

***GREENVILLE TOWNSHIP***

**DARKE COUNTY, OHIO**

**AUDIT REPORT**

**For the Years Ended December 31, 2013 and 2012**





# Dave Yost • Auditor of State

Board of Trustees  
Greenville Township  
5366 St Rt 571 E  
Greenville, Ohio 45331

We have reviewed the *Report of Independent Accountants* of the Greenville Township, Darke County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2012 through December 31, 2013. 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. The Greenville Township is responsible for compliance with these laws and regulations.

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

Dave Yost  
Auditor of State

July 8, 2014

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**GREENVILLE TOWNSHIP  
DARKE COUNTY  
AUDIT REPORT  
For the Years Ended December 31, 2013 and 2012**

**TABLE OF CONTENTS**

<u>Title</u>	<u>Page</u>
Report of Independent Accountants	1-2
Management Discussion & Analysis	3-9
Statement of Net Position – Cash Basis – For the Year Ended December 31, 2013	10
Statement of Activities – Cash Basis – For the Year Ended December 31, 2013	11
Statement of Cash Basis Assets and Fund Balances – Governmental Funds – December 31, 2013	12
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances – Governmental Funds – For the Year Ended December 31, 2013	13
Statement of Statement of Receipts, Disbursements and Changes In Fund Balance - Budget and Actual - Budget Basis – General Fund – For the Year Ended December 31, 2013	14
Statement of Statement of Receipts, Disbursements and Changes In Fund Balance - Budget and Actual - Budget Basis – Emergency Rescue Services Levy Fund – For the Year Ended December 31, 2013	15
Statement of Fiduciary Net Position - Cash Basis – December 31, 2013	16
Statement of Changes in Fiduciary Net Position – Cash Basis – Fiduciary Funds - For the Year Ended December 31, 2013	17
Statement of Net Position – Cash Basis – December 31, 2012	18
Statement of Activities – Cash Basis – For the Year Ended December 31, 2012	19
Statement of Cash Basis Assets and Fund Balances – Governmental Funds – December 31, 2012	20
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances – Governmental Funds – For the Year Ended December 31, 2012	21
Statement of Statement of Receipts, Disbursements and Changes In Fund Balance - Budget and Actual - Budget Basis – General Fund – For the Year Ended December 31, 2012	22
Statement of Statement of Receipts, Disbursements and Changes In Fund Balance - Budget and Actual - Budget Basis – Emergency Rescue Services Levy Fund – For the Year Ended December 31, 2012	23
Statement of Fiduciary Net Position - Cash Basis – December 31, 2012	24
Statement of Changes in Fiduciary Net Position – Cash Basis – Fiduciary Funds - For the Year Ended December 31, 2012	25

**GREENVILLE TOWNSHIP  
DARKE COUNTY  
AUDIT REPORT  
For the Years Ended December 31, 2013 and 2012**

**TABLE OF CONTENTS**

<u><b>Title</b></u>	<u><b>Page</b></u>
<b>Notes to the Financial Statements</b>	<b>26-40</b>
<b>Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i></b>	<b>41-42</b>
<b>Status of Prior Audit's Citations and Recommendations</b>	<b>43</b>

**REPORT OF INDEPENDENT ACCOUNTANTS**

Greenville Township  
Darke County  
P. O. Box 188  
5366 St Rt 571 E  
Greenville, Ohio 45331

To the Board of Trustees:

***Report on the Financial Statements***

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, Ohio (the Township), as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Township's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Greenville Township, Darke County, Ohio, as of December 31, 2013 and 2012, and the respective changes in cash financial position and the respective budgetary comparison for the General and Emergency Rescue Service funds thereof for the years then ended in accordance with the accounting basis described in Note 2.

***Accounting Basis***

We draw attention to Note 2 of the financial statements, which describes the accounting basis, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

***Other Matters***

***Supplemental and Other Information***

We audited to opine on the Township's financial statements that collectively comprise its basic financial statements. *Management's Discussion & Analysis* includes tables of net position, changes in net position and governmental activities. These tables provide additional analysis and are not a required part of the basic financial statements.

These tables are management's responsibility and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, these tables are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other than the aforementioned procedures applied to the tables, we applied no procedures to any other information in Management's Discussion & Analysis, and we express no opinion or any other assurance on it.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 4, 2014 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



***Charles E. Harris & Associates, Inc.***

June 4, 2014

Greenville Township, Darke County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2013 and 2012  
Unaudited

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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, 2013 and 2012, 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 2013 are as follows:

Net position of governmental activities decreased \$101,238 or 2 percent, compared to an increase of \$123,828 from the prior year. The funds most affected by the changes in cash and cash equivalents were the Emergency Rescue Services and the Gasoline Fund which realized the greatest decreases in 2013; however most other funds experienced increases.

The Township's general receipts are primarily property taxes. These receipts represent \$1,264,582 or 73 percent of the total cash received for governmental activities during the year. Property tax receipts increased slightly compared to 2012 due to change in property values.

Road contracts and road striping were paid from the Gasoline Tax Fund and the Road and Bridge Fund.

