

**SILVERCREEK TOWNSHIP
GREENE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2004-2003



**Auditor of State
Betty Montgomery**

Board of Trustees
Silvercreek Township, Greene County
3 N. Sycamore St.
Jamestown, OH 45335

We have reviewed the *Independent Accountants' Report* of Silvercreek Township, Greene County, prepared by Vanessa L. Blevins, CPA, for the audit period January 1, 2003 to December 31, 2004. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Accountants' Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Accountants' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Silvercreek Township, Greene County is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

February 27, 2006

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**SILVERCREEK TOWNSHIP
GREENE COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types and Fiduciary Fund Type – For the Year Ended December 31, 2004	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types and Fiduciary Fund Type – For the Year Ended December 31, 2003	4
Notes to the Financial Statements	5
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	11

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VANESSA L. BLEVINS
Certified Public Accountant

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 Silvercreek Township, Greene County, Ohio, (the Township) as of and for the years ended December 31, 2004 and December 31, 2003. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Township has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the Township to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. Instead of the combined funds the accompanying financial statements present for 2004 (and 2003), the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2004. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Township has elected not to reformat its statements. Since this Township does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

777 West Elm Street
Washington Courthouse, Ohio 43160

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the year ended December 31, 2004 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2004, or its changes in financial position or cash flows of its proprietary funds for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Silvercreek Township, Greene County, Ohio, as of December 31, 2004 and December 31, 2003, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Township to include Management's Discussion and Analysis for the year ended December 31, 2004. The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2005 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* and should be read in conjunction with this report in considering the results of our audit.

Vanessa L. Blevins
Certified Public Accountant

November 21, 2005

**SILVERCREEK TOWNSHIP
GREENE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES AND FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Nonexpendable Trust</u>	
Cash Receipts:				
Property and Other Local Taxes	\$54,928	\$161,078	\$0	\$216,006
Intergovernmental	41,405	98,688	0	140,093
Licenses, Permits, and Fees	900	17,725	0	18,625
Earnings on Investments	1,334	845	101	2,280
Charges for Services	0	91,557	0	91,557
Other Revenue	7,158	65,013	0	72,171
	<u>105,725</u>	<u>434,906</u>	<u>101</u>	<u>540,732</u>
Cash Disbursements:				
Current:				
General Government	99,541	0	0	99,541
Public Safety	0	132,681	0	132,681
Public Works	0	158,141	0	158,141
Health	4,719	22,319	0	27,038
Capital Outlay	1,129	121,163	0	122,292
	<u>105,389</u>	<u>434,303</u>	<u>0</u>	<u>539,692</u>
Total Receipts Over/(Under) Disbursements	<u>336</u>	<u>603</u>	<u>101</u>	<u>1,040</u>
Fund Cash Balances, January 1	<u>205,603</u>	<u>408,841</u>	<u>10,592</u>	<u>625,037</u>
Fund Cash Balances, December 31	<u><u>\$205,939</u></u>	<u><u>\$409,445</u></u>	<u><u>\$10,693</u></u>	<u><u>\$626,077</u></u>

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

**SILVERCREEK TOWNSHIP
GREENE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES AND FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Nonexpendable Trust</u>	
Cash Receipts:				
Property and Other Local Taxes	\$49,874	\$148,438	\$0	\$198,313
Intergovernmental	70,218	95,895	0	166,113
Licenses, Permits, and Fees	2,155	19,551	0	21,706
Earnings on Investments	4,175	1,048	124	5,346
Charges for Services	0	38,767	0	38,767
Other Revenue	7,408	90,905	0	98,313
	<u>133,829</u>	<u>394,605</u>	<u>124</u>	<u>528,558</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
General Government	87,461	0	0	87,461
Public Safety	0	125,480	0	125,480
Public Works	0	131,174	0	131,174
Health	6,034	30,690	0	36,724
Capital Outlay	7,686	60,656	0	68,343
	<u>101,180</u>	<u>348,000</u>	<u>0</u>	<u>449,181</u>
Total Cash Disbursements				
Total Receipts Over/(Under) Disbursements	<u>32,649</u>	<u>46,604</u>	<u>124</u>	<u>79,377</u>
Fund Cash Balances, January 1	<u>172,954</u>	<u>362,237</u>	<u>10,468</u>	<u>545,660</u>
Fund Cash Balances, December 31	<u>\$205,603</u>	<u>\$408,841</u>	<u>\$10,592</u>	<u>\$625,037</u>

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

**SILVERCREEK TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Silvercreek 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 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

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

Certificates of deposit are valued at cost.

