



Mary Taylor, CPA
Auditor of State

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Management's Discussion and Analysis For the Year Ended December 31, 2007	3
Statement of Net Assets – Cash Basis December 31, 2007.....	9
Statement of Activities – Cash Basis For the Year Ended December 31, 2007	10
Statement of Cash Basis Assets and Fund Balances – Governmental Funds - December 31, 2007.....	11
Statement of Cash Receipts, Disbursements, and Changes in Cash Fund Balances – Governmental Funds – For the Year Ended December 31, 2007	12
Statement of Receipts, Disbursements, and Changes in Fund Balance – Budget and Actual – Budget Basis – General Fund For the Year Ended December 31, 2007	13
Statement of Receipts, Disbursements, and Changes in Fund Balance – Budget and Actual – Budget Basis – Road and Bridge Fund For the Year Ended December 31, 2007	14
Statement of Cash Receipts, Disbursements, and Changes in Fund Balance – Budget and Actual – Budget Basis – Fire District Fund For the Year Ended December 31, 2007	15
Notes to the Financial Statements For the Year Ended December 31, 2007	17
Management's Discussion and Analysis For the Year Ended December 31, 2006.....	27
Statement of Net Assets – Cash Basis December 31, 2006.....	33
Statement of Activities – Cash Basis For the Year Ended December 31, 2006.....	34
Statement of Cash Basis Assets and Fund Balances – Governmental Funds - December 31, 2006.....	35
Statement of Cash Receipts, Disbursements, and Changes in Cash Fund Balances – Governmental Funds – For the Year Ended December 31, 2006	36

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Statement of Receipts, Disbursements, and Changes in Fund Balance – Budget and Actual – Budget Basis – General Fund For the Year Ended December 31, 2006.....	37
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.....	38
Statement of Receipts, Disbursements, and Changes in Fund Balance – Budget and Actual – Budget Basis – Fire District Fund For the Year Ended December 31, 2006.....	39
Notes to the Financial Statements For the Year Ended December 31, 2006.....	41
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	51
Schedule of Findings.....	53



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Moorefield Township
Clark County
1616 Moorefield Road
Springfield, Ohio 45503

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 Moorefield Township, Clark County, (the Township), as of and for the years ended December 31, 2007 and 2006, 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 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 opinions.

As discussed in Note 2, the accompanying financial statements and notes follow the cash basis of accounting. 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 cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Moorefield Township, Clark County, as of December 31, 2007 and 2006, and the respective changes in cash basis financial position and the respective budgetary comparisons for the General, Road and Bridge, and Fire District funds thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 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's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board 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

October 15, 2008

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(UNAUDITED)**

This discussion and analysis of the financial performance of Moorefield Township in Clark County, Ohio provides an overall review of the Township's cash basis of accounting. Readers should also review the basic financial statements and notes to enhance their understanding of Moorefield Township's financial performance.

Highlights

Key highlights for 2007 are as follows:

- Net assets of governmental activities increased \$250,629 or 14%, a notable change from 2006. The Road and Bridge Fund had the largest decrease in fund balance.
- The Township's general receipts are primarily from property tax. These receipts represent \$1,051,023 or 46.5% of the total cash received for governmental activities during the year. Property tax receipts for 2007 changed compared to 2006 due to the reduction of the tangible personal property tax and Local Government revenue being gradually phased out over several years. Other than the reduction in the tangible personal property tax and Local Government, the existing tax levies remain in place and continue to generate revenue for the township.
- Sale of fixed assets to another governmental entity resulted in revenue increase of \$50,000.
- The Township realized a substantial increase of over \$21,159 in interest revenue. The reason for this increase was because of good investing practices, higher interest rates and increased fund balances.

Using the Basic Financial Statements

This annual report was presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34 (GASB 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.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(UNAUDITED)
(Continued)**

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. Moorefield 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; only funds considered major will be discussed. 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.

Reporting the Government as a Whole

The statement of net assets and the statement of activities reflect how the Township did financially during 2007, within the limitations of cash basis accounting. The statement of net assets presents the cash balances 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 or capital 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, this is one way to measure Moorefield 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 taxes.

In the statement of net assets and the statement of activities, some government entities have two types of activities. These activities are either government or business-type. Moorefield Township has only governmental activities and has no business-type activities. These governmental activities will be addressed in this report.

The Township's basic services are reported as governmental activities which include police, fire, streets, parks, state and federal grants, and property taxes. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Township'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 Moorefield Township are categorized in governmental funds.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(UNAUDITED)
(Continued)**

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. Township 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, the Road and Bridge Fund and the Fire District. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

The Government as a Whole

Table 1 provides a summary of Moorefield Township's net assets for 2007 compared to 2006 on a cash basis:

**(Table 1)
Net Assets**

	Governmental Activities	
	2006	2007
Assets		
Cash and Cash Equivalents	\$1,747,854	\$1,998,483
Total Assets	1,747,854	1,998,483
Net Assets		
Restricted for:		
Permanent Fund	1,281	1,318
Other Purposes	1,282,706	1,297,947
Unrestricted	463,867	699,218
Total Net Assets	\$1,747,854	\$1,998,483

The explanation of the \$250,629 difference between 2006 and 2007 is that the Township received an increase of grants and entitlements. Also contributing are increased interest earned at higher rates than 2006. These represent a significant increase but other revenue funds increased also.

