

GREENVILLE TOWNSHIP

DARKE COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2008



Mary Taylor, CPA
Auditor of State

Board of Trustees
Greenville Township
P. O. Box 188
5366 St Rt 571 E
Greenville, Ohio 45331

We have reviewed the *Independent Auditors' Report* of Greenville Township, Darke County, prepared by Manning & Associates CPAs, LLC, for the audit period January 1, 2008 through December 31, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

June 9, 2010

**GREENVILLE TOWNSHIP
DARKE COUNTY**

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DARKE COUNTY**

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**MANNING & ASSOCIATES CPAS, LLC
6105 NORTH DIXIE DRIVE
DAYTON, OHIO 45414**

INDEPENDENT AUDITORS' REPORT

Greenville Township
Darke County
5366 State Route 571 East
Greenville, Ohio 45331

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 Greenville Township, Darke County, (the Township), as of and for the years ended December 31, 2009 and 2008, which collectively comprise the Township's basis 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 an opinion on these financial statements based on our audit.

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

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the government activities, each major fund, and the aggregate remaining fund information of Greenville Township, Darke County, Ohio, as of December 31, 2009 and 2008 and the respective changes in cash basis financial position and the respective budgetary comparison for the General, Emergency Rescue Services and Fire Levy 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 April 10, 2010, 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.

Manning & Associates CPAs, LLC
Dayton, Ohio

April 10, 2010

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Greenville Township, Darke County
Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

This discussion and analysis of Greenville Township, Darke County financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2009 and 2008, within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2009 are as follows:

Net assets of governmental activities decreased \$50,850, or 1 percent, a significant change from the prior year which was a 14 percent increase. The funds most affected by the changes in cash and cash equivalents were the General, Emergency Rescue Service, and Cemetery funds. The General and Fire Levy funds experienced a significant decrease in 2009 while the Emergency Rescue Service fund experienced an increase; all other funds experienced decreases.

The Township's general receipts are primarily property taxes. These receipts represent \$1,342,331 or 51 percent of the total cash received for governmental activities during the year. Property tax receipts for 2009 decreased compared to 2008 due to the phasing out of personal property taxes and the slowdown caused by economic conditions.

Road contracts and road striping were paid from the Motor Vehicle License Tax, Gasoline Tax, Road and Bridge Fund and the Permissive Motor Vehicle License Tax.

Key highlights for 2008 are as follows:

Net assets of governmental activities increased \$539,637, or 14 percent, an increase from the prior year which was an increase of 11 percent. The funds most affected by the changes in cash and cash equivalents were the General and Emergency Rescue Service funds which realized the greatest increases in 2008; however most other funds experienced decreases.

The Township's general receipts are primarily property taxes. These receipts represent \$1,467,076 or 53 percent of the total cash received for governmental activities during the year. Property tax receipts increased slightly compared to 2007 as development within the Township has slowed because of economic conditions.

Road contracts and road striping were paid from the Motor Vehicle License Tax, Gasoline Tax, Road and Bridge Fund and the Permissive Motor Vehicle License Tax.

Greenville Township, Darke County
Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's cash basis of accounting. The statements are organized so the reader can understand the Township as a financial whole, or as an entire operating entity.

Report Components

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

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

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

Basis of Accounting

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

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

Reporting the Township as a Whole

The statement of net assets and the statement of activities reflect how the Township did financially during 2009 and 2008 respectively, 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.

Greenville Township, Darke County
Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

Reporting the Township as a Whole, (continued)

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

In the statement of net assets and the statement of activities, the Township consists of one activity type:

Governmental activities - Most of the Township's basic services are reported here, including emergency rescue services, fire protection and road maintenance. State and federal grants and income and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

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 Township are split into two categories: governmental and fiduciary.

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

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the Township. Fiduciary funds are not reflected on the government-wide financial statements because the resources of these funds are not available to support the Township's programs. The Township has one fiduciary fund.

Greenville Township, Darke County
Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

The Township as a Whole

Table 1 provides a summary of the Township's net assets for 2009, 2008 and 2007 for comparison on a cash basis:

(Table 1)
Net Assets

	Governmental Activities		
	2009	2008	2007
Assets			
Equity in Pooled Cash and Cash Equivalents	4,406,066	4,456,916	3,917,279
Total Assets	\$4,406,066	\$4,456,916	\$3,917,279
Net Assets			
Restricted for:			
Capital Outlay	258	258	255
Other Purposes	2,944,815	2,801,626	2,438,346
Unrestricted	1,460,993	1,655,032	1,478,678
Total Net Assets	\$4,406,066	\$4,456,916	\$3,917,279

As mentioned previously, net assets of governmental activities decreased \$50,850 or 1 percent during 2009 and increased \$539,637 or 14 percent in 2008. The primary reasons contributing to the changes in cash balances for 2009 and 2008 are as follows:

In 2009 the Township resurfaced with hot mix, chip and seal, overlay or crack seal of fourteen (14) miles of roadways at a cost of approximately \$170,000 compared to eleven (11) miles in 2008 at an approximate cost of \$194,000 and three (3) miles in 2007 at an approximate cost of \$117,000. The Township created a volunteer fire department effective January 1, 2008 in order to reduce the cost for fire protection, in 2007 the Township contracted with the City of Greenville for fire protection in 2007 at a cost of \$143,000.

A conservative approach to expenditures is practiced by the Township. The Township does the majority of equipment repair in-house. Only major repairs are outsourced. The Township's full time road employees are responsible for salting of the roads and snow removal. In the event of a large snowfall, the trustees assist with the snow removal. The Township's road mowing and the mowing of all Greenville Township cemeteries are done in-house by township employees.

Health benefit costs for the Township employees for 2009 and 2008 were approximately \$218,000 and \$186,000, respectively.

Greenville Township, Darke County
Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

Table 2 reflects the changes in net assets on a cash basis in 2009, 2008 and 2007 for governmental activities.

