



Dave Yost • Auditor of State



**GREEN TOWNSHIP  
CLARK COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report .....	1
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2015 .....	5
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2014 .....	6
Notes to the Financial Statements .....	7
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	15
Schedule of Findings.....	17
Schedule of Prior Audit Findings (Prepared by Management).....	19

**This page intentionally left blank.**



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Green Township  
Clark County  
5467 Selma Pike  
Springfield, Ohio 45502

To the Board of Township Trustees:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of Green Township, Clark County, (the Township) as of and for the years ended December 31, 2015 and 2014.

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

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

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

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

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

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 of the financial statements, the Township prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Township does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2015 and 2014, or changes in financial position thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of Green Township, Clark County as of December 31, 2015 and 2014, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

***Emphasis of Matter***

As discussed in Note 10 to the financial statements, the January 1, 2014 fund balances were restated. We did not modify our opinion regarding this matter.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 1, 2017, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

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

**Dave Yost**  
Auditor of State  
Columbus, Ohio

February 1, 2017

**This page intentionally left blank.**



**GREEN TOWNSHIP  
CLARK COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<b>General</b>	<b>Special Revenue</b>	<b>Permanent</b>	<b>Totals (Memorandum Only)</b>
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$12,722	\$396,392		\$409,114
Charges for Services		44,168		44,168
Licenses, Permits and Fees		2,775		2,775
Intergovernmental	22,050	211,511		233,561
Earnings on Investments	572	76	\$4	652
Miscellaneous		20,690		20,690
<i>Total Cash Receipts</i>	<u>35,344</u>	<u>675,612</u>	<u>4</u>	<u>710,960</u>
<b>Cash Disbursements</b>				
Current:				
General Government	51,337			51,337
Public Safety		292,506		292,506
Public Works		263,294		263,294
Health	5,283	2,121		7,404
Debt Service:				
Principal Retirement		51,820		51,820
Interest and Fiscal Charges		11,901		11,901
<i>Total Cash Disbursements</i>	<u>56,620</u>	<u>621,642</u>	<u>4</u>	<u>678,262</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(21,276)</u>	<u>53,970</u>	<u>4</u>	<u>32,698</u>
<b>Other Financing Receipts (Disbursements)</b>				
Sale of Capital Assets	7,934			7,934
<i>Total Other Financing Receipts (Disbursements)</i>	<u>7,934</u>			<u>7,934</u>
<i>Net Change in Fund Cash Balances</i>	<u>(13,342)</u>	<u>53,970</u>	<u>4</u>	<u>40,632</u>
<i>Fund Cash Balances, January 1</i>	<u>153,047</u>	<u>617,948</u>	<u>3,368</u>	<u>774,363</u>
<b>Fund Cash Balances, December 31</b>				
Nonspendable			3,300	3,300
Restricted		671,918	72	671,990
Unassigned	139,705			139,705
<i>Fund Cash Balances, December 31</i>	<u>\$139,705</u>	<u>\$671,918</u>	<u>\$3,372</u>	<u>\$814,995</u>

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

**GREEN TOWNSHIP  
CLARK COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<b>General</b>	<b>Special Revenue</b>	<b>Permanent</b>	<b>Totals (Memorandum Only)</b>
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$12,795	\$312,105		\$324,900
Charges for Services		43,351		43,351
Licenses, Permits and Fees		2,875		2,875
Intergovernmental	65,044	323,856		388,900
Earnings on Investments	572	74	\$1	647
Miscellaneous		6,552		6,552
<i>Total Cash Receipts</i>	<u>78,411</u>	<u>688,813</u>	<u>1</u>	<u>767,225</u>
<b>Cash Disbursements</b>				
Current:				
General Government	60,354			60,354
Public Safety		327,975		327,975
Public Works	73	226,833		226,906
Health	3,323	1,500		4,823
Capital Outlay		322,688		322,688
Debt Service:				
Principal Retirement		32,000		32,000
Interest and Fiscal Charges		7,448		7,448
<i>Total Cash Disbursements</i>	<u>63,750</u>	<u>918,444</u>	<u></u>	<u>982,194</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>14,661</u>	<u>(229,631)</u>	<u>1</u>	<u>(214,969)</u>
<b>Other Financing Receipts (Disbursements)</b>				
Other Debt Proceeds		200,000		200,000
Other Financing Sources	158	1,234		1,392
Other Financing Uses	(266)			(266)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(108)</u>	<u>201,234</u>	<u></u>	<u>201,126</u>
<i>Net Change in Fund Cash Balances</i>	14,553	(28,397)	1	(13,843)
<i>Fund Cash Balances, January 1, Restated</i>	<u>138,494</u>	<u>646,345</u>	<u>\$3,367</u>	<u>788,206</u>
<b>Fund Cash Balances, December 31</b>				
Nonspendable			3,300	3,300
Restricted		617,948	68	618,016
Assigned	46,823			46,823
Unassigned	106,224			106,224
<i>Fund Cash Balances, December 31</i>	<u>\$153,047</u>	<u>\$617,948</u>	<u>\$3,368</u>	<u>\$774,363</u>