Key highlights for 2012 are as follows:

Net position of governmental activities increased \$123,828, or 3 percent, compared to a decrease of 11 percent from the prior year. The funds most affected by the changes in cash and cash equivalents were the General Fund, Fire Fund, Cemetery Fund and Road and Bridge Fund which realized the greatest increases in 2012, however most other funds experienced decreases.

The Township's general receipts are primarily property taxes. These receipts represent \$1,228,836 or 45 percent of the total cash received for governmental activities during the year. Property tax receipts increased slightly compared to 2011 due to reappraisals by the county government.

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

**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.

Greenville Township, Darke County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2013 and 2012  
Unaudited

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**Report Components**

The statement of net position 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 position and the statement of activities reflect how the Township did financially during 2013 and 2012 respectively, within the limitations of cash basis accounting. The statement of net position 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 activity draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure 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.

**Reporting the Township as a Whole (Continued)**

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

**Governmental activities** – All of the Township's basic services are reported here, including emergency rescue services, fire protection and road maintenance. State and federal grants 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 two major governmental funds, General Fund and Emergency Rescue Service Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. We describe this relationship in reconciliations presented with the governmental fund financial statements.

**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, 2013 and 2012  
Unaudited

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**The Township as a Whole**

Table 1 provides a summary of the Township's net position for 2013, 2012 and 2011 on a cash basis:

(Table 1)

**Net Position**

	Governmental Activities		
	2013	2012	2011
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 4,148,120	\$ 4,249,358	\$ 4,125,530
Total Assets	\$4,148,120	\$4,249,358	\$4,125,530
<b>Net Position</b>			
Restricted for:			
Permanent Fund: For Improvements (Interest Only)			
Expendable	\$ 158	\$ 158	\$ 158
Non Expendable	100	100	100
Other Purposes	1,828,913	2,006,687	2,010,944
Unrestricted	2,318,949	2,242,413	2,114,328
Total Net Position	\$4,148,120	\$4,249,358	\$4,125,530

As mentioned previously, net position of governmental activities decreased \$101,238 or 2 percent during 2013 and increased by \$123,828 or 3 percent in 2012. The primary reasons contributing to the changes in cash balances are as follows:

In 2013 the Township resurfaced with chip and seal and overlay or crack seal of 6.25 miles of roadways at a cost of approximately \$172,500 compared to 6 miles in 2012 at an approximate cost of \$211,000.

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 2013 and 2012 were approximately \$284,000 and \$299,000, respectively.

Greenville Township, Darke County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2013 and 2012  
Unaudited

Table 2 reflects the changes in net position on a cash basis in 2011, 2012 and 2013 for governmental activities.

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

	Governmental Activities		
	2013	2012	2011
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$887,349	\$931,517	\$942,240
Operating Grants and Contributions	145,494	145,513	148,653
Capital Grants and Contributions	0	0	0
Total Program Receipts	<u>1,032,843</u>	<u>1,077,030</u>	<u>1,090,893</u>
General Receipts:			
Property and Other Local Taxes	1,264,582	1,228,838	1,280,939
Grants and Entitlements Not Restricted to Specific Programs	265,929	377,318	197,266
Sales of Fixed Assets	7,712	0	6,476
Earnings on Investments	7,427	16,287	21,301
Miscellaneous	9,154	33,042	17,313
Total General Receipts	<u>1,554,804</u>	<u>1,655,485</u>	<u>1,523,295</u>
Total Receipts	<u>2,587,647</u>	<u>2,732,515</u>	<u>2,614,188</u>
Disbursements:			
General Government	965,725	1,021,544	974,927
Public Safety	1,163,076	1,079,985	1,078,765
Public Works	373,174	422,459	714,113
Public Health Services	55,929	65,645	65,249
Capital Outlay	130,981	19,054	265,671
Total Disbursements	<u>2,688,885</u>	<u>2,608,687</u>	<u>3,098,725</u>
Increase (Decrease) in Net Position	(101,238)	123,828	(484,537)
Net Position, January 1	4,249,358	4,125,530	4,610,067
Net Position, December 31	<u>\$4,148,120</u>	<u>\$4,249,358</u>	<u>\$4,125,530</u>

Program receipts represent only 40 percent and 39 percent of total receipts for 2013 and 2012, respectively and are primarily comprised of restricted intergovernmental receipts such as 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 60 percent and 61 percent of the Government's total receipts for 2013 and 2012, respectively and of this amount, over 81 percent and 74 percent respectively, are local taxes. State and federal grants and entitlements, interest and miscellaneous income make up the balance of the Government's general receipts of 18 percent and 26 percent, respectively for 2013 and 2012. Other receipts are very insignificant and somewhat unpredictable revenue sources.

Greenville Township, Darke County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2013 and 2012  
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 limit these costs to 15 percent of General Fund unrestricted receipts.

Public Safety is the costs of emergency services and fire protection; Public Health Services is the costs of maintaining the cemeteries; and Public Works is the cost of maintaining the roads.

**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 43 percent and 41 percent of all governmental disbursements for 2013 and 2012, respectively. General government also represents significant costs, which account for 36 percent and 39 percent of all government disbursements, for 2013 and 2012, respectively. The next two columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net cost column compares the program receipts to the cost of the service. This net cost amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

A comparison between the total cost of services and the net cost for 2013, 2012, and 2011 is presented in Table 3.