(Table 2)

Changes in Net Assets

	Governmental Activities		
	2009	2008	2007
Program Receipts:			
Charges for Services and Sales	760,617	807,875	800,462
Operating Grants and Contributions	120,053	119,262	128,096
Capital Grants and Contributions	28,188	29,016	25,710
Total Program Receipts	908,858	956,153	954,268
General Receipts:			
Property and Other Local Taxes	1,342,331	1,467,076	1,422,291
Grants and Entitlements Not Restricted to Specific Programs	164,786	158,552	144,854
Sale of Fixed Assets	27,205	0	0
Earnings on Investments	50,931	71,530	161,054
Miscellaneous	121,340	129,776	140,199
Total General Receipts	1,706,593	1,826,934	1,868,398
Total Receipts	2,615,451	2,783,087	2,822,666
Disbursements:			
General Government	940,451	861,842	732,712
Public Safety	827,443	878,147	764,102
Public Works	398,490	363,606	732,229
Health	61,141	66,930	59,367
Capital Outlay	438,776	72,925	156,644
Total Disbursements	2,666,301	2,243,450	2,445,054
Increase in Net Assets	(50,850)	539,637	377,612
Net Assets, January 1	4,456,916	3,917,279	3,539,667
Net Assets, December 31	\$4,406,066	\$4,456,916	\$3,917,279

Program receipts represent only 34 percent and 34 percent of total receipts for 2009 and 2008, respectively and are primarily comprised of restricted intergovernmental receipts and charges for emergency rescue services; township levied permissive motor vehicle license tax, charges for cemetery services/burial lots and local public works commission.

General receipts represent 66 percent and 66 percent of the Township's total receipts for 2009 and 2008, respectively and of this amount, over 79 percent and 81 percent respectively, are local taxes. State and federal grants and entitlements, sale of assets, interest and miscellaneous income make up the balance of the Township's general receipts of 21 percent and 19 percent, respectively for 2009 and 2008.

Greenville Township, Darke County
Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the administrative costs for the emergency rescue service, fire protection, cemetery upkeep, zoning compliance, board of trustees, fiscal officer as well as other internal services. Since these costs do not represent direct services to residents, we try to control these costs which are 35 percent and 38 percent for years 2009 and 2008, respectively.

Disbursements for Public Safety, Public Works and Public Health Services represent the costs for staffing and maintaining the emergency rescue service, fire protection, costs of maintaining public roads and the costs for maintaining the seven cemeteries located in the Township. The cost for these services was 48 percent and 58 percent for the years 2009 and 2008, respectively.

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 Public Safety, which account for 31 percent and 39 percent of all governmental disbursements, for 2009 and 2008, respectively. General government also represents significant costs, which account for 35 percent and 38 percent of all government disbursements, for 2009 and 2008, respectively. The next three 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 for 2009, 2008 and 2007 is presented in Table 3.

(Table 3)

	Governmental Activities					
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2009	2009	2008	2008	2007	2007
General Government	940,451	937,188	861,842	857,425	732,712	720,969
Public Safety	827,443	128,916	878,147	149,498	764,102	42,197
Public Works	398,490	222,072	363,606	182,019	732,229	544,659
Health	61,141	30,491	66,930	25,430	59,367	26,317
Capital Outlay	438,776	438,776	72,925	72,925	156,644	156,644
Total Expenses	2,666,301	1,757,443	2,243,450	1,287,297	2,445,054	1,490,786

The dependence upon property and income tax receipts is apparent as over 50 percent and 65 percent, for 2009 and 2008, respectively, are governmental activities which are supported through these general receipts.

Greenville Township, Darke County
Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

The Township's Funds

Total governmental funds had receipts of \$2,615,451 and \$2,783,087 for 2009 and 2008, respectively, and disbursements of \$2,666,301 and \$2,243,450 for 2009 and 2008, respectively. The greatest change within governmental funds occurred within the General, Emergency Rescue Service and Cemetery funds for 2009 and the General and Emergency Rescue Services funds for 2008. The fund balance for the General Fund decreased by \$194,039 for 2009 compared to \$176,354 increase for 2008. The fund balance for Emergency Rescue Service Fund increased in 2009 and 2008 by \$264,433 and \$421,992 due to soft bill for services. The Cemetery Fund decreased in 2009 due to the erection of a new maintenance building for storage of equipment at the Greenville Township Memorial Gardens. The Fire Fund decreased in 2008 by \$46,279 as a result of unanticipated repairs to township fire trucks and the purchase of a vehicle to be used by the fire chief, asst chief and fire inspector.

General Fund Budgeting Highlights

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted major funds are the General Fund, Emergency Rescue Service Fund and the Fire Levy Fund.

For 2009, the Township amended its budget to reflect changing circumstances. In the General fund, for 2008, final budgeted receipts were the same as the original budgeted receipts. Actual receipts of \$235,775 were the same as budgeted in the amount of \$235,775 for 2009 and for 2008 actual receipts of \$377,507 were over the budgeted amount of \$253,900 due to the receipts of unexpected estate tax.

Disbursements for 2009 were appropriated at \$1,690,522 while actual disbursements were \$248,814 in the General fund. Disbursements for 2008 were appropriated at \$1,732,578 while actual disbursements were \$201,153 in the General Fund. The Township appropriates all available revenues but spends conservatively. The Township keeps a close monitoring on all disbursements to prevent having to request additional funds from taxpayers.

Capital Assets

The Township tracks its capital assets utilizing an excel spreadsheet which is then used for end of year reporting and insurance purposes.

Current Issues

The challenge for all Governments is to provide quality services to the public while staying within the restrictions imposed but limited, and in some cases shrinking, funding. We rely heavily on local taxes and have very little industry to support the tax base. Our newly prepared financial forecast does not predict a deficit for 2010; but the audit (finance) committee and the administration will still continue to closely control costs for the years ahead.

Greenville Township, Darke County
Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

Contacting the Township's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Barbara Anthony, Fiscal Officer, Greenville Township, Darke County, P O Box 188, 5366 St Rt 571 E., Greenville, OH 45331.