The primary reasons contributing to the increases in cash balances are as follows:

- EMS revenue increased \$8,807 or 4.5% from 2006 due to the increase of total EMS runs.
- Interest revenue realized a \$24,088 or 24% increase due to higher interest rates for 2007.
- Fines for traffic violations increased \$5,642 or 45% due to better enforcement.
- Estate Tax revenue increased \$88,575 or 53%.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(UNAUDITED)
(Continued)**

Table 2 reflects the changes in net assets in 2007. Moorefield Township prepared financial statements in GASB 34 format for 2006, therefore a comparative analysis of government-wide data has been presented in the following table:

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

	Governmental Activities 2006	Governmental Activities 2007
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$224,048	\$239,481
Operating Grants and Contributions	186,025	196,887
Total Program Receipts	410,073	436,368
General Receipts:		
Property and Other Local Taxes	1,069,344	1,051,023
Grants and Entitlements	413,450	539,066
Sale of Fixed Assets	31,215	50,000
Cable Franchise Fees	71,824	76,585
Interest	82,869	104,029
Miscellaneous	19,939	3,522
Total General Receipts	1,688,641	1,824,225
Total Program & General Receipts	2,098,714	2,260,593
Disbursements:		
General Government	210,105	222,085
Public Safety	565,039	684,759
Public Works	740,087	835,602
Health	21,181	24,928
Conservation-Recreation	17,576	14,166
Capital Outlay	445,872	228,424
Total Disbursements	1,999,860	2,009,964
Increase in Net Assets	98,854	250,629
Net Assets, January 1	1,649,000	\$1,747,854
Net Assets, December 31	\$1,747,854	\$1,998,483

Program receipts represent only 19.3% of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license, gas tax money, and other fees. General receipts represent 80.7% of the Township's total receipts, and of this amount, 57% are local taxes. State and federal grants and entitlements, sale of fixed assets, interest and miscellaneous receipts make up the balance of the Township's general receipts.

Disbursements for General Government represent the overhead costs of running Moorefield Township and the support services provided for the other Township activities. These include administrative costs, as well as internal services such as payroll and purchasing. Since these costs do not represent direct services to residents, we try to limit these costs to 25% of General Fund unrestricted receipts.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(UNAUDITED)
(Continued)**

Public Safety is the cost of police and fire protection; Conservation-Recreation is the cost of maintaining the parks and playing fields; Public Works are the care and maintenance of roads and other associated cost to maintain roads and services; and Capital Outlay is the purchase of vehicles.

Some of the reasons for increased expenditures were the following:

- Increases in salaries based on resolutions made by the Board of Trustees.
- The Township had several roads that were in very poor condition and needed extensive repairs costing in excess of \$371,367. This was an increase of over \$100,367 from 2006 road repair expenses. This is due to increase petroleum costs and added mileage of roads repaired.
- Health Insurance premium increased \$12,096, resulting in a 13% increase from 2006.
- Excessive needed repairs of vehicles.
- The purchase of a hydraulic lift, truck and utility tractor for the Road and Bridge Department, totaling over \$139,000.
- The purchase of a scoreboard for the ballpark for the Moorefield Family Park cost \$6,679.

Governmental Activities

If you look at the Statement of Activities, 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 general government, public safety, public works and capital outlay, which account for 11%, 34%, 42% and 11% of all governmental disbursements, respectively. 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**

	Total Cost Of Services 2007	Net Cost Of Services 2007
General Government	\$222,085	\$221,902
Public Safety	684,759	453,529
Public Works	835,602	630,647
Health	24,928	24,928
Conservation-Recreation	14,166	14,166
Capital Outlay	228,424	228,424
Total Expenses	\$2,009,964	\$1,573,596

The dependence upon general receipts is apparent as over 78% of governmental activities are supported through these general receipts.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(UNAUDITED)
(Continued)**

The Government's Funds

Total governmental funds had receipts of \$2,260,593 and disbursements of \$2,009,964. A large change within governmental funds occurred within the Road and Bridge Department. For 2007, the fund balance of the Road and Bridge decreased \$32,724 from 2006. This was in part due to increased road work and equipment cost; however, by using the other allotted road funds (Motor Vehicle License Tax, Gasoline Tax, and Permissive Motor Vehicle License Tax) to pay for repairs, road work and equipment purchases instead of just the Road and Bridge Fund, helped to offset the total Road and Bridge expenditures. The General Fund balance increased \$235,351 from 2006; while the Fire District Fund balance increased \$61,939 from 2006.

The General Fund receipts exceeded disbursements by \$235,351, indicating that the General Fund has a healthy carry over for 2008.

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.

Final disbursements for 2007 were budgeted at \$793,460. Actual disbursements were \$385,605. Receipts exceeded expectations as previously noted allowing the Township to carry forward \$699,218 for 2008. The Township kept spending under budgeted amounts as demonstrated by reported variances.

Current Issues

The challenge for all Governments is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking funding. Moorefield Township relies heavily on local taxes and has some industry to support the tax base. The Moorefield Township budget for the coming year predicts revenues and spending levels to be similar to 2007.

Contacting the Government's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of Moorefield 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 Janet L. Dyer, Fiscal Officer, Moorefield Township, 1616 Moorefield Road, Springfield, Ohio 45503.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2007**

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$1,998,483
Total Assets	<u>1,998,483</u>
Net Assets	
Restricted for:	
Permanent Fund	1,318
Other Purposes	1,297,947
Unrestricted	699,218
Total Net Assets	<u>\$1,998,483</u>

See accompanying notes to the basic financial statements.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2007**

	<u>General</u>	<u>Road and Bridge</u>	<u>Fire District</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Equity in Pooled Cash and Cash Equivalents	\$699,218	\$95,766	\$982,558	\$220,941	\$1,998,483
Total Assets	<u>699,218</u>	<u>95,766</u>	<u>982,558</u>	<u>220,941</u>	<u>1,998,483</u>
Fund Balances					
Reserved:					
Reserved for Encumbrances			129,162		129,162
Unreserved:					
Undesignated (Deficit), Reported in:					
General Fund	699,218				699,218
Special Revenue Funds		95,766	853,396	219,623	1,168,785
Permanent Fund				1,318	1,318
Total Fund Balances	<u>\$699,218</u>	<u>\$95,766</u>	<u>\$982,558</u>	<u>\$220,941</u>	<u>\$1,998,483</u>