(Table 3)						
<b>Governmental Activities</b>						
	Total Cost	Net Cost	Total Cost	Net Cost	Total Cost	Net Cost
	of Services					
	2013	2013	2012	2012	2011	2011
General Government	\$965,725	\$958,905	\$1,021,544	\$1,011,661	\$974,926	\$967,555
Public Safety	\$1,163,076	\$363,216	\$1,079,985	\$233,980	\$1,078,765	\$202,669
Public Works	\$373,174	\$227,680	\$422,459	\$276,946	\$714,114	\$567,246
Public Health Services	55,929	(24,740)	65,645	(9,984)	65,249	4,691
Other		0	0	0	0	0
Capital Outlay	130,981	130,981	19,054	19,054	265,671	265,671
<b>Total Expenses</b>	<b>\$2,688,885</b>	<b>\$1,656,042</b>	<b>\$2,608,687</b>	<b>\$1,531,657</b>	<b>\$3,098,725</b>	<b>\$2,007,832</b>

The dependence upon property and income tax receipts is apparent as over 47 percent of governmental activities, for 2013 and 2012, are supported through these general receipts.

**The Township's Funds**

Total governmental funds had receipts of \$2,579,935 and \$ 2,732,515 for 2013 and 2012, respectively, and disbursements of \$2,688,885 and \$2,608,687 for 2013 and 2012, respectively. The greatest change within governmental funds for 2013 occurred within the General, Emergency Rescue Service and Fire funds. The greatest change within governmental funds for 2012 occurred within the General, Road and Bridge, Emergency Rescue Service and Fire funds.

Greenville Township, Darke County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2013 and 2012  
Unaudited

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**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 and Emergency Rescue Service Fund.

During 2013 and 2012, the Township did not amend the budgeted receipts. During 2013 and 2012, the actual receipts were \$90,280 and \$139,901 more than budgeted receipts, respectively.

Disbursements for 2013 were appropriated at \$2,442,933 while actual disbursements were \$214,264 for the General Fund. Disbursements for 2012 were appropriated at \$2,384,848 while actual disbursements were \$282,336 for 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 and Debt Administration**

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 2014; but the audit (finance) committee and the administration will still continue to closely control costs for the years ahead.

**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 Susan Miles, Fiscal Officer, Greenville Township, Darke County, P O Box 188, 5366 St Rt 571 E., Greenville, OH 45331.

**Greenville Township**  
*Darke County, Ohio*  
*Statement of Net Position - Cash Basis*  
*December 31, 2013*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 4,148,120
<i>Total Assets</i>	<i>4,148,120</i>
<b>Net Position</b>	
Restricted for:	
Permanent Fund:	
Expendable	\$ 158
Nonexpendable	100
Other Purposes	1,828,913
Unrestricted	2,318,949
<i>Total Net Position</i>	<i>\$ 4,148,120</i>

See accompanying notes to the basic financial statements

**Greenville Township**  
*Darke County, Ohio*  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2013*

	<u>Program Cash Receipts</u>			<u>Net (Disbursements) Receipts and Changes in Net Position</u>
	<u>Cash Disbursements</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
<b>Governmental Activities</b>				
Current:				
General Government	\$ 965,725	\$ 6,820	\$ -	\$ (958,905)
Public Safety	1,163,076	799,860	-	(363,216)
Public Works	373,174	-	145,494	(227,680)
Health	55,929	80,669	-	24,740
Capital Outlay	130,981	-	-	(130,981)
<i>Total Governmental Activities</i>	<u>\$ 2,688,885</u>	<u>\$ 887,349</u>	<u>\$ 145,494</u>	<u>(1,656,042)</u>
<u>General Receipts:</u>				
Property and Other Local Taxes				1,264,582
Grants and Entitlements not Restricted to Specific Programs				265,929
Sale of Fixed Assets				7,712
Earnings on Investments				7,427
Miscellaneous				9,154
Total General Receipts				<u>1,554,804</u>
<i>Net Change in Net Position</i>				(101,238)
<i>Net Position Beginning of Year</i>				<u>4,249,358</u>
<i>Net Position End of Year</i>				<u>\$ 4,148,120</u>

See accompanying notes to the basic financial statements

**Greenville Township**  
*Darke County, Ohio*  
*Statement of Cash Basis Assets and Fund Balances*  
*Governmental Funds*  
*December 31, 2013*

	<u>General</u>	<u>Emergency Rescue Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 2,326,517	\$ 1,219,959	\$ 601,644	\$ 4,148,120
<i>Total Assets</i>	<u>\$ 2,326,517</u>	<u>\$ 1,219,959</u>	<u>\$ 601,644</u>	<u>\$ 4,148,120</u>
<b>Fund Balances</b>				
Nonspendable	\$ -	\$ -	\$ 100	\$ 100
Restricted	-	1,219,959	601,544	1,821,503
Unassigned	2,326,517	-	-	2,326,517
<i>Total Fund Balances</i>	<u>\$ 2,326,517</u>	<u>\$ 1,219,959</u>	<u>\$ 601,644</u>	<u>\$ 4,148,120</u>

See accompanying notes to the basic financial statements

**Greenville Township**  
*Darke County, Ohio*  
*Statement of Cash Receipts, Disbursements and Changes In Cash Basis Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2013*

	General	Emergency Rescue Service	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>				
Property and Other Local Taxes	\$ 46,227	\$ 883,097	\$ 335,258	\$ 1,264,582
Charges for Services	138,771	649,672	83,252	871,695
Licenses, Permits and Fees	6,820	8,834	-	15,654
Intergovernmental	98,407	114,780	198,236	411,423
Earnings on Investments	7,395	-	32	7,427
Miscellaneous	-	1,401	7,753	9,154
<i>Total Receipts</i>	<u>297,620</u>	<u>1,657,784</u>	<u>624,531</u>	<u>2,579,935</u>
<b>Disbursements</b>				
Current:				
General Government	212,294	711,185	42,246	965,725
Public Safety	-	1,112,170	50,906	1,163,076
Public Works	11,470	-	361,704	373,174
Health	-	-	55,929	55,929
Capital Outlay	29	124,925	6,027	130,981
<i>Total Disbursements</i>	<u>223,793</u>	<u>1,948,280</u>	<u>516,812</u>	<u>2,688,885</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	73,827	(290,496)	107,719	(108,950)
<b>Other Financing Sources (Uses)</b>				
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>2,000</u>	<u>5,712</u>	<u>7,712</u>
<i>Net Change in Fund Balances</i>	73,827	(288,496)	113,431	(101,238)
<i>Fund Balances Beginning of Year</i>	<u>2,252,690</u>	<u>1,508,455</u>	<u>488,213</u>	<u>4,249,358</u>
<i>Fund Balances End of Year</i>	<u>\$ 2,326,517</u>	<u>\$ 1,219,959</u>	<u>\$ 601,644</u>	<u>\$ 4,148,120</u>

See accompanying notes to the basic financial statement:

**Greenville Township**  
*Darke County, Ohio*  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Cash Balances - Budget and Actual - Budget Basis*  
*General Fund*  
*For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$ 40,400	\$ 40,400	\$ 46,227	\$ 5,827
Charges for Services	123,000	123,000	138,771	15,771
Intergovernmental	21,250	21,250	98,407	77,157
Earnings on Investments	15,870	15,870	7,395	(8,475)
<i>Total Receipts</i>	200,520	200,520	290,800	90,280
<b>Disbursements</b>				
Current:				
General Government	288,924	288,924	202,765	86,159
Public Works	2,143,009	2,143,009	11,470	2,131,539
Capital Outlay	11,000	11,000	29	10,971
<i>Total Disbursements</i>	2,442,933	2,442,933	214,264	2,228,669
<i>Net Change in Fund Balance</i>	(2,242,413)	(2,242,413)	76,536	2,318,949
<i>Fund Balances Beginning of Year</i>	2,242,413	2,242,413	2,242,413	-
<i>Fund Balances End of Year</i>	\$ -	\$ -	\$ 2,318,949	\$ 2,318,949

See accompanying notes to the basic financial statements

**Greenville Township**  
*Darke County, Ohio*  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Cash Balances - Budget and Actual - Budget Basis*  
*Emergency Rescue Service Levy Fund*  
*For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$ 778,000	\$ 778,000	\$ 883,097	\$ 105,097
Charges for Services	599,500	599,500	649,672	50,172
Licenses, Permits and Fees	4,000	4,000	8,834	4,834
Intergovernmental	121,670	121,670	114,780	(6,890)
Miscellaneous	8,500	8,500	1,401	(7,099)
<i>Total Receipts</i>	<u>1,511,670</u>	<u>1,511,670</u>	<u>1,657,784</u>	<u>146,114</u>
<b>Disbursements</b>				
Current:				
General Government	872,150	872,150	711,185	160,965
Public Safety	1,170,475	1,170,475	1,112,170	58,305
Capital Outlay	977,500	977,500	124,925	852,575
<i>Total Disbursements</i>	<u>3,020,125</u>	<u>3,020,125</u>	<u>1,948,280</u>	<u>1,071,845</u>
Excess of Receipts Over (Under) Disbursements	(1,508,455)	(1,508,455)	(290,496)	1,217,959
<b>Other Financing Resources</b>				
Sale of Capital Assets	-	-	2,000	(2,000)
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>(2,000)</u>
<i>Net Change in Fund Balances</i>	(1,508,455)	(1,508,455)	(288,496)	1,219,959
<i>Fund Balances Beginning of Year</i>	<u>1,508,455</u>	<u>1,508,455</u>	<u>1,508,455</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,219,959</u>	<u>\$ 1,219,959</u>

See accompanying notes to the basic financial statements

**Greenville Township**  
*Darke County*  
*Statement of Fiduciary Net Position - Cash Basis*  
*Fiduciary Funds*  
*December 31, 2013*

	Private Purpose Trust
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 411
<i>Total Assets</i>	<i>\$ 411</i>
<b>Net Position</b>	
Restricted for:	
Other Purposes	\$ 411
<i>Total Net Position</i>	<i>\$ 411</i>

See accompanying notes to the basic financial statements

**Greenville Township**  
*Darke County*  
*Statement of Changes in Fiduciary Net Position - Cash Basis*  
*Fiduciary Funds*  
*For the Year Ended December 31, 2013*