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

**GREEN TOWNSHIP  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

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

The Township participates in one joint venture and a public entity risk pool. Notes 7 and 8 to the financial statements provides additional information for these entities. These organizations are:

**Public Entity Risk Pool:**

The Township participates in the Ohio Plan Risk Management, Inc. (OPRM), a risk-sharing pool available to Ohio local governments. OPRM provides property and casualty coverage for its members.

**Joint Ventures:**

The Township and Mad River Township united in 2002 to provide firefighting services to those areas of Green and Mad River Townships formally served by Husted Fire and EMS.

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

**B. Accounting Basis**

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

**C. Deposits and Investments**

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

**D. Fund Accounting**

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

**GREEN TOWNSHIP  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**1. General Fund**

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

**2. Special Revenue Funds**

These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

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

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

**Fire District I Fund** - This fund receives property tax money for operation and maintenance of a Township fire department.

**Fire District II Fund** - This fund receives property tax money for operation and maintenance of a Township fire department.

**Emergency Medical Services Fund** - This fund receives property tax money and charges for services money to provide emergency medical services.

**Fire and Rescue Ambulance Emergency Medical Services Fund** - This fund receives property tax money and other revenue for operations and maintenance of the joint fire house.

**3. Permanent Fund**

These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Township had the following significant permanent fund:

**Cemetery Endowment Fund** - This fund receives interest earned on the nonexpendable corpus from a trust agreement. These earnings are used for the general maintenance and upkeep of the Township's cemetery.

**E. Budgetary Process**

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

**1. Appropriations**

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

**GREEN TOWNSHIP  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**2. Estimated Resources**

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

**3. Encumbrances**

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

A summary of 2015 and 2014 budgetary activity appears in Note 3.

**F. Fund Balance**

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

**1. Nonspendable**

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

**2. Restricted**

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

**3. Committed**

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

**4. Assigned**

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

**GREEN TOWNSHIP  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**5. Unassigned**

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

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

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

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

**H. Accumulated Leave**

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

**2. EQUITY IN POOLED DEPOSITS**

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

	<b>2015</b>	<b>2014</b>
Demand deposits	\$814,995	\$774,363

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Township.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2015 and 2014 follows:

<b>2015 Budgeted vs. Actual Receipts</b>			
<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$34,598	\$43,278	\$8,680
Special Revenue	706,575	675,612	(30,963)
Permanent	2	4	2
Total	\$741,175	\$718,894	(\$22,281)

**GREEN TOWNSHIP  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

<b>2015 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$81,421	\$57,541	\$23,880
Special Revenue	918,590	642,207	276,383
Permanent	0	0	0
Total	<u>\$1,000,011</u>	<u>\$699,748</u>	<u>\$300,263</u>

<b>2014 Budgeted vs. Actual Receipts</b>			
<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$32,917	\$78,569	\$45,652
Special Revenue	810,156	890,047	79,891
Permanent	0	1	1
Total	<u>\$843,073</u>	<u>\$968,617</u>	<u>\$125,544</u>

<b>2014 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$79,813	\$64,671	\$15,142
Special Revenue	1,187,565	939,009	248,556
Permanent	0	0	0
Total	<u>\$1,267,378</u>	<u>\$1,003,680</u>	<u>\$263,698</u>

**4. PROPERTY TAX**

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

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

**GREEN TOWNSHIP  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014  
(Continued)**

**5. DEBT**

Debt outstanding at December 31, 2015 was as follows:

	<b>Principal</b>	<b>Interest Rate</b>
Bond Anticipation Note	\$176,473	2.34%
Tanker Loan	189,859	3.29%
Total	<b>\$366,332</b>	

The Township issued \$500,000 in bond anticipation notes in October 2004 to finance the construction of a new Emergency Services building. The notes will be paid in yearly installments at a varying interest rate over a 20 year period and mature in October 2024. The interest rate was 3.85% through November 2009. The rate changed to 3.03% starting December 2009. The rate changed to 2.34% in October 2014.