See accompanying notes to the basic financial statements.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>General</u>	<u>Road and Bridge</u>	<u>Fire District</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Receipts					
Property and Other Local Taxes	\$70,787	\$557,601	\$422,635		\$1,051,023
Charges for Services				\$206,331	206,331
Licenses, Permits and Fees	76,768			7,603	84,371
Fines and Forfeitures	18,170				18,170
Intergovernmental	346,296	108,411	91,088	190,158	735,953
Special Assessments	6,194				6,194
Earnings on Investments	100,246			3,783	104,029
Miscellaneous	2,495	535	492	1,000	4,522
Total Receipts	<u>620,956</u>	<u>666,547</u>	<u>514,215</u>	<u>408,875</u>	<u>2,210,593</u>
Disbursements					
Current:					
General Government	222,085				222,085
Public Safety	103,105		386,738	194,916	684,759
Public Works	9,128	652,264		174,210	835,602
Health	1,242			23,686	24,928
Conservation-Recreation	14,166				14,166
Capital Outlay	35,879	72,007	90,538	30,000	228,424
Total Disbursements	<u>385,605</u>	<u>724,271</u>	<u>477,276</u>	<u>422,812</u>	<u>2,009,964</u>
Excess of Receipts Over (Under) Disbursements	<u>235,351</u>	<u>(57,724)</u>	<u>36,939</u>	<u>(13,937)</u>	<u>200,629</u>
Other Financing Sources (Uses)					
Sale of Fixed Assets		25,000	25,000		50,000
Net Change in Fund Balances	235,351	(32,724)	61,939	(13,937)	250,629
Fund Balances Beginning of Year	<u>463,867</u>	<u>128,490</u>	<u>920,619</u>	<u>234,878</u>	<u>1,747,854</u>
Fund Balances End of Year	<u>\$699,218</u>	<u>\$95,766</u>	<u>\$982,558</u>	<u>\$220,941</u>	<u>\$1,998,483</u>

See accompanying notes to the basic financial statements.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL-BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$80,504	\$80,504	\$70,787	(\$9,717)
Licenses, Permits and Fees	86,000	86,000	76,768	(9,232)
Fines and Forfeitures	24,000	24,000	18,170	(5,830)
Intergovernmental	84,744	84,794	346,296	261,502
Special Assessments	6,000	6,000	6,194	194
Earnings on Investments	51,200	51,200	100,246	49,046
Miscellaneous			2,495	2,495
Total receipts	<u>332,448</u>	<u>332,498</u>	<u>620,956</u>	<u>288,458</u>
Disbursements				
Current:				
General Government	553,260	526,622	222,085	304,537
Public Safety	148,400	148,400	103,105	45,295
Public Works	11,000	11,000	9,128	1,872
Health	4,000	4,000	1,242	2,758
Conservation-Recreation	44,000	44,000	14,166	29,834
Capital Outlay	32,800	59,438	35,879	23,559
Total Disbursements	<u>793,460</u>	<u>793,460</u>	<u>385,605</u>	<u>407,855</u>
Excess of Receipts Over (Under) Disbursements	<u>(461,012)</u>	<u>(460,962)</u>	<u>235,351</u>	<u>696,313</u>
Unencumbered Cash Balance Beginning of Year	463,867	463,867	463,867	
Prior Year Encumbrances Appropriated				
Unencumbered Cash Balance End of Year	<u>\$2,855</u>	<u>\$2,905</u>	<u>\$699,218</u>	<u>\$696,313</u>

See accompanying notes to the basic financial statements.

**MOOREFIELD TOWNSHIP
CLARK 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, 2007**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$635,588	\$635,588	\$557,601	(\$77,987)
Intergovernmental			108,411	108,411
Miscellaneous			535	535
Total receipts	<u>635,588</u>	<u>635,588</u>	<u>666,547</u>	<u>30,959</u>
Disbursements				
Current:				
Public Works	689,064	692,057	652,264	39,793
Capital Outlay	75,000	72,007	72,007	
Total Disbursements	<u>764,064</u>	<u>764,064</u>	<u>724,271</u>	<u>39,793</u>
Excess of Receipts Over (Under) Disbursements	<u>(128,476)</u>	<u>(128,476)</u>	<u>(57,724)</u>	<u>70,752</u>
Other Financing Sources (Uses)				
Sale of Fixed Assets			25,000	25,000
Net Change in Fund Balance	(128,476)	(128,476)	(32,724)	95,752
Unencumbered Cash Balance Beginning of Year	128,490	128,490	128,490	
Prior Year Encumbrances Appropriated				
Unencumbered Cash Balance End of Year	<u>\$14</u>	<u>\$14</u>	<u>\$95,766</u>	<u>\$95,752</u>

See accompanying notes to the basic financial statements.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL-BUDGET BASIS
FIRE DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$480,355	\$480,355	\$422,635	(\$57,720)
Intergovernmental			91,088	91,088
Miscellaneous	1	1	492	491
Total receipts	<u>480,356</u>	<u>480,356</u>	<u>514,215</u>	<u>33,859</u>
Disbursements				
Current:				
Public Safety	1,264,773	938,457	386,738	551,719
Capital Outlay	120,000	446,316	219,700	226,616
Total Disbursements	<u>1,384,773</u>	<u>1,384,773</u>	<u>606,438</u>	<u>778,335</u>
Excess of Receipts Over (Under) Disbursements	<u>(904,417)</u>	<u>(904,417)</u>	<u>(92,223)</u>	<u>812,194</u>
Other Financing Sources (Uses)				
Sale of Fixed Assets			25,000	25,000
Net Change in Fund Balance	(904,417)	(904,417)	(67,223)	837,194
Unencumbered Cash Balance Beginning of Year	920,619	920,619	920,619	
Prior Year Encumbrances Appropriated				
Unencumbered Cash Balance End of Year	<u>\$16,202</u>	<u>\$16,202</u>	<u>\$853,396</u>	<u>\$837,194</u>

See accompanying notes to the basic financial statements.