	Private Purpose Trust
<b>Additions</b>	
Earnings on Investments	\$ 1
<i>Total Additions</i>	1
<b>Deductions</b>	
Supplies and Materials	25
<i>Total Deductions</i>	25
<i>Change in Net Position</i>	(24)
<i>Net Position - Beginning of Year</i>	435
<i>Net Position - End of Year</i>	\$ 411

See accompanying notes to the basic financial statements

**Greenville Township**  
*Darke County, Ohio*  
*Statement of Net Position - Cash Basis*  
*December 31, 2012*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 4,249,358
<i>Total Assets</i>	\$ 4,249,358
 <b>Net Position</b>	
Restricted for:	
Permanent Fund:	
Expendable	\$ 158
Nonexpendable	100
Other Purposes	2,006,687
Unrestricted	2,242,413
	\$ 4,249,358
<i>Total Net Position</i>	

See accompanying notes to the basic financial statements

**Greenville Township**  
*Darke County, Ohio*  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2012*

	<u>Program Cash Receipts</u>			Net (Disbursements) Receipts and Changes in Net Position
	<u>Cash Disbursements</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
<b>Governmental Activities</b>				
Current:				
General Government	\$ 1,021,544	\$ 9,883	\$ -	\$ 1,011,661
Public Safety	1,079,985	846,005	-	233,980
Public Works	422,459	-	145,513	276,946
Health	65,645	75,629	-	(9,984)
Capital Outlay	19,054	-	-	19,054
<i>Total Governmental Activities</i>	<u>\$ 2,608,687</u>	<u>\$ 931,517</u>	<u>\$ 145,513</u>	1,531,657
<u>General Receipts:</u>				
Property and Other Local Taxes				1,228,838
Grants and Entitlements not Restricted to Specific Programs				377,318
Earnings on Investments				16,287
Miscellaneous				33,042
Total General Receipts				<u>1,655,485</u>
<i>Net Change in Net Position</i>				123,828
<i>Net Position Beginning of Year</i>				<u>4,125,530</u>
<i>Net Position End of Year</i>				<u>\$ 4,249,358</u>

See accompanying notes to the basic financial statements

**Greenville Township**  
*Darke County, Ohio*  
**Statement of Cash Basis Assets and Fund Balances**  
*Governmental Funds*  
 December 31, 2012

	<u>General</u>	<u>Emergency Rescue Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 2,252,690	\$ 1,508,455	\$ 488,213	\$ 4,249,358
<i>Total Assets</i>	<u>\$ 2,252,690</u>	<u>\$ 1,508,455</u>	<u>\$ 488,213</u>	<u>\$ 4,249,358</u>
<b>Fund Balances</b>				
Nonspendable	\$ -	\$ -	\$ 100	\$ 100
Restricted	-	1,508,455	488,113	1,996,568
Unassigned	2,252,690	-	-	2,252,690
<i>Total Fund Balances</i>	<u>\$ 2,252,690</u>	<u>\$ 1,508,455</u>	<u>\$ 488,213</u>	<u>\$ 4,249,358</u>

See accompanying notes to the basic financial statements

**Greenville Township**  
*Darke County, Ohio*  
*Statement of Cash Receipts, Disbursements and Changes In Cash Basis Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2012*

	General	Emergency Rescue Service	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>				
Property and Other Local Taxes	\$ 45,821	\$ 874,492	\$ 308,523	\$ 1,228,836
Charges for Services	144,100	672,527	98,437	915,064
Licenses, Permits and Fees	9,883	6,572	-	16,455
Intergovernmental	198,727	129,642	194,462	522,831
Earnings on Investments	16,239	-	48	16,287
Miscellaneous	5,534	21,500	6,008	33,042
<i>Total Receipts</i>	<u>420,304</u>	<u>1,704,733</u>	<u>607,478</u>	<u>2,732,515</u>
<b>Disbursements</b>				
Current:				
General Government	232,919	738,115	50,510	1,021,544
Public Safety	-	1,021,183	58,802	1,079,985
Public Works	47,700	-	374,759	422,459
Health	10,808	-	54,837	65,645
Capital Outlay	2,375	16,679	-	19,054
<i>Total Disbursements</i>	<u>293,802</u>	<u>1,775,977</u>	<u>538,908</u>	<u>2,608,687</u>
<i>Net Changes in Fund Balance</i>	126,502	(71,244)	68,570	123,828
<i>Fund Balances Beginning of Year, Restated Note 10</i>	<u>2,126,188</u>	<u>1,579,699</u>	<u>419,643</u>	<u>4,125,530</u>
<i>Fund Balances End of Year</i>	<u>\$ 2,252,690</u>	<u>\$ 1,508,455</u>	<u>\$ 488,213</u>	<u>\$ 4,249,358</u>

See accompanying notes to the basic financial statement:

**Greenville Township**  
*Darke County, Ohio*  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Cash Balances - Budget and Actual - Budget Basis*  
*General Fund*  
*For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$ 41,370	\$ 41,370	\$ 45,821	\$ 4,451
Charges for Services	-	-	144,100	144,100
Intergovernmental	21,950	21,950	198,727	176,777
Earnings on Investments	21,000	21,000	16,239	(4,761)
Miscellaneous	186,200	186,200	5,534	(180,666)
<i>Total Receipts</i>	<u>270,520</u>	<u>270,520</u>	<u>410,421</u>	<u>139,901</u>
<b>Disbursements</b>				
Current:				
General Government	312,424	375,424	221,453	153,971
Public Works	531,424	468,424	47,700	420,724
Health	11,000	11,000	10,808	192
Capital Outlay	1,530,000	1,530,000	2,375	1,527,625
<i>Total Disbursements</i>	<u>2,384,848</u>	<u>2,384,848</u>	<u>282,336</u>	<u>2,102,512</u>
<i>Net Change in Fund Balance</i>	(2,114,328)	(2,114,328)	128,085	2,242,413
<i>Fund Balances Beginning of Year</i>	<u>2,114,328</u>	<u>2,114,328</u>	<u>2,114,328</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,242,413</u>	<u>\$ 2,242,413</u>

See accompanying notes to the basic financial statements

**Greenville Township**  
*Darke County, Ohio*  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Cash Balances - Budget and Actual - Budget Basis*  
*Emergency Rescue Service Levy Fund*  
*For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$ 789,640	\$ 789,640	\$ 874,492	\$ 84,852
Charges for Services	684,600	684,600	672,527	(12,073)
Licenses, Permits and Fees	3,000	3,000	6,572	3,572
Intergovernmental	113,830	113,830	129,642	15,812
Miscellaneous	13,001	13,001	21,500	8,499
<i>Total Receipts</i>	1,604,071	1,604,071	1,704,733	100,662
<b>Disbursements</b>				
Current:				
General Government	878,000	897,000	738,115	158,885
Public Safety	1,210,770	1,191,770	1,021,183	170,587
Capital Outlay	1,095,000	1,095,000	16,679	1,078,321
<i>Total Disbursements</i>	3,183,770	3,183,770	1,775,977	1,407,793
<i>Net Change in Fund Balances</i>	(1,579,699)	(1,579,699)	(71,244)	1,508,455
<i>Fund Balances Beginning of Year</i>	1,579,699	1,579,699	1,579,699	-
<i>Fund Balances End of Year</i>	\$ -	\$ -	\$ 1,508,455	\$ 1,508,455

See accompanying notes to the basic financial statements

**Greenville Township**  
*Darke County*  
*Statement of Fiduciary Net Position - Cash Basis*  
*Fiduciary Funds*  
*December 31, 2012*

		Private Purpose Trust
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$	435
<i>Total Assets</i>	\$	435
<b>Net Position</b>		
Restricted for:		
Other Purposes	\$	435
<i>Total Net Position</i>	\$	435

See accompanying notes to the basic financial statements

**Greenville Township**  
*Darke County*  
*Statement of Changes in Fiduciary Net Position - Cash Basis*  
*Fiduciary Funds*  
*For the Year Ended December 31, 2012*

	Private Purpose Trust
<b>Deductions</b>	
Supplies and Materials	\$ 23
<i>Total Deductions</i>	23
<i>Change in Net Position</i>	(23)
<i>Net Position - Beginning of Year</i>	458
<i>Net Position - End of Year</i>	\$ 435

See accompanying notes to the basic financial statements

**Greenville Township**  
**Darke County**  
*Notes to the Financial Statements*  
***For the Years Ended December 31, 2013 and 2012***

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**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 provide 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, 2013 and 2012**

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**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. The more significant of the Village's accounting policies are described below.

**A. Basis of Presentation**

The Township's basic financial statements consist of government-wide financial statements, including a statement of net position 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 position 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 position presents the cash and investment balances of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental functions. 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 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, 2013 and 2012*

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**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.

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, 2013 and 2012**

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**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**

Township records identify the purchase of specific investments by specific funds.

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 2013 and 2012, the Township invested in STAR Ohio and nonnegotiable Certificates 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, 2013 and 2012.

**Greenville Township**  
**Darke County**  
*Notes to the Financial Statements*  
**For the Years Ended December 31, 2013 and 2012**

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**Note 2 – Summary of Significant Accounting Policies** (continued)

The Certificates of Deposit are held with Greenville National Bank, and valued at cost.

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 2013 and 2012 were \$7,395 and \$16,239, respectively, which includes \$1,745 and \$3,717, for 2013 and 2012, 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 the availability of the asset. 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 upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's cash basis of accounting.

**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 Position**

Net position is 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 position 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 position is available.

**Greenville Township**  
**Darke County**  
*Notes to the Financial Statements*  
**For the Years Ended December 31, 2013 and 2012**

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**Note 2 – Summary of Significant Accounting Policies** (continued)

**L. Fund Balance**

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

***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

***Restricted*** Fund balance is reported as 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*** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of Township Trustees. Those committed amounts cannot be used for any other purpose unless the Township Trustees remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

***Assigned*** Amounts in the assigned fund balance classification are intended to be used by the Township for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not 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 contained 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.

**Greenville Township**  
**Darke County**  
*Notes to the Financial Statements*  
**For the Years Ended December 31, 2013 and 2012**

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**Note 2 – Summary of Significant Accounting Policies** (continued)

**M. Interfund Transactions**

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

**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 and Emergency Rescue Service 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 restricted, committed or assigned fund balance (cash basis). The Township had no outstanding encumbrances at years ended December 31, 2013 or 2012.

The following table summarizes the adjustments necessary to reconcile the cash basis statements to the budgetary basis statements for the General Fund.

	<u>2013</u>	<u>2012</u>
General Fund Cash Accounting Basis	\$2,326,517	\$2,252,690
Perspective Differences:		
Activity of funds reclassified for GASB Statement #54		
Zoning fund balance	<u>(7,568)</u>	<u>(10,277)</u>
Budget Basis	<u>\$ 2,318,949</u>	<u>\$2,242,413</u>

**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.

**Greenville Township**  
**Darke County**  
*Notes to the Financial Statements*  
***For the Years Ended December 31, 2013 and 2012***

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

**Greenville Township**  
**Darke County**  
*Notes to the Financial Statements*  
**For the Years Ended December 31, 2013 and 2012**

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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, 2013, the carrying amount of the Township's deposits was \$3,876,880 and the bank balance was \$3,939,920. At December 31, 2012, the carrying amount of the Township's deposits was \$3,978,247 and the bank balance was \$4,067,462. Of the bank balances, \$250,000 was covered by Federal Depository Insurance Corporation (FDIC) and the remaining balance was not exposed to custodial credit risk.

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.

B. Investments

As of December 31, 2013 and 2012, the Township had the following investments:

	Carrying Value 2013	Carrying Value 2012
STAR Ohio	\$ 271,651	\$ 271,546

These investments have a maturity of less than one year.

**Interest Rate Risk** 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.

**Credit Risk** 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.

**Custodial Credit Risk** 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.

**Greenville Township**  
**Darke County**  
*Notes to the Financial Statements*  
**For the Years Ended December 31, 2013 and 2012**

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. Property tax revenue received during 2013 for real and public utility property taxes represents collections of 2012 taxes.

2013 real property taxes are levied after October 1, 2011, on the assessed value as of January 1, 2012, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2013 real property taxes are collected in and intended to finance 2014.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due in February; if paid semi-annually, the first payment is due in February, with the remainder payable in July of each year. Under certain circumstances, State statute permits later payment dates to be established.

Public utility personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2013 public utility property taxes which became a lien December 31, 2012, are levied after October 1, 2012, and are collected in 2013 with real property taxes.

The full tax rate for all Township operations for the year ended December 31, 2013 and 2012 was \$6.90 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2013 and 2012 property tax receipts were based are as follows:

	<u>2013</u>	<u>2012</u>
Real Property		
Residential	\$69,927,030	\$69,495,900
Agricultural	1,7510,870	17,476,850
Commercial/Industrial/Mineral	6,610,590	6,657,190
Public Utility – Real Estate	12,370	10,560
Public Utility – Personal Property	12,863,440	13,269,100
Total Assessed Value	\$106,924,300	\$106,909,600

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Township. The County Auditor periodically remits to the Township its portion of the taxes collected.

**Note 6 – Risk Management**

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

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

**Greenville Township**  
**Darke County**  
*Notes to the Financial Statements*  
**For the Years Ended December 31, 2013 and 2012**

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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.

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, 2013, OTARMA retained \$350,000 for casualty claims and \$250,000 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, 2013 and 2012:

	<b><u>2013</u></b>	<b><u>2012</u></b>
Assets	\$34,954,286	\$34,771,270
Liabilities	<u>(8,486,363)</u>	<u>(9,355,082)</u>
Net Position	<u>\$26,467,923</u>	<u>\$25,416,188</u>

At December 31, 2013 and 2012, respectively, the liabilities above include approximately \$7.9 and \$8.7 million of estimated incurred claims payable. The assets above also include approximately \$7.4 and \$7.8 million of unpaid claims to be billed to approximately 948 member governments in the future, as of December 31, 2013 and 2012, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2013, the Township's share of these unpaid claims collectible in future years is approximately \$7,000.

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.

**Greenville Township**  
**Darke County**  
*Notes to the Financial Statements*  
**For the Years Ended December 31, 2013 and 2012**

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<u>Contributions to OTARMA</u>	
<u>2013</u>	<u>2012</u>
\$ 13,528	\$ 14,525

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.

**Note 7 – Defined Benefit Pension Plan**

A. Ohio Public Employees Retirement System (OPERS) administers three separate pension plans as described below:

1. The Traditional Pension Plan - a cost sharing, multiple-employer defined benefit pension plan.
2. The Member-Directed Plan - a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.
3. The Combined Plan - a cost sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

B. OPERS provides retirement, disability, survivor and death benefits and annual cost-of living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits.

C. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

D. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377

E. The Ohio Revised Code provides statutory authority for member and employer contributions. For 2013, member and employer contribution rates were consistent across all three plans. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan.

**Greenville Township**  
**Darke County**  
*Notes to the Financial Statements*  
**For the Years Ended December 31, 2013 and 2012**

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F. The 2013 member contribution rates were 10.00% of covered payroll for members in state and local classifications. Public safety and law enforcement members contributed 12.00% and 12.60%, respectively. Effective January 1, 2014, the member contribution rates for public safety and law enforcement members increased to 12.00% and 13.00% respectively.

G. The 2013 employer contribution rate for state and local employers was 14.00% of covered payroll. The law enforcement and public safety division employer contribution rate was 18.10% of covered payroll.

H. The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2013, 2012, and 2011 were \$176,727, \$182,113 and \$159,904, respectively. The full amount has been contributed for 2013, 2012 and 2011.

**Note 8 – Postemployment Benefits**

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2013 and 2012, local government employers contributed 14.00% of covered payroll (18.10% for public safety and law enforcement). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional Plan for 2013 and 2012 was 1.00% and 4.00%, respectively. The portion of employer contributions allocated to fund post-employment healthcare for members in the Combined Plan for 2013 and 2012 was 1.0% and 6.05%, respectively.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment healthcare plan.

The Township's contributions allocated to fund postemployment healthcare benefits for the years ended December 31, 2013, 2012, and 2011 were \$11,664, \$51,902, and \$45,572, respectively. 100 percent has been contributed for 2013, 2012 and 2011.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and approved health care changes, OPERS expects to be able to consistently allocated 4 percent of the employer contributions toward the health care fund after the end of the transition period.

**Note 9 – Subsequent Events**

Management has evaluated subsequent events through June 4, 2014, the date on which the financial statements were available for issue. No subsequent events which would warrant inclusion were discovered during the review.

**Greenville Township**  
**Darke County**  
*Notes to the Financial Statements*  
**For the Years Ended December 31, 2013 and 2012**

**Note 10- Fund Balances**

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Township is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and other governmental funds are presented below:

December 31, 2013

Amounts Identified As	General Fund	Emergency Rescue Service	Other Governmental Funds	Total Governmental Funds
Nonspendable				
Cemetery Endowment	-	-	\$ 100	\$ 100
Total Nonspendable	-	-	<u>100</u>	<u>100</u>
Restricted For:				
Cemetery	-	-	63,186	63,186
Emergency Services	-	\$ 1,219,959	-	1,219,959
Fire Operations	-	-	316,458	316,458
Road and Bridge Maint. and Imp.	-	-	<u>221,900</u>	<u>221,900</u>
Total Restricted	-	<u>1,219,959</u>	<u>601,544</u>	<u>1,821,503</u>
Unassigned	<u>\$2,326,517</u>	-	-	<u>2,326,517</u>
Total Fund Cash Balances	<u>\$2,326,517</u>	<u>\$1,219,959</u>	<u>\$ 601,644</u>	<u>\$ 4,148,120</u>

December 31, 2012

Amounts Identified As	General Fund	Emergency Rescue Service	Other Governmental Funds	Total Governmental Funds
Nonspendable				
Cemetery Endowment	-	-	\$ 100	\$ 100
Total Nonspendable	-	-	<u>100</u>	<u>100</u>
Restricted For:				
Cemetery	-	-	41,268	41,268
Emergency Services	-	\$ 1,508,455	-	1,508,455
Fire Operations	-	-	210,972	210,972
Road and Bridge Maint. and Imp.	-	-	<u>235,873</u>	<u>235,873</u>
Total Restricted	-	<u>1,508,455</u>	<u>488,113</u>	<u>1,996,568</u>
Unassigned	<u>\$2,252,690</u>	-	-	<u>2,252,690</u>
Total Fund Cash Balances	<u>\$2,252,690</u>	<u>\$1,508,455</u>	<u>\$ 488,213</u>	<u>\$4,249,358</u>

**Greenville Township**  
**Darke County**  
*Notes to the Financial Statements*  
**For the Years Ended December 31, 2013 and 2012**

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**Note 11 - Change in Accounting Principles, Restatement of Fund Balance**

Restatement of Prior Year's Fund Balance

During fiscal year 2012, it was determined that the Zoning Fund should be reported with the General Fund rather than a Special Revenue Fund. The reclassification of this fund had the following effect on fund balances of the major and non-major funds fund balances as they were previously reported:

	General Fund	Emergency Rescue Service	Other Governmental Funds	Total
Fund Balance December 31, 2011	\$2,114,328	\$1,579,699	\$ 431,503	\$ 4,125,530
Fund Structure Change	<u>11,860</u>	<u>-0-</u>	<u>(11,860)</u>	<u>-0-</u>
Adjusted Fund Balance January 1, 2012	<u>\$2,126,188</u>	<u>\$1,579,699</u>	<u>\$ 419,643</u>	<u>\$ 4,125,530</u>

Rockefeller Building  
614 W Superior Ave Ste 1242  
Cleveland OH 44113-1306  
Office phone - (216) 575-1630  
Fax - (216) 436-2411

***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

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

Greenville Township  
Darke County  
P. O. Box 188  
5366 St Rt 571 E  
Greenville, Ohio 45331

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the 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, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements and have issued our report thereon dated June 4, 2014, wherein we noted the Township uses a special purpose framework other than generally accepted accounting principles.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Township's internal control. Accordingly, we have not opined on it.

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 internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Township's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a *material weakness*, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

***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, opining 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*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



***Charles E. Harris & Associates, Inc.***  
June 4, 2014

STATUS OF PRIOR AUDIT'S CITATIONS AND RECOMMENDATIONS

The prior audit report, as of December 31, 2011 and 2010, reported no material citations or recommendations.

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# Dave Yost • 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  
JULY 22, 2014**