The Township also entered into a loan agreement in July 2014 to finance the purchase of a new Tanker truck to be used for fire services in the Township. The note will be paid in annual installments at a rate of 3.29% over a 10 year period and mature in July 2024.

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

<b>Year ending December 31:</b>	<b>Bond</b>	
	<b>Anticipation Note</b>	<b>Tanker Loan</b>
2016	\$21,971	\$24,022
2017	21,971	24,022
2018	21,971	24,022
2019	21,971	24,022
2020	21,971	24,022
2021-2025	87,886	95,891
Total	<b>\$197,741</b>	<b>\$216,001</b>

**6. RETIREMENT SYSTEMS**

The Township's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2014 and 2015, OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2015.



**GREEN TOWNSHIP  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014  
(Continued)**

**7. RISK MANAGEMENT**

The Township belongs to the Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Government Risk Management Plan, (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2012 (and through October 2014) the plan increased its retention to 50% of the first \$250,000 casualty treaty. Effective November 1, 2014, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 772 and 783 members as of December 31, 2015 and 2014 respectively.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2015 and 2014 (the latest information available).

	<b>2015</b>	<b>2014</b>
Assets	\$ 14,643,667	\$ 14,830,185
Liabilities	(9,112,030)	(8,942,504)
Members' Equity	<u>\$ 5,531,637</u>	<u>\$ 5,887,681</u>

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

**8. JOINT VENTURES**

Based on an agreement, written by the Clark County Prosecutor's Office, signed and dated on December 5, 2001, by the Green and Mad River Township Trustees, the Townships entered into a joint agreement to mutually share all expenses for the operation of Hustead Fire and EMS Departments.

**GREEN TOWNSHIP  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014  
(Continued)**

**8. JOINT VENTURES (Continued)**

Said agreement was based on Ohio Revised Code Section 505.37(B) which authorized board of township trustees to unite in the joint purchase, maintenance, use, and operation of fire-fighting and emergency medical services equipment. The agreement state in part that the funding for the operation of the two departments shall be appropriated equally between the two Townships.

**9. SUBSEQUENT EVENT**

In October 2016, the Township entered into a debt agreement for the purchase of a new fire truck and equipment.

**10. PRIOR PERIOD ADJUSTMENT**

As a result of audit adjustments for unrecorded reconciling items from previous audit periods, the following adjustments were made to restate January 1, 2014 fund balances:

	<u>General</u>	<u>Permanent</u>
December 31, 2013 Fund Balance	\$145,212	\$3,307
Adjustment	(6,718)	60
December 31, 2013 Fund Balance, Restated	<u>\$138,494</u>	<u>\$3,367</u>



# Dave Yost • Auditor of State

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

Green Township  
Clark County  
5467 Selma Pike  
Springfield, Ohio 45502

To the Board of Township Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of Green Township, Clark County, (the Township) as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, and have issued our report thereon dated February 1, 2017, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permit. We also noted the January 1, 2014 fund balances were restated.

### ***Internal Control Over Financial Reporting***

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Township's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider Finding Number 2015-001 to be a material weakness.

***Compliance and Other Matters***

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Entity's Response to Findings***

The Township's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Township's response and, accordingly, we express no opinion on it.

***Purpose of this Report***

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



**Dave Yost**  
Auditor of State  
Columbus, Ohio

February 1, 2017

**GREEN TOWNSHIP  
CLARK COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2015 AND 2014**

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

**FINDING NUMBER 2015-001**

**Material Weakness – Financial Statement Misstatements/Monitoring of Financial Activity**

The Township prepared its 2015 and 2014 financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America. The following errors noted in the Township's financial statements were determined to be qualitatively or quantitatively material and required audit adjustments to properly present the Township's financial activity:

- The Township recorded intergovernmental receipts relating to Homestead and Rollback reimbursements, which come from the State, as property tax receipts, in the amounts of \$957 and \$1,914 in the General Fund and \$29,865 and \$59,623 in the Special Revenue Funds in 2015 and 2014, respectively. Additionally, in 2015, the Township recorded \$708 as property tax receipts in the Special Revenue Funds instead of charges for services.
- In 2014, the Township erroneously double recorded the February 2014 Homestead and Rollback reimbursements as property tax receipts. The Township corrected this error in its accounting system in 2015 through fund balance adjustments; however, 2014 property tax receipts were overstated by \$940 in the General Fund and \$29,278 in the Special Revenue Funds.
- In 2014, the Township recorded \$200,000 related to proceeds from a loan entered into as miscellaneous receipts instead of other debt proceeds.
- As discussed in **Governmental Accounting Standards Board (GASB) Statement No. 54 par. 16** (GASB codification 1800.176) see **Auditor of State Bulletin 2011-004** for further discussion, when the appropriation measure is adopted for the subsequent year, and those appropriations exceed estimated receipts, the excess is to be assigned as it uses existing fund balance at year-end. This would be applicable only to the General Fund as it is the only fund with a positive unassigned fund balance. The Township failed to properly classify the amount by which appropriations exceeded estimated receipts for the subsequent fiscal year in the amount of \$46,823 for 2014. These amounts should have been classified as assigned fund balance rather than unassigned fund balance in the General Fund.
- Additionally, as discussed in **GASB 54 par. 8** (GASB codification 1800.168) see **Auditor of State Bulletin 2011-004** for further discussion, the restricted classification is used when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments (i.e., State Statutes); or (b) imposed by law through constitutional provisions (City Charter) or enabling legislation. Townships operate solely within State statute, and Ohio Rev. Code Section 5705.10(H), states: "Money paid into any fund shall be used only for the purposes for which such fund is established." Because these constraints are externally imposed, all Special Revenue fund balances should be classified as restricted fund balance. The Township incorrectly classified its year-end fund balances in its Special Revenue funds as assigned fund balance instead of restricted fund balance in the amounts of \$671,918 and \$617,948 in 2015 and 2014, respectively.
- As a result of errors in the bank reconciliations from a previous audit period, the January 1, 2014 fund balances were overstated by \$6,718 in the General Fund and understated by \$60 in the Permanent Fund. These balances have been adjusted.

**FINDING NUMBER 2015-001  
(Continued)**

The following errors noted were determined to not be material and were not adjusted on the accompanying financial statements:

- In 2014, the Township recorded reimbursements from the Ohio Bureau of Workers' Compensation as intergovernmental receipts instead of miscellaneous receipts in the amounts of \$523 in the General Fund and \$1,555 in the Special Revenue Funds.

Additionally, the constitution and laws of the State of Ohio establish the Township Trustees' powers to govern the Township. The most significant power and responsibility the Trustees can exercise is to monitor the Township's financial activity. The Trustees need timely financial information provided by the Fiscal Officer to review and analyze so that it can make sound financial decisions for the benefit of the Township.

The Township's minutes did not indicate the Trustees had been provided with any financial reports other than a list of bills to be paid each month. Beginning in April 2015, the Trustees began to receive copies of monthly bank reconciliations, receipt and disbursement reports, fund status reports, or budget vs. actual reports to review on a monthly basis. The Trustees signed off on these reports; however, there was no formal documentation in the minutes record that these reports were reviewed and approved.

The Township should develop and implement procedures to verify accurate record keeping of all its activities. Failure to maintain complete accountability of public monies could increase the possibility of funds being altered, impaired, lost or stolen. Independent detailed reviews should be performed of these records as means of providing for their accuracy. Additionally, the Township should implement procedures to document the Township Trustees' monitoring of monthly financial position by documenting review and approval of the reports and information as noted above in the record of proceedings.

**Official's Response:**

We did not receive a response from Township officials to this finding.

**GREEN TOWNSHIP  
CLARK COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2015 AND 2014**

Finding Number	Finding Summary	Status	Additional Information
2013-001	Material Noncompliance – Elected Official Salary Allocation	Fully Corrected	
2013-002	Material Noncompliance – Proper Encumbering of Disbursements	Partially Corrected – Repeated as a Management Letter Comment	The Township will take steps to make sure disbursements plus encumbrances will not exceed appropriations.
2013-003	Material Noncompliance – Appropriations Exceeding Disbursements	Fully Corrected	
2013-004	Material Weakness – Financial Statement Misstatements	Repeated as Finding 2015-001	The Township will take steps to make sure items are posted to the correct line items.
2013-005	Material Weakness – Bank Reconciliations	Partially Corrected – Repeated as a Management Letter Comment	The Township rectified this matter in 2015.

**This page intentionally left blank.**





# Dave Yost • Auditor of State

**GREEN TOWNSHIP**

**CLARK 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  
MARCH 16, 2017**