This page intentionally left blank.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

1. REPORTING ENTITY

Moorefield Township is a township government established in Clark County, Ohio 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.

The reporting entity is comprised of the primary government, the Township.

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, fire and ambulance service and cemetery maintenance. Police protection is provided by a full time county deputy who is paid for by Township funds. Extra police protection is provided by the Clark County Sheriff Department at no extra cost to the Township.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 2C, 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 and the fund financial statements for the proprietary funds, 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. The Township does not have any business-type activities therefore does not apply FASB statements issued after November 30, 1989, to its business-type activities. 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. Governmental activities generally are financed through taxes, intergovernmental receipts or other non exchange transactions.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 or capital 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.

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, the Road and Bridge Fund, and the Fire District Fund (Fire and EMS). 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 Road and Bridge and Fire District Funds are restricted to the purpose of the funds according to general laws of Ohio.

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.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

All funds of the Township 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 Fiscal Officer. 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 the prior. 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".

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments. Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts.

During 2007, the Township invested in nonnegotiable certificate of deposit and a money market fund. The nonnegotiable certificate of deposit is reported at cost. The Township's money market fund investment is recorded at the amount reported by Security National Bank on December 31, 2007.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to all interest bearing funds were \$104,029.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Restricted Assets

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation.

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 cash basis of accounting. The Township had accumulated sick leave and vacation payments for 2007 for an employee who retired.

H. 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 7 and 8, the employer contributions include portions for pension benefits.

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. There was an encumbrance of \$129,162 for a Fire tanker carried over for 2008.

J. 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.

3. 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 all funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis).

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)**

4. 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. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories.

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).

Protection of the Township's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by collateral pledged to the Township by the financial institution, or by a collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)**

4. DEPOSITS AND INVESTMENTS (Continued)

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. Payment for investments may be made only upon delivery of the securities representing the investments to the Township or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Custodial 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, \$1,923,378 of the Township's bank balance of \$2,023,378 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by 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.

5. 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 2007 represent the collection of 2006 taxes. Real property taxes received in 2007 were levied after October 1, 2006, on the assessed values as of January 1, 2007, 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 2007 represent the collection of 2006 taxes. Public utility real and tangible personal property taxes received in 2006 became a lien on December 31, 2005, were levied after October 1, 2006, 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 2007 (other than public utility property) represent the collection of 2007 taxes. Tangible personal property taxes received in 2007 were levied after October 1, 2006, on the true value as of December 31, 2006. 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. Tangible personal property tax is being phased out by 2009.

The full tax rate for all Township operations for the year ended December 31, 2007 was 5.05 mills. The assessed values of real property, public utility property, and tangible personal property upon, which 2007 property tax receipts were based, were a total value of \$278,685,647.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)**

6. RISK MANAGEMENT

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

A. Casualty Coverage

For an occurrence prior to January 1, 2006, OTARMA retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year. For an occurrence on or subsequent to January 1, 2006, the Pool retains casualty risk up to \$350,000 per occurrence. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year. Governments can elect up to \$10,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with OTARMA.

If losses exhaust PEP's retained earnings, APEEP provides *excess of funds available* coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000 (prior to January 1, 2006) or \$3,000,000 (on or subsequent to January 1, 2006).

B. Property Coverage

Through 2004, OTARMA retained property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsured losses exceeding \$100,000 up to \$500 million per occurrence.

Beginning in 2005, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. This amount increased to \$300,000 in 2007. For 2007, APEEP reinsures members for specific losses exceeding \$100,000 up to \$300,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable values. If the stop loss is reached by payment of losses between \$100,000 and \$250,000 in 2006, or \$100,000 and \$300,000 in 2007, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2007 was \$2,014,548.

The aforementioned casualty and property reinsurance agreements do not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)**

6. RISK MANAGEMENT (Continued)

C. Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2007 and 2006.

	2007	2006
Assets	\$43,210,703	\$42,042,275
Liabilities	(13,357,837)	(12,120,661)
Net Assets	\$29,852,866	\$29,921,614

At December 31, 2007 and 2006, respectively, liabilities above include approximately \$12.5 million and \$11.3 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$11.6 million and \$10.8 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2007 and 2006, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township's share of these unpaid claims collectible in future years is approximately \$26,000. This payable includes the subsequent year's contribution due if the Township terminates participation, as described in the last paragraph below.

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

Contributions to OTARMA	
2005	\$33,603
2006	\$35,648
2007	\$27,661

After completing one year of membership, members may withdraw on each anniversary of the date they joined OTARMA provided they provide written notice to OTARMA 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's budgetary contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

7. 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.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)**

7. DEFINED BENEFIT PENSION PLAN (Continued)

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) 222-6705 or (800) 222-7377.

For the year ended December 31, 2007, the members of all three plans were required to contribute 9.5 percent (9.5%) of their annual covered salaries. The Township's contribution rate for pension benefits for 2007 was 13.85 percent (13.85%) 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, 2007, 2006 and 2005 were \$55,488, \$47,091 and \$44,833 respectively. The full amount has been contributed for 2007, 2006 and 2005.

8. 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 primary survivor 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 2007 local government employer contribution rate was 13.85 percent (13.85%) of covered payroll. 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, 2007, 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.

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.

This page intentionally left blank.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

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

This discussion and analysis of the financial performance of Moorefield Township in Clark County, Ohio 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 Moorefield Township's financial performance.

