



**GREENE TOWNSHIP
TRUMBULL COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2001 - 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**GREENE TOWNSHIP
TRUMBULL COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Greene Township
Trumbull County
2880 Gardner-Barclay Road
North Bloomfield, Ohio 44450

To the Board of Trustees:

We have audited the accompanying financial statements of Greene Township (the Township) as of and for the years ended December 31, 2001 and December 31, 2000. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As 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, 2001 and December 31, 2000, 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 March 7, 2002 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, and the Board of Trustees and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

March 7, 2002

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**GREENE TOWNSHIP
TRUMBULL COUNTY**

**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, 2001**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Fiduciary Funds</u>	
Cash Receipts:				
Local Taxes	\$21,658	\$53,092		\$74,750
Intergovernmental	24,204	64,245		88,449
Charges for Services		1,875		1,875
Licenses, Permits, and Fees	190	4,150		4,340
Earnings on Investments	655	911	99	1,665
Other Revenue	1,426	30,729	50	32,205
Total Cash Receipts	<u>48,133</u>	<u>155,002</u>	<u>149</u>	<u>203,284</u>
Cash Disbursements:				
Current:				
General Government	40,435	53,576		94,011
Public Safety	1,949	43,961		45,910
Public Works	229	4,053		4,282
Health	3,962			3,962
Miscellaneous			20	20
Capital Outlay		40,634		40,634
Total Cash Disbursements	<u>46,575</u>	<u>142,224</u>	<u>20</u>	<u>188,819</u>
Total Receipts Over/(Under) Disbursements	<u>1,558</u>	<u>12,778</u>	<u>129</u>	<u>14,465</u>
Fund Cash Balances, January 1, 2001	<u>26,014</u>	<u>43,155</u>	<u>4,975</u>	<u>74,144</u>
Fund Cash Balances, December 31, 2001	<u>\$27,572</u>	<u>\$55,933</u>	<u>\$5,104</u>	<u>\$88,609</u>
Reserve for Encumbrances, December 31, 2001		<u>\$24,000</u>		<u>\$24,000</u>

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

**GREENE TOWNSHIP
TRUMBULL COUNTY**

**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**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Fiduciary Funds</u>	
Cash Receipts:				
Local Taxes	\$20,652	\$50,373		\$71,025
Intergovernmental	30,748	65,491		96,239
Charges for Services		1,050		1,050
Licenses, Permits, and Fees	160	1,800		1,960
Earnings on Investments	647	827	97	1,571
Other Revenue	1,284	1,985	70	3,339
Total Cash Receipts	53,491	121,526	167	175,184
Cash Disbursements:				
Current:				
General Government	46,377			46,377
Public Safety		51,408		51,408
Public Works	235	46,467		46,702
Health	1,551	4,084		5,635
Miscellaneous			30	30
Capital Outlay	2,850	14,451		17,301
Total Cash Disbursements	51,013	116,410	30	167,453
Total Receipts Over/(Under) Disbursements	2,478	5,116	137	7,731
Other Financing Receipts/(Disbursements):				
Advances-In	375	375		750
Advances-Out	(375)	(375)		(750)
Total Other Financing Receipts/(Disbursements)				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	2,478	5,116	137	7,731
Fund Cash Balances, January 1, 2000	23,536	38,039	4,838	66,413
Fund Cash Balances, December 31, 2000	\$26,014	\$43,155	\$4,975	\$74,144
Reserve for Encumbrances, December 31, 2000		\$24,000		\$24,000

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

**GREENE TOWNSHIP
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND DECEMBER 31, 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Greene Township, Trumbull 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 road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with Greene Volunteer Fire & Rescue, Inc. to provide fire 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. Fund Accounting

The Township uses fund accounting to segregate cash 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:

Fire District Fund - This fund receives property tax money for providing operating funds to the Greene Township Volunteer Fire Association to provide fire protection to the Township.

Fire Levy Fund - This fund receives property tax money from a voted, 5 year special levy for the purpose of purchasing fire equipment for the Greene Township Volunteer Fire Association.

Gasoline Tax Fund - This fund receives gasoline tax money to construct, maintain and repair Township roads.

