



Mary Taylor, CPA
Auditor of State

**GREENFIELD TOWNSHIP
FAIRFIELD COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Greenfield Township, Fairfield County, Ohio (the Township), as of and for the year ended December 31, 2007, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2008, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

December 5, 2008

**GREENFIELD TOWNSHIP
FAIRFIELD COUNTY**

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

This discussion and analysis of Greenfield Township's (the Township) financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2006, within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2007 are as follows:

- Net assets of governmental activities increased \$21,250.
- The Township's general receipts are primarily property taxes and intergovernmental receipts. These receipts represent 80.3 percent of the total cash received for governmental activities during the year. Property tax receipts for 2007 changed very little compared to 2006.

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.

Report Components

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

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

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

Basis of Accounting

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

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

**GREENFIELD TOWNSHIP
FAIRFIELD COUNTY**

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

Reporting the Government as a Whole

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

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

The statement of net assets and the statement of activities present governmental activities, which includes all the Township's services, including fire and emergency medical services, road maintenance and snow removal, cemetery maintenance, and zoning regulations. The Township's general receipts finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them. The Township has no business-type activities.

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 non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General, Road and Bridge, and Fire Operation Funds. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. Because the Township reports on a cash basis, the total of the governmental funds matches governmental activities and no reconciliation is required.

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.

**GREENFIELD TOWNSHIP
FAIRFIELD COUNTY**

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

The Township as a Whole

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

**Table 1
Net Assets**

	Governmental Activities	
	2007	2006
Assets		
Equity in Pooled Cash and Cash Equivalents	\$2,164,388	\$2,143,138
Total Assets	\$2,164,388	\$2,143,138
Net Assets		
Restricted for:		
Capital Projects	\$38,613	\$73,942
Debt Service	15,290	48,234
Other Purposes	1,066,581	1,087,877
Unrestricted	1,043,904	933,085
Total Net Assets	\$2,164,388	\$2,143,138

As mentioned previously, net assets of governmental activities increased \$21,250.

On the next page, Table 2 reflects the changes in net assets for 2007 and 2006.

**GREENFIELD TOWNSHIP
FAIRFIELD COUNTY**

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

**Table 2
Changes in Net Assets**

	Governmental Activities	
	2007	2006
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$69,892	\$94,413
Operating Grants, Contributions & Interest	171,582	223,867
Capital Grants and Contributions	673	12,508
Total Program Receipts	242,147	330,788
General Receipts:		
Property and Other Local Taxes	1,345,057	1,267,013
Cable Franchise Fees	16,158	16,358
Grants and Entitlements Not Restricted to Specific Programs	297,533	255,958
Interest	104,583	78,199
Miscellaneous	33,083	14,213
Total General Receipts	1,796,414	1,631,741
Total Receipts	2,038,561	1,962,529
Disbursements:		
General Government	267,739	217,221
Public Safety	871,703	862,544
Public Works	605,314	530,172
Health	49,712	66,113
Conservation-Recreation	0	824
Other	2,491	2,158
Capital Outlay	96,002	359,362
Principal Retirement	35,000	35,000
Interest and Fiscal Charges	89,350	91,100
Total Disbursements	2,017,311	2,164,494
Increase (Decrease) in Net Assets	21,250	(201,965)
Net Assets - Beginning of Year	2,143,138	2,345,103
Net Assets - End of Year	\$2,164,388	\$2,143,138

Program receipts represent only 11.9 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money.

General receipts represent 88.1 percent of the Township's total receipts, and of this amount, over 74 percent are property and other local taxes. State grants and entitlements, and interest make up the balance of the Township's general receipts (22 percent). Other receipts are very insignificant and somewhat unpredictable revenue sources.

**GREENFIELD TOWNSHIP
FAIRFIELD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
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 costs of the trustees, fiscal officer, and zoning department, as well as internal services such as payroll and purchasing.

Public safety is the costs of fire and police protection; public works is the costs of maintaining Township roads; health is the costs of the health department; and capital outlay is the costs of purchasing road and fire equipment.

Governmental Activities

If you look at the Statement of Activities on page 10, 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 and public works, which account for 43.2 and 30.0 percent of all governmental disbursements, respectively. General Government also represents a significant cost, about 13.3 percent. The next two columns of the Statement entitled Program Cash Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

Table 3

	Governmental Activities			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2007	2007	2006	2006
General Government	\$267,739	(\$237,540)	\$217,221	(\$157,320)
Public Safety	871,703	(832,243)	862,544	(790,947)
Public Works	605,314	(453,553)	530,172	(363,311)
Health	49,711	(29,658)	66,113	(46,217)
Conservation-Recreation	0	0	824	(799)
Other	2,491	(2,491)	2,158	(2,158)
Capital Outlay	96,002	(95,329)	359,362	(346,854)
Principal Retirement	35,000	(35,000)	35,000	(35,000)
Interest and Fiscal Charges	89,350	(89,350)	91,100	(91,100)
Total Expenses	\$2,017,310	(\$1,775,164)	\$2,164,494	(\$1,833,706)

The dependence upon property and other local tax, and grant and entitlement receipts is apparent as 89 percent of governmental activities are supported through these general receipts.

The Township's Funds

Total governmental funds had receipts of \$2,022,811 and disbursements of \$2,017,311. The total change in fund balances was \$21,250; however, the fund cash balance of the General Fund increased by \$99,480 as a result of a return on an advance during the year.

General Fund receipts were greater than disbursements by \$49,480 indicating that the General Fund is not in a deficit spending situation.

**GREENFIELD TOWNSHIP
FAIRFIELD COUNTY**

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

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 fund is the General Fund.

The Township did not amend budgeted receipts in the General Fund during 2007. Actual receipts of \$511,982 were \$355,131 more than anticipated.

Final disbursements were budgeted at \$572,241 while actual disbursements were \$462,502.

Capital Assets and Debt Administration

Capital Assets

The Township does not currently report its capital assets and infrastructure.

Debt

At December 31, 2007, the Township's outstanding debt included \$1,710,000 in general obligation bonds issued for the construction of the firehouse located on Havensport Road. For further information regarding the Township's debt, refer to Note 10 to the basic financial statements.

Current Issues

The challenge for all governments, including the Township, is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking State funding. Local Government funds are remaining static or decreasing and the personal property tax are being reduced and/or eliminated, reducing the capability of the General Fund to support programs; however, the inside millage in the Road & Bridge Fund, levied millage in the Road District Fund, and increases in the Gasoline Taxes allow the Township to maintain a strong road maintenance program.

Contacting the Township's Financial Management

This financial report is designed to provide our citizens, taxpayers, 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 direct to Peggy Arnett, Fiscal Officer, Greenfield Township, 4663 Carroll-Cemetery Rd., Carroll, Ohio, 43112.

**GREENFIELD TOWNSHIP
FAIRFIELD COUNTY**

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

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$2,164,388</u>
<i>Total Assets</i>	<u><u>\$2,164,388</u></u>
Net Assets	
Restricted for:	
Capital Projects	\$38,613
Debt Service	15,290
Other Purposes	1,066,581
Unrestricted	<u>1,043,904</u>
<i>Total Net Assets</i>	<u><u>\$2,164,388</u></u>

See accompanying notes to the basic financial statements

**GREENFIELD TOWNSHIP
FAIRFIELD COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants, Contributions & Interest	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
General Government	\$267,739	\$30,199	\$0	\$0	(\$237,540)
Public Safety	871,703	6,011	33,449	0	(832,243)
Public Works	605,314	13,628	138,133	0	(453,553)
Health	49,712	20,054	0	0	(29,658)
Other	2,491	0	0	0	(2,491)
Capital Outlay	96,002	0	0	673	(95,329)
Debt Service:					
Principal Retirement	35,000	0	0	0	(35,000)
Interest and Fiscal Charges	89,350	0	0	0	(89,350)
Total	<u>\$2,017,311</u>	<u>\$69,892</u>	<u>\$171,582</u>	<u>\$673</u>	<u>(1,775,164)</u>
		General Receipts			
		Property Taxes Levied for:			
		General Purposes			57,243
		Debt Service			137,707
		Fire Operations			793,158
		Roads and Bridges			101,450
		Other			255,499
		Cable Franchise Fees			16,158
		Grants and Entitlements not Restricted to Specific Programs			297,533
		Sale of Capital Assets			15,750
		Interest			104,583
		Miscellaneous			17,333
		<i>Total General Receipts</i>			<u>1,796,414</u>
		Change in Net Assets			21,250
		<i>Net Assets Beginning of Year</i>			<u>2,143,138</u>
		<i>Net Assets End of Year</i>			<u>\$2,164,388</u>

See accompanying notes to the basic financial statements

**GREENFIELD TOWNSHIP
FAIRFIELD COUNTY**

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

	General	Road and Bridge Fund	Fire Operation Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$990,660	\$237,030	\$546,013	\$390,685	\$2,164,388
<i>Total Assets</i>	<u>\$990,660</u>	<u>\$237,030</u>	<u>\$546,013</u>	<u>\$390,685</u>	<u>\$2,164,388</u>
Fund Balances					
Reserved:					
Reserved for Encumbrances	\$0	\$0	\$0	\$5,080	\$5,080
Unreserved:					
Designated, Reported in:					
Special Revenue Funds	0	0	0	53,244	53,244
Undesignated, Reported in:					
General Fund	990,660	0	0	0	990,660
Special Revenue Funds	0	237,030	546,013	283,538	1,066,581
Debt Service Fund	0	0	0	15,290	15,290
Capital Projects Funds	0	0	0	33,533	33,533
<i>Total Fund Balances</i>	<u>\$990,660</u>	<u>\$237,030</u>	<u>\$546,013</u>	<u>\$390,685</u>	<u>\$2,164,388</u>

See accompanying notes to the basic financial statements

**GREENFIELD TOWNSHIP
FAIRFIELD COUNTY**

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

	General	Road and Bridge Fund	Fire Operation Fund	Other Governmental Funds	Total Governmental Funds
Receipts					
Property and Other Local Taxes	\$57,243	\$255,499	\$793,158	\$239,157	\$1,345,057
Charges for Services	0	0	0	13,628	13,628
Licenses, Permits and Fees	30,199	0	0	10,454	40,653
Intergovernmental	291,343	11,033	33,449	126,132	461,957
Cable Franchise Fees	16,158	0	0	0	16,158
Interest	104,583	0	0	7,831	112,414
Other	12,456	3,640	6,011	10,837	32,944
<i>Total Receipts</i>	<u>511,982</u>	<u>270,172</u>	<u>832,618</u>	<u>408,039</u>	<u>2,022,811</u>
Disbursements					
Current:					
General Government	267,739	0	0	0	267,739
Public Safety	110,384	0	761,319	0	871,703
Public Works	54,360	281,272	0	269,682	605,314
Health	30,019	0	0	19,693	49,712
Other	0	0	0	2,491	2,491
Capital Outlay	0	0	0	96,002	96,002
Debt Service:					
Principal Retirement	0	0	0	35,000	35,000
Interest and Fiscal Charges	0	0	0	89,350	89,350
<i>Total Disbursements</i>	<u>462,502</u>	<u>281,272</u>	<u>761,319</u>	<u>512,218</u>	<u>2,017,311</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>49,480</u>	<u>(11,100)</u>	<u>71,299</u>	<u>(104,179)</u>	<u>5,500</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	0	15,750	0	0	15,750
Transfers In	0	0	0	71,339	71,339
Transfers Out	0	(31,339)	(40,000)	0	(71,339)
Advances In	50,000	0	0	0	50,000
Advances Out	0	0	0	(50,000)	(50,000)
<i>Total Other Financing Sources (Uses)</i>	<u>50,000</u>	<u>(15,589)</u>	<u>(40,000)</u>	<u>21,339</u>	<u>15,750</u>
<i>Net Change in Fund Balances</i>	99,480	(26,689)	31,299	(82,840)	21,250
<i>Fund Balances Beginning of Year</i>	<u>891,180</u>	<u>263,719</u>	<u>514,714</u>	<u>473,525</u>	<u>2,143,138</u>
<i>Fund Balances End of Year</i>	<u>\$990,660</u>	<u>\$237,030</u>	<u>\$546,013</u>	<u>\$390,685</u>	<u>\$2,164,388</u>

See accompanying notes to the basic financial statements

**GREENFIELD TOWNSHIP
FAIRFIELD COUNTY**

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$48,700	\$48,700	\$57,243	\$8,543
Licenses, Permits and Fees	26,411	26,411	30,199	3,788
Intergovernmental	55,867	55,867	291,343	235,476
Cable Franchise Fees	0	0	16,158	16,158
Interest	24,469	24,469	104,583	80,114
Other	1,404	1,404	12,456	11,052
<i>Total receipts</i>	<u>156,851</u>	<u>156,851</u>	<u>511,982</u>	<u>355,131</u>
Disbursements				
Current:				
General Government	201,080	364,408	267,739	96,669
Public Safety	72,683	121,844	110,384	11,460
Public Works	11,085	54,360	54,360	0
Health	21,574	31,629	30,019	1,610
<i>Total Disbursements</i>	<u>306,422</u>	<u>572,241</u>	<u>462,502</u>	<u>109,739</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(149,571)</u>	<u>(415,390)</u>	<u>49,480</u>	<u>464,870</u>
Other Financing Sources (Uses)				
Advances In	50,000	50,000	50,000	0
<i>Total Other Financing Sources (Uses)</i>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(99,571)	(365,390)	99,480	464,870
<i>Fund Balance Beginning of Year</i>	<u>891,180</u>	<u>891,180</u>	<u>891,180</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$791,609</u></u>	<u><u>\$525,790</u></u>	<u><u>\$990,660</u></u>	<u><u>\$464,870</u></u>

See accompanying notes to the basic financial statements

**GREENFIELD TOWNSHIP
FAIRFIELD COUNTY**

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$228,000	\$243,100	\$255,499	\$12,399
Intergovernmental	20,000	20,000	11,033	(8,967)
Other	0	0	3,640	3,640
<i>Total receipts</i>	<u>248,000</u>	<u>263,100</u>	<u>270,172</u>	<u>7,072</u>
Disbursements				
Current:				
Public Works	303,300	318,300	281,272	37,028
<i>Total Disbursements</i>	<u>303,300</u>	<u>318,300</u>	<u>281,272</u>	<u>37,028</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(55,300)</u>	<u>(55,200)</u>	<u>(11,100)</u>	<u>44,100</u>
Other Financing (Uses)				
Sale of Capital Assets	0	0	15,750	15,750
Transfers Out	(31,350)	(31,350)	(31,339)	11
<i>Total Other Financing (Uses)</i>	<u>(31,350)</u>	<u>(31,350)</u>	<u>(15,589)</u>	<u>15,761</u>
<i>Net Change in Fund Balance</i>	(86,650)	(86,550)	(26,689)	59,861
<i>Fund Balance Beginning of Year</i>	<u>263,719</u>	<u>263,719</u>	<u>263,719</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$177,069</u>	<u>\$177,169</u>	<u>\$237,030</u>	<u>\$59,861</u>

See accompanying notes to the basic financial statements

**GREENFIELD TOWNSHIP
FAIRFIELD COUNTY**

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$700,000	\$700,000	\$793,158	\$93,158
Intergovernmental	65,000	65,000	33,449	(31,551)
Other	10,000	10,000	6,011	(3,989)
<i>Total receipts</i>	<u>775,000</u>	<u>775,000</u>	<u>832,618</u>	<u>57,618</u>
Disbursements				
Current:				
Public Safety	827,650	827,650	761,319	66,331
<i>Total Disbursements</i>	<u>827,650</u>	<u>827,650</u>	<u>761,319</u>	<u>66,331</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(52,650)</u>	<u>(52,650)</u>	<u>71,299</u>	<u>123,949</u>
Other Financing Sources (Uses)				
Transfers Out	(40,000)	(40,000)	(40,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(40,000)</u>	<u>(40,000)</u>	<u>(40,000)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(92,650)	(92,650)	31,299	123,949
<i>Fund Balance Beginning of Year</i>	<u>514,714</u>	<u>514,714</u>	<u>514,714</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$422,064</u>	<u>\$422,064</u>	<u>\$546,013</u>	<u>\$123,949</u>

See accompanying notes to the basic financial statements

GREENFIELD TOWNSHIP
FAIRFIELD COUNTY

STATEMENT OF FIDUCIARY NET ASSETS - CASH BASIS
FIDUCIARY FUND
DECEMBER 31, 2007

	Private Purpose Trust
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$25,278</u>
<i>Total Assets</i>	<u><u>\$25,278</u></u>
Net Assets	
Held for Maintenance of Cemeteries	<u><u>\$25,278</u></u>

See accompanying notes to the basic financial statements

GREENFIELD TOWNSHIP
FAIRFIELD COUNTY

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - CASH BASIS
FIDUCIARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2007

	Private Purpose Trust
Additions	
Interest	\$933
<i>Total Additions</i>	933
Change in Net Assets	933
Net Assets - Beginning of Year	24,345
Net Assets - End of Year	\$25,278

See accompanying notes to the basic financial statements

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**GREENFIELD TOWNSHIP
FAIRFIELD COUNTY**

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

Note 1 - Reporting Entity

Greenfield Township, Fairfield County, Ohio (the Township), is a body politic and corporate established in 1804 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, fire and emergency services, maintenance of Township roads and bridges, and cemetery maintenance. Police protection is provided by the Fairfield 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 organization that is 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 to report.

C. Jointly Governed Organization and Public Entity Risk Pool

The Township participates in a jointly governed organization and a public entity risk pool. Notes 7 and 12 to the financial statements provide additional information for these entities. These organizations are:

Jointly Governed Organization:
Fairfield County Regional Planning Commission

Public Entity Risk Pool:
Ohio Township Association Risk Management Authority (OTARMA)

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

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. Following are the more significant of the Township's accounting policies.

**GREENFIELD TOWNSHIP
FAIRFIELD COUNTY**

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

Note 2 - Summary of Significant Accounting Policies (Continued)

A. Basis of Presentation

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

Government-Wide Financial Statements. The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the Township that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Township has no business-type activities.

The statement of net assets presents the cash 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 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 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.

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 governmental.

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 the General, Road and Bridge, and Fire Operation Funds.

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.

Road and Bridge Fund. The Road and Bridge Fund receives real estate tax and personal property tax money for constructing, maintaining, and repairing Township roads and bridges.

**GREENFIELD TOWNSHIP
FAIRFIELD COUNTY**

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

Note 2 - Summary of Significant Accounting Policies (Continued)

B. Fund Accounting (Continued)

Fire Operation Fund. The Fire Operation Fund receives real estate tax and personal property tax money for providing fire protection and emergency services to the Township.

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 private purpose trust 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 private purpose trust fund accounts for resources that are held for cemetery maintenance.

C. Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Township are described in the appropriate section in this note.

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.

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, function 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 certificate 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 represent the final appropriation amounts passed by the Township during the year.

**GREENFIELD TOWNSHIP
FAIRFIELD COUNTY**

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

Note 2 - Summary of Significant Accounting Policies (Continued)

E. Cash and Investments

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

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

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts, respectively.

During 2007, the Township invested in nonnegotiable certificates of deposit. The nonnegotiable certificates of deposit are reported 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 2007 was \$104,583 which includes \$68,436 assigned from other Township funds.

F. Restricted Assets

Cash and cash equivalents 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. Interfund Receivables/Payables

The Township reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

J. 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.

**GREENFIELD TOWNSHIP
FAIRFIELD COUNTY**

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

Note 2 - Summary of Significant Accounting Policies (Continued)

K. 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 healthcare benefits.

L. Long-Term Obligations

The Township's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid.

M. 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 to expenditures for specified purposes. 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.

N. Fund Balance Reserves

The Township reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved (and undesignated) fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances.

O. Interfund Transactions

Transfers between governmental activities on the government-wide financial statements are reported in the same manner as general receipts.

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. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 - Accounting

The Road Capital Projects Fund had a deficit balance of \$503 as of December 31, 2007. The deficit was the result of an audit adjustment to remove interest earnings that were incorrectly credited into the fund.

**GREENFIELD TOWNSHIP
FAIRFIELD COUNTY**

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

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, Road and Bridge, and Fire Operation 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 are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). There were no encumbrances outstanding at year end (budgetary basis) for the General, Road and Bridge, and Fire Operation Funds at December 31, 2007.

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 by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

**GREENFIELD TOWNSHIP
FAIRFIELD COUNTY**

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

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.

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 year end, the Township's bank balance was \$2,208,333. Of the bank balance, \$200,000 was covered by Federal Depository Insurance (FDIC) and \$2,008,333 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. Although all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the Township to a successful claim by the FDIC.

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.

Note 6 - Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Property tax receipts received in 2007 for real and public utility property taxes represents collections of 2006 taxes. Property tax payments received during 2007 for tangible personal property (other than public utility property) is for 2007 taxes.

2007 real property taxes are levied after October 1, 2007, on the assessed values as of January 1, 2007, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. 2007 real property taxes are collected in and intended to finance 2008.

Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2007 public utility property taxes, which became a lien on December 31, 2006, are levied after October 1, 2007, and are collected in 2008 with real property taxes.

2007 tangible property taxes are levied after October 1, 2006, on the value as of December 31, 2006. Collections are made in 2007. Tangible personal property assessments are being phased out – the assessment percentage for all property including inventory for 2007 is 12.5 percent. This will be reduced to 6.25 percent for 2008, and zero for 2009.

**GREENFIELD TOWNSHIP
FAIRFIELD COUNTY**

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

Note 6 - Property Taxes (Continued)

The full tax rate for all Township operations for the year ended December 31, 2006, was \$11.10 per \$1,000 of assessed value. The assessed values of real and personal property upon which 2006 property tax receipts were based are as follows:

Real Property	\$128,013,300
Public Utility Property	6,399,420
Tangible Personal Property	6,444,000
Total Assessed Values	<u>\$140,856,720</u>

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder due September 20.

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 7 - Risk Management

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

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

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

Casualty Coverage

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

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

**GREENFIELD TOWNSHIP
FAIRFIELD COUNTY**

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

Note 7 - Risk Management (Continued)

Property Coverage

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

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

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

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

Financial Position

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

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

At December 31, 2007 and 2006, respectively, liabilities above include approximately \$12.5 million and \$11.3 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$11.6 million and \$10.8 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2007 and 2006, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township's share of these unpaid claims collectible in future years is approximately \$36,200. This payable includes the subsequent year's contribution due if the Township terminates participation, as described in the last paragraph below.

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

**GREENFIELD TOWNSHIP
FAIRFIELD COUNTY**

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

Note 7 - Risk Management (Continued)

Contributions to OTARMA

2005	\$28,819
2006	\$39,652
2007	\$38,510

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.

In addition, the Township provides health, dental, and vision insurance for all eligible employees through Medical Mutual of Ohio, Delta Dental, and Vision Service Plan. The Township pays 100% percent of the monthly premium. The Township provides life, accidental death and dismemberment insurance to employees through Fort Deerborn Life.

Note 8 - Defined Benefit Pension Plan

A. Ohio Public Employees Retirement System

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

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

Funding Policy. The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2007, members in state and local classifications contributed 9.5 percent of covered payroll and public safety members contributed 9.75 percent.

**GREENFIELD TOWNSHIP
FAIRFIELD COUNTY**

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

Note 8 - Defined Benefit Pension Plan (Continued)

A. Ohio Public Employees Retirement System (Continued)

The Township's contribution rate for 2007 was 13.85 percent, except for those plan members in public safety, for whom the Township's contribution rate was 17.17 percent of covered payroll. For the period January 1, through June 30, 2007, a portion of the Township's contribution equal to 5 percent of covered payroll was allocated to fund the postemployment healthcare plan; for the period July 1 through December 31, 2007, this amount was increased to 6 percent. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the Township of 14 percent, except for public safety, where the maximum employer contribution rate is 18.1 percent.

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 \$52,927, \$35,795, and \$26,266, respectively; 89.1 percent has been contributed for 2007 and 100 percent for 2006 and 2005.

B. Ohio Police and Fire Pension Fund

Plan Description. The Township contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy. Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations, while the Township is required to contribute 24 percent for firefighters. Contributions are established by State statute. The Township's contributions to OP&F for the years ending December 31, 2007, 2006, and 2005 were \$77,668, \$73,650, and \$76,687, respectively. The full amount has been contributed for 2006 and 2005. 72.1 percent has been contributed for 2007.

C. Social Security System

Part-time firefighters pay into Social Security (FICA). Contribution rates are approved by the United States Congress. Members contributed 6.2 percent of their wages to FICA and the Township also contributed an amount equal to 6.2 percent of their wages.

Note 9 - Postemployment Benefits

A. Ohio Public Employees Retirement System

Plan Description. OPERS maintains a cost-sharing multiple-employer defined benefit postemployment healthcare plan for qualifying members of both the traditional and combined pension plans. Members of the member-directed plan do not qualify for ancillary benefits, including postemployment healthcare. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

**GREENFIELD TOWNSHIP
FAIRFIELD COUNTY**

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

Note 9 - Postemployment Benefits (Continued)

A. Ohio Public Employees Retirement System (Continued)

To qualify for postemployment healthcare coverage, age and service retirees under the traditional and combined plans must have ten years or more of qualifying Ohio service credit. Healthcare coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised code permits, but does not require, OPERS to provide healthcare benefits to eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are provided separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy. The postemployment healthcare plan was established under, and is administered in accordance with Internal Revenue Code 401(h). State statute requires that public employers fund postemployment healthcare through contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postemployment healthcare.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2007, local government employers contributed 13.85 percent of covered payroll (17.17 percent for public safety). Each year, the OPERS retirement board determines the portion of the employer contribution that will be set aside for funding postemployment healthcare benefits. The amount of the employer contributions which was allocated to fund postemployment healthcare was 5 percent of covered payroll from January 1 through June 30, 2007, and 6 percent from July 1 through December 31, 2007.

The retirement board is also authorized to establish rules for the payment of a portion of the healthcare benefits by the retiree or retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and selected coverage. Active members do not make contributions to the postemployment healthcare plan.

The Township's contributions allocated to fund postemployment healthcare benefits for the years ended December 31, 2007, 2006, and 2005 were \$2,911, \$1,611, and \$1,182, respectively; 89.3 percent has been contributed for 2007 and 100 percent has been contributed for 2006 and 2005.

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

B. Ohio Police and Fire Pension Fund

Plan Description. The Township contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined benefit postemployment healthcare plan administered by OP&F. OP&F provides healthcare benefits, including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium, and long term care to retirees, qualifying benefit recipients and their eligible dependents.

**GREENFIELD TOWNSHIP
FAIRFIELD COUNTY**

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

Note 9 - Postemployment Benefits (Continued)

B. Ohio Police and Fire Pension Fund (Continued)

OP&F provides access to post-retirement healthcare coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide healthcare coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5146.

Funding Policy. The Ohio Revised Code sets the contribution rates for participating employers and for plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan, members, currently, 24 percent of covered payroll for fire employers. Active members do not make contributions to the OPEB Plan.

OP&F's postemployment healthcare plan was established and is administered as an Internal Revenue Code 401(h) account within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees. The Board of Trustees is authorized to allocate a portion of the total employer contributions made to the pension plan to the 401(h) account as the employer contribution for retiree healthcare benefits. For the year ended December 31, 2007, the employer contribution allocated to the healthcare plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the healthcare plan each year is subject to the trustees' primary responsibility to ensure that pension benefits are adequately funded and also is limited by the provisions of Section 401(h).

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the healthcare plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Township's contributions to OP&F for the years ending December 31, 2007, 2006, and 2005 were \$5,243, \$4,971, and \$5,176, respectively, was allocated to the healthcare plan.

Note 10 - Debt

The Township's long-term debt activity for the year ended December 31, 2007, was as follows:

	Interest Rate	Balance December 31, 2006	Additions	Reductions	Balance December 31, 2007	Due Within One Year
Governmental Activities						
General Obligation Bonds						
2004 Issue (\$1,784,000)	5%	\$1,745,000	\$0	\$35,000	\$1,710,000	\$35,000

**GREENFIELD TOWNSHIP
FAIRFIELD COUNTY**

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

Note 10 – Debt (Continued)

In 2004, the Township issued general obligation bonds for the construction of and furnishings of a new firehouse. The bonds are supported by the full faith and credit of the Township and are payable from property tax receipts to meet annual principal and interest payments.

The following is a summary of the Township's future annual debt service requirements:

Year	G.O. Bonds		Total
	Principal	Interest	
2008	\$35,000	\$87,600	\$122,600
2009	35,000	85,850	120,850
2010	40,000	84,100	124,100
2011	40,000	82,100	122,100
2012	45,000	80,100	125,100
2013-2017	250,000	365,250	615,250
2018-2022	325,000	295,750	620,750
2023-2027	410,000	205,760	615,760
2028-2032	530,000	86,920	616,920
Totals	\$1,710,000	\$1,373,430	\$3,083,430

The Ohio Revised Code provides that net general obligation debt of the Township, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the Township. The Revised Code further provides that total voted and unvoted net debt of the Township less the same exempt debt shall never exceed amount equal to 10.5 percent of its tax valuation. The effects of the debt limitations at December 31, 2006, were an overall debt margin of \$10,982,395 and an unvoted debt margin of \$140,857.

Note 11 - Interfund Transfers and Advances

During 2007 the following transfers were made:

Transfer From	Transfer To				Totals
	Other Governmental Funds				
	Road Reserve Balance	Fire Reserve Balance	Road Capital Projects	Fire Capital Projects	
Major Governmental Funds:					
Road and Bridge Fund	\$1,339	\$0	\$30,000	\$0	\$31,339
Fire District Fund	0	10,000	0	30,000	40,000
Total All Funds	\$1,339	\$10,000	\$30,000	\$30,000	\$71,339

**GREENFIELD TOWNSHIP
FAIRFIELD COUNTY**

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

Note 11 - Interfund Transfers and Advances (Continued)

Transfers to the Reserve Balance and Capital Projects Funds are done according to resolution. The Road and Fire Departments put money aside to pay for employee severance and for capital purchases.

During 2007, the following advance was made:

Advance from the Bond Retirement Fund to:	
General Fund	<u>\$50,000</u>
Total	<u><u>\$50,000</u></u>

The advance to the General Fund was to repay a loan to the Bond Retirement Fund in 2005.

Note 12 - Jointly Governed Organization

Fairfield Regional Planning Commission. The Township appoints a member of the Board of Trustees to represent the Township on the 47 member board of the Fairfield Regional Planning Commission. The Township pays a small membership fee annually based on the per capita of the Township. In 2006, the Township's membership amount was \$893. There is no ongoing financial responsibility by the Township.

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Mary Taylor, CPA

Auditor of State

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

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

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 Greenfield Township, Fairfield County, Ohio (the Township) as of and for the year ended December 31, 2007, which collectively comprise the Township's basic financial statements and have issued our report thereon dated December 5, 2008. 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 opinions on the financial statements, but not to opine on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider significant deficiencies.

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

We consider the following deficiencies described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting: 2007-008 and 2007-010.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. Of the significant deficiencies described above, we believe finding number 2007-008 is also a material weakness.

We also noted certain internal control matters that we reported to the Township's management in a separate letter dated December 5, 2008.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters that we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2007-001 through 2007-009.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated December 5, 2008.

The Township's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Township's responses and, accordingly, we express no opinion on them.

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



Mary Taylor, CPA
Auditor of State

December 5, 2008

**GREENFIELD TOWNSHIP
FAIRFIELD COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007**

**1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2007-001

Finding for Recovery

Between pay periods December 30, 2006 and April 21, 2007, Chad Johnson, a firefighter for the Township, was over compensated \$540.96 in wages as set forth below. His payroll was signed off on and approved by the Fiscal Officer and the following Trustees:

<u>Year</u>	<u>Overtime Hours</u>			<u>Rate Per Hour</u>	<u>Over / (Under) Payment</u>	<u>Trustee Approval & Amount</u>		
	<u>Paid</u>	<u>Approved Per Time Sheets</u>	<u>Variance Over / (Under)</u>			<u>John Hizy</u>	<u>George Hallarn</u>	<u>Tim Ratliff</u>
2007	110.0	82.0	28.0	\$19.32	\$540.96	\$38.64	\$540.96	\$540.96

Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is strictly liable for the amount of the expenditure. *Seward v. National Surety Corp.*, 120 Ohio St. 47 (1929); 1980 Op. Att’y Gen. No. 80-074: Ohio Rev. Code Section 9.39; State, ex rel. *Village of Linndale v. Masten*, 18 Ohio St. 3d 228 (1985). Public officials controlling public funds or property are secondarily liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen. Public officials will be liable if and to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att’y Gen. No. 80-074.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Chad Johnson, Peggy L. Arnett, Fiscal Officer, and the Travelers Casualty and Surety Company of America, her bonding company, jointly and severally, in the amount of \$540.96, and jointly and severally against the aforementioned Township Trustees and the Ohio Township Association Risk Management Authority, their bonding company, in the corresponding amounts listed above, in favor of the Greenfield Township Fire Operation Fund. Peggy L. Arnett and the aforementioned Township Trustees shall be secondarily liable for such illegal expenditures to the extent that recovery or restitution is not obtained from Chad Johnson.

Official’s Response:

For the official’s response to this finding, see Finding 2007-007.

**GREENFIELD TOWNSHIP
FAIRFIELD COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007
(Continued)**

**1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

FINDING NUMBER 2007-002

Finding for Recovery

Between pay periods December 30, 2006 and April 21, 2007, Corey Linegar, a firefighter for the Township, was over compensated \$185.44 in wages as set forth below. His payroll was signed off on and approved by the Fiscal Officer and the following Trustees:

<u>Year</u>	<u>Overtime Hours</u>			<u>Rate Per Hour</u>	<u>Over / (Under) Payment</u>	<u>Trustee Approval & Amount</u>		
	<u>Paid</u>	<u>Approved Per Time Sheets</u>	<u>Variance Over / (Under)</u>			<u>John Hizey</u>	<u>George Hallarn</u>	<u>Tim Ratliff</u>
2007	79.0	69.5	9.5	\$19.52	\$185.44	\$175.68	\$165.92	\$185.44

Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is strictly liable for the amount of the expenditure. *Seward v. National Surety Corp.*, 120 Ohio St. 47 (1929); 1980 Op. Att’y Gen. No. 80-074: Ohio Rev. Code Section 9.39; State, ex rel. *Village of Linndale v. Masten*, 18 Ohio St. 3d 228 (1985). Public officials controlling public funds or property are secondarily liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen. Public officials will be liable if and to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att’y Gen. No. 80-074.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Corey Linegar, Peggy L. Arnett, Fiscal Officer, and the Travelers Casualty and Surety Company of America, her bonding company, jointly and severally, in the amount of \$185.44, and jointly and severally against the aforementioned Township Trustees and the Ohio Township Association Risk Management Authority, their bonding company, in the corresponding amounts listed above, in favor of the Greenfield Township Fire Operation Fund. Peggy L. Arnett and the aforementioned Township Trustees shall be secondarily liable for such illegal expenditures to the extent that recovery or restitution is not obtained from Corey Linegar.

Official’s Response:

For the official’s response to this finding, see Finding 2007-007.

**GREENFIELD TOWNSHIP
FAIRFIELD COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007
(Continued)**

**1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

FINDING NUMBER 2007-003

Finding for Recovery

Between pay periods December 30, 2006 and April 21, 2007, John Schwinne, a firefighter for the Township, was over compensated \$156.16 in wages as set forth below. His payroll was signed off on and approved by the Fiscal Officer and the following Trustees:

<u>Year</u>	<u>Overtime Hours</u>		<u>Variance Over / (Under)</u>	<u>Rate Per Hour</u>	<u>Over / (Under) Payment</u>	<u>Trustee Approval & Amount</u>		
	<u>Paid</u>	<u>Approved Per Time Sheets</u>				<u>John Hizey</u>	<u>George Hallarn</u>	<u>Tim Ratliff</u>
2007	47.0	39.0	8.0	\$19.52	\$156.16	\$156.16	\$78.10	\$156.16

Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is strictly liable for the amount of the expenditure. *Seward v. National Surety Corp.*, 120 Ohio St. 47 (1929); 1980 Op. Att’y Gen. No. 80-074: Ohio Rev. Code Section 9.39; State, ex rel. *Village of Linndale v. Masten*, 18 Ohio St. 3d 228 (1985). Public officials controlling public funds or property are secondarily liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen. Public officials will be liable if and to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att’y Gen. No. 80-074.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against John Schwinne, Peggy L. Arnett, Fiscal Officer, and the Travelers Casualty and Surety Company of America, her bonding company, jointly and severally, in the amount of \$156.16, and jointly and severally against the aforementioned Township Trustees and the Ohio Township Association Risk Management Authority, their bonding company, in the corresponding amounts listed above, in favor of the Greenfield Township Fire Operation Fund. Peggy L. Arnett and the aforementioned Township Trustees shall be secondarily liable for such illegal expenditures to the extent that recovery or restitution is not obtained from John Schwinne.

Official’s Response:

For the official’s response to this finding, see Finding 2007-007.

**GREENFIELD TOWNSHIP
FAIRFIELD COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007
(Continued)**

**1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

FINDING NUMBER 2007-004

Finding for Recovery

Between pay periods December 30, 2006 and April 21, 2007, William Carr, a firefighter for the Township, was over compensated \$669.90 in wages as set forth below. His payroll was signed off on and approved by the Fiscal Officer and the following Trustees:

<u>Year</u>	<u>Overtime Hours</u>		<u>Variance Over / (Under)</u>	<u>Rate Per Hour</u>	<u>Over / (Under) Payment</u>	<u>Trustee Approval & Amount</u>		
	<u>Paid</u>	<u>Approved Per Time Sheets</u>				<u>John Hizey</u>	<u>George Hallarn</u>	<u>Tim Ratliff</u>
2007	47.0	14.0	33.0	\$20.30	\$669.90	\$669.90	\$487.24	\$669.90

Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is strictly liable for the amount of the expenditure. *Seward v. National Surety Corp.*, 120 Ohio St. 47 (1929); 1980 Op. Att’y Gen. No. 80-074: Ohio Rev. Code Section 9.39; State, ex rel. *Village of Linndale v. Masten*, 18 Ohio St. 3d 228 (1985). Public officials controlling public funds or property are secondarily liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen. Public officials will be liable if and to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att’y Gen. No. 80-074.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against William Carr, Peggy L. Arnett, Fiscal Officer, and the Travelers Casualty and Surety Company of America, her bonding company, jointly and severally, in the amount of \$669.90, and jointly and severally against the aforementioned Township Trustees and the Ohio Township Association Risk Management Authority, their bonding company, in the corresponding amounts listed above, in favor of the Greenfield Township Fire Operation Fund. Peggy L. Arnett and the aforementioned Township Trustees shall be secondarily liable for such illegal expenditures to the extent that recovery or restitution is not obtained from William Carr.

Official’s Response:

For the official’s response to this finding, see Finding 2007-007.

**GREENFIELD TOWNSHIP
FAIRFIELD COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007
(Continued)**

1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2007-005

Finding for Recovery

Between pay periods December 30, 2006 and April 21, 2007, Michelle Smith, a part-time employee of the Township, was over compensated \$60.00 in wages as set forth below. Her payroll was signed off on and approved by the Fiscal Officer and the following Trustees:

<u>Year</u>	<u>Overtime Hours</u>			<u>Rate Per Hour</u>	<u>Over / (Under) Payment</u>	<u>Trustee Approval & Amount</u>		
	<u>Paid</u>	<u>Approved Per Time Sheets</u>	<u>Variance Over / (Under)</u>			<u>John Hizey</u>	<u>George Hallarn</u>	<u>Tim Ratliff</u>
2007	4.0	0.0	4.0	\$15.00	\$60.00	\$60.00	\$0.00	\$60.00

Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is strictly liable for the amount of the expenditure. *Seward v. National Surety Corp.*, 120 Ohio St. 47 (1929); 1980 Op. Att’y Gen. No. 80-074: Ohio Rev. Code Section 9.39; State, ex rel. *Village of Linndale v. Masten*, 18 Ohio St. 3d 228 (1985). Public officials controlling public funds or property are secondarily liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen. Public officials will be liable if and to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att’y Gen. No. 80-074.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Michelle Smith, Peggy L. Arnett, Fiscal Officer, and the Travelers Casualty and Surety Company of America, her bonding company, jointly and severally, in the amount of \$60.00 and jointly and severally against the aforementioned Township Trustees and the Ohio Township Association Risk Management Authority, their bonding company, in the corresponding amounts listed above, in favor of the Greenfield Township Fire Operation Fund. Peggy L. Arnett and the aforementioned Township Trustees shall be secondarily liable for such illegal expenditures to the extent that recovery or restitution is not obtained from Michelle Smith.

Official’s Response:

For the official’s response to this finding, see Finding 2007-007.

**GREENFIELD TOWNSHIP
FAIRFIELD COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007
(Continued)**

**1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

FINDING NUMBER 2007-006

Finding for Recovery

Between pay periods December 30, 2006 and April 21, 2007, Ryan Smith, a firefighter for the Township, was over compensated \$2,574.60 in wages as set forth below. His payroll was signed off on and approved by the Fiscal Officer and the following Trustees:

<u>Year</u>	<u>Overtime Hours</u>			<u>Rate Per Hour</u>	<u>Over / (Under) Payment</u>	<u>Trustee Approval & Amount</u>		
	<u>Paid</u>	<u>Approved Per Time Sheets</u>	<u>Variance Over / (Under)</u>			<u>John Hizey</u>	<u>George Hallarn</u>	<u>Tim Ratliff</u>
2007	384.0	244.0	140.0	\$18.39	\$2,574.60	\$2,353.92	\$1,682.68	\$2,574.60

Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is strictly liable for the amount of the expenditure. *Seward v. National Surety Corp.*, 120 Ohio St. 47 (1929); 1980 Op. Att’y Gen. No. 80-074: Ohio Rev. Code Section 9.39; State, ex rel. *Village of Linndale v. Masten*, 18 Ohio St. 3d 228 (1985). Public officials controlling public funds or property are secondarily liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen. Public officials will be liable if and to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att’y Gen. No. 80-074.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Ryan Smith, Peggy L. Arnett, Fiscal Officer, and the Travelers Casualty and Surety Company of America, her bonding company, jointly and severally, in the amount of \$2,574.60, and jointly and severally against the aforementioned Township Trustees and the Ohio Township Association Risk Management Authority, their bonding company, in the corresponding amounts listed above, in favor of the Greenfield Township Fire Operation Fund. Peggy L. Arnett and the aforementioned Township Trustees shall be secondarily liable for such illegal expenditures to the extent that recovery or restitution is not obtained from Ryan Smith.

Official’s Response:

For the official’s response to this finding, see Finding 2007-007.

**GREENFIELD TOWNSHIP
FAIRFIELD COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007
(Continued)**

**1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

FINDING NUMBER 2007-007

Finding for Recovery

Between pay periods March 10, 2007 and April 21, 2007, Daniel Schultz, a firefighter for the Township, was over compensated \$216.20 in wages as set forth below. His payroll was signed off on and approved by the Fiscal Officer and the following Trustees:

<u>Year</u>	<u>Overtime Hours</u>			<u>Rate Per Hour</u>	<u>Over / (Under) Payment</u>	<u>Trustee Approval & Amount</u>		
	<u>Paid</u>	<u>Approved Per Time Sheets</u>	<u>Variance Over / (Under)</u>			<u>John Hizey</u>	<u>George Hallarn</u>	<u>Tim Ratliff</u>
2007	148.0	133.5	14.5	\$14.91	\$216.20	\$216.20	\$216.20	\$216.20

Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is strictly liable for the amount of the expenditure. *Seward v. National Surety Corp.*, 120 Ohio St. 47 (1929); 1980 Op. Att’y Gen. No. 80-074: Ohio Rev. Code Section 9.39; State, ex rel. *Village of Linndale v. Masten*, 18 Ohio St. 3d 228 (1985). Public officials controlling public funds or property are secondarily liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen. Public officials will be liable if and to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att’y Gen. No. 80-074.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Daniel Schultz, Peggy L. Arnett, Fiscal Officer, and the Travelers Casualty and Surety Company of America, her bonding company, jointly and severally, in the amount of \$216.20, and jointly and severally against the aforementioned Township Trustees and the Ohio Township Association Risk Management Authority, their bonding company, in the corresponding amounts listed above, in favor of the Greenfield Township Fire Operation Fund. Peggy L. Arnett and the aforementioned Township Trustees shall be secondarily liable for such illegal expenditures to the extent that recovery or restitution is not obtained from Daniel Schultz.

Official’s Response:

Upon notification, we have implemented procedures to prevent any future discrepancies. Individual payroll time sheets are compiled and approved by the department heads. The Assistant Fiscal Officer verifies that there are no errors. Once payroll is received back from the payroll company, the Assistant Fiscal Officer verifies the payroll register matches the time sheets for accuracy.

**GREENFIELD TOWNSHIP
FAIRFIELD COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007
(Continued)**

1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2007-008

Material Non-Compliance / Significant Deficiency / Material Weakness

Interest Earnings

Ohio Rev. Code Sections 5705.10 and 135.21 generally requires all interest to be credited to the general fund with the following exceptions:

- Interest earned on money derived from a motor vehicle license or fuel tax must follow the principal,
- Interest earned on principal of a private-purpose trust fund established to receive donations or contributions that the donor or contributor requires to be maintained intact must be credited to the private-purpose trust fund to which the principal belongs, and
- Interest earned on a cemetery bequest fund is credited to that fund.

The Township incorrectly credited interest receipts during 2007 into the following funds:

<u>The Fund Interest was Incorrectly Credited To:</u>	<u>Amount</u>
Fire Reserve Balance Fund	\$1,254
Road Reserve Balance Fund	448
Firehouse Bond Retirement Fund	1,175
Fire Capital Projects Fund	1,127
Road Capital Projects Fund	841

An audit adjustment to record interest earnings into the General Fund was made. The Township's financial statements and records have been adjusted to accurately reflect this adjustment.

We recommend the Township develop procedures to allocate interest earnings correctly among the appropriate funds.

Official's Response:

We now understand this finding and have made adjustments in the accounting system. Interest earnings will not be allocated to the aforementioned funds in future periods.

**GREENFIELD TOWNSHIP
FAIRFIELD COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007
(Continued)**

**1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

FINDING NUMBER 2007-009

Material Non-Compliance

Compensatory Time

Resolution 2003-12-23-01(F) was approved by the Board of Trustees on December 23, 2003. This resolution allows employees the right to take overtime compensation in the form of compensatory time at a rate of one and a half times the actual time worked. The resolution also stipulates that employees may accumulate up to 480 hours of compensatory time; however, may only carry over 216 hours a year.

Upon review of Township timesheets and payroll registers, the following errors were noted to compensatory allocations between the pay periods March 26, 2005 and April 21, 2007 to the following employees:

Employee	Compensatory Hours		Over / (Under) Variance
	Total Accrued	Approved Per Time Sheets	
Chad Johnson	19.00	28.50	(9.50)
Jason Belleau	98.25	162.00	(63.75)
William Carr	495.00	681.75	(186.75)
Corey Linegar	6.00	9.00	(3.00)
John Schwinne	27.00	0.00	27.00
Dan Schultz	75.00	93.00	(18.00)

Note: Approved hours are based on the rate at time and a half.

The errors were the mainly the result of computing compensatory hours by the hour rather than at the rate of time and half in accordance with the resolution. Additionally, the Township has not established procedures to ensure compensatory hours were completely and accurately posted into employees' leave records.

The lack of reviewing employee leave records for accuracy and completeness could allow for excessive reimbursements and increased costs for the Township.

We recommend that employee leave records are adjusted accordingly. We also recommend that procedures be developed to ensure that compensatory hours are reviewed for accuracy and completeness. Such procedures should become a routine part of the internal control process for the Township.

Official's Response:

The payroll company did not understand that compensatory hours were supposed to be computed at the rate of time and a half in accordance with Township policies.

**GREENFIELD TOWNSHIP
FAIRFIELD COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007
(Continued)**

**1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

FINDING NUMBER 2007-010

Significant Deficiency

Monitoring Payroll Processing Controls

The Township delegated its payroll processing, which is a significant accounting function, to a third-party administrator. The Township Fiscal Officer and the Fire Chief's assistant are responsible for providing payroll reports to the third-party administrator each pay period.

The Township Fiscal Officer does not monitor the payroll reports, and compare them to internal records, when they are received back from the third-party administrator to ensure the proper amounts were being paid.

Monitoring of these reports is an effective way of ensuring the proper amount of pay is being paid to the Township employees. Failure to monitor these reports, and to compare them to internal documents, could, and did, lead to the misappropriations of assets. See Findings Numbers 2007-001 through 2007-007.

We recommend that the Township Fiscal Officer reconcile the payroll reports received back from the third-party administrator to the time sheets of employees to ensure that the proper amounts are being paid. The review should be documented on each report to show the review was performed.

Official's Response:

Upon notification, we have implemented procedures to prevent any future discrepancies. We now require the payroll service organization to provide us with a Type II SAS 70 Report. In addition, individual payroll time sheets are compiled and approved by the department heads. The Assistant Fiscal Officer verifies that there are no errors. Once payroll is received back from the payroll company, the Assistant Fiscal Officer verifies the payroll register matches the time sheets for accuracy.

**GREENFIELD TOWNSHIP
FAIRFIELD COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2007**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2006-001	Finding for recovery (FFR) of \$620.28 for over compensation of wages.	No	Finding 2007-001 issued for the 2007 overpayment in the amount of \$540.96.
2006-002	FFR of \$743.83 for over compensation of wages.	No	Finding 2007-002 issued for the 2007 overpayment in the amount of \$185.44.
2006-003	FFR of \$484.57 for over compensation of wages.	No	Finding No Longer Valid.
2006-004	FFR of \$156.44 for over compensation of wages.	No	Finding 2007-003 issued for the 2007 overpayment in the amount of \$156.16.
2006-005	FFR of \$1,015.00 for over compensation of wages.	No	Finding 2007-004 issued for the 2007 overpayment in the amount of \$669.90.
2006-006	FFR of \$472.50 for over compensation of wages.	No	Finding 2007-005 issued for the 2007 overpayment in the amount of \$60.00.
2006-007	FFR of \$13,042.62 for over compensation of wages.	No	Finding 2007-006 issued for the 2007 overpayment in the amount of \$2,574.60.
2006-008	Interest allocation - ORC Sections 5705.10 and 135.21.	No	Repeated as finding 2007-008.
2006-009	To review the accuracy and completeness of employee compensatory hours and to ensure the compensatory time is being accrued as per Township policy	No	Repeated as finding 2007-009.
2006-010	To review third-party service organization reports to internal records to ensure the employees are being paid the proper amount.	No	Repeated as finding 2007-010.



Mary Taylor, CPA
Auditor of State

GREENFIELD TOWNSHIP

FAIRFIELD COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
APRIL 7, 2009**