Highlights

Key highlights for 2006 are as follows:

- Net assets of governmental activities increased \$98,854 or 6 percent (6%), a minimal change from 2005. However, the Road and Bridge Fund realized the largest increase in fund balance.
- The Township's general receipts are primarily from property tax. These receipts represent \$1,069,344 or 50.1 percent (50.1%) of the total cash received for governmental activities during the year. Property tax receipts for 2006 changed significantly compared to 2005 due to the reduction of the tangible personal property tax being gradually phased out over several years. Other than the reduction in the tangible personal property tax, the existing tax levies remain in place and continue to generate revenue for the township.
- The sale of fixed assets to another governmental entity resulted in revenue of \$31,215.
- The Township realized a substantial increase of over \$35,294 in interest revenue from a Public Funds MMADDA. The reason for this increase was because of good investing practices, higher interest rates, and increased fund balances to invest.

Using the Basic Financial Statements

This annual report was presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34 (GASB 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.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

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

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. Moorefield 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; only funds considered major will be discussed. 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.

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 or capital 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 Moorefield 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 taxes.

In the statement of net assets and the statement of activities, some government entities have two types of activities. These activities are either government or business-type. Moorefield Township has only governmental activities and has no business-type activities. These governmental activities will be addressed in this report.

The Township's basic services are reported as governmental activities which include police, fire, streets, parks, state and federal grants, and property taxes. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

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

Reporting the Township'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 Moorefield Township are categorized in governmental funds.

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. Township 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, the Road and Bridge Fund and the Fire District Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

The Government as a Whole

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

(Table 1)
Net Assets

	Governmental Activities	
	2006	2005
Assets		
Cash and Cash Equivalents	\$1,747,854	\$1,649,000
Total Assets	<u>1,747,854</u>	<u>1,649,000</u>
Net Assets		
Restricted for:		
Permanent Fund	1,281	1,261
Other Purposes	1,282,706	1,173,460
Unrestricted	463,867	474,279
Total Net Assets	<u>\$1,747,854</u>	<u>\$1,649,000</u>

The primary reasons contributing to the increases in cash balances are as follows:

- EMS revenue increased \$27,293 or 16 percent (16%) from 2005. The increase in rates for EMS runs was for the entire year for 2006.
- Interest increased \$35,294 or 74 percent (74%) increase due to good investments, higher interest rates, and increased fund balances available for investment for 2006.
- Fines for traffic violations increased \$6,843 or 120 percent (120%) due to better enforcement.

Table 2 reflects the changes in net assets in 2006. Moorefield Township prepared financial statements in GASB 34 format for 2005, therefore a comparative analysis of government-wide data has been presented in the following table:

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

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

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

	Governmental Activities 2005	Governmental Activities 2006
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$190,415	\$224,048
Operating Grants and Contributions	163,383	186,025
Total Program Receipts	<u>353,798</u>	<u>410,073</u>
General Receipts:		
Property and Other Local Taxes	1,454,574	1,069,344
Grants and Entitlements	139,215	413,450
Sale of Fixed Assets	18,000	31,215
Cable Franchise Fee		71,824
Interest	47,576	82,869
Miscellaneous	79,677	19,939
Total General Receipts	<u>1,739,042</u>	<u>1,688,641</u>
Total Program & General Receipts	<u>2,092,840</u>	<u>2,098,714</u>
Disbursements:		
General Government	408,581	210,105
Public Safety	567,996	565,039
Public Works	790,432	740,087
Health	3,989	21,181
Conservation-Recreation	25,878	17,576
Capital Outlay	81,426	445,872
Total Disbursements	<u>1,878,302</u>	<u>1,999,860</u>
Increase in Net Assets	<u>214,538</u>	<u>98,854</u>
Net Assets, January 1	<u>1,434,462</u>	<u>1,649,000</u>
Net Assets, December 31	<u>\$1,649,000</u>	<u>\$1,747,854</u>

Program receipts represent only 19.5% of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license, gas tax money, and other fees.

General receipts represent 80.5% of the Township's total receipts, and of this amount, over 63.3% are local taxes. State and federal grants and entitlements, sale of fixed assets, interest and miscellaneous receipts make up the balance of the Township's general receipts.

Disbursements for General Government represent the overhead costs of running Moorefield Township and the support services provided for the other Township activities. These include administrative costs, as well as internal services such as payroll and purchasing. Since these costs do not represent direct services to residents, we try to limit these costs to 25% of General Fund unrestricted receipts.

Public Safety is the cost of police and fire protection; Conservation-Recreation is the cost of maintaining the parks and playing fields; Public Works are the care and maintenance of roads and other associated cost to maintain roads and services; and Capital Outlay is the purchase of vehicles.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

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

Some of the reasons for increased expenditures were the following:

- Increases in salaries based on resolutions made by the Board of Trustees.
- The Township had several roads that were in very poor condition and needed extensive repairs costing in excess of \$271,000. This was an increase of over \$21,000 from 2005 road repair expenses. This is due to increase petroleum costs.
- Health Insurance premium increased \$5,417, resulting in a 6.4% increase from 2005.
- Excessive needed repairs of vehicles.
- The purchase of needed two Steiner tractors and chipper for the Road and Bridge Department.
- The construction of a restroom/concession stand and the renovation of the ballpark dugouts for the Moorefield Family Park cost \$174,730.
- The purchase of a 2006 Explorer cruiser for the deputy for \$23,291.

Governmental Activities

If you look at the Statement of Activities, 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 general government, public safety, public works and capital outlay, which account for 11%, 28%, 37% and 22% of all governmental disbursements, respectively. 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**

	Total Cost Of Services 2006	Net Cost Of Services 2006
General Government	\$210,105	\$210,018
Public Safety	565,039	352,762
Public Works	740,087	542,378
Health	21,181	21,181
Conservation-Recreation	17,576	17,576
Capital Outlay	445,872	445,872
Total Expenses	\$1,999,860	\$1,589,787

The dependence upon general receipts is apparent as over 79% of governmental activities are supported through these general receipts.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

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

The Government's Funds

Total governmental funds had receipts of \$2,098,714 and disbursements of \$1,999,860. The greatest change within governmental funds occurred within the Road and Bridge Department. For 2006 the fund balance of the Road and Bridge increased \$38,808 from 2005. This was in part by using the other allotted road funds (Motor Vehicle License Tax, Gasoline Tax, and Permissive Motor Vehicle License Tax) to pay for repairs, road work, equipment purchases and etc. instead of just the Road and Bridge Fund. The General Fund balance decreased \$10,412 from 2005; while the Fire District Fund balance increased \$30,456 from 2005.