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Greenville Township
Darke County
Statement of Net Assets - Cash Basis
December 31, 2009

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ <u>4,406,066</u>
<i>Total Assets</i>	<u><u>4,406,066</u></u>
Net Assets	
Restricted For:	
Permanent	258
Other Purposes	2,944,815
Unrestricted	<u>1,460,993</u>
<i>Total Net Assets</i>	\$ <u><u>4,406,066</u></u>

See accompanying notes to the basic financial statements

Greenville Township

Darke County

*Statement of Activities - Cash Basis
For the Year Ended December 31, 2009*

		Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash	Charges	Operating	Capital	
	Disbursements	for Services and Sales	Grants and Contributions	Grants and Contributions	Governmental Activities
Governmental Activities					
General Government	\$ 940,451	\$ 3,263	\$ 0	\$ 0	(937,188)
Public Safety	827,443	698,527	0	0	(128,916)
Public Works	398,490	28,177	120,053	28,188	(222,072)
Health	61,141	30,650	0	0	(30,491)
Capital Outlay	438,776	0	0	0	(438,776)
<i>Total Governmental Activities</i>	<u>\$ 2,666,301</u>	<u>\$ 760,617</u>	<u>\$ 120,053</u>	<u>\$ 28,188</u>	<u>\$ (1,757,443)</u>

General Receipts

Property Taxes Levied for:

General Purposes	\$ 1,299,625
Other Taxes	42,706
Grants and Entitlements not Restricted to Specific Programs	164,786
Sale of Fixed Assets	27,205
Interest	50,931
Miscellaneous	121,340

Total General Receipts 1,706,593

Change in Net Assets (50,850)

Net Assets Beginning of Year 4,456,916

Net Assets End of Year \$ 4,406,066

See accompanying notes to the basic financial statements

Greenville Township
Darke County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2009

	<u>General</u>	<u>Emergency Rescue Services</u>	<u>Fire Levy Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 1,460,993	\$ 2,547,823	\$ 133,984	\$ 263,266	\$ 4,406,066
<i>Total Assets</i>	<u>1,460,993</u>	<u>2,547,823</u>	<u>133,984</u>	<u>263,266</u>	<u>4,406,066</u>
Fund Balances					
Unreserved:					
General Fund	1,460,993	0	0	0	1,460,993
Special Revenue Funds	0	2,547,823	133,984	263,008	2,944,815
Permanent Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>258</u>	<u>258</u>
<i>Total Fund Balances</i>	<u>\$ 1,460,993</u>	<u>\$ 2,547,823</u>	<u>\$ 133,984</u>	<u>\$ 263,266</u>	<u>\$ 4,406,066</u>

See accompanying notes to the basic financial statements

Greenville Township

Darke County

Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances

Governmental Funds

For the Year Ended December 31, 2009

	<u>General</u>	<u>Emergency Rescue Services</u>	<u>Fire Levy Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Receipts					
Property and Other Local Taxes	\$ 51,027	\$ 917,424	\$ 157,691	\$ 201,660	\$ 1,327,802
Charges for Services	0	687,762	0	28,650	716,412
Licenses, Permits and Fees	0	10,766	0	3,263	14,029
Intergovernmental	58,479	121,672	31,615	143,967	355,733
Interest	50,800	0	0	131	50,931
Miscellaneous	75,469	2,532	4,802	40,536	123,339
<i>Total Receipts</i>	<u>235,775</u>	<u>1,740,156</u>	<u>194,108</u>	<u>418,207</u>	<u>2,588,246</u>
Disbursements					
Current:					
General Government	214,708	661,357	52,954	11,432	940,451
Public Safety	0	727,513	99,930	0	827,443
Public Works	19,502	0	0	378,988	398,490
Health	0	0	0	61,141	61,141
Capital Outlay	14,604	86,853	227,485	109,834	438,776
<i>Total Disbursements</i>	<u>248,814</u>	<u>1,475,723</u>	<u>380,369</u>	<u>561,395</u>	<u>2,666,301</u>
<i>Excess of Receipts Over(Under) Disbursements</i>	<u>(13,039)</u>	<u>264,433</u>	<u>(186,261)</u>	<u>(143,188)</u>	<u>(78,055)</u>
Other Financing Sources (Uses)					
Sale of Fixed Assets	0	0	0	27,205	27,205
Advance In	10,000	0	160,000	31,000	201,000
Advance Out	(191,000)	0	0	(10,000)	(201,000)
<i>Total Other Financing Sources (Uses)</i>	(181,000)	0	160,000	48,205	27,205
<i>Net Change in Fund Balances</i>	(194,039)	264,433	(26,261)	(94,983)	(50,850)
<i>Fund Balances Beginning of Year</i>	<u>1,655,032</u>	<u>2,283,390</u>	<u>160,245</u>	<u>358,249</u>	<u>4,456,916</u>
<i>Fund Balances End of Year</i>	<u>\$ 1,460,993</u>	<u>\$ 2,547,823</u>	<u>\$ 133,984</u>	<u>\$ 263,266</u>	<u>\$ 4,406,066</u>

See accompanying notes to the basic financial statements

Greenville Township
Darke County
Statement of Receipts, Disbursements and Changes in
Fund Cash Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2009