D. Fund Accounting

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

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:

**SILVERCREEK TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

Special Revenue Funds (Continued)

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

Fire District Funds – This fund receives property tax money for providing fire services.

3. Fiduciary Fund

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

Cemetery Bequest Fund – A non-expendable trust fund. Amounts donated are maintained in perpetuity. Investment earnings are used for grave upkeep as specified by the donor.

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

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.

**SILVERCREEK TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

E. Budgetary Process (Continued)

3. Encumbrances

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

A summary of 2004 and 2003 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.

G. Accumulated leave

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

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Township maintains a cash and 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:

	2004	2003
Demand deposits	\$516,022	\$515,608
Certificates of deposit	110,055	109,429
Total deposits	626,077	625,037

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2004 and December 31, 2003 follows:

2004 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 109,524	\$ 105,725	\$ 3,799
Special Revenue	373,250	434,906	(61,656)
Fiduciary	-	101	(101)
Total	482,774	540,732	(57,958)

**SILVERCREEK TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

2004 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$311,327	\$105,389	\$205,938
Special Revenue	772,152	434,303	337,849
Fiduciary	0	0	0
Total	<u>\$1,083,479</u>	<u>\$539,692</u>	<u>\$543,787</u>

2003 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$109,650	\$133,829	\$24,179
Special Revenue	330,387	394,605	64,218
Fiduciary	118	124	6
Total	<u>\$440,155</u>	<u>\$528,558</u>	<u>\$88,403</u>

2003 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$281,380	\$101,180	\$180,200
Special Revenue	679,512	348,000	331,512
Fiduciary	10,585	0	10,585
Total	<u>\$971,477</u>	<u>\$449,180</u>	<u>\$522,297</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.

**SILVERCREEK TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

5. RETIREMENT SYSTEMS

The Township's employees belong to the Ohio Public Employees Retirement System (OPERS) of Ohio. OPERS 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 2004 and 2003, members of PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 2004.

6. RISK MANAGEMENT

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

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

7. GENERAL FUND BEGINNING CASH BALANCE

The January 1, 2003 cash balance in the general fund is a different amount than the December 31, 2002 cash balance shown on the previous audited financial statements. The difference of \$ 125 was a check number 6313 written to the LA Seat Company and dated December 18, 2002. The check was never received by the company and was, therefore, voided in 2003. A check number 6758 was reissued on July 29, 2003.

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VANESSA L. BLEVINS
Certified Public Accountant

**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *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 Silvercreek Township, Greene County, Ohio (the Township) as of and for the years ended December 31, 2004 and December 31, 2003, and have issued our report thereon dated November 21, 2005, wherein we noted that the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 in order to determine our auditing procedures to express our opinions on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when 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. In a separate letter to the Township's management dated November 21, 2005, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

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 that is required to be reported under *Government Auditing Standards*. In a separate letter to the Township's management dated November 21, 2005, we reported other matters related to noncompliance we deemed immaterial

We intend this report solely for the information and use of management and the Board of Trustees. It is not intended for anyone other than these specified parties.

VANESSA L. BLEVINS
Certified Public Accountant

November 21, 2005

**SILVERCREEK TOWNSHIP
GREENE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FISCAL YEAR END**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2002-001	Use of Emergency Medical Services Billings and Service Organization- should require a SAS #70 report in next contract	Yes	Fully Corrected.



**Auditor of State
Betty Montgomery**

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800-282-0370

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SILVERCREEK TOWNSHIP

GREENE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MARCH 9, 2006**