
<b>Fund Cash Balances, December 31</b>	<b>\$233,398</b>	<b>\$264,705</b>	<b>\$1,477</b>	<b>\$499,580</b>
Reserve for Encumbrances, December 31	\$207	\$679	\$0	\$886

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



**SPRING VALLEY TOWNSHIP  
GREENE COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Spring Valley Township, Greene County, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides general governmental services, including road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services.

The Township's management believes these financial statements present all activities for which the Township is financially accountable.

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**C. Cash and Investments**

Certificates of deposit and all depository accounts held by financial institutions are valued at cost.

**D. Fund Accounting**

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

**1. General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

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

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

**Fire District Fund** - This fund receives property tax money for the Township Fire Department to provide emergency and fire public safety services.

**SPRING VALLEY TOWNSHIP  
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

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

**3. Capital Project Fund**

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Township had the following significant capital project fund in 2000:

**Issue II Fund** - The Township received a grant from the State of Ohio for road improvement and bridge replacement.

**4. Fiduciary Fund (Expendable Trust Fund)**

This fund is used to account for resources restricted by legally binding trust agreements. The Township had the following significant fiduciary fund:

**Veterans Memorial Perpetuity Fund** - The Township maintains funds for the care and upkeep of veteran's monuments.

**E. Budgetary Process**

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

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

**3. Encumbrances**

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

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

**SPRING VALLEY TOWNSHIP  
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

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

**G. Unpaid Vacation and Sick Leave**

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Township.

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

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

	<u>2000</u>	<u>1999</u>
Demand deposits	\$602,432	\$499,580
Certificates of deposit	12,077	0
Total deposits	\$614,509	\$499,580.00

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

**3. BUDGETARY ACTIVITY**

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

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$162,586	\$209,548	\$46,962
Special Revenue	622,069	698,732	76,663
Capital Projects	760,760	673,613	(87,147)
Fiduciary	14	15	1
Total	\$1,545,429	\$1,581,908	\$36,479

**SPRING VALLEY TOWNSHIP  
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$396,192	\$224,968	\$171,224
Special Revenue	887,449	569,333	318,116
Capital Projects	760,760	673,613	87,147
Fiduciary	1,491	0	1,491
Total	<u>\$2,045,892</u>	<u>\$1,467,914</u>	<u>\$577,978</u>

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$151,302	\$197,927	\$46,625
Special Revenue	571,826	546,972	(24,854)
Fiduciary	1,025	1,026	1
Total	<u>\$724,153</u>	<u>\$745,925</u>	<u>\$21,772</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$389,014	\$202,448	\$186,566
Special Revenue	904,382	615,502	288,880
Fiduciary	1,018	1,079	(61)
Total	<u>\$1,294,414</u>	<u>\$819,029</u>	<u>\$475,385</u>

**4. PROPERTY TAX**

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

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

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

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

**SPRING VALLEY TOWNSHIP  
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**5. RETIREMENT SYSTEMS**

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, members of PERS contributed 8.5% of their wages to PERS. The Township contributed an amount equal to 10.84% of their wages in 2000 and 13.55% in 1999. The Township has paid all contributions required through December 31, 2000.

**6. RISK MANAGEMENT**

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

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

**7. SUBSEQUENT EVENT**

The Township signed a contract to purchase a Pumper/Tanker for the fire department in 2001 at a cost of \$143,752.

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

Spring Valley Township  
Greene County  
2547 St. Rt. 42  
P.O. Box 147  
Spring Valley, Ohio 45370

To the Board of Trustees:

We have audited the accompanying financial statements of Spring Valley Township, Greene County, (the Township), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated June 12, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated June 12, 2001.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated June 12, 2001.

Spring Valley Township  
Greene County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
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This report is intended for the information and use of the management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

June 12, 2001





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**SPRING VALLEY TOWNSHIP**

**GREENE COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 3, 2001**