	<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	\$ 44,890	\$ 51,027	\$ 51,027	\$ 0
Intergovernmental	71,600	58,479	58,479	0
Interest	70,000	50,800	50,800	0
Miscellaneous	1,476,875	75,469	75,469	0
<i>Total Receipts</i>	<u>1,663,365</u>	<u>235,775</u>	<u>235,775</u>	<u>0</u>
Disbursements				
Current:				
General Government	278,924	278,924	214,708	64,216
Public Works	1,587,598	1,361,598	19,502	1,342,096
Capital Outlay	50,000	50,000	14,604	35,396
<i>Total Disbursements</i>	<u>1,916,522</u>	<u>1,690,522</u>	<u>248,814</u>	<u>1,441,708</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(253,157)</u>	<u>(1,454,747)</u>	<u>(13,039)</u>	<u>1,441,708</u>
Other Financing Sources (Uses)				
Advance In	0	0	10,000	10,000
Advance Out	(587,713)	(191,000)	(191,000)	0
<i>Total Other Financing Sources (Uses)</i>	(587,713)	(191,000)	(181,000)	10,000
<i>Net Change in Fund Balance</i>	(840,870)	(1,645,747)	(194,039)	1,451,708
<i>Fund Balance Beginning of Year</i>	<u>1,655,032</u>	<u>1,655,032</u>	<u>1,655,032</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 814,162</u>	<u>\$ 9,285</u>	<u>\$ 1,460,993</u>	<u>\$ 1,451,708</u>

See accompanying notes to the basic financial statements

Greenville Township
Darke County
Statement of Receipts, Disbursements and Changes in
Fund Balance - Budget and Actual - Budget Basis
Emergency Rescue Services
For the Year Ended December 31, 2009

	<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	\$ 892,300	\$ 892,300	\$ 917,424	\$ 25,124
Charges for Services	697,000	697,000	687,762	(9,238)
Licenses, Permits and Fees	8,500	8,500	10,766	2,266
Intergovernmental	53,000	53,000	121,672	68,672
Miscellaneous	3,000	3,000	2,532	(468)
<i>Total Receipts</i>	<u>1,653,800</u>	<u>1,653,800</u>	<u>1,740,156</u>	<u>86,356</u>
Disbursements				
Current:				
General Governmental	894,700	894,700	661,357	233,343
Public Safety	1,862,491	1,862,491	727,513	1,134,978
Capital Outlay	1,180,000	1,180,000	86,853	1,093,147
<i>Total Disbursements</i>	<u>3,937,191</u>	<u>3,937,191</u>	<u>1,475,723</u>	<u>2,461,468</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(2,283,391)</u>	<u>(2,283,391)</u>	<u>264,433</u>	<u>2,547,824</u>
<i>Net Change in Fund Balance</i>	(2,283,391)	(2,283,391)	264,433	2,547,824
<i>Fund Balance Beginning of Year</i>	<u>2,283,391</u>	<u>2,283,391</u>	<u>2,283,390</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,547,823</u>	<u>\$ 2,547,824</u>

See accompanying notes to the basic financial statements

Greenville Township
Darke County
Statement of Receipts, Disbursements and Changes in
Fund Balance - Budget and Actual - Budget Basis
Fire Levy Fund
For the Year Ended December 31, 2009

	<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	\$ 152,550	\$ 152,550	\$ 157,691	\$ 5,141
Intergovernmental	15,000	15,000	31,615	16,615
Miscellaneous	0	0	4,802	4,802
<i>Total receipts</i>	<u>167,550</u>	<u>167,550</u>	<u>194,108</u>	<u>26,558</u>
Disbursements				
Current:				
General Government	68,246	68,246	52,954	15,292
Public Safety	286,595	286,595	99,930	186,665
Capital Outlay	529,666	529,666	227,485	302,181
<i>Total Disbursements</i>	<u>884,507</u>	<u>884,507</u>	<u>380,369</u>	<u>504,138</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(716,957)</u>	<u>(716,957)</u>	<u>(186,261)</u>	<u>530,696</u>
Other Financing Sources (Uses)				
Advance In	556,713	556,713	160,000	(396,713)
<i>Total Other Financing Sources (Uses)</i>	556,713	556,713	160,000	(396,713)
<i>Net Change in Fund Balance</i>	(160,244)	(160,244)	(26,261)	133,983
<i>Fund Balance Beginning of Year</i>	<u>160,245</u>	<u>160,245</u>	<u>160,245</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 133,984</u>	<u>\$ 133,983</u>

See accompanying notes to the basic financial statements

Greenville Township
Darke County
Statement of Fiduciary Net Assets - Cash Basis
Fiduciary Funds
December 31, 2009

	<u>Private Purpose Trust</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ <u>502</u>
<i>Total Assets</i>	<u><u>502</u></u>
Net Assets	
Restricted For:	
Other Purposes	<u>502</u>
<i>Total Net Assets</i>	\$ <u><u>502</u></u>

See accompanying notes to the basic financial statements

Greenville Township
Darke County
Statement of Changes in Fiduciary Net Assets - Cash Basis
Fiduciary Funds
For the Year Ended December 31, 2009

	Private Purpose Trust
Additions	
Interest	\$ <u>1</u>
<i>Total Additions</i>	<u>1</u>
Deductions	
Supplies and Materials	<u>22</u>
<i>Total Deductions</i>	<u>22</u>
Change in Net Assets	(21)
Net Assets - Beginning of Year	<u>523</u>
Net Assets - End of Year	\$ <u><u>502</u></u>

See accompanying notes to the basic financial statements

Greenville Township
Darke County
Statement of Net Assets - Cash Basis
December 31, 2008

		<u>Governmental Activities</u>
Assets		
Equity in Pooled Cash and Cash Equivalents	\$	<u>4,456,916</u>
<i>Total Assets</i>		<u><u>4,456,916</u></u>
 Net Assets		
Restricted For:		
Permanent		258
Other Purposes		2,801,626
Unrestricted		<u>1,655,032</u>
<i>Total Net Assets</i>	\$	<u><u>4,456,916</u></u>

See accompanying notes to the basic financial statements

Greenville Township
Darke County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2008

		Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
General Government	\$ 861,842	\$ 4,417	\$ 0	\$ 0	\$ (857,425)
Public Safety	878,147	728,649	0	0	(149,498)
Public Works	363,606	33,309	119,262	29,016	(182,019)
Health	66,930	41,500	0	0	(25,430)
Capital Outlay	72,925	0	0	0	(72,925)
<i>Total Governmental Activities</i>	\$ 2,243,450	\$ 807,875	\$ 119,262	\$ 29,016	\$ (1,287,297)
 General Receipts					
Property Taxes Levied for:					
General Purposes				\$ 1,301,871	
Other Taxes				165,205	
Grants and Entitlements not Restricted to Specific Programs				158,552	
Interest				71,530	
Miscellaneous				129,776	
<i>Total General Receipts</i>				1,826,934	
Change in Net Assets					539,637
<i>Net Assets Beginning of Year</i>					3,917,279
<i>Net Assets End of Year</i>					\$ 4,456,916

See accompanying notes to the basic financial statements

Greenville Township
Darke County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2008

	<u>General</u>	<u>Emergency Rescue Services</u>	<u>Fire Levy Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Equity in Pooled Cash and Cash Equivalents \$	1,655,032	\$ 2,283,390	\$ 160,245	\$ 358,249	\$ 4,456,916
<i>Total Assets</i>	<u>1,655,032</u>	<u>2,283,390</u>	<u>160,245</u>	<u>358,249</u>	<u>4,456,916</u>
Fund Balances					
Unreserved:					
General Fund	1,655,032	0	0	0	1,655,032
Special Revenue Funds	0	2,283,390	160,245	357,991	2,801,626
Permanent Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>258</u>	<u>258</u>
<i>Total Fund Balances</i>	<u>\$ 1,655,032</u>	<u>\$ 2,283,390</u>	<u>\$ 160,245</u>	<u>\$ 358,249</u>	<u>\$ 4,456,916</u>

See accompanying notes to the basic financial statements

Greenville Township
Darke County

Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds

For the Year Ended December 31, 2008

	<u>General</u>	<u>Emergency Rescue Services</u>	<u>Fire Levy Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Receipts					
Property and Other Local Taxes	\$ 50,822	\$ 942,522	\$ 149,615	\$ 192,221	\$ 1,335,180
Charges for Services	0	718,222	0	34,000	752,222
Licenses, Permits and Fees	0	10,426	0	4,416	14,842
Intergovernmental	177,228	118,181	30,349	146,279	472,037
Interest	70,741	0	0	789	71,530
Miscellaneous	78,716	4,233	1,787	52,540	137,276
<i>Total Receipts</i>	<u>377,507</u>	<u>1,793,584</u>	<u>181,751</u>	<u>430,245</u>	<u>2,783,087</u>
Disbursements					
Current:					
General Government	192,920	652,684	4,221	12,017	861,842
Public Safety	0	701,887	176,261	0	878,148
Public Works	1,646	0	0	361,959	363,605
Health	0	0	0	66,930	66,930
Capital Outlay	6,587	17,021	47,548	1,769	72,925
<i>Total Disbursements</i>	<u>201,153</u>	<u>1,371,592</u>	<u>228,030</u>	<u>442,675</u>	<u>2,243,450</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>176,354</u>	<u>421,992</u>	<u>(46,279)</u>	<u>(12,430)</u>	<u>539,637</u>
<i>Net Change in Fund Balances</i>	176,354	421,992	(46,279)	(12,430)	539,637
<i>Fund Balances Beginning of Year</i>	<u>1,478,678</u>	<u>1,861,398</u>	<u>206,524</u>	<u>370,679</u>	<u>3,917,279</u>
<i>Fund Balances End of Year</i>	<u>\$ 1,655,032</u>	<u>\$ 2,283,390</u>	<u>\$ 160,245</u>	<u>\$ 358,249</u>	<u>\$ 4,456,916</u>

See accompanying notes to the basic financial statements

Greenville Township
Darke County
Statement of Receipts, Disbursements and Changes in
Fund Cash Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2008

	<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	\$ 47,500	\$ 47,500	\$ 50,822	\$ 3,322
Intergovernmental	36,400	36,400	177,228	140,828
Interest	100,000	100,000	70,741	(29,259)
Miscellaneous	70,000	70,000	78,716	8,716
<i>Total Receipts</i>	<u>253,900</u>	<u>253,900</u>	<u>377,507</u>	<u>123,607</u>
Disbursements				
Current:				
General Government	269,349	269,349	192,920	76,429
Public Works	1,413,229	1,413,229	1,646	1,411,583
Capital Outlay	50,000	50,000	6,587	43,413
<i>Total Disbursements</i>	<u>1,732,578</u>	<u>1,732,578</u>	<u>201,153</u>	<u>1,531,425</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(1,478,678)</u>	<u>(1,478,678)</u>	<u>176,354</u>	<u>1,655,032</u>
<i>Net Change in Fund Balance</i>	(1,478,678)	(1,478,678)	176,354	1,655,032
<i>Fund Balance Beginning of Year</i>	<u>1,478,678</u>	<u>1,478,678</u>	<u>1,478,678</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,655,032</u>	<u>\$ 1,655,032</u>

See accompanying notes to the basic financial statements

Greenville Township

Darke County

*Statement of Receipts, Disbursements and Changes in
Fund Cash Balance - Budget and Actual - Budget Basis*

Emergency Rescue Services

For the Year Ended December 31, 2008

	<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	\$ 861,000	\$ 861,000	\$ 942,522	\$ 81,522
Charges for Services	566,800	566,800	718,222	151,422
Licenses, Permits and Fees	5,000	5,000	10,426	5,426
Intergovernmental	56,100	56,100	118,181	62,081
Miscellaneous	3,000	3,000	4,233	1,233
<i>Total Receipts</i>	<u>1,491,900</u>	<u>1,491,900</u>	<u>1,793,584</u>	<u>301,684</u>
Disbursements				
Current:				
General Governmental	811,500	811,500	652,684	158,816
Public Safety	2,431,798	2,431,798	701,887	1,729,911
Capital Outlay	110,000	110,000	17,021	92,979
<i>Total Disbursements</i>	<u>3,353,298</u>	<u>3,353,298</u>	<u>1,371,592</u>	<u>1,981,706</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(1,861,398)</u>	<u>(1,861,398)</u>	<u>421,992</u>	<u>2,283,390</u>
<i>Net Change in Fund Balance</i>	(1,861,398)	(1,861,398)	421,992	2,283,390
<i>Fund Balance Beginning of Year</i>	<u>1,861,398</u>	<u>1,861,398</u>	<u>1,861,398</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,283,390</u>	<u>\$ 2,283,390</u>