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.

During 2006, Moorefield Township amended its General Fund budget to reflect changing circumstances. Final budgeted receipts exceeded the original budgeted receipts; actual receipts exceeded final budgeted receipts due to additional intergovernmental revenues.

Final disbursements for 2006 were budgeted at \$776,995. Actual disbursements were \$523,277. Receipts exceeded expectations as previously noted allowing the Township to carry forward \$463,867 for 2007. The Township kept spending very close to budgeted amounts as demonstrated by the reported variances.

Current Issues

The challenge for all Governments is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking funding. Moorefield Township relies heavily on local taxes and has some industry to support the tax base. The Moorefield Township budget for the coming year predicts revenues and spending levels to be similar to 2006.

Contacting the Government's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of Moorefield 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 Janet L. Dyer, Fiscal Officer, Moorefield Township, 1616 Moorefield Road, Springfield, Ohio 45503.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

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

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$1,747,854
Total Assets	<u>1,747,854</u>
Net Assets	
Restricted for:	
Permanent Fund	1,281
Other Purposes	1,282,706
Unrestricted	463,867
Total Net Assets	<u>\$1,747,854</u>

See accompanying notes to the basic financial statements.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

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

	<u>Program Cash Receipts</u>			<u>Net (Disbursements) Receipts and Changes in Net Assets</u>
	<u>Cash Disbursements</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities				
General Government	\$210,105	\$87		(\$210,018)
Public Safety	565,039	210,052	\$2,225	(352,762)
Public Works	740,087	13,909	183,800	(542,378)
Health	21,181			(21,181)
Conservation-Recreation	17,576			(17,576)
Capital Outlay	445,872			(445,872)
Total Governmental Activities	<u>\$1,999,860</u>	<u>\$224,048</u>	<u>\$186,025</u>	<u>(1,589,787)</u>
General Receipts				
Property Taxes				1,069,344
Grants and Entitlements not Restricted to Specific Programs				413,450
Sale of Fixed Assets				31,215
Cable Franchise Fees				71,824
Earnings on Investments				82,869
Miscellaneous				19,939
Total General Receipts				<u>1,688,641</u>
Change in Net Assets				98,854
Net Assets Beginning of Year				<u>1,649,000</u>
Net Assets End of Year				<u>\$1,747,854</u>

See accompanying notes to the basic financial statements.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

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

	<u>General</u>	<u>Road and Bridge</u>	<u>Fire District</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Equity in Pooled Cash and Cash Equivalents	\$463,867	\$128,490	\$920,619	\$234,878	\$1,747,854
Total Assets	<u>463,867</u>	<u>128,490</u>	<u>920,619</u>	<u>234,878</u>	<u>1,747,854</u>
Fund Balances					
Unreserved:					
Undesignated (Deficit), Reported in:					
General Fund	463,867				463,867
Special Revenue Funds		128,490	920,619	233,597	1,282,706
Permanent Fund				1,281	1,281
Total Fund Balances	<u>\$463,867</u>	<u>\$128,490</u>	<u>\$920,619</u>	<u>\$234,878</u>	<u>\$1,747,854</u>

See accompanying notes to the basic financial statements.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>General</u>	<u>Road and Bridge</u>	<u>Fire District</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Receipts					
Property and Other Local Taxes	\$79,033	\$563,134	\$427,177		\$1,069,344
Charges for Services				\$197,524	197,524
Licenses, Permits and Fees	71,911			6,382	78,293
Fines and Forfeitures	12,528				12,528
Intergovernmental	254,577	85,159	75,939	183,800	599,475
Special Assessments	6,227				6,227
Earnings on Investments	79,158			3,712	82,870
Miscellaneous	8,616	134	11,188	1,300	21,238
Total Receipts	<u>512,050</u>	<u>648,427</u>	<u>514,304</u>	<u>392,718</u>	<u>2,067,499</u>
Disbursements					
Current:					
General Government	210,105				210,105
Public Safety	82,946		314,320	167,773	565,039
Public Works	8,664	566,966		164,457	740,087
Health	695			20,486	21,181
Conservation-Recreation	17,576				17,576
Capital Outlay	203,291	57,053	185,528		445,872
Total Disbursements	<u>523,277</u>	<u>624,019</u>	<u>499,848</u>	<u>352,716</u>	<u>1,999,860</u>
Excess of Receipts Over (Under) Disbursements	<u>(11,227)</u>	<u>24,408</u>	<u>14,456</u>	<u>40,002</u>	<u>67,639</u>
Other Financing Sources (Uses)					
Sale of Fixed Assets	815	14,400	16,000		31,215
Total Other Financing Sources (Uses)	<u>815</u>	<u>14,400</u>	<u>16,000</u>		<u>31,215</u>
Net Change in Fund Balances	(10,412)	38,808	30,456	40,002	98,854
Fund Balances Beginning of Year	<u>474,279</u>	<u>89,682</u>	<u>890,163</u>	<u>194,876</u>	<u>1,649,000</u>
Fund Balances End of Year	<u>\$463,867</u>	<u>\$128,490</u>	<u>\$920,619</u>	<u>\$234,878</u>	<u>\$1,747,854</u>

