



Dave Yost • Auditor of State



**GREENFIELD TOWNSHIP  
FAIRFIELD COUNTY**

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# Dave Yost • Auditor of State

Greenfield Township  
Fairfield County  
4663 Carroll Cemetery Road  
Carroll, Ohio 43112

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your Township to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in black ink that reads "Dave Yost".

**Dave Yost**  
Auditor of State

August 8, 2012

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# Dave Yost • Auditor of State

Greenfield Township  
Fairfield County  
4663 Carroll Cemetery Road  
Carroll, Ohio 43112

To the Board of Trustees:

We have audited the accompanying financial statements of Greenfield Township, Fairfield County, Ohio (the Township) as of and for the years ended December 31, 2011 and 2010. 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 our audit provides a reasonable basis for our opinion.

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

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity-wide statements and also presenting the Township's larger (i.e. major) funds separately. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Townships to reformat their statements. The Township has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2011 and 2010 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2011 and 2010, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances as of December 31, 2011 and 2010 of Greenfield Township, Fairfield County, Ohio and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

As described in Note 2, during 2010 the Township adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

As described in Note 3, for the year ended December 31, 2010, the Township changed its financial presentation compared to the requirements of Governmental Accounting Standard No. 34 *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* to the accounting practices the Auditor of State prescribes or permits.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 8, 2012, 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.



**Dave Yost**  
Auditor of State

August 8, 2012

**GREENFIELD TOWNSHIP  
FAIRFIELD COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$ 62,841	\$ 1,184,868	\$ 131,438	\$ -	\$ 1,379,147
Charges for Services	-	176,391	-	-	176,391
Licenses, Permits and Fees	18,536	9,599	-	-	28,135
Intergovernmental	78,255	288,069	14,822	-	381,146
Earnings on Investments	10,148	979	-	-	11,127
Miscellaneous	40,862	38,602	-	-	79,464
<i>Total Cash Receipts</i>	<u>210,642</u>	<u>1,698,508</u>	<u>146,260</u>	<u>-</u>	<u>2,055,410</u>
<b>Cash Disbursements</b>					
Current:					
General Government	254,664	-	-	-	254,664
Public Safety	-	1,019,675	-	-	1,019,675
Public Works	2,000	462,431	-	-	464,431
Health	-	23,287	-	-	23,287
Other	-	-	2,548	-	2,548
Capital Outlay	-	-	-	30,550	30,550
Debt Service:					
Principal Retirement	-	-	40,000	-	40,000
Interest and Fiscal Charges	-	-	82,100	-	82,100
<i>Total Cash Disbursements</i>	<u>256,664</u>	<u>1,505,393</u>	<u>124,648</u>	<u>30,550</u>	<u>1,917,255</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(46,022)</u>	<u>193,115</u>	<u>21,612</u>	<u>(30,550)</u>	<u>138,155</u>
<b>Other Financing Receipts (Disbursements)</b>					
Sale of Capital Assets	-	3,500	-	-	3,500
Transfers In	-	10,000	-	220,000	230,000
Transfers Out	-	(230,000)	-	-	(230,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>-</u>	<u>(216,500)</u>	<u>-</u>	<u>220,000</u>	<u>3,500</u>
<i>Net Change in Fund Cash Balances</i>	<u>(46,022)</u>	<u>(23,385)</u>	<u>21,612</u>	<u>189,450</u>	<u>141,655</u>
<i>Fund Cash Balances, January 1</i>	<u>854,478</u>	<u>1,539,472</u>	<u>96,349</u>	<u>124,652</u>	<u>2,614,951</u>
<b>Fund Cash Balances, December 31</b>					
Restricted	-	1,420,949	117,961	-	1,538,910
Committed	-	95,138	-	-	95,138
Assigned	-	-	-	-	-
Unassigned (Deficit)	808,456	-	-	314,102	1,122,558
<i>Fund Cash Balances, December 31</i>	<u>\$ 808,456</u>	<u>\$ 1,516,087</u>	<u>\$ 117,961</u>	<u>\$ 314,102</u>	<u>\$ 2,756,606</u>