See accompanying notes to the basic financial statements

Greenville Township
Darke County
Statement of Receipts, Disbursements and Changes in
Fund Cash Balance - Budget and Actual - Budget Basis
Fire Levy Fund
For the Year Ended December 31, 2008

	<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	\$ 155,500	\$ 155,500	\$ 149,615	\$ (5,885)
Intergovernmental	14,480	14,480	30,349	15,869
Miscellaneous	0	0	1,787	1,787
<i>Total receipts</i>	<u>169,980</u>	<u>169,980</u>	<u>181,751</u>	<u>11,771</u>
Disbursements				
Current:				
General Government	5,000	5,000	4,221	779
Public Safety	291,504	291,504	176,261	115,243
Capital Outlay	80,000	80,000	47,548	32,452
<i>Total Disbursements</i>	<u>376,504</u>	<u>376,504</u>	<u>228,030</u>	<u>148,474</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(206,524)</u>	<u>(206,524)</u>	<u>(46,279)</u>	<u>160,245</u>
<i>Net Change in Fund Balance</i>	(206,524)	(206,524)	(46,279)	160,245
<i>Fund Balance Beginning of Year</i>	<u>206,524</u>	<u>206,524</u>	<u>206,524</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 160,245</u></u>	<u><u>\$ 160,245</u></u>

See accompanying notes to the basic financial statements

Greenville Township
Darke County
Statement of Fiduciary Net Assets - Cash Basis
Fiduciary Funds
December 31, 2008

	<u>Private Purpose Trust</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ <u>523</u>
<i>Total Assets</i>	<u><u>523</u></u>
Net Assets	
Restricted For:	
Other Purposes	<u>523</u>
<i>Total Net Assets</i>	\$ <u><u>523</u></u>

See accompanying notes to the basic financial statements

Greenville Township
Darke County
Statement of Changes in Fiduciary Net Assets - Cash Basis
Fiduciary Funds
For the Year Ended December 31, 2008

	Private Purpose Trust
Additions	
Interest	\$ <u>13</u>
<i>Total Additions</i>	<u>13</u>
Deductions	
Supplies and Materials	<u>23</u>
<i>Total Deductions</i>	<u>23</u>
Change in Net Assets	(10)
Net Assets - Beginning of Year	<u>533</u>
Net Assets - End of Year	\$ <u><u>523</u></u>

See accompanying notes to the basic financial statements

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Greenville Township
Darke County
Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 1 – Reporting Entity

Greenville Township, Darke County, Ohio (the Township), is a body politic and corporate established in 1817 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, component units and other organizations that were included to ensure that the financial statements are not misleading.

A. Primary Government

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, emergency services, maintenance of Township roads and bridges, and cemetery maintenance. Police protection is provided by Darke County Sheriff's Department.

B. Component Units

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Township is obligated for the debt of the organization. The Township is also financially accountable for any organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Township, are accessible to the Township and are significant in amount to the Township. The Township has no component units.

C. Joint Ventures, Jointly Governed Organizations, and Public Entity Risk Pools

A joint venture is a legal entity or other organization that results from a contractual arrangement and is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. Under the cash basis of accounting, the Township does not report assets for equity interests in joint ventures.

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA) public entity risk pool. Note 6 to the financial statements provides additional information for this entity.

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

Greenville Township
Darke County
Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements 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 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.

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, except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

The statement of net assets presents the cash and investment balances of the governmental and business-type activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental and business-type 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 or business-type activity is self-financing on a cash basis or draws from the Township's general receipts.

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. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

Greenville Township
Darke County
Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 2 – Summary of Significant Accounting Policies (continued)

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. The funds of the Township are divided into two categories, governmental and fiduciary.

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Township's major governmental funds are:

General Fund – The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

Emergency Rescue Service Fund – is used to account for all receipts of property taxes and other revenues enabling the Township to provide public emergency care.

Fire Levy Fund – is used to account for all receipts of property taxes which enable the Township to provide public fire protection services.

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

Fiduciary Funds

Fiduciary funds include pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Township's own programs. The Township has one Fiduciary Fund, a private purpose trust fund. The fund is related to a cemetery bequest that requires amounts donated to be maintained in perpetuity. Investment earnings are used to place flowers on the John J. Ross Sr. grave at the East Zion Cemetery for Memorial Day Services.

C. Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. 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.

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

Greenville Township
Darke County
Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 2 – Summary of Significant Accounting Policies (continued)

D. Budgetary Process

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

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township 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 prior years. The amounts reported as the final budgeted amounts reflect the amounts at the time final appropriations were 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 with an original maturity of three months or less at the time of purchase and investments of the cash management pool 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. Gains or losses at the time of sale are recorded as receipts or negative receipts, respectively. During 2009 and 2008, the Township invested in STAR Ohio and a Certificate of Deposit.

STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2009 and 2008.

The Certificate of Deposit is held with Greenville National Bank, valued at cost.

Greenville Township
Darke County
Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 2 – Summary of Significant Accounting Policies (continued)

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2009 and 2008 were \$50,800 and \$70,741, respectively, which includes \$46,110 and \$34,075, for 2009 and 2008, respectively, assigned from other Township funds.

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. The Township has no restricted assets.

G. Inventory and Prepaid Items

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

H. Capital Assets

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

I. Accumulated Leave

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

J. Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

K. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for road and bridge maintenance, cemetery maintenance, fire protection and emergency rescue services.

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.

Greenville Township
Darke County
Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 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 the General, Emergency Rescue Service and Fire Levy funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The Township had no outstanding encumbrances at years ended December 31, 2009 and 2008.