See accompanying notes to the basic financial statements.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$81,052	\$81,788	\$78,436	(\$3,352)
Licenses, Permits and Fees	8,040	8,040	71,911	63,871
Fines and Forfeitures			12,528	12,528
Intergovernmental	124,783	124,783	255,174	130,391
Special Assessments			6,227	6,227
Earnings on Investments	58,177	58,177	79,158	20,981
Miscellaneous		30,000	8,616	(21,384)
Total receipts	<u>272,052</u>	<u>302,788</u>	<u>512,050</u>	<u>209,262</u>
Disbursements				
Current:				
General Government	413,304	413,704	210,105	203,599
Public Safety	107,000	107,000	82,946	24,054
Public Works	10,000	10,000	8,664	1,336
Health	5,000	5,000	695	4,305
Conservation-Recreation	36,000	36,000	17,576	18,424
Capital Outlay	175,000	205,251	203,291	1,960
Total Disbursements	<u>746,304</u>	<u>776,955</u>	<u>523,277</u>	<u>253,678</u>
Excess of Receipts Over (Under) Disbursements	<u>(474,252)</u>	<u>(474,167)</u>	<u>(11,227)</u>	<u>462,940</u>
Other Financing Sources (Uses)				
Sale of Fixed Assets		815	815	
Other Financing Uses		(40)		40
Total Other Financing Sources (Uses)		<u>775</u>	<u>815</u>	<u>40</u>
Net Change in Fund Balance	(474,252)	(473,392)	(10,412)	462,980
Fund Balance Beginning of Year	474,279	474,279	474,279	
Prior Year Encumbrances Appropriated				
Fund Balance End of Year	<u>\$27</u>	<u>\$887</u>	<u>\$463,867</u>	<u>\$462,980</u>

See accompanying notes to the basic financial statements.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
ROAD AND BRIDGE
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>		
Receipts				
Property and Other Local Taxes	\$644,050	\$648,518	\$564,116	(\$84,402)
Intergovernmental			84,177	84,177
Miscellaneous	2,114	2,114	134	(1,980)
Total receipts	<u>646,164</u>	<u>650,632</u>	<u>648,427</u>	<u>(2,205)</u>
Disbursements				
Current:				
Public Works	683,246	675,831	566,966	108,865
Capital Outlay	57,053	60,000	57,053	2,947
Total Disbursements	<u>740,299</u>	<u>735,831</u>	<u>624,019</u>	<u>111,812</u>
Excess of Receipts Over (Under) Disbursements	<u>(94,135)</u>	<u>(85,199)</u>	<u>24,408</u>	<u>109,607</u>
Other Financing Sources (Uses)				
Sale of Fixed Assets			14,400	14,400
Total Other Financing Sources (Uses)			<u>14,400</u>	<u>14,400</u>
Net Change in Fund Balance	(94,135)	(85,199)	38,808	124,007
Fund Balance Beginning of Year	<u>89,682</u>	<u>89,682</u>	<u>89,682</u>	
Fund Balance End of Year	<u><u>(\$4,453)</u></u>	<u><u>\$4,483</u></u>	<u><u>\$128,490</u></u>	<u><u>\$124,007</u></u>

See accompanying notes to the basic financial statements.

**MOOREFIELD TOWNSHIP
CLARK 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>			Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$492,687	\$494,028	\$424,088	(\$69,940)
Intergovernmental	67	3,446	79,028	75,582
Miscellaneous			11,188	11,188
Total receipts	<u>492,754</u>	<u>497,474</u>	<u>514,304</u>	<u>16,830</u>
Disbursements				
Current:				
Public Safety	1,149,866	1,153,245	314,320	838,925
Capital Outlay	<u>233,921</u>	<u>233,921</u>	<u>185,528</u>	<u>48,393</u>
Total Disbursements	<u>1,383,787</u>	<u>1,387,166</u>	<u>499,848</u>	<u>887,318</u>
Excess of Receipts Over (Under) Disbursements	(891,033)	(889,692)	14,456	904,148
Other Financing Sources (Uses)				
Sale of Fixed Assets			<u>16,000</u>	<u>16,000</u>
Total Other Financing Sources (Uses)			<u>16,000</u>	<u>16,000</u>
Net Change in Fund Balance	(891,033)	(889,692)	30,456	920,148
Fund Balance Beginning of Year	<u>890,163</u>	<u>890,163</u>	<u>890,163</u>	
Fund Balance End of Year	<u>(\$870)</u>	<u>\$471</u>	<u>\$920,619</u>	<u>\$920,148</u>

See accompanying notes to the basic financial statements.

This page intentionally left blank.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

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

1. REPORTING ENTITY

Moorefield Township is a township government established in Clark County, Ohio 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.

The reporting entity is comprised of the primary government, the Township.

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, fire and ambulance service and cemetery maintenance. Police protection is provided by a full time county deputy who is paid for by Township funds. Extra police protection is provided by the Clark County Sheriff Department at no extra cost to the Township.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 2C, 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 and the fund financial statements for the proprietary funds, 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. The Township does not have any business-type activities therefore does not apply FASB statements issued after November 30, 1989, to its business-type activities. 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. Governmental activities generally are financed through taxes, intergovernmental receipts or other non exchange transactions.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 or capital 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.

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, the Road and Bridge Fund, and the Fire District Fund (Fire and EMS). 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 Road and Bridge and Fire District Funds are restricted to the purpose of the funds according to general laws of Ohio.

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.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

All funds of the Township 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 Fiscal Officer. 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 the prior. 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".

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments. Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts.

During 2006, the Township invested in nonnegotiable certificate of deposit and a money market fund. The nonnegotiable certificate of deposit is reported at cost. The Township's money market fund investment is recorded at the amount reported by Security National Bank on December 31, 2006.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to all interest bearing funds were \$82,870.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Restricted Assets

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation.

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 cash basis of accounting. The Township had no accumulated leave payments for 2006.

H. 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 7 and 8, the employer contributions include portions for pension benefits.

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. There were no encumbrances carried over for 2007.