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

**GREENFIELD TOWNSHIP  
FAIRFIELD COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGE IN FUND BALANCE  
FIDUCIARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Private Purpose Trust
<b>Operating Cash Receipts</b>	
Earnings on Investments	<u>\$ 58</u>
<i>Total Operating Cash Receipts</i>	<u>58</u>
<i>Net Change in Fund Cash Balance</i>	58
<i>Fund Cash Balance, January 1</i>	<u>25,968</u>
<i>Fund Cash Balance, December 31</i>	<u><u>\$ 26,026</u></u>

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

**GREENFIELD TOWNSHIP  
FAIRFIELD COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$ 62,387	\$ 1,073,086	\$ 131,003	\$ -	\$ 1,266,476
Charges for Services	-	220,059	-	-	220,059
Licenses, Permits and Fees	19,971	9,370	-	-	29,341
Intergovernmental	111,705	259,286	16,721	-	387,712
Earnings on Investments	27,429	3,134	-	-	30,563
Miscellaneous	50,477	32,884	-	-	83,361
<i>Total Cash Receipts</i>	<u>271,969</u>	<u>1,597,819</u>	<u>147,724</u>	<u>-</u>	<u>2,017,512</u>
<b>Cash Disbursements</b>					
Current:					
General Government	234,864	-	-	-	234,864
Public Safety	14,320	969,598	-	-	983,918
Public Works	86,648	484,419	-	-	571,067
Health	29,547	14,642	-	-	44,189
Other	-	-	2,344	-	2,344
Capital Outlay	-	-	-	20,000	20,000
Debt Service:					
Principal Retirement	-	-	40,000	-	40,000
Interest and Fiscal Charges	-	-	84,100	-	84,100
<i>Total Cash Disbursements</i>	<u>365,379</u>	<u>1,468,659</u>	<u>126,444</u>	<u>20,000</u>	<u>1,980,482</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(93,410)</u>	<u>129,160</u>	<u>21,280</u>	<u>(20,000)</u>	<u>37,030</u>
<b>Other Financing Receipts (Disbursements)</b>					
Sale of Capital Assets	-	2,010	-	-	2,010
Transfers In	-	92,653	8,019	142,652	243,324
Transfers Out	-	(152,653)	-	(90,671)	(243,324)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>-</u>	<u>(57,990)</u>	<u>8,019</u>	<u>51,981</u>	<u>2,010</u>
<i>Net Change in Fund Cash Balances</i>	<u>(93,410)</u>	<u>71,170</u>	<u>29,299</u>	<u>31,981</u>	<u>39,040</u>
<i>Fund Cash Balances, January 1</i>	<u>947,888</u>	<u>1,468,302</u>	<u>67,050</u>	<u>92,671</u>	<u>2,575,911</u>
<b>Fund Cash Balances, December 31</b>					
Restricted	-	1,454,334	96,349	-	1,550,683
Committed	-	85,138	-	124,652	209,790
Assigned	43,824	-	-	-	43,824
Unassigned (Deficit)	810,654	-	-	-	810,654
<i>Fund Cash Balances, December 31</i>	<u>\$ 854,478</u>	<u>\$ 1,539,472</u>	<u>\$ 96,349</u>	<u>\$ 124,652</u>	<u>\$ 2,614,951</u>

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

**GREENFIELD TOWNSHIP  
FAIRFIELD COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGE IN FUND BALANCE  
FIDUCIARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Private Purpose Trust
<b>Operating Cash Receipts</b>	
Earnings on Investments	<u>\$ 59</u>
<i>Total Operating Cash Receipts</i>	<u>59</u>
<i>Net Change in Fund Cash Balance</i>	59
<i>Fund Cash Balance, January 1</i>	<u>25,909</u>
<i>Fund Cash Balance, December 31</i>	<u><u>\$ 25,968</u></u>

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

**GREENFIELD TOWNSHIP  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010**

**1. Summary of Significant Accounting Policies**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Greenfield Township, Fairfield County, Ohio (the Township) as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services.

The Township participates in a jointly governed organization and a public entity risk pool. Notes 11 and 12 to the financial statements provides additional information for these entities. These organizations are:

Jointly Governed Organization:

Fairfield County Regional Planning Commission

Public Entity Risk Pool:

Ohio Township Association Risk Management Authority (OTARMA)

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

**B. Accounting Basis**

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

**C. Deposits and Investments**

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Township invests in nonnegotiable certificates of deposit. The nonnegotiable certificates of deposit are reported as cost.

**D. Fund Accounting**

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

**General Fund**

The General Fund reports all financial resources except those required to be accounted for in another fund.

**GREENFIELD TOWNSHIP  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**D. Fund Accounting (Continued)**

**Special Revenue Funds**

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

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

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

Fire Operation Fund - This fund receives property tax money for providing fire protection and emergency services to the Township.

**Debt Service Fund**

This fund accounts for resources the Township accumulates to pay bond and note debt. The Township had the following significant Debt Service Fund:

General Obligation Bond Retirement Fund - This fund receives property taxes for the payment of general long-term debt principal, interest, and related costs.

**Capital Project Funds**

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Township had the following significant capital project fund:

Fire Capital Projects Fund - This fund receives transfers from the Fire Operation Fund annually to accumulate funds for purchasing fire apparatus.

**Fiduciary Fund**

Fiduciary funds include private purpose trust funds. Trust funds 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's private purpose trust fund is for programs that are held for cemetery maintenance.

**E. Budgetary Process**

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

**GREENFIELD TOWNSHIP  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**E. Budgetary Process (Continued)**

**Appropriations**

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

**Estimated Resources**

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

**Encumbrances**

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

A summary of 2011 and 2010 budgetary activity appears in Note 5.

**F. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

**Nonspendable**

The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**Restricted**

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**Committed**

Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**GREENFIELD TOWNSHIP  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**F. Fund Balance (Continued)**

**Assigned**

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the General Fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

**Unassigned**

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**G. Property, Plant, and Equipment**

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**H. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**2. Change in Accounting Principle**

For fiscal year 2010, the Township reclassified certain funds as required by the revised fund classification guidance in Governmental Accounting Standard Board (GASB) Statement No. 54. The implementation of this statement had no effect on the Township's financial statements.

**3. Change in Basis of Accounting**

For the year ended December 31, 2010, the Township changed its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34. *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* to the accounting practices the Auditor of State prescribes or permits. This change did not result in a restatement of the fund balances.

**GREENFIELD TOWNSHIP  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**4. Equity in Pooled Deposits and Investments**

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

	2011	2010
Demand deposits	\$ 1,782,632	\$ 2,140,919
Certificates of deposit	1,000,000	500,000
Total deposits and investments	\$ 2,782,632	\$ 2,640,919

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by the financial institution's public entity deposit pool.

**5. Budgetary Activity**

Budgetary activity for the years ending December 31, 2011 and 2010 follows:

2011 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 211,782	\$ 210,642	\$ (1,140)
Special Revenue	1,569,010	1,712,008	142,998
Debt Service	140,000	146,260	6,260
Capital Projects	220,000	220,000	-
Trust	57	58	1
Total	\$ 2,140,849	\$ 2,288,968	\$ 148,119

2011 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 557,774	\$ 256,664	\$ 301,110
Special Revenue	2,019,056	1,744,408	274,648
Debt Service	126,800	124,648	2,152
Capital Projects	150,000	30,500	119,500
Total	\$ 2,853,630	\$ 2,156,220	\$ 697,410

2010 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 214,704	\$ 271,969	\$ 57,265
Special Revenue	1,516,389	1,692,482	176,093
Debt Service	152,019	155,743	3,724
Capital Projects	60,000	142,652	82,652
Trust	57	59	2
Total	\$ 1,943,169	\$ 2,262,905	\$ 319,736

**GREENFIELD TOWNSHIP  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**5. Budgetary Activity (Continued)**

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 663,273	\$ 409,203	\$ 254,070
Special Revenue	1,884,643	1,621,312	263,331
Debt Service	134,819	126,444	8,375
Capital Projects	110,671	110,671	-
Total	\$ 2,793,406	\$ 2,267,630	\$ 525,776

**6. Property Tax**

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

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

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

**7. Debt**

Debt outstanding at December 31, 2011 was as follows:

	Principal	Interest Rate
General Obligation Bonds	\$ 1,560,000	5%
Total	\$ 1,560,000	

In 2004, the Township issued general obligation bonds to finance the construction of and furnishings of a firehouse. The Township's taxing authority collateralized the bonds.

**GREENFIELD TOWNSHIP  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**7. Debt (Continued)**

Amortization of the above debt, including interest, is scheduled as follows:

Year ending December 31:	General Obligation Bonds
2012	\$ 125,100
2013	122,850
2014	125,600
2015	123,100
2016	120,600
2017-2021	621,250
2022-2026	615,590
2027-2032	739,690
Total	\$ 2,593,780

**8. Retirement Systems**

The Township's certified Fire Fighters belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2011 and 2010, OP&F participants contributed 10% of their wages. For 2011 and 2010, the Township contributed to OP&F an amount equal to 24% full-time fire fighters' wages, respectively. For 2011 and 2010, OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2011.

**9. 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. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of OTARMA and provides underwriting, claims, loss control, risk management, and reinsurance services for OTARMA. OTARMA is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

**GREENFIELD TOWNSHIP  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**9. Risk Management (Continued)**

Casualty and Property Coverage

APEEP provides OTARMA with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2010, OTARMA retained \$350,000 for casualty claims and \$150,000 for property claims.

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

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, 2010 and 2009 (the latest information available):

	<u>2010</u>	<u>2009</u>
Assets	\$35,855,252	\$38,982,088
Liabilities	<u>(10,664,724)</u>	<u>(12,880,766)</u>
Net Assets	<u>\$25,190,528</u>	<u>\$26,101,322</u>

At December 31, 2010 and 2009, respectively, the liabilities above include approximately \$9.9 and \$12.0 million of estimated incurred claims payable. The assets above also include approximately \$9.5 and \$11.5 million of unpaid claims to be billed to approximately 940 member governments in the future, as of December 31, 2010 and 2009, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2010, the Township's share of these unpaid claims collectible in future years is approximately \$29,493.

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**

	<u>2011</u>	<u>2010</u>
	\$39,856	\$34,807

After one year of membership, a member may withdraw on the anniversary of the date of joining OTARMA, if the member notifies OTARMA in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's 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.

**GREENFIELD TOWNSHIP  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**10. Contingent Liabilities**

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**11. Jointly Governed Organization**

**Fairfield Regional Planning Commission.** The Township appoints a member of the Board of Trustees to represent the Township on the 47 member board of the Fairfield Regional Planning Commission. The Township pays a small membership fee annually based on the per capita of the Township. There is no ongoing financial responsibility by the Township.

**12. Public Entity Risk Pool**

**Ohio Township Association Risk Management Authority (OTARMA).** The Township participates in OTARMA, a risk sharing pool available to Ohio townships. OTARMA provides property and casualty insurance coverage for its members and 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 member's deductibles. Note 9 to the financial statements provide additional information for this entity.

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Greenfield Township  
Fairfield County  
4663 Carroll Cemetery Road  
Carroll, Ohio 43112

To the Board of Trustees:

We have audited the financial statements of Greenfield Township, Fairfield County, Ohio (the Township) as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated August 8, 2012, wherein we noted the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America and we noted the Township adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. 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.

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 combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

### **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 a certain matter not requiring inclusion in this report that we reported to the Township's management in a separate letter dated August 8, 2012.

We intend this report solely for the information and use of management, the Board of Trustees, and others within the Township. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

August 8, 2012

GREENFIELD TOWNSHIP  
FAIRFIELD COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2011

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2009-001	Financial Statements	No	Partially corrected. Reported in letter to management.





# Dave Yost • Auditor of State

**GREENFIELD TOWNSHIP**

**FAIRFIELD 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  
AUGUST 23, 2012**