Note 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 within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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

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

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

Greenville Township
Darke County
Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 4 – Deposits and Investments (continued)

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

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

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2009, the carrying amount of the Township's deposits was \$2,835,984 and the bank balance was \$2,995,633. At December 31, 2008, the carrying amount of the Township's deposits was \$2,219,507 and the bank balance was \$2,372,291. Of the bank balances, \$250,000 was covered by Federal Depository Insurance Corporation (FDIC) and \$2,745,633 and \$2,122,291 for 2009 and 2008, respectively, was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

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

Greenville Township
Darke County
Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 4 – Deposits and Investments (continued)

B. Investments

As of December 31, 2009 and 2008, the Township had the following investments:

	Carrying Value 2009	Carrying Value 2008
STAR Ohio	\$ 1,570,584	\$ 2,237,932

These investments have a maturity of less than one year.

Interest rate risk arises because the fair value of investments changes as interest rates change. The Township’s investment policy addresses interest rate risk by requiring that the Township’s investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations, thereby avoiding that need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

STAR Ohio carries a rating of AAA by Standard and Poor’s. The Township’s investment policy is limited to requiring compliance with state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. U.S. Treasury Bills are exposed to custodial credit risk as they are uninsured, unregistered, and held by the counterparty’s trust department or agent but not in the Township’s name. The Township has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M) (2) which states, “Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee.”

Note 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 2009 and 2008 represent the collection of 2008 and 2007 taxes. Real property taxes received in 2009 and 2008 were levied after October 1, 2008 and 2007, respectively, on the assessed values as of January 1, 2009 and 2008, respectively, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due in February each year; if paid semiannually, the first payment is due in February, with the remainder payable by July of each year. Under certain circumstances, State statute permits alternate payment dates to be established.

Greenville Township
Darke County
Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 5 – Property Taxes (continued)

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31st of that calendar year, and at the tax rates as determined in the preceding year.

In prior years, tangible personal property used in business (except for public utilities) was assessed for ad valorem taxation purposes at twenty-five percent of its true value. As part of the phase out of the personal property tax, the assessment percentage of personal property was reduced to 6.25% for 2008. The tax was entirely phased out in 2009. Amounts paid by multi-county taxpayers are due September 20th of the year assessed. Single county taxpayers may pay annually or semi-annually the first payment due April 30th, the remainder payable by September 30th.

Public utility property tax revenue received in 2009 and 2008, represent the collection of calendar year 2008 and 2007 taxes. Public utility real and tangible personal property taxes received in 2009 and 2008, became a lien on December 31, 2007 and 2006, and are collected with real property taxes. Certain public utility tangible personal property is currently assessed at 100 percent of its true value. Public utility real property is assessed at thirty-five percent of true value; public utility property taxes are payable on the same dates as real property as described previously.

The full tax rate for all Township operations for the years ended December 31, 2009 and 2008 was \$6.90 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2009 and 2008 property tax receipts were based are as follows:

	<u>2009</u>	<u>2008</u>
Real Property		
Residential	\$72,769,970	\$70,983,300
Agricultural	11,808,600	8,805,290
Commercial/Industrial/Mineral	6,366,150	6,347,910
Public Utility – Real Estate	7,250	6,720
Public Utility – Personal Property	12,279,230	6,857,840
Personal Property	-----	2,743,700
Total Assessed Value	\$103,231,200	\$95,744,760

Note 6 – Risk Management

The Township is exposed to various risks of loss related to torts; theft, damage, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Settled claims have not exceeded coverage in the last three years and there was no significant reduction in coverage from the prior year.

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

Greenville Township
Darke County
Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 6 – Risk Management, (continued)

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 townships pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Coverage

For occurrences prior to January 1, 2006, OTARMA retains casualty risks up to \$250,000 per claim, including loss adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, and provides up to \$1,750,000 per claim and \$10,000,000 in aggregate per year. For occurrences on or after January 1, 2006, OTARMA retains casualty risk up to \$350,000 per claim, including loss adjustment expenses. OTARMA pays a percentage of its contribution to APEEP. APEEP reinsures claim exceeding \$350,000, and provides up to \$2,650,000 per claim and \$10,000,000 in aggregate per year.

If losses exhaust OTARMA's retained earnings, APEEP covers OTARMA losses up to \$5,000,000 per year, subject to an aggregate of \$10,000,000. Governments can elect additional coverage, from \$3,000,000 to \$13,000,000, General Reinsurance Corporation.

Property Coverage

Travelers reinsures specific losses exceeding \$250,000, and provides up to \$600,000,000 per occurrence. APEEP reinsures members for a specific loss 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 OTARMA 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 \$600,000,000 per occurrence limit.

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 OTARMA member.

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

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, 2008 and 2007 (the latest information available):

	<u>2008</u>	<u>2007</u>
Assets	\$ 40,737,740	\$43,210,703
Liabilities	<u>(12,981,818)</u>	<u>(13,357,837)</u>
Net Assets	<u>\$ 27,755,922</u>	<u>\$ 29,852,866</u>

Greenville Township
Darke County
Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 6 – Risk Management, (continued)

At December 31, 2008 and 2007, respectively, liabilities above include approximately \$12.1 million and \$12.5 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$10.9 and \$11.6 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2008 and 2007, respectively. These amounts will be included in future contributions from members when the related claims are due for payment.

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

2009	\$ 8,724
2008	\$10,598
2007	\$12,398

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.

Note 7 – Defined Benefit Pension Plan

A. Ohio Public Employees Retirement System

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

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

Greenville Township
Darke County
Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 7 – Defined Benefit Pension Plan, (continued)

The Ohio Revised Code provides statutory authority for member and employer contributions. For the years ended December 31, 2009 and December 31, 2008 members in state and local classifications contributed 10.0 percent of covered payroll. The Township's contribution rate for 2009 and 2008 was 14 percent of covered payroll. State statute sets a maximum contribution rate of the Township of 14 percent.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2009, 2008, and 2007 were \$160,879, \$149,109 and \$124,154, respectively. The full amount has been contributed for 2009, 2008 and 2007.