**GREENE TOWNSHIP
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND DECEMBER 31, 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3. Fiduciary Funds (Trust and Agency Funds)

These funds are used to account for resources restricted by legally binding trust agreements and funds for which the Township is acting in a fiduciary capacity. The Township has three Non-Expendable Cemetery Bequest funds and an Expendable Trust fund, Cemetery Chapel, all of which had minimal disbursement activity for the two year period from January 1, 2000 through December 31, 2001.

D. 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 object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

2. Estimated Resources

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

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 2001 and 2000 budgetary activity appears in Note 3.

E. 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.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>2001</u>	<u>2000</u>
Demand deposits	\$88,609	\$74,144

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

**GREENE TOWNSHIP
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND DECEMBER 31, 2000
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2001 and 2000 follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$46,325	\$48,133	\$1,808
Special Revenue	123,143	155,002	31,859
Fiduciary	100	149	49
Total	\$169,568	\$203,284	\$33,716

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$69,150	\$46,575	\$22,575
Special Revenue	165,314	166,224	(910)
Fiduciary	5,075	20	5,055
Total	\$239,539	\$212,819	\$26,720

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$45,436	\$53,491	\$8,055
Special Revenue	118,581	121,526	2,945
Fiduciary	100	167	67
Total	\$164,117	\$175,184	\$11,067

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$67,271	\$51,013	\$16,258
Special Revenue	152,505	140,410	12,095
Fiduciary	4,938	30	4,908
Total	\$224,714	\$191,453	\$33,261

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Special Revenue Fire fund by \$30,007 for the year ended December 31, 2001. Also the actual receipts collected exceeded the certified estimated receipts in the same fund, contrary to Ohio Law.

**GREENE TOWNSHIP
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND DECEMBER 31, 2000
(Continued)**

4. PROPERTY TAX

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

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

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

5. RETIREMENT SYSTEMS

The Township's elected and appointed officials and 1 full time hourly employee belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post-retirement healthcare, and survivorship and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2001 and 2000 PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for 2001. PERS temporarily reduced the employer contribution rate to 8.13%, effective July 1, 2000 through December 31, 2000. The Township has paid all contributions required through December 31, 2001.

6. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

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



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

Greene Township
Trumbull County
2880 Gardner-Barclay Road
North Bloomfield, Ohio 44450

To the Board of Trustees:

We have audited the accompanying financial statements of Greene Township, (the Township) as of and for the years ended December 31, 2001 and December 31, 2000, and have issued our report thereon dated March 7, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Governmental Auditing Standards* which are described in the accompanying schedule of findings as items 2001-41178-001 and 2001-41178-002. We also noted a certain immaterial instance of noncompliance that we have reported to management of the Township in a separate letter dated March 7, 2002.

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 a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Township in a separate letter dated March 7, 2002.

Greene Township
Trumbull County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended solely 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

March 7, 2002

**GREENE TOWNSHIP
TRUMBULL COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2001 AND DECEMBER 31, 2000**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2001-41178-001

Ohio Rev. Code Section 5705.41(B) prohibits a subdivision from making an expenditure unless it has been properly appropriated.

Budgetary expenditures exceeded appropriations in the Special Revenue Fire Fund at December 31, 2001. The unfavorable variance is noted below:

Fund	Total Appropriations	Total Budgetary Expenditures	Unfavorable Variance
Fire Fund	32,078	62,085	(30,007)

The Township should monitor expenditures throughout the year at the budgetary level of control to ensure that they do not exceed the appropriations approved by the Board of Trustees.

FINDING NUMBER 2001-41178-002

Ohio Rev. Code Section 5705.36 requires an amended certificate be obtained if the authority intends to appropriate and expend revenue collected greater than the amount of the official certificate of estimated resources.

The Township did not get an Amended Certificate for additional receipts collected and expended the additional collections in 2001. The unfavorable variance is shown below:

Fund	Total Certified Resources	Total Actual Receipts	Variance
Fire Fund	32,607	62,610	(30,003)

The Township should ensure that amendments are made to the Certificate of Estimated Resources when unexpected receipts are collected and need to be expended.



STATE OF OHIO
OFFICE OF THE AUDITOR

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GREENE TOWNSHIP

TRUMBULL 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
APRIL 2, 2002**