

**GREENVILLE TOWNSHIP**

DARKE COUNTY

**REGULAR AUDIT**

FOR THE YEARS ENDED DECEMBER 31, 2007 - 2006





Mary Taylor, CPA  
Auditor of State

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

We have reviewed the *Independent Accountants' Report* of Greenville Township, Darke County, prepared by Manning & Associates CPAs, LLC, for the audit period January 1, 2006 through December 31, 2007. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

August 14, 2008

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**Greenville Township  
Darke County**

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

**INDEPENDENT ACCOUNTANTS' REPORT**

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

To the Board of Trustees:

We have audited the accompanying financial statements of Greenville Township, Darke County, (the Township), as of and for the years ended December 31, 2007 and 2006, which collectively comprise the Township's basis financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the government activities, each major fund, and the aggregate remaining fund information of Greenville Township, Darke County, Ohio, as of December 31, 2007 and 2006 and the respective changes in cash financial position and the respective budgetary comparison for the General and the Emergency Rescue Services funds thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

For the year ended December 31, 2006, the Township revised 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*. See Note 3 Change in basis of accounting and restatement of fund equity.



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Independent Accountants' Report  
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In accordance with *Government Auditing Standards*, we have also issued a report dated April 2, 2008, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and [resenting the required supplementary information. However, we did not audit the information and express no opinion on it.

Manning & Associates CPAs, LLC  
Dayton, Ohio

April 2, 2008

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**Greenville Township**  
**Darke County**  
Management's Discussion and Analysis  
For the Years Ended December 31, 2007 and 2006  
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, 2007 and 2006, within the limitations of the Township's modified 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 2007 are as follows:

Net assets of governmental activities increased \$377,612, or 11 percent, a significant change from the prior year which was a 22 percent increase. The funds most affected by the changes in cash and cash equivalents were the Emergency Rescue Service, which realized the greatest increase in 2007 and the General Fund which had a 10 percent decrease; however, asset increases affected most funds.

The Township's general receipts are primarily property taxes. These receipts represent \$1,422,291 or 76 percent of the total cash received for governmental activities during 2007. Property tax receipts for 2007 increased slightly compared to 2006 as development within the Township has slowed because of economic conditions.

Road contracts and road striping were paid from the Motor Vehicle License Tax, Gasoline Tax, Road and Bridge Fund and the Permissive Motor Vehicle License Tax. The Fire Protection contract with the City of Greenville is paid from the Fire Levy Fund.

Key highlights for 2006 are as follows:

Net assets of governmental activities increased \$627,780, or 22 percent, a significant change from the prior year which was a 14 percent increase. The funds most affected by the increase in cash and cash equivalents were the Emergency Rescue Service and the General Fund, which realized the greatest increases in 2006; however, asset increases affected most funds.

The Township's general receipts are primarily property taxes. These receipts represent \$1,376,375 or 78 percent of the total cash received for governmental activities during 2006. Property and income tax receipts for 2006 changed very little compared to 2005 as development within the Township has slowed.

Road contracts and road striping were paid from the Motor Vehicle License Tax, Gasoline Tax, Road and Bridge Fund and the Permissive Motor Vehicle License Tax. The Fire Protection contract with the City of Greenville is paid from the Fire Levy Fund.

**Greenville Township**  
**Darke County**  
Management's Discussion and Analysis  
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**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 modified cash basis of accounting.

**Report Components**

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

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

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

**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 modified cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's modified cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the modified 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 modified cash basis of accounting.

**Reporting the Government as a Whole**

The statement of net assets and the statement of activities reflect how the Township did financially during 2007 and 2006, within the limitations of modified cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

**Greenville Township**  
**Darke County**  
Management's Discussion and Analysis  
For the Years Ended December 31, 2007 and 2006  
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**Reporting the Government as a Whole**, continued

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

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

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

**Reporting the Government'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. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide 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**  
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**The Government as a Whole**

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

(Table 1)

**Net Assets**

	Governmental Activities	
	2007	2006
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	3,917,279	3,539,667
Total Assets	\$3,917,279	\$3,539,667
<b>Net Assets</b>		
Restricted for:		
Permanent	255	249
Other Purposes	2,438,346	1,889,629
Unrestricted	1,478,678	1,649,789
Total Net Assets	\$3,917,279	\$3,539,667

As mentioned previously, net assets of governmental activities increased \$ 377,612 or 11 percent during 2007. The primary reasons contributing to the increase in cash balances are as follows:

A conservative approach to expenditures is practiced by the Township. In 2007 the Township resurfaced with either hot mix or chip and sealed three (3) miles of roadways at a cost of approximately \$117,000 compared to three (3) miles in 2006 at an approximate cost of \$107,000. The Township's cost for fire protection by the City of Greenville was \$143,000 and \$130,000, respectively for 2007 and 2006.

The Township does the majority of equipment repair in-house. Only major repairs are outsourced. The Township has two full time road employees who 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 the Greenville Township Memorial Gardens Cemetery are done in-house by township employees. The mowing of the other six cemeteries within the Township is contracted with the Darke County Court of Common Pleas through the Darke County Juvenile Community Service/Restitution Program.

Health benefit costs for the Township employees for 2007 and 2006 were approximately \$166,000 and \$135,000, respectively. The Township employs two full time road personnel, one full time cemetery sexton and fourteen full time emergency service personnel. Part time employees consist of one office employee and seven emergency service personnel plus seven emergency service personnel volunteers.

**Greenville Township**  
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Management's Discussion and Analysis  
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**The Government as a Whole**, continued

Table 2 reflects the changes in net assets in 2007 and 2006 for governmental activities. This is the first time the Township has presented their financial statements in the GASB 34 format. In future years, a comparison to the prior year will be shown.

(Table 2)

**Changes in Net Assets**

	Governmental Activities	
	2007	2006
Program Receipts:		
Charges for Services and Sales	800,462	643,542
Operating Grants and Contributions	128,096	108,556
Capital Grants and Contributions	25,710	30,064
Total Program Receipts	954,268	782,162
General Receipts:		
Property and Other Local Taxes	1,422,291	1,360,735
Grants and Entitlements Not Restricted to Specific Programs	144,854	181,367
Interest	161,054	111,643
Miscellaneous	140,199	95,364
Total General Receipts	1,868,398	1,749,109
Total Receipts	2,822,666	2,531,271
Disbursements:		
General Government	732,712	710,992
Public Safety	764,102	724,242
Public Works	732,229	273,788
Public Health Services	59,367	38,765
Capital Outlay	156,644	155,704
Total Disbursements	2,445,054	1,903,491
 Increase in Net Assets	 377,612	 627,780
Net Assets, January 1	3,539,667	2,911,887
Net Assets, December 31	\$3,917,279	\$3,539,667

Program receipts represent only 33 percent and 31 percent of total receipts for 2007 and 2006, 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.

**Greenville Township**  
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**The Government as a Whole**, continued

General receipts represent 67 percent and 69 percent of the Government's total receipts for 2007 and 2006, respectively and of this amount, over 76 percent and 78 percent, are local taxes. State and federal grants and entitlements, interest and miscellaneous income make up the balance of the Government's general receipts of 24 percent and 22 percent, respectively for 2007 and 2006. Other receipts are very insignificant and somewhat unpredictable revenue sources.

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, cemetery upkeep, zoning compliance, board of trustees, fiscal officer as well as other internal services. Since these costs do not represent direct services to residents, we try to control these costs which are 30 percent and 37 percent for years 2007 and 2006 respectively.

Disbursements for Public Safety, Public Works and Public Health Services represent the costs for staffing and maintaining the emergency rescue service, contracted fire protection, costs of maintaining public roads and the costs for maintaining the seven cemeteries located in the Township. The cost for these services was 64 percent and 54 percent for the years 2007 and 2006 respectively.

**Governmental Activities**

If you look at the Statement of Activities on page 14 and 22, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for Public Safety, which account for 31 percent and 38 percent of all governmental disbursements, for 2007 and 2006, respectively. General government also represents significant costs, which account for 30 percent and 37 percent of all government disbursements, for 2007 and 2006, respectively. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.



**Greenville Township**  
**Darke County**  
Management's Discussion and Analysis  
For the Years Ended December 31, 2007 and 2006  
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**The Government as a Whole**, continued

(Table 3)  
Governmental Activities

	Total Cost of Services 2007	Net Cost of Services 2007	Total Cost of Services 2006	Net Cost of Services 2006
General Government	732,712	720,969	710,992	695,951
Public Safety	764,102	42,197	724,242	160,742
Public Works	732,229	544,659	273,788	101,642
Public Health Services	59,367	26,317	38,765	7,290
Capital Outlay	156,644	156,644	155,704	155,704
Total Expenses	<u>2,445,054</u>	<u>1,490,786</u>	<u>1,903,491</u>	<u>1,121,329</u>

The dependence upon property tax receipts is apparent in 2007 and 2006 as over 58 percent and 71 percent for 2007 and 2006, respectively of governmental activities which are supported through these general receipts.

**The Government's Funds**

Total governmental funds had receipts of \$2,822,666 and \$ 2,531,271 for 2007 and 2006, respectively, and disbursements of \$2,445,054 and \$1,903,491 for 2007 and 2006, respectively. The greatest change within governmental funds occurred within the Emergency Rescue Service Fund and the General Fund. The fund balance for the Emergency Rescue Service Fund increased by \$492,897 for 2007 compared to \$328,196 for 2006, as a result of an increase in earnings on investments and soft bill for services. The General Fund decreased in 2007 by an amount of \$171,111 due to the township's investment in fire protection equipment as they prepare to implement their own volunteer fire department on January 1, 2008 to serve the township residents but there was an increase of \$204,970 for 2006 in the General Fund as a result of an increase in earnings on investments and higher than anticipated estate tax receipts.

**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 funds are the General Fund and Emergency Rescue Service Fund.

For 2007 and 2006, final budgeted receipts were the same as the original budgeted receipts. Actual receipts of \$2,822,666 were over the budgeted amount of \$2,194,006 for 2007 and for 2006 actual receipts of \$2,531,271 were over the budgeted amount of \$1,873,791 due to the receipts of unexpected estate tax, increase in interest rates and soft bill for emergency rescue services for both years.

Disbursements for 2007 were appropriated at \$5,734,199 while actual disbursements were \$2,445,054, while disbursements for 2006 were appropriated at \$4,778,837 while actual disbursements were \$1,903,491. 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.

**Greenville Township**  
**Darke County**  
Management's Discussion and Analysis  
For the Years Ended December 31, 2007 and 2006  
Unaudited

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**Capital Assets**

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

**Current Issues**

The challenge for all Governments is to provide quality services to the public while staying within the restrictions imposed by 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 2008; but the audit (finance) committee and the administration will still continue to closely control costs for the years ahead.

**Contacting the Government's Financial Management**

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

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**Greenville Township**  
**Darke County**  
*Statement of Net Assets - Modified Cash Basis*  
*December 31, 2007*

	Governmental Activities	Total
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	3,917,279	3,917,279
<i>Total Assets</i>	<i>\$3,917,279</i>	<i>\$3,917,279</i>
<b>Net Assets</b>		
Restricted For:		
Permanent	255	255
Other Purposes	2,438,346	2,438,346
Unrestricted	1,478,678	1,478,678
<i>Total Net Assets</i>	<i>\$3,917,279</i>	<i>\$3,917,279</i>

See accompanying notes to the basic financial statements

**Greenville Township**  
**Darke County**  
*Statement of Activities - Modified Cash Basis*  
*For the Year Ended December 31, 2007*

	Cash Disbursements	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>					
General Government	\$732,712	\$11,743	\$0	\$0	(\$720,969)
Public Safety	764,102	721,905	0	0	(42,197)
Public Works	732,229	33,764	128,096	25,710	(544,659)
Health	59,367	33,050	0	0	(26,317)
Capital Outlay	156,644	0	0	0	(156,644)
<i>Total Governmental Activities</i>	<u>\$2,445,054</u>	<u>\$800,462</u>	<u>\$128,096</u>	<u>\$25,710</u>	<u>(\$1,490,786)</u>
<b>General Receipts</b>					
Property Taxes Levied for:					
General Purposes					1,345,846
Other Taxes					76,445
Grants and Entitlements not Restricted to Specific Programs					144,854
Interest					161,054
Miscellaneous					140,199
<i>Total General Receipts</i>					1,868,398
Change in Net Assets					377,612
<i>Net Assets Beginning of Year</i>					<u>3,539,667</u>
<i>Net Assets End of Year</i>					<u><u>\$3,917,279</u></u>

See accompanying notes to the basic financial statements

**Greenville Township**  
**Darke County**  
*Statement of Modified Cash Basis Assets and Fund Balances*  
*Governmental Funds*  
*December 31, 2007*

	<u>General</u>	<u>Emergency Rescue Services</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	1,478,678	1,861,398	577,206	3,917,282
<i>Total Assets</i>	<u>\$1,478,678</u>	<u>\$1,861,398</u>	<u>\$577,206</u>	<u>\$3,917,282</u>
<b>Fund Balances</b>				
Unreserved:				
General Fund	1,478,678	0	0	1,478,678
Special Revenue Funds	0	1,861,398	576,948	2,438,346
Permanent Fund	0	0	255	255
<i>Total Fund Balances</i>	<u>\$1,478,678</u>	<u>\$1,861,398</u>	<u>\$577,203</u>	<u>\$3,917,279</u>

See accompanying notes to the basic financial statements

**Greenville Township**  
**Darke County**

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

*For the Year Ended December 31, 2007*

	General	Emergency Rescue Services	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>				
Property and Other Local Taxes	\$52,317	\$970,077	\$357,216	\$1,379,610
Charges for Services	0	711,156	27,550	738,706
Licenses, Permits and Fees	0	10,750	11,743	22,493
Intergovernmental	83,821	101,707	189,578	375,106
Interest	159,309	0	1,745	161,054
Other	75,576	34,548	35,573	145,697
<i>Total Receipts</i>	<u>371,023</u>	<u>1,828,238</u>	<u>623,405</u>	<u>2,822,666</u>
<b>Disbursements</b>				
Current:				
General Government	125,892	591,427	15,393	732,712
Public Safety	0	621,102	143,000	764,102
Public Works	396,713	0	335,516	732,229
Health	0	0	59,367	59,367
Capital Outlay	19,529	122,812	14,303	156,644
<i>Total Disbursements</i>	<u>542,134</u>	<u>1,335,341</u>	<u>567,579</u>	<u>2,445,054</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(171,111)</u>	<u>492,897</u>	<u>55,826</u>	<u>377,612</u>
<i>Net Change in Fund Balances</i>	(171,111)	492,897	55,826	377,612
<i>Fund Balances Beginning of Year</i>	<u>1,649,789</u>	<u>1,368,501</u>	<u>521,377</u>	<u>3,539,667</u>
<i>Fund Balances End of Year</i>	<u><u>\$1,478,678</u></u>	<u><u>\$1,861,398</u></u>	<u><u>\$577,203</u></u>	<u><u>\$3,917,279</u></u>

See accompanying notes to the basic financial statements

**Greenville Township**  
**Darke County**  
*Statement of Receipts, Disbursements and Changes in*  
*Fund Cash Balance - Budget and Actual - Budget Basis*  
**General Fund**  
*For the Year Ended December 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	(Optional)
	<u>Original</u>	<u>Final</u>		Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$46,000	\$46,000	\$52,317	\$6,317
Intergovernmental	34,200	34,200	83,821	49,621
Interest	81,520	81,520	159,309	77,789
Other	72,000	72,000	75,576	3,576
<i>Total receipts</i>	<u>233,720</u>	<u>233,720</u>	<u>371,023</u>	<u>137,303</u>
<b>Disbursements</b>				
Current:				
General Government	174,728	177,728	125,892	51,836
Public Works	1,658,781	1,658,781	396,713	1,262,068
Capital Outlay	50,000	47,000	19,529	27,471
<i>Total Disbursements</i>	<u>1,883,509</u>	<u>1,883,509</u>	<u>542,134</u>	<u>1,341,375</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(1,649,789)</u>	<u>(1,649,789)</u>	<u>(171,111)</u>	<u>1,478,678</u>
<i>Net Change in Fund Balance</i>	(1,649,789)	(1,649,789)	(171,111)	1,478,678
<i>Fund Balance Beginning of Year</i>	<u>1,649,789</u>	<u>1,649,789</u>	<u>1,649,789</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$1,478,678</u></u>	<u><u>\$1,478,678</u></u>

See accompanying notes to the basic financial statements



**GreenvilleTownship**  
**Darke County**  
*Statement of Receipts, Disbursements and Changes in*  
*Fund Cash Balance - Budget and Actual - Budget Basis*  
*Emergency Rescue Services*  
*For the Year Ended December 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	(Optional)
	<u>Original</u>	<u>Final</u>		Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$875,000	\$875,000	\$970,077	\$95,077
Charges for Services	\$452,440	\$452,440	\$711,156	258,716
Licenses, Permits, and Fees	\$7,000	\$7,000	\$10,750	3,750
Intergovernmental	90,000	90,000	101,707	11,707
Other	2,500	2,500	34,548	32,048
<i>Total receipts</i>	<u>1,426,940</u>	<u>1,426,940</u>	<u>1,828,238</u>	<u>401,298</u>
<b>Disbursements</b>				
Current:				
General Government	895,400	895,400	591,427	303,973
Public Works	1,685,041	1,692,041	621,102	1,070,939
Capital Outlay	215,000	208,000	122,812	85,188
<i>Total Disbursements</i>	<u>2,795,441</u>	<u>2,795,441</u>	<u>1,335,341</u>	<u>1,460,100</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(1,368,501)</u>	<u>(1,368,501)</u>	<u>492,897</u>	<u>1,861,398</u>
<i>Net Change in Fund Balance</i>	(1,368,501)	(1,368,501)	492,897	1,861,398
<i>Fund Balance Beginning of Year</i>	<u>1,368,501</u>	<u>1,368,501</u>	<u>1,368,501</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$1,861,398</u>	<u>\$1,861,398</u>

See accompanying notes to the basic financial statements

**GreenvilleTownship**  
**Darke County**  
*Statement of Fiduciary Net Assets - Modified Cash Basis*  
*Fiduciary Funds*  
*December 31, 2007*

	Private Purpose Trust
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	533
<i>Total Assets</i>	\$533
<b>Net Assets</b>	
Restricted For:	
Other Purposes	533
Unrestricted	0
<i>Total Net Assets</i>	\$533

See accompanying notes to the basic financial statements

**Greenville Township**  
**Darke County**  
*Statement of Changes in Fiduciary Net Assets - Modified Cash Basis*  
*Fiduciary Funds*  
*For the Year Ended December 31, 2007*

	Private Purpose Trust
<b>Additions</b>	
Interest	27
<i>Total Additions</i>	<i>27</i>
<b>Deductions</b>	
Supplies and Materials	20
<i>Total Deductions</i>	<i>20</i>
Change in Net Assets	7
Net Assets - Beginning of Year	526
Net Assets - End of Year	\$533

See accompanying notes to the basic financial statements

**Greenville Township**  
**Darke County**  
*Statement of Net Assets - Modified Cash Basis*  
*December 31, 2006*

	Governmental Activities	Total
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	3,539,667	3,539,667
<i>Total Assets</i>	<u>\$3,539,667</u>	<u>\$3,539,667</u>
<b>Net Assets</b>		
Restricted For:		
Permanent	249	249
Other Purposes	1,889,629	1,889,629
Unrestricted	1,649,789	1,649,789
<i>Total Net Assets</i>	<u>\$3,539,667</u>	<u>\$3,539,667</u>

See accompanying notes to the basic financial statements

**Greenville Township**  
**Darke County**  
*Statement of Activities - Modified Cash Basis*  
*For the Year Ended December 31, 2006*

	Cash Disbursements	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>					
General Government	\$710,992	\$15,041	\$0	\$0	(\$695,951)
Public Safety	724,242	563,500	0	0	(160,742)
Public Works	273,788	33,526	108,556	30,064	(101,642)
Health	38,765	31,475	0	0	(7,290)
Capital Outlay	155,704	0	0	0	(155,704)
<i>Total Governmental Activities</i>	<u>\$1,903,491</u>	<u>\$643,542</u>	<u>\$108,556</u>	<u>\$30,064</u>	<u>(\$1,121,329)</u>
<b>General Receipts</b>					
Property Taxes					1,267,444
Other Taxes					93,291
Grants and Entitlements not Restricted to Specific Programs					181,367
Interest					111,643
Miscellaneous					95,364
<i>Total General Receipts</i>					1,749,109
Change in Net Assets					627,780
<i>Net Assets Beginning of Year</i>					2,911,887
<i>Net Assets End of Year</i>					<u>\$3,539,667</u>

See accompanying notes to the basic financial statements

**Greenville Township**  
**Darke County**  
*Statement of Modified Cash Basis Assets and Fund Balances*  
*Governmental Funds*  
*December 31, 2006*

	<u>General</u>	<u>Emergency Rescue Services</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	1,649,789	1,368,501	521,377	3,539,667
<i>Total Assets</i>	<u>\$1,649,789</u>	<u>\$1,368,501</u>	<u>\$521,377</u>	<u>\$3,539,667</u>
<b>Fund Balances</b>				
Unreserved:				
General Fund	1,649,789	0	0	1,649,789
Special Revenue Funds	0	1,368,501	521,128	1,889,629
Permanent Fund	0	0	249	249
<i>Total Fund Balances</i>	<u>\$1,649,789</u>	<u>\$1,368,501</u>	<u>\$521,377</u>	<u>\$3,539,667</u>

See accompanying notes to the basic financial statements

**Greenville Township**  
**Darke County**

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

*For the Year Ended December 31, 2006*

	General	Emergency Rescue Services	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>				
Property and Other Local Taxes	\$49,059	\$904,506	\$347,405	\$1,300,970
Charges for Services	0	555,033	23,975	579,008
Licenses, Permits and Fees	0	8,467	15,041	23,508
Intergovernmental	101,685	151,953	159,640	413,278
Interest	111,270	0	373	111,643
Other	75,042	4,756	23,066	102,864
<i>Total Receipts</i>	<u>337,056</u>	<u>1,624,715</u>	<u>569,500</u>	<u>2,531,271</u>
<b>Disbursements</b>				
Current:				
General Government	130,062	565,879	15,051	710,992
Public Safety	0	594,242	130,000	724,242
Public Works	0	0	273,788	273,788
Health	0	0	38,765	38,765
Capital Outlay	2,024	136,398	17,282	155,704
<i>Total Disbursements</i>	<u>132,086</u>	<u>1,296,519</u>	<u>474,886</u>	<u>1,903,491</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>204,970</u>	<u>328,196</u>	<u>94,614</u>	<u>627,780</u>
<i>Net Change in Fund Balances</i>	204,970	328,196	94,614	627,780
<i>Fund Balances Beginning of Year</i>	<u>1,444,819</u>	<u>1,040,305</u>	<u>426,763</u>	<u>2,911,887</u>
<i>Fund Balances End of Year</i>	<u><u>\$1,649,789</u></u>	<u><u>\$1,368,501</u></u>	<u><u>\$521,377</u></u>	<u><u>\$3,539,667</u></u>

See accompanying notes to the basic financial statements

**GreenvilleTownship**  
**Darke County**  
*Statement of Receipts, Disbursements and Changes in*  
*Fund Balance - Budget and Actual - Budget Basis*  
*General Fund*  
*For the Year Ended December 31, 2006*

	Budgeted Amounts		Actual	(Optional)
	Original	Final		Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$47,940	\$47,940	\$49,059	\$1,119
Intergovernmental	40,200	40,200	101,685	61,485
Interest	38,000	38,000	111,270	73,270
Other	78,000	78,000	75,042	(2,958)
<i>Total receipts</i>	<u>204,140</u>	<u>204,140</u>	<u>337,056</u>	<u>132,916</u>
<b>Disbursements</b>				
Current:				
General Government	192,058	198,058	130,062	67,996
Public Works	1,388,901	1,382,901	0	1,382,901
Health	3,000	3,000	0	3,000
Capital Outlay	65,000	65,000	2,024	62,976
<i>Total Disbursements</i>	<u>1,648,959</u>	<u>1,648,959</u>	<u>132,086</u>	<u>1,516,873</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(1,444,819)</u>	<u>(1,444,819)</u>	<u>204,970</u>	<u>1,649,789</u>
<i>Net Change in Fund Balance</i>	(1,444,819)	(1,444,819)	204,970	1,649,789
<i>Fund Balance Beginning of Year</i>	<u>1,444,819</u>	<u>1,444,819</u>	<u>1,444,819</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$1,649,789</u>	<u>\$1,649,789</u>

See accompanying notes to the basic financial statements



**Greenville Township**  
**Darke County**  
*Statement of Receipts, Disbursements and Changes in*  
*Fund Balance - Budget and Actual - Budget Basis*  
*Emergency Rescue Services*  
*For the Year Ended December 31, 2006*

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$912,350	\$912,350	\$904,506	(\$7,844)
Charges for Services	\$100,000	\$100,000	\$555,033	455,033
Licenses, Permits, and Fees	\$6,700	\$6,700	\$8,467	1,767
Intergovernmental	130,800	130,800	151,953	21,153
Other	6,500	6,500	4,756	(1,744)
<i>Total receipts</i>	<u>1,156,350</u>	<u>1,156,350</u>	<u>1,624,715</u>	<u>468,365</u>
<b>Disbursements</b>				
Current:				
General Government	765,500	792,000	565,879	226,121
Public Works	1,088,790	1,064,790	594,242	470,548
Health	0	0	0	0
Capital Outlay	342,365	339,865	136,398	203,467
<i>Total Disbursements</i>	<u>2,196,655</u>	<u>2,196,655</u>	<u>1,296,519</u>	<u>900,136</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(1,040,305)</u>	<u>(1,040,305)</u>	<u>328,196</u>	<u>1,368,501</u>
<i>Net Change in Fund Balance</i>	(1,040,305)	(1,040,305)	328,196	1,368,501
<i>Fund Balance Beginning of Year</i>	1,032,940	1,032,940	1,032,940	0
Prior Year Encumbrances Appropriated	<u>7,365</u>	<u>7,365</u>	<u>7,365</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$1,368,501</u></u>	<u><u>\$1,368,501</u></u>

See accompanying notes to the basic financial statements

**GreenvilleTownship**  
**Darke County**  
*Statement of Fiduciary Net Assets - Modified Cash Basis*  
*Fiduciary Funds*  
*December 31, 2006*

	Private Purpose Trust
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	526
<i>Total Assets</i>	\$526
 <b>Net Assets</b>	
Restricted for:	
Other Purposes	526
Unrestricted	0
 <i>Total Net Assets</i>	\$526

See accompanying notes to the basic financial statements

**Greenville Township**  
**Darke County**  
*Statement of Changes in Fiduciary Net Assets - Modified Cash Basis*  
*Fiduciary Funds*  
*For the Year Ended December 31, 2006*

	Private Purpose Trust
<b>Additions</b>	
Interest	26
<i>Total Additions</i>	26
<b>Deductions</b>	
Supplies and Materials	22
<i>Total Deductions</i>	22
Change in Net Assets	4
Net Assets - Beginning of Year	522
Net Assets - End of Year	\$526

See accompanying notes to the basic financial statements

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**Greenville Township**  
**Darke County**  
Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

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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. The Township contracts with the City of Greenville for fire protection. 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 that 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 modified 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 7 to the financial statements provides additional information for this entity.

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

**Greenville Township**  
**Darke County**  
Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

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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 modified cash basis of accounting. This modified 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 modified cash basis of accounting. In the government-wide financial statements and the fund financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the modified cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Township's accounting policies.

**A. Basis of Presentation**

The Township's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Government-Wide Financial Statements**

The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

The statement of net assets presents the cash balances of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a modified 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 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, 2007 and 2006

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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's investment trust fund is an expendable trust fund except for the initial \$100 which is classified as non-expendable. The non-expendable portion is available to be used to maintain the cemeteries. The Township's private purpose trust fund is a non-expendable trust fund 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 modified 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 modified 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, 2007 and 2006

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

**D. Budgetary Process**

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the Township.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts reflect the amounts at the time final appropriations were passed by the Township during the year.

**E. Cash and Investments**

To improve cash management, cash received by the Township is pooled and invested in STAR OHIO. 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 2007 and 2006, the Township invested in STAR Ohio.

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, 2007 and 2006.

Interest earnings are allocated to Township funds according to State statutes. Interest receipts credited to the General Fund during 2007 and 2006 were \$159,309 and \$111,270, respectively, which includes \$72,990 and \$40,992, for 2007 and 2006, respectively, assigned from other Township funds.



**Greenville Township**  
**Darke County**  
Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

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

**F. Restricted Assets**

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. The Township has no restricted assets.

**G. Inventory and Prepaid Items**

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

**H. Capital Assets**

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

**I. Accumulated Leave**

In certain circumstances, such as leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's modified 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 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

**K. Net Assets**

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

The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

**Note 3 – Change in Basis of Accounting and Restatement of Fund Equity**

For the year ended December 31, 2005 the Township reported fund financial statements by fund type using the regulatory basis of accounting as prescribed by the State Auditor's Office. Effective January 1, 2006 the Township implemented the modified cash basis of accounting described in note 2. The fund financial statements now present each major fund in a separate column with nonmajor funds aggregated and presented in a single column, rather than a column for each fund type.

**Greenville Township**  
**Darke County**  
Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

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**Note 4 – 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 fund and emergency rescue service fund 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 modified cash basis are outstanding year end encumbrances treated as disbursements (budgetary basis) rather than as a reservation of fund balance (*modified* cash basis). The Township has no outstanding encumbrances at year end.

**Note 5 – Deposits and Investments**

Monies held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or 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, 2007 and 2006

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**Note 5 – Deposits and Investments** (continued)

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.

**A. 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, 2007, the carrying amount of the Township’s deposits were \$1,431,705 and the bank balance was \$1,528,138. At December 31, 2006, the carrying amount of the Township’s deposits were \$1,085,424 and the bank balance was \$1,160,850. Of the bank balance, \$100,000 was covered by federal depository insurance corporation and \$1,428,138 and \$1,060,850 for 2007 and 2006, respectively, was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution’s trust department or agent, but not in the Township’s name.

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

**B. Investments**

As of December 31, 2007 and 2006, the Township had the following investments:

	Carrying Value 2007	Carrying Value 2006
STAR Ohio	\$ 2,486,107	\$ 2,454,769
Total Portfolio	\$ 2,486,107	\$ 2,454,769

These investments have a maturity of less than one year.

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

**Greenville Township**  
**Darke County**  
Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

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**Note 5 – Deposits and Investments** (continued)

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

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

**Note 6 – Property Taxes**

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2007 and 2006, represent the collection of 2006 and 2005 taxes, respectively. Real property taxes received in 2007 and 2006 were levied after October 1, 2006 and 2005, on the assessed values as of January 1, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31 each year; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2007 and 2006 represent the collection of 2006 and 2005 taxes. Public utility real and tangible personal property taxes received in 2007 became a lien on December 31, 2006, were levied after October 1, 2006, and are collected with real property taxes. Public utility real and tangible personal property taxes received in 2006 became a lien on December 31, 2005, were levied after October 1, 2005, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2007 and 2006 (other than public utility property) represent the collection of 2006 and 2005 taxes. Tangible personal property taxes received in 2007 were levied after October 1, 2006, on the true value as of December 31, 2006. Tangible personal property taxes received in 2006 were levied after October 1, 2005, on the true value as of December 31, 2005. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

**Greenville Township**  
**Darke County**  
Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

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**Note 6 – Property Taxes** (continued)

The full tax rate for all Township operations for the year ended December 31, 2007 and 2006, were \$6.90 and \$6.90 per \$1,000 of assessed value, respectively. The assessed values of real property, public utility property, and tangible personal property upon which 2007 and 2006 property tax receipts were based are as follows:

	<u>2007</u>	<u>2006</u>
Real Property		
Residential	\$70,503,910	\$69,615,920
Agricultural	8,865,510	9,216,950
Commercial/Industrial/Mineral	6,265,100	6,316,360
Public Utility – Real Estate	6,420	22,300
Public Utility – Personal Property	8,485,330	8,672,490
Personal Property	3,177,240	3,730,770
Total Assessed Value	\$97,303,510	\$97,574,790

**Note 7 – Risk Management**

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

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

**Casualty Coverage**

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

If losses exhaust OTARMA's retained earnings, APEEP provides excess of funds available coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000 or \$3,000,000 as noted above.

**Property Coverage**

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

**Greenville Township**  
**Darke County**  
Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

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**Note 7 – Risk Management** (continued)

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

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

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

**Financial Position**

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

<u>Casualty Coverage</u>	<u>2006</u>	<u>2005</u>
Assets	\$32,031,312	\$30,485,638
Liabilities	<u>(11,443,952)</u>	<u>(12,344,576)</u>
Retained earnings	<u>\$20,587,360</u>	<u>\$18,141,062</u>
<u>Property Coverage</u>	<u>2006</u>	<u>2005</u>
Assets	\$10,010,963	\$9,177,796
Liabilities	<u>(676,709)</u>	<u>(1,406,031)</u>
Retained earnings	<u>\$9,334,254</u>	<u>\$7,771,765</u>

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

At December 31, 2006 and 2005, respectively, casualty coverage liabilities noted above include approximately \$10.8 million and \$11.6 million of estimated incurred claims payable. The Casualty Coverage assets and retained earnings above also include approximately \$10.8 million and \$11.6 million of unpaid claims to be billed to approximately 958 member governments in the future, as of December 31, 2006 and 2005, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township's share of these unpaid claims collectible in future years is approximately \$25,000 and \$31,000 for 2007 and 2006, respectively. This payable includes the subsequent year's contribution due if the Township terminates participation, as described in the last paragraph below.

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, 2007 and 2006

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**Note 7 – Risk Management** (continued)

Based on discussions with OTARMA the expected rates charged by OTARMA 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. The Township's contributions to OTARMA for the past three years are as follows:

<u>Year</u>	<u>Contribution</u>
2007	\$12,389
2006	15,129
2005	15,150

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

**Note 8 – Defined Benefit Pension Plan**

**A. Ohio Public Employees Retirement System**

The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administer three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.

The combined plan is a cost sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 OR (800)222-7377.

For the year ended December 31, 2007, the members of all three plans were required to contribute 9.5 percent of their annual covered salaries. In 2006 it was 9.0 percent. The Township's contribution rate for pension benefits for 2007 was 13.85 percent and 13.70 percent in 2006. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2007, 2006, and 2005 were \$124,154, \$96,434, and \$95,602 respectively.

**Greenville Township**  
**Darke County**  
Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

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**Note 9 – Postemployment Benefits**

**A. Ohio Public Employees Retirement System**

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12.

A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2007 and 2006 local government employer contribution rate was 13.85 and 13.70 percent, respectively of covered payroll; 5.0 percent (January 1 through June 30) and 6.0 percent (July 1 through December 31) for 2007 and 4.5 percent for 2006, of covered payroll was the portion that was used to fund health care in 2007 and 2006, respectively.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2007, include a rate of return on investments of 6.5 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate plus an additional factor ranging from .5 to 5 percent annually for the next eight years and 4.00 percent annually after eight years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 374,979. The actuarial value of OPERS's net assets available for payment of benefits at December 31, 2006, (the latest information available) were \$12.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$30.7 billion and \$18.7 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which will allow additional funds to be allocated to the health care plan.

**Note 10 – Subsequent Events**

The Township has established a volunteer fire department which will provide fire protection for the residents of Greenville Township effective January 1, 2008. Previously Greenville Township has contracted to the City of Greenville for fire protection services but due to the cost of future contracts with the City of Greenville, the township decided to establish their own volunteer fire department. These costs will be closely monitored by the trustees so as not to request an increase in the current fire protection tax levy.



**Greenville Township**  
**Darke County**  
Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

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**Note 11 – Reclassification of Fund Balance**

On January 1, 2006, the Township reclassified its trust funds to the following:

	Permanent Fund	Private Purpose Fund	Expendable Trust Fund	Non- Expendable Trust Fund
Fund cash balance, December 31, 2005	\$ 0	\$ 0	\$ 522	\$ 243
Reclassification of fund	243	522	(522)	(243)
Fund cash balance, January 1, 2006	<u>\$243</u>	<u>\$522</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

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

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

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Greenville Township, Darke County, Ohio (the Township), as of and for the years ended December 31, 2007 and 2006, which collectively comprise the Township's basic financial statements and have issued our report thereon dated April 2, 2008, wherein we noted the Township implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Township's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Township's internal control will not prevent or detect a material financial statement misstatement.

### **Internal Control Over Financial Reporting, (continued)**

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses, as defined above. 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 that we must report under *Government Auditing Standards*.

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

Manning & Associates CPAs, LLC  
Dayton, Ohio

April 2, 2008



**Mary Taylor, CPA**  
Auditor of State

**GREENVILLE TOWNSHIP**

**DARKE COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
AUGUST 26, 2008**