J. 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.

3. 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 all funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis).

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

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

4. 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. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories.

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).

Protection of the Township's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by collateral pledged to the Township by the financial institution, or by a collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

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

4. DEPOSITS AND INVESTMENTS (Continued)

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. Payment for investments may be made only upon delivery of the securities representing the investments to the Township or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Custodial 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, \$1,663,742 of the Township's bank balance of \$1,763,742 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by 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.

5. 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, 2006, 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 2006 represent the collection of 2005 taxes. Public utility real and tangible personal property taxes received in 2005 became a lien on December 31, 2004, 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 (other than public utility property) represent the collection of 2006 taxes. Tangible personal property taxes received in 2006 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. Tangible personal property tax is being phased out by 2009.

The full tax rate for all Township operations for the year ended December 31, 2006 was 5.05 mills. The assessed values of real property, public utility property, and tangible personal property upon, which 2006 property tax receipts were based, were a total value of \$268,347,332.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

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

6. RISK MANAGEMENT

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

A. Casualty Coverage

For an occurrence prior to January 1, 2006 OTARMA retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year. For an occurrence on or subsequent to January 1, 2006, the Pool retains casualty risk up to \$350,000 per occurrence, including loss adjustment expenses. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year. Governments can elect up to \$10,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with OTARMA.

If losses exhaust OTARMA's retained earnings, APEEP provides *excess of funds available* coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000 (for claims prior to January 1, 2006) or \$3,000,000 (for claims on or after January 1, 2006) as noted above.

B. Property Coverage

Through 2004, OTARMA retained property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsured losses exceeding \$100,000 up to \$500 million per occurrence.

Beginning in 2005, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable values. If the stop loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2006 was \$1,901,127.

The aforementioned casualty and property reinsurance agreements do not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

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

6. RISK MANAGEMENT (Continued)

C. Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2006 and 2005.

Casualty Coverage	2006	2005
Assets	\$32,031,312	\$30,485,638
Liabilities	(11,443,952)	(12,344,576)
Retained earnings	<u>\$20,587,360</u>	<u>\$18,141,062</u>

Property Coverage	2006	2005
Assets	\$10,010,963	\$9,177,796
Liabilities	(676,709)	(1,406,031)
Retained earnings	<u>\$ 9,334,254</u>	<u>\$7,771,765</u>

At December 31, 2006 and 2005, respectively, casualty coverage liabilities noted above include approximately \$10.8 million and \$11.6 million of estimated incurred claims payable. The Casualty Coverage assets and retained earnings above also include approximately \$10.8 million and \$11.6 million of unpaid claims to be billed to approximately 958 member governments in the future, as of December 31, 2006 and 2005, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township's share of these unpaid claims collectible in future years is approximately \$71,296. This payable includes the subsequent year's contribution due if the Township terminates participation, as described in the last paragraph below.

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

Contributions to OTARMA	
2004	\$30,481
2005	\$33,603
2006	\$35,648

After completing one year of membership, members may withdraw on each anniversary of the date they joined OTARMA provided they give written notice to OTARMA 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's budgetary contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

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

7. 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) 222-6705 or (800) 222-7377.

For the year ended December 31, 2006, the members of all three plans were required to contribute 9.0 percent (9.0%) of their annual covered salaries. The Township's contribution rate for pension benefits for 2006 was 13.7 percent (13.7%) 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, 2005 and 2004 were \$47,091, \$44,833 and \$40,587 respectively. The full amount has been contributed for 2006, 2005 and 2004.

8. 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 primary survivor 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 2006 local government employer contribution rate was 13.7 percent (13.7%) of covered payroll.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

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

8. POST-EMPLOYMENT BENEFITS (Continued)

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, 2006, 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.

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



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*

Moorefield Township
Clark County
1616 Moorefield Road
Springfield, Ohio 44503

To the Township Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Moorefield Township (the Township) as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated October 15, 2008 wherein we noted the Township prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. 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.

**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: 2007-001.

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 described above is also a material weakness.

We also noted a certain internal control matter that we reported to the Township's management in a separate letter dated October 15, 2008.

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 instances of noncompliance or other matters 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 October 15, 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 audit committee, management, and Board of Trustees.



Mary Taylor, CPA
Auditor of State

October 15, 2008

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006**

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

FINDING NUMBER 2007-001

Material Weakness/Significant Deficiency

Posting of Financial Activity

The Township's annual financial statements for 2007 and 2006 had errors due to the Township incorrectly posting its financial activity. Adjustments had to be made so that the financial statements were materially correct for both years as follows:

- In 2007, the Township incorrectly posted the Homestead/Rollback revenue as tax revenue which resulted in reclassification of tax revenue to intergovernmental of \$1,204 in the General Fund, \$30,275 in the Road and Bridge Fund and \$22,239 in the Fire District Fund.
- In 2007, the Township posted the entire of amount a single Homestead/Rollback receipt to the General Fund. This resulted in an overstatement of General Fund revenue in the amount of \$52,021, an understatement in the Road and Bridge Fund of \$29,918 and an additional understatement in the Fire District Fund of \$22,103.
- In 2007 and 2006, the Township incorrectly posted Permissive Tax Fund receipts to the Motor Vehicle License Tax Fund. In 2007 the amount was \$1,848 and the 2006 amount was \$1,786.

The financial statements have been adjusted to reflect the correct amounts.

The Township should develop and implement procedures which prevent and/or detect the incorrect posting of financial activity.

Officials Response:

Moorefield Township acknowledges that there were mistakes in posting receipts for the Homestead/Rollback revenue tax and Motor Vehicle License Tax fund to the incorrect funds for 2006 and 2007. Funds were adjusted and the necessary step for future receipt postings will be implemented.



Mary Taylor, CPA
Auditor of State

MOOREFIELD TOWNSHIP

CLARK 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
DECEMBER 2, 2008**