Note 8 – Postemployment Benefits

A. Ohio Public Employees Retirement System

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

The Ohio Public Employees Retirement System (OPERS) maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan. For qualifying members of the Traditional Pension and Combined Plans, this plan includes a medical plan, prescription drug program, and Medicare Part B premium reimbursement. Those belonging to the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The healthcare coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

The Ohio Revised Code provides statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement benefits. Employer contribution rates are expressed as a percentage of covered payroll of active members. In 2009 and 2008, local government employers contributed 14 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units. Active members do not make contributions to the OPEB plan.

OPERS' Post-employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. For 2008 through March 31, 2009, the employer contribution allocated to the health care plan was 7.0 percent and 5.5 percent from April 1 through December 31, 2009, respectively, of covered payroll. The OPERS

Greenville Township
Darke County
Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 8 – Postemployment Benefits, (continued)

Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and coverage selected.

The Township's contributions to OPERS to fund postemployment healthcare benefits for the years ended December 31, 2009, 2008, and 2007 were \$65,960, \$59,644, and \$80,700, respectively; 100 percent has been contributed for 2009, 2008, and 2007.

The OPERS Retirement Board adopted the Health Care Preservation Plan (HCPP) on September 9, 2004, was effective on January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008 which allowed additional funds to be allocated to the healthcare plan.

Note 9 – Subsequent Events

Management has evaluated subsequent events through April 10, 2010, the date on which the financial statements were available for issue. No subsequent events which would warrant inclusion were discovered during the review.

Note 10 – Compliance

In 2009, repayment of advances recorded as reimbursements to the General fund in the amount of \$1,391,876 were not in accordance with Ohio Revised Code sections 5705.14, 5705.15 and 5705.16; and Auditor of State bulletin 97-003.

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**MANNING & ASSOCIATES CPAS, LLC
6105 NORTH DIXIE DRIVE
DAYTON, OHIO 45414**

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Greenville Township
Darke County
5366 State Route 571 East
Greenville, Ohio 45331

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Greenville Township, Darke County, Ohio (the Township), as of and for the years ended December 31, 2009 and 2008, which collectively comprise the Township's basic financial statements and have issued our report thereon dated April 10, 2010 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 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 the purpose of expressing our opinion on the financial statements, but not for the purpose of opining 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider finding 2009-001 described in the accompanying schedule of findings to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we tested 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 an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompany schedule of findings as item 2009-001.

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 management, the audit committee, the Board of Trustees. We intend it for no one other than these specified parties.

Manning & Associates CPAs, LLC
Dayton, Ohio

April 10, 2010

**GREENVILLE TOWNSHIP
DARKE COUNTY**

SCHEDULE OF FINDINGS
DECEMBER 31, 2009 and 2008

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

FINDING NUMBER 2009-001

Advances/Transfers

No statutory provisions directly address inter-fund advances. However, the following requirements are derived in part under **Ohio Rev. Code, Sections 5705.14, 5705.15 and 5705.16** and in accordance with Auditor of State bulletin 97-003. Advances are intended to temporarily reallocate cash from one fund to another and involve expectation of repayment. The intent for cash advances is to require repayment within the current or succeeding year.

Inter-fund cash advances are subject to the following:

1. Any advance must be clearly labeled as such and must be distinguished from a transfer.
2. In order to advance from one fund to another there must be statutory authority to use the money in the fund advancing the cash for the same purpose for which the fund receiving the cash was established.
3. The reimbursement from debtor fund to the creditor fund must not violate any restrictions on use of the money
4. Advances must be approved by formal resolution of the taxing authority of the subdivision. The resolution must include:
 - a. A specific statement that the transaction is an advance of cash and
 - b. An indication of the money (fund) from which it is expected that repayment will be made.

In 2002 and 2003, the Township built a rescue/EMS building. The cost of the building was paid from the General Fund in the amount of \$971,562. During 2009, the Township initiated a repayment to the General Fund from the EMS fund for \$971,562. In the year the capital outlay was reported, there was no documentation or resolution stating this was intended as an advance; and was recorded in the General fund as a capital outlay.

In 1998 and 2002, the Township paid \$23,601 of expenses for cemetery improvements from the General Fund. During 2009, the Township initiated a repayment to the General Fund from the Cemetery fund for \$23,601. In the year the capital outlay was reported, there was no documentation or resolution stating this was intended as an advance; and was recorded in the General fund as a capital outlay.

In 2007, the Township incurred \$396,713 of start-up costs for the fire department. Prior to 2007, fire services were provided by contract with the City of Greenville. The start-up costs were paid from the General Fund in the amount of \$396,713. During 2009, the Township initiated a repayment to the General Fund from the Fire Levy fund for \$396,713. In the year the capital outlay was reported, there was no documentation or resolution stating this was intended as an advance; and was recorded in the General fund as a capital outlay.

**GREENVILLE TOWNSHIP
DARKE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2009 and 2008**

<p>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</p>

FINDING NUMBER 2009-001

During 2009, miscellaneous receipts of \$1,391,876 were recorded in the General fund as reimbursement of expenses paid and capital outlays were recorded in the EMS, Fire, and Cemetery funds for \$971,562, \$396,713, and \$23,601, respectively. Approvals of these transactions were made by retroactive resolution for the repayment of prior advances. There is no supporting documentation or resolutions for the prior advances. Nor were any advances reported on the financial statements for the years in which the expenditure incurred.

Failure to properly approve and permit advances and or transfers in compliance with the above statues can result in inaccurate financial reporting and negative fund balances.

Adjustments were made to the Township records and financial statements to reverse the repayment of advances.

We recommend the Township only make transfers and advance once approved by resolution prior to the transfer or advance.

Response: The Township has reviewed the finding and has agreed to make the audit adjustments.



Mary Taylor, CPA
Auditor of State

GREENVILLE TOWNSHIP

DARKE 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
JUNE